



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

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

(11-13 March 2014, ITCILO, Turin, Italy)

II.	ADOPTION OF THE AGENDA	3
III.	VENDOR ELIGIBILITY PROJECT	4
IV.	PROFESSIONAL DEVELOPMENT WORKING GROUP.....	5
V.	CREATING A STRATEGIC VENDOR MANAGEMENT WORKING GROUP	7
VI.	SUSTAINABLE PROCURMENT WORKING GROUP	8
VII.	COLLABORATIVE PROCUREMENT OF VEHICLES PROJECT.....	8
VIII.	HARMONISATION PROJECT, PHASE II.....	10
IX.	UN GLOBAL MARKETPLACE (UNGM)	13
X.	SHOW & TELL: CGIAR CONSORTIUM OF INTERNATIONAL AGRICULTURE RESEARCH CENTERS	15
XI.	SHOW & TELL: INTEGRATING AN ERP (UMOJA) WITH THE UN GLOBAL MARKETPLACE (UNGM)	16
XII.	SHOW & TELL: CATEGORY SOURCING STRATEGY	17
XIII.	SHOW & TELL: CLOUD COMPUTING	17
XIV.	SHOW AND TELL: UNFPA SUPPLIER WORKSHOP	19
XV.	SHOW AND TELL: CORPORATE PROCUREMENT – REFORM & BEST PRACTICE	20
XVI.	HLCM/CEB SECRETARIAT BRIEFING.....	21
XVII.	VICE-CHAIRPERSON ELECTION.....	22
XVIII.	FINALISATION OF OUTSTANDING DECISION ITEMS	22
XXI.	VENUES FOR FUTURE SESSIONS, MEETING WRAP-UP & CLOSE	22

I. INTRODUCTION AND BACKGROUND

1. The 15th session of the High Level Committee on Management’s Procurement Network (HLCM PN) was hosted by the International Training Centre of the ILO (ITCILO) in Turin on

11-13 March 2014, under the Chairmanship of Mr. Dietmar Plesse (Head, Procurement Division, ITU) with the support of the Vice-Chairperson, Mr. Dominic Grace (Director, Procurement Support Office, UNDP). The incumbents of these two positions form the Management Board of the HLCM PN.

2. The meeting was attended by 33 colleagues representing 24 of the 34 Organisations registered as members of the HLCM PN. A list of participants is provided in [Annex 1](#).
3. The meeting followed the format of three working days with closed meetings and discussions for Network members around an agreed agenda. There were separate sessions held for the Harmonisation Working Group and the new Strategic Vendor Management Working Group in the afternoon of the first day, and for the UNGM Steering Committee after the close of the meeting on the second day.
4. The registration was done online using a cost-effective, internet-based facility. Paper copies of documentation were limited to a minimum and available session documentation was shared via the PN Workspace on <https://transition.ungm.org>.
5. On behalf of the Directorate of the ITCILO, Mr. George Jadoun, welcomed the HLCM PN members to Turin. He provided some brief historical information about the city followed by an overview of the activities of the Training Centre. The ITCILO's Master in Public Procurement Management for Sustainable Development was highlighted in particular as it seeks to professionalise the procurement function and is highly recognised in academic circles. Mr. Jadoun said that he is proud to have been part of the HLCM PN (formerly IAPWG) since 1993 and wished the membership well with pursuing its agenda.
6. The Chairperson thanked long-standing member, Mr. Jadoun, and the ITCILO for hosting the meeting. He then went on to encourage the HLCM PN to reaffirm its commitment to the activities of the Network. With the funding provided by the Harmonisation of Business Practices Steering Committee (HBP SC), the Network has been able to make remarkable achievements, and it is important to continue to deliver tangible results. To do so the Network needs to become more efficient and its structure more streamlined. Furthermore, when considering future meeting venues, the membership should make choices that minimise travel costs and carbon emissions. The Chair used two slides (see [Annex 2](#)) to illustrate attendance at previous meetings, which clearly demonstrated that there is greater attendance when meetings are held at HQ duty stations. The Chair concluded his opening stressing the need to change with a quote from the former Soviet leader, Mikhail Gorbachev, "Those who are late will be punished by life itself", and he wished the PN a fruitful meeting.
7. The Vice-Chairperson provided some humorous information about Italy that revolved around the themes of driving style, food, soccer and love.
8. This was followed by a round of introductions by all participants ([see Annex 1](#)).

II. ADOPTION OF THE AGENDA

9. The Agenda ([Annex 3](#)) 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

[Annex 2](#): PN Chair, Opening - Meeting Attendance

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

[Annex 3](#): Summarised Agenda

iii. ***Vendor Eligibility Project***

[Annex 4](#): Presentation ‘Vendor Eligibility Project Implementation – Progress to Date’

iv. ***Working Group on Professional Development***

[Annex 5](#): Presentation ‘Professional Development Working Group’

[Annex 6](#): Table ‘Recommended Procurement Training Courses 2014’

[Annex 7](#): Document ‘Costing Model for Access to CIPS Knowledge’

v. ***Creating a Strategic Vendor Management Working Group***

[Annex 8](#): Presentation ‘Creating a Strategic Vendor Management Working Group’

[Annex 9](#): Document ‘TOR Strategic Vendor Management Working Group’

vi. ***Sustainable Procurement Working Group***

vii. ***Collaborative Procurement of Vehicles Project***

[Annex 10](#): Presentation ‘Collaborative Vehicle Procurement Study – Phase II, Progress Report’

viii. ***Harmonisation Project, Phase II***

[Annex 11](#): Presentation ‘Phase II Harmonisation Project’

[Annex 12](#): Document ‘Harmonized Practices on Sharing Long Term Agreements (LTA) Among UN Agencies’

[Annex 13](#): Presentation ‘Harmonized Practices on Sharing Long Term Agreements (LTA) Among UN Agencies’

[Annex 14](#): Presentation ‘Monitoring and Evaluation Framework on Procurement Collaboration at UN Global Duty Stations’

[Annex 15](#): Presentation ‘UN Collaborative Procurement Log’

ix. ***UN Global Marketplace (UNGM)***

[Annex 16](#): Document ‘UNGM Finance Post Factum Review’

[Annex 17](#): Presentation ‘The New UNGM’

x. ***Show & Tell: CGIAR Consortium of International Agriculture Research Centers***

[Annex 18](#): Presentation ‘CGIAR Consortium of International Agriculture Research Centers’

¹ All documents concerning the session and related presentations can be obtained from the HLCM PN Secretariat at kerry.kassow@undp.org or by accessing the PN Workspace on <https://transition.ungm.org/>

- xi. ***Show & Tell: Integrating an ERP (Umoja) with the UN Global Marketplace***
[Annex 19](#): Presentation, ‘Integrating an ERP (Umoja) with the UN Global Marketplace’
- xii. ***Show & Tell: IMF - Category Sourcing Strategy***
[Annex 20](#): Presentation ‘Category Sourcing Strategy’
- xiii. ***Show & Tell: Cloud Computing***
[Annex 21](#): Presentation ‘Public Cloud Computing’
[Annex 22](#): Presentation ‘Microsoft Agreements’
- xiv. ***Show and Tell: UNFPA Supplier Workshop***
[Annex 23](#): Presentation ‘UNFPA Supplier Workshop’
- xv. ***Show and Tell: World Bank Corporate Procurement – Reform & Best Practice***
[Annex 24](#): Presentation ‘World Bank Corporate Procurement – Reform & Best Practice’
- xvi. ***HLCM/CEB Secretariat Briefing***
- xvii. ***Vice-Chairperson Election***
- xviii. ***Finalisation of Outstanding Decision Items***
[Annex 25](#): Document ‘UNGM 2.0 - New Strategic Enhancements’
[Annex 26](#): Document ‘Concept Paper - Joint UN Programme for Greening Procurement in the Health Sector’
- xix. ***Venues for Future Sessions, Meeting Wrap-Up and Close***

III. VENDOR ELIGIBILITY PROJECT

- 10. This topic was co-presented by the Vice-Chairperson, Mr. Dominic Grace (UNDP) and Ms. Regina Gambino (FAO). The full presentation can be found in [Annex 4](#).
- 11. In February 2014 UNDP carried out a follow-up (ongoing) high-level survey to assess the implementation status of the Model Policy Framework (MPF) amongst PN members. A total of 21 organisations responded. The findings confirm that the membership is moving slowly towards implementation, and that most implementation processes are being handled by Senior Management as well as the Legal divisions/offices. Organisations (5) that have adopted the MPF cite the allocation of resources, the sharing of lessons learned, and support from Senior Management as the key contributing factors. Organisations that have yet to adopt (a significant majority) cite the lack of resources as the most significant constraint for implementation.
- 12. The presentation of the survey results was followed by a presentation of the (6-week) process FAO recently underwent to implement the MPF, which included some valuable lessons learned. The biggest lesson learned being that if you don’t have a dedicated resource to work on the implementation it will be more difficult to move it forward.
- 13. Finally UNDP presented a case regarding a suspicious vendor operating in Afghanistan where the MPF could be applied and indeed proved to be invaluable to have in place.

PN Comments

14. Since FAO is still trying to identify potential members for its Vendor Review Committee (VRC), UNOPS informed that in its experience the burden of work for members should not be too great. Now that it has implemented the MPF, has its committee in place and cleared its backlog, UNOPS does not expect to have to handle more than 2-3 cases a year.
15. Several members found the briefing session provided by UNDP in New York in May 2013 extremely beneficial. UNDP stated that it would be happy to provide another similar workshop if there is interest.
16. Both UNOPS and UNICEF support public notification of sanctioned vendors. The latter, however, is getting push-back on this from its Legal office.
17. UNHCR enquired about how to deal with pressure from donors to adhere to and share their lists of sanctioned vendors. To which UNDP agreed was a politically delicate matter, however, recommended avoiding it if possible.
18. WHO finds the lack of information available on the reasons for a vendor being sanctioned sometimes puts it in a difficult position when questioned. To address this UNDP suggested that for contracts above a certain value, briefing sessions could perhaps be called for.
19. UNOPS provided an update on how the Ineligibility Module works in the UNGM: Each Agency's Ineligibility List Administrator (ILA - usually the secretary of the VRC) records the decision of the Board in the UNGM. If the vendor is not registered in the UNGM, the ILA can enter the vendor into the system. A global list is available in the UNGM of vendors sanctioned by the UN as well as the World Bank's list of ineligible vendors and the 1267 list.

IV. PROFESSIONAL DEVELOPMENT WORKING GROUP

20. This session was presented by the Professional Development Working Group (PD WG) Chair, Mr. Torben Soll (UNDP). The full presentation can be found in [Annex 5](#).
21. The presentation included an update on the Sub-Working Groups on Job Descriptions and Training as well as an update on the UNDP/CIPS Procurement Certification Programme. An updated overview of the Recommended Procurement Training Courses can be found in [Annex 6](#).
22. The remainder of the presentation focused on the below two decision items.

(i) Access to 'CIPS Knowledge'

23. CIPS maintains and provides access to a comprehensive online knowledge resource portal called 'CIPS Knowledge', offering up-to-date and cutting-edge access to good procurement practices and knowledge resources. The PD WG has negotiated access to 'CIPS Knowledge' through a shared one-subscription facility accessible to all UN System staff through a purpose built, and password protected link directly from the UNGM website, at a total annual cost of USD 50,000 (equivalent to USD 10 per UN user). The price would be fixed for a 3 year period.

PN Comments

24. Several Agencies expressed their support for access to the ‘CIPS Knowledge’ portal, some of which suggested, however, having a trial period of one year.
25. In terms of the cost-sharing model, there was general consensus that it should be similar to the model used for sharing the PN Secretariat operational costs, and should be separate to the UNGM membership fee.
26. The PN endorsed the the proposal from CIPS to provide UN System staff access to the ‘CIPS Knowledge’ portal through a one-subscription link created in the UNGM on the conditions that (i) the contract can be terminated on an annual basis, (ii) the usage of the link to the portal will be monitored on the UNGM, and (iii) the cost-sharing modality is similar to the one for the sharing of the PN Secretariat operational costs (see [Annex 7](#)).

(ii) Creation of a Knowledge Sharing Forum and Facility for UN Procurement Practitioners

27. Approximately 5000 UN System staff is estimated to be working with procurement and supply related tasks spread across the 60-70 different Programmes & Funds, Subsidiary Bodies, Functional & Regional Commissions, Specialised Agencies, Departments and Offices etc. of the UN System. However, a common facility to anchor, promote and support the development of the procurement and supply profession does not currently exist. This means that many good practices, approaches, pioneering knowledge, streamlined processes etc. are not shared in a systematic or transparent manner.
28. The PD WG therefore proposed that a funding request is submitted to the HBP SC for a 4-5 month consultancy for content and concept development of a knowledge sharing and discussion forum platform, which would preferably be hosted by the UNGM.

PN Comments

29. Further to a query from PAHO regarding how this initiative differs from the CIPS one, the WG Chair clarified that this initiative would be a complementary to ‘CIPS Knowledge’.
30. There were queries in terms of whether the forum would be moderated and how it would be maintained in the long-term, to which the WG Chair responded that this would be determined by the consultancy that would be put in place to develop the concept.
31. WFP informed that in its experience with such an initiative having a moderator is vital to success.
32. WIPO suggested that in order to avoid confusion by having multiple funding proposals, and since this initiative is linked to the UNGM, that it could be incorporated into the proposal that the UNGM SC has drafted concerning the UNGM version 2.0.
33. The PN endorsed the funding request to the HBP SC for consulting assistance for 4-5 months content and concept development of a knowledge sharing and discussion forum platform, and that the request being incorporated into the funding proposal for the UNGM 2.0.

V. CREATING A STRATEGIC VENDOR MANAGEMENT WORKING GROUP

34. The topic was prepared by the PN Management Board. The full presentation and the draft TOR for the Working Group can be found in [Annex 8](#) & [Annex 9](#) respectively.
35. In two subsequent meetings (February and September 2013) the HLCM PN discussed reorganising the various activities related to vendor management under the umbrella of a Strategic Vendor Management Working Group.
36. Merging activities under one Working Group would result in:
 - better coordination of activities in the area of vendor management
 - long term vision and strategic approach in managing relationships with vendors
 - better use of the Agencies' scarce human and financial resources
 - better coordination with UN Global Marketplace (UNGM) Steering Committee
37. It was proposed that the new Working Group would encompass the following existing groups:
 - Working Group on Vendor Management
 - UNGM Steering Committee
 - UNGM Vendor Registration Reform (VRR) Project
 - Working Group on Supplier Access
 - Vendor Eligibility Project

PN Comments

38. Although it recognised the need to streamline, the UN Secretariat was not supportive of the UNGM SC being part of the new WG since the UNGM has its own mandate, membership and budget and there is the risk that its agenda will become overloaded. In addition, the VRR having its own Steering Team should remain as a special project under the UNGM SC.
39. IFAD, WIPO and UNOPS shared the view of the UN Secretariat, but pointed out that the UNGM would still be a fundamental part in any vendor management strategy that is implemented, and members from the UNGM SC could play a very valuable role in the new WG.
40. IFAD added that, while the UNGM is the technical support solution, the new group should be the body that establishes the vision and foundation for the future. Its objectives should be the likes of exploring how useful partnerships can be established with the Chambers of Commerce, how knowledge can be shared efficiently, how vendor management activities can be further harmonised etc.
41. It was agreed that the UNGM Steering Committee and Vendor Registration Reform Project would not fall under the new Strategic Vendor Management Working Group. The PN Management Board will revise the draft TOR accordingly and present it for approval at the next PN meeting where the group thereafter will be constituted. In order to involve as many as possible in the exercise, the PN Chair requested PN members to nominate a focal point within their Organisations to support the finalisation of the TOR.

VI. SUSTAINABLE PROCUREMENT WORKING GROUP

42. This session was presented by Mr. Niels Ramm (UNOPS), Working Group Co-Chair, and Ms. Isabella Marras (UNEP) who was representing the other Co-Chair, Mr. Jacob Kurian (UNEP), at the meeting.
43. Over the years the Sustainable Procurement (SP) Working Group has been able to produce a number of products largely owing to UNEP funding. Outputs have included numerous guidance materials, the online SP training course, SP manual etc.
44. However, since resources are no longer available, it has become more difficult for the work of the group to continue and it needs to decide what the next steps should be.

PN Comments

45. The PN Chair enquired as to the status of the funding proposal submitted to the HBP SC the year before. UNEP explained that the proposal had been approved in principal but required certain revisions. The document is currently with WHO for review.
46. UNEP also informed about a project regarding facilities that will be presented to the HBP SC by UNEP. This project is not procurement related as such, but its green leasing content may constitute as a procurement activity.
47. ITCILO talked about the challenge the UN has in advancing and innovating within the area of SP because of the ambiguity that exists in its legal framework, in contrast to the EU which has made considerable advances in this area. Taking into consideration the constraints that exist, ITCILO is currently working with UNOPS and UNEP on developing a new course, and would welcome any discussion with the group on this.
48. It was agreed that the SP WG should convene to discuss and determine the future direction of the group.

VII. COLLABORATIVE PROCUREMENT OF VEHICLES PROJECT

49. The Coordinator of this HLCCM-funded project, Mr. Dominic Grace (UNDP), presented this session.
50. The presentation included a review of the project phases & deliverables as well as a progress report. Since the last PN meeting, vehicle specifications have been developed and finalised, and the Expression of Interest (EOI) posted, with a view to issuing the Request for Proposal (RFP) by June 2014, the closing date being in August 2014. The evaluation process is expected to take several months, and with the subsequent approval process, Contract Award(s) is not expected until April 2015. At this point Phase III of the project will kick in and implementation of the LTAs will take place etc.
51. The full presentation can be found in [Annex 10](#).

PN Comments

52. Since the project aims to approach the manufacturers with ‘one voice’, track data etc. UNOPS reminded that it is already in a position to support this via its Web Buy system, which operates on a cost-recovery basis. Regardless of the outcome of the project, UNOPS will maintain its LTAs, as it serves many clients outside of the UN System, and offers a wider range of vehicles than covered by the project. UNOPS urged the group to start exploring Phase III before the procurement part of Phase II has concluded. UNOPS recognises that Agencies may be reluctant to pay for Web Buy services, but on the other hand the Agencies cannot expect to put an LTA in place without any management mechanism to collect data, rebates etc. Ways to offset maintenance costs could be explored so that Web Buy services could be offered for free to UN Agencies.
53. UNOPS also pointed out that vendors will most likely continue to try and approach Agencies separately to do business and urged the group to find a way to deal with this and identify what the project has to offer vendors.
54. In response to a query by WHO, the Project Coordinator informed that until the new LTAs are in place, Agencies should carry on as normal i.e. there is no harm in establishing own LTAs if there is a need to do so, and then make the switch to the collaborative contracts when the time comes.
55. FAO informed that it may have difficulty in imposing the use of the LTAs on its field offices and is waiting for the results before it starts promoting it. In light of the challenges to date in gathering data, FAO pointed out that how Agencies are expected to report in the future needs to be addressed. Perhaps the level of granularity of UNSPSC should be agreed on so that there is standardisation of data being reported.
56. UNHCR commended the team on the progress made to date, and pointed out the importance of everyone being part of the project and managing to reach a comfort point. Only with collective investment and efforts will the project be successful.
57. The Project Coordinator underlined the importance of remaining positive and focused. The project has been making solid progress so far, and although there have been many sensitivities, the WG as a whole has been very supportive. In terms of what the project has to offer vendors, it may not have a huge amount to offer in terms of grand-scale volume, but being a vendor to the UN has much to offer in terms of image/marketing power. He agreed that vendors will continue to approach UN Agencies individually, but that can be addressed by Agencies standing firm on the ‘one UN’ mind-set. The Project Coordinator also agreed that there is a cost in putting contracts in place and the group needs to figure out how its going to implement and sustain the LTAs that will be established.
58. Finally, the Project Coordinator touched upon plans for a potential next project (after conclusion of the current one), which would focus on Fleet Management, driver training, GPS tracking, greening etc. where there is potential to achieve further substantial cost-savings and efficiencies.

VIII. HARMONISATION PROJECT, PHASE II

(i) Update on implementation of Phase II

59. The Project Leader, Ms. Sandy Tongxin (UNFPA), provided an update on the implementation of the HLCM-funded Harmonisation Project, Phase II, which encompassed an overview of the project, timelines and project team as well as an update on activities, expenditures, and the prospects for a Phase III. The full presentation can be found in [Annex 11](#).

PN Comments

60. PAHO and FAO voiced concerns about the activities of Phase II being too rushed and overstressing limited resources. There was admiration for the ambition and drive of the UNFPA Project Team, but members are finding it difficult to keep up with the volume of outputs. The Agencies highlighted that although the project is short-term, the results are long-term, therefore, it is important to get things right. It was suggested that quality should be the focus rather than quantity, and to focus on the deliverables.
61. FAO pointed out that a common procurement manual that was mentioned in the presentation was unlikely to be feasible and therefore should not be considered for Phase III of the project.
62. UNDP enquired as to how the Harmonisation WG is dealing with changing situations within Agencies e.g. UNDP is in the process of re-writing its procurement manual and re-designing its templates, in response to feedback from the field.
63. UNDP and UN/PD also questioned whether it is the right time to focus on the Training of Trainers (ToT) workshops. It is a huge undertaking and very resource-intensive, therefore, UN/PD suggested making online training available as an alternative.
64. The Project Leader thanked the members for the feedback. She explained that given the limited project cycle, the Project Team had mobilised additional resources from within UNFPA and tried to stay focused on the key deliverables required in the Project Document, which covered 'harmonisation', 'collaboration' and 'monitoring and evaluation' aspects of UN procurement reform. Regular bi-weekly meetings had been conducted to exchange with WG members on project progress. The ToT workshops were primarily targeting the Business Operations Strategy (BOS) duty stations, which require the workshops in order to support their collaboration activities. Online training is under development and will be piloted under Phase II, and can hopefully be rolled out in Phase III. With regards to changing situations, the Project Team is at this stage simply assessing the feasibility of harmonising documents – all current documents are being collected and assessed. The result will hopefully facilitate the next update an Agency has by making common templates available.
65. UNOPS informed that its procurement manual, which is currently being finalised, has been structured around the harmonised Table of Contents, and contains the PN-endorsed Glossary of Terms. UNOPS would be happy to provide a session on this process at the next PN meeting.
66. UNEP urged the group to incorporate a module on sustainable procurement in any online training that is developed, and would be willing to provide input for that.

67. UNDP suggested that given the overwhelming nature of Phase II of the project, it might be prudent to wait a little with progressing to Phase III.
68. The PN Chair added that unless the deliverables from Phase II are achieved, granting of funding for a Phase III would be unlikely. On the other hand it should be factored in that the approval process for proposals, and subsequent release of funds, can often take a long time. Much momentum was lost by this between Phases I and II of the project.

(ii) Harmonised Practices on Sharing Long Term Agreements (LTA) Among UN Agencies

69. The Project Leader presented the draft document ‘Harmonised Practices on Sharing Long Term Agreements (LTA) Among UN Agencies’ whose overall objective is to strengthen cooperation and streamline processes in relation to sharing and usage of Long Term Agreements (LTAs) across the UN system. The document can be found in [Annex 12](#) and the supporting presentation in [Annex 13](#).

PN Comments

70. There were general concerns as to whether the document had undergone any legal review yet, and several Agencies had concerns about the language and detail throughout it.
71. UN/PD already has a number of best practices in place regarding piggy-backing and would have issues complying with some of the paragraphs in the document.
72. Several Agencies would also have issues with automatically accepting the Terms & Conditions of the Lead Agency when piggy-backing.
73. UN/PD enquired as to whether the LTA document could be incorporated into the modalities for ‘Common UN Procurement at Field Level’, already developed under Phase I of the project, and at the same time address the issues raised at the last PN meeting during the session ‘Simplifying the Sharing of LTAs’.
74. UNICEF, and others, have a number of strategic LTAs which cannot be easily shared, and therefore had reservations about the provisions in the document.
75. UNICEF also expressed concerns about the feasibility of harmonising vendor performance criteria as it tends to differ very much from Organisation to Organisation. Others questioned whether this should be a priority right now.
76. The Project Leader explained that the document encouraged the acceptance of Lead Agency Terms & Conditions and the harmonisation of performance criteria, but these would not be mandatory for implementing the LTA guidelines.
77. The Project Leader also clarified that the intention is to incorporate the LTA guidelines, and the LTA Information Sheet, into the next revision of the modalities for ‘Common UN Procurement at the Country Level’.
78. UN/PD underlined that if the LTA guidelines are to be integrated into the modalities then this should be consistent with the language etc. of the existing document. Other issues such as

ceilings, volume discounts etc., raised during the discussion regarding the LTA Information Sheet at the last meeting, have not yet been addressed.

79. While it is evident that there is already much sharing of LTAs taking place between Organisations, there are many issues that need to be addressed on a policy level before the LTA document can be unanimously accepted. Therefore, it was agreed that a face-to-face meeting should take place between members of the WG, or those working with policy within their Organisations, to discuss and agree on all the issues that are currently contentious.

(iii) Monitoring and Evaluation Framework on Procurement Collaboration at UN Global Duty Stations

80. The Project Leader presented a monitoring and evaluation framework that has been developed to facilitate the follow-up actions and to record the results of implementation of procurement collaboration at key duty stations. An outline of the tools created under the framework as well as their application was presented. The full presentation can be found in [Annex 14](#).

PN Comments

81. The PN Chair encouraged WG members interested in this topic to provide their feedback to the Project Team in order that a finalised version of the tool can be presented to the PN for decision at its next meeting.

(iv) UN Collaborative Procurement Log

82. On behalf of the WG, Mr. Dominic Grace (UNDP) presented the ‘UN Collaborative Procurement Log’, which is part of the monitoring and evaluation framework, and a tool developed to help global duty stations register information and results of collaboration, and report to stakeholders, including donors, the scale and commercial gains of collaboration at all levels. The objectives, expected outcomes, data collection process and development stages of the log were presented. The full presentation can be found in [Annex 15](#).
83. The Project Leader provided a demo of the log, which has been developed on the Google Drive app.

PN Comments

84. Again, the PN Chair encouraged WG members to provide their feedback to the Project Team in order that a finalised version of the log can be presented to the PN for decision at its next meeting.

Conclusion

85. ILO praised the work of the Project Team, however, it is evident that there is a disconnect between the Team and the WG. This project is the biggest project of the PN and therefore the one with the highest visibility and expectations. ILO therefore urged the WG Chair to ensure

better cohesion between the Project Team and the WG, and for the PN Management Board to ensure that this takes place.

86. In his concluding remarks, the PN Chair reminded that documentation for decision items should be submitted at least 3 weeks prior to a PN meeting to allow adequate time for review and consultation.
87. It was agreed that a physical meeting of the Harmonisation WG will take place as soon as possible in order to work with and guide the Project Team in refining the outputs of the project.

IX. UN GLOBAL MARKETPLACE (UNGM)

88. This session was presented by the UNGM Steering Committee (SC) Chair, Mr. Giorgio Fraternali (WIPO) and the UNGM Team Lead, Mr. Niels Ramm (UNOPS).
89. There was a presentation of the highlights of the new UNGM, launched in November 2013 under the HLCM-funded UNGM Vendor Registration Reform (VRR) project. The highlights and the post-launch challenges of the VRR were presented. The Team Lead also provided a demo of a webcast that has been developed aimed at introducing the new UNGM features to UN users.
90. In addition, an overview of the expenditures and revenues for 2013 were shared, supported by the UNGM Finance Post Factum Review (see [Annex 16](#)).
91. With the successful outcome of the VRR, various UNGM member organisations have identified the need to add new strategic enhancements that will further boost the UNGM's value to the UN system and the international vendor community. The UNGM and the HLCM PN Memberships were asked to endorse a proposal for the further development of the UNGM (Version 2.0).
92. The full presentation can be found in [Annex 17](#).

PN Comments

93. UNRWA and UNHCR enquired about the feasibility of making the UNGM available in languages other than English, French and Spanish. According to the UNGM Team Lead, the system has the capability to do so, all that is required is a translator. The obstacle can be whether or not the UNSPSC is available in the language in question and this would have to be explored on a case by case basis.
94. The PN Chair, speaking on behalf of ITU, voiced concerns about the user-friendliness of the new system, and how the further maintenance of the expanded capabilities of the system would be funded in the long-term. ITU is not interested in continuing to expand the UNGM if it has to pay for it. Indeed it was hoping that the 5000 USD membership fee could at some point be phased out.
95. UNAIDS was also reticent about supporting the new proposal as it does not believe that all the enhancements are relevant to all the Agencies.

96. The UNGM SC Chair pointed out that the UNGM has made enormous achievements at very little cost to the membership. The main purpose of the UNGM is to serve the international business community and the system has come a long way in meeting those needs. He encouraged members to have vision and bear the potential of the system in mind.
97. The UNGM Team Lead added that the most important part post-launch is user feedback. If anyone has issues with the system the UNGM Team is committed to addressing those.
98. ILO commended UNOPS and the UNGM Team for achievements to date and was fully supportive of the proposal for the Version 2.0. ILO is going to be using the UNGM as its single roster as well as move towards In-Tend integration.
99. UNICEF was also supportive of the proposal and has full confidence in the UNGM Team's capability to fix any issues.
100. UNRWA supported the further development of the UNGM with the caveat that 'nice to have', local features are not prioritised for funding above other initiatives which have a global impact.
101. IFAD explained that the new proposal would enhance the Tender Alert Service and introduce a set of services targeted at the Chambers of Commerce for instance – both of which will increase revenue in the system, and should mean the UNGM will become fully self-financing and thus it may be possible to abolish the 5000 USD membership fee eventually. IFAD further informed that when drafting the proposal the most urgent and relevant enhancements were identified, i.e., supporting the Working Groups, integrating with ERPs, and connecting with Business Information Services. The urgency in submitting the proposal is based on the fact that the UNGM currently has an excellent development team and it would be a waste of resources to let staff leave and then have to re-recruit and train new people.
102. UNOPS supported the need for continuous development, and underlined the importance of continuing to invest and innovate in bringing the procurement and business communities together.
103. The UN Secretariat expressed full support for the proposal to further develop the UNGM.
104. It was agreed that the funding proposal should be refined further in order to be made acceptable to all members, and that the consultancy for content and concept development of a knowledge sharing and discussion forum platform would be incorporated into it. (See section XVIII for finalisation.)
105. On the final day of the meeting the revised text of the UNGM (Version 2.0) funding proposal (see [Annex 25](#)) was presented and endorsed by the plenary for submission to the HBP SC.

Expansion of the UNGM SC

106. There was a brief discussion about enlarging the UNGM SC membership from 5 to 7 to reflect the increased number of UNGM members and to extend the duration of the mandate from 2 to 4-5 years. It was also discussed that the distinction between whether members are from Specialised Agencies or Funds & Programmes/UN Secretariat be waived.

107. The UN Secretariat, UNRWA and IFAD were supportive of the above.
108. ILO was supportive of the UNGM SC membership enlargement, but would like to keep the current distinction between Specialized Agencies and Funds & Programmes/UN Secretariat.
109. The PN Chair expressed concerns about the proposal in that he believed enlarging the membership would decrease efficiency of the committee.
110. UNICEF informed that it had decided to withdraw its membership to the SC after 6 years of participation. It would like to see other Agencies to share the burden, and for the committee to remain small.
111. The PN Chair suggested that if the UNGM SC wishes to pursue the expansion proposal, it should draft an amendment to the UNGM Operating Modalities and submit it for decision at the next PN meeting.

X. SHOW & TELL: CGIAR CONSORTIUM OF INTERNATIONAL AGRICULTURE RESEARCH CENTERS

112. This session was presented by Ms. Enrica Porcari (CGIAR).
113. The CGIAR Consortium represents the interest of its 15 Member Centers, all international independent not-for-profit Organisations, and its members employ almost 10,000 staff operating from over 250 locations with an annual operating budget of approximately 1 billion USD. The CGIAR Fund, a multi-donor trust fund, finances CGIAR research. The CGIAR Fund is administered by the World Bank, as Trustee. CGIAR Consortium donors and partners include IFAD, the World Bank and FAO among many others.
114. As well as providing background information, the presentation included information on how by sharing functions and services the Consortium has been able to increase its complete advantage by more effectively leveraging the scale of the Members. To further build on its collective buying powers, CGIAR would be interested in investigating the opportunity of joining forces with the UN in areas of common interest.
115. The full presentation can be found in [Annex 18](#).

PN Comments

116. UNDP enquired as to whether CGIAR would foresee any issues in terms of collaborating with the UN given that it is a Charity Organisation. Ms. Porcari responded that the Consortium is not-for-profit rather than a charity and therefore is subject to the same privileges and immunities as other international Organisations.
117. Given CGIAR's interest in collaborating with the UN, IFAD invited the Consortium to also apply for UNGM membership.
118. The PN Chair thanked Ms. Porcari for the enlightening presentation, and while there is opportunity for collaboration between CGIAR and the UN, it would have to be explored how this should be organised.

XI. SHOW & TELL: INTEGRATING AN ERP (UMOJA) WITH THE UN GLOBAL MARKETPLACE (UNGM)

119. This session was presented by Mr. Ard Venema (UN/PD) and Mr. Niels Ramm (UNOPS).
120. In 2013 the UN Secretariat started the implementation of its new ERP system (referred to as 'Umoja'). As part of this implementation, an electronic interface with UNGM was established, which allows vendor data to be transferred from UNGM directly to Umoja. For the UN Secretariat, it is now required that all commercial vendors register with the UNGM first (and be synchronised with Umoja) in order to be considered for solicitations and potential contract award. During the presentation, details were shared about the implementation of Umoja, the interface between UNGM and Umoja (including a live demo), and some of the lessons learned.
121. The full presentation can be found in [Annex 19](#).

PN Comments

122. WIPO expressed its gratitude to the UN Secretariat for the investment it has made in this initiative, which has paved the way for other Organisations who intend to integrate their ERPs with the UNGM.
123. FAO enquired about how to deal with potential push-back from local offices to the centralisation of the supplier registration process, to which UN/PD responded that it had simply informed the missions that it was now mandatory.
124. UNOPS commended all concerned for the hard work that this project has involved, and remarked that it demonstrates that shared goals and collaboration can bring about excellent results.
125. UNDP had questioned whether vendors that do not have a contract would be in Umoja, how subsidiaries are dealt with, how sanctioned vendors have been dealt with, and whether other organisations can simply plug their ERPs into the UNGM now. UN/PD responded that in order to be part of a bidding exercise vendors are already in the SRM component of Umoja and once they are considered for contract award banking details are added. UN/PD is currently working with the UNGM team on how to deal with subsidiary structures. In terms of sanctioned vendors, when undergoing a cleansing exercise UN/PD discovered that POs had been placed with some sanctioned vendors and made efforts to annul these. In theory other Organisations can now integrate their ERPs with the UNGM. However, some minor adjustments would undoubtedly need to be made depending on the ERP.
126. UNHCR asked whether continuity has been considered as a possible issue in the long term. UN/PD explained that it is confident that the UNGM will continue to exist and has ongoing discussions with UNOPS to ensure reliability.
127. The PN Chair expressed appreciation for the very encouraging presentation, and suggested that more time be allocated to technical Show & Tell sessions such as this.

XII. SHOW & TELL: CATEGORY SOURCING STRATEGY

128. This topic was presented by Mr Jin Leong (IMF).
129. The presentation explained the benefits of having a category sourcing strategy, which the IMF has as part of a broader category management approach. How the IMF structures the category sourcing strategy was also explained. Examples of findings & actions arising from some of the strategies were provided.
130. The full presentation can be found in [Annex 20](#).

PN Comments

131. UNFPA enquired about the role of the category manager and the volume being managed. In response IMF informed that regarding IT, for example, there were 1½ people assigned to work on that category. The category managers are only responsible for establishing LTAs where the volume is above 50,000 USD. All purchases below that are undertaken by a transactional team.
132. IFAD informed that it intends to start a similar initiative with insurance where it currently lacks competition. It sees this as an excellent opportunity to cooperate with other Agencies and hopes to consolidate its needs with FAO and WFP.
133. ITCILO enquired as to whether IMF only uses official data and statistics in its work or whether it also uses non-Governmental statistics. IMF responded that it purchases a large volume of privately derived statistics, and this is a category that it intends to examine more closely.
134. The PN Chair thanked IMF for the interesting insight into this area of work.

XIII. SHOW & TELL: CLOUD COMPUTING

(i) Public Cloud Computing

135. This part of this session was co-presenting by Mr. Dominic Grace (UNDP).
136. The presentation described public cloud computing and outlined the benefits of it. There are 2 key public cloud computing providers, namely, Microsoft and Google, who offer similar functionality but with very different delivery. UN Agencies first met to discuss the topic in January 2013, which resulted in 13 Agencies joining an RFP exercise, led by UNDP. An LTA has now been established for standard public cloud services – Microsoft Office 365 and Google Apps for Business – and will be rolled out over the course of 2014. Significant savings are expected to be realised from this initiative – estimated savings (annual cost per user) will be up to 60%, depending on the product being used.
137. The full presentation can be found in [Annex 21](#).

PN Comments

138. CGIAR informed that it is in the process of rolling out Microsoft Office 365 and, although many changes need to take place at the back-end, the experience for the users should be seamless.
139. The World Bank informed that it recently signed an agreement with Microsoft for Office 365 and is using Microsoft to implement it. It also queried whether UNDP had considered Amazon as a provider. UNDP said it had not, but would not rule it out for the future.
140. UN Women informed that it has just switched to the cloud earlier in the week.
141. ILO and WHO said that their Organisations would not permit critical data to be stored externally for legal reasons (i.e. data protection and confidentiality). UNDP acknowledged that switching to cloud computing requires a culture shift. Legal services may not fully understand the state of security nowadays - sensitive data is already being stored on external servers, e.g., at UNICC, payment information is with banks etc.
142. ILO informed that the Swiss Banks, known for their thorough approach to risk management, were going in the opposite direction; in order to ensure better data protection Swiss banks are moving their servers to underground bunkers used in the past by the Swiss army.
143. ILO also said it understood that the incentive behind cloud computing was to save money, but whether UNDP has considered what to do if it wanted to discontinue it after 5 years. UNDP informed that various risk assessments had been done, but it is hard to predict what technology is going to look like in 5 years' time. Should the cloud no longer exist at that time, the issue will somehow be addressed.

(ii) Microsoft Agreements

144. This part of this session was presented by Mr. Dietmar Plesse (ITU).
145. In continuation of this topic which was presented at the last PN meeting, ITU provided an update on the fragmentation of Microsoft contractual documentation across the UN.
146. In 2004 UN/PD established a Master Business Agreement (MBA) with Microsoft, which was supposedly usable by all UN Agencies. Since then there has been considerable fragmentation of this agreement and other local contracts have been signed between Microsoft and certain UN Agencies.
147. UN/PD has confirmed that it is the only UN entity that has the authority to modify the MBA and contractual documents under it, such as Enterprise Agreements. Nevertheless Microsoft in Europe requested the Europe-based Agencies to sign individual Enterprise Agreements with differing legal Terms & Conditions. The only documents a UN Agency should be signing with Microsoft are the Customer Price Sheets and a few related documents, but not an Enterprise Agreement.
148. The status is now such that UN/PD is working with Microsoft to try and resolve the issues and to prevent fragmentation of the contract in the future. The aim is to include online services in

the 2004 MBA document stack. Thereafter, it shall be possible for all UN Agencies to enroll under the revised MBA.

149. ITU has been negotiating the extension of its contact with Microsoft for 8 months now, but it is currently at a standstill pending the outcome of the discussions at HQ level.
150. The full presentation can be found in [Annex 22](#).

PN Comments

151. ILO expressed gratitude to ITU for working on this issue with Microsoft and said it looks forward to the outcome of UN/PD's negotiations.
152. UN/PD informed that the 2004 Master Business Agreement does not include Office 365. However, it has received a proposal from Microsoft for the same, which is currently being assessed by UN/PD and technical departments. The intention is to incorporate any agreement on Microsoft Office 365 into the Master Business Agreement, but this will most likely not take place until later in the year.

XIV. SHOW AND TELL: UNFPA SUPPLIER WORKSHOP

153. This topic was presented by Ms. Sandy Tongxin (UNFPA).
154. The presentation essentially gave feedback on a 2-day workshop which UNFPA held in September 2013 for its core commodity suppliers. The purpose of which was to join forces with suppliers to improve performance on both sides. The workshop provided an opportunity for UNFPA to publically recognise suppliers' good performance, for suppliers to exchange good experiences among themselves, and for UNFPA to discuss in depth the common challenges faced by suppliers and improve its procurement processes. The workshop was a very positive and worthwhile experience, and UNFPA intends to conduct similar events on a regular basis (every 2 years).
155. The full presentation can be found in [Annex 23](#).

PN Comments

156. UNDP enquired how collusion between suppliers can be avoided when they are gathered for such an event. UNFPA responded that this had been considered when they were planning the event, but then they realised that their suppliers were already meeting at different events. Therefore, with or without this workshop, they have opportunity to exchange information.
157. IFAD asked whether UNFPA had any formal procedure to stimulate innovation, to which UNFPA responded that any innovation was typically of the supplier's own initiative.
158. UNICEF informed that it holds similar meetings with its healthcare and vaccine suppliers in order to better understand the market or in the lead up to a tender.
159. The PN Chair thanked UNFPA for sharing this experience with the group.

XV. SHOW AND TELL: CORPORATE PROCUREMENT – REFORM & BEST PRACTICE

160. This topic was presented by Mr. Peter Easley (World Bank).
161. The World Bank (WB) commenced a reform process two years ago. The presentation highlighted the key aspects of the reform and the objectives that have been achieved.
162. Global Benchmarking against peer organisations and Financial Services in the public & private sectors as well as client surveying have indicated that the WB is well on its way (94%) to being ‘Best-in-Class’.
163. In its strive towards Procurement Excellence, the areas that have been strategically focused on are Organisation Structure & Capability, Customer Management, Category Management, Supplier Management, Contract Management and Systems & Tools.
164. The full presentation can be found in [Annex 24](#).

PN Comments

165. In response to a query from WHO, the WB informed that savings are not currently being tracked. They are mainly reporting on the savings that have been agreed to be achieved in the year to come. However, they do intend to start looking at measuring savings and how innovation can play a role in achieving savings.
166. UN/PD and FAO expressed an interest in learning more about the WB’s training in Contract Management. The WB offered to share materials.
167. In response to a query by UN/PD, the WB informed that both its Corporate Procurement and Operational Procurement (for WB-funded projects) departments were undergoing reform processes. Although both journeys are very different, the two are working very closely together and learning from each other.
168. UN/PD also enquired about the debarment process of Corporate Procurement versus that of Operational Procurement. The WB explained that the process for the former is very streamlined in that the Director of the General Services Dept. makes the final determination and a show/cause letter is issued to the vendor. Whereas the Operational Procurement debarment process is more lengthy. It has a Board, and sanctioning means that none of its borrowers can utilise the company.
169. UNDP asked about the reliability of the benchmarking data and how long the reform process has taken. In response, the WB explained that the data has been compiled by the advisory company, CEB, and the Bank is confident that it is wide-reaching and sound. In terms of the journey, it has taken two years to get to this point and there is still much to be accomplished. The main lesson learned has been to have a clear strategy and to execute against that strategy. The biggest challenge has been getting staff on board as they have had to change the way they work. However, they are now beginning to see the benefits.

170. One challenge FAO has with its reform activities is changing the mind-set of its General Service staff, therefore, it queried what the percentage was of Professional staff versus General Service staff at the WB. WB agreed to revert to FAO with an accurate response to this.
171. The PN Chair thanked the WB for the presentation and commended it on its achievements so far.

XVI. HLCM/CEB SECRETARIAT BRIEFING

172. Mr. Ronny Lindstrom, the Senior Coordinator of the CEB Secretariat (UNOG), provided the following update remotely via teleconference.
173. As part of fund-raising efforts for the HBP Trust Fund, a funding proposal has been sent out to a number of donors and a further one will go out shortly. The aim is to raise USD 50 million. One key message in the proposal is the tremendous body of work that funding has allowed the Networks to do, and to continue this work, funding is a necessity. The Senior Coordinator requested PN members to share this important message with Members States they have dealings with.
174. The formalities regarding the Data Collection for the Annual Statistical Report on UN Procurement are expected to be finalised within the next week.
175. Likewise, the formal non-cost extension document relating the UNGM VRR project is expected to be finalised within days.
176. The Harmonisation Project, Phase II, is expected to meet many of the expectations of the HLCM Strategic Plan. UNDG has just released a set of SOPs for Country Offices that define themselves as Delivering as One. The Training of Trainer workshops being run under the Harmonisation Project are a key element in supporting this. Therefore, the Senior Coordinator appealed to the PN members to provide resource people with a view to supporting Country Offices in setting up joint procurement teams.
177. The JIU will shortly be launching a study on Contract Management and UN Organisations will therefore be asked to provide information on their practices after contracts have been awarded. The Senior Coordinator urged the PN to review the TOR that will be shared in due course in order to ensure the proper directions of the study.

PN Comments

178. The PN Chair informed the Senior Coordinator that the PN is dissatisfied with the continued demands put upon it by UNDG. It would be preferable if UNDG played a more participatory role with the PN rather than continuing to simply issue instructions.
179. ILO added that it is frustrating for the PN to have its limited resources consumed by UNDG projects and urged the Senior Coordinator to convey these sentiments to his counterparts at UNDG.
180. The UNGM SC Chair informed the Senior Coordinator that a slight amendment would be made to the proposal for the NGM Version 2.0, based on the PN discussions that have taken

place over the past days, and enquired about whether the project could expect to receive funding.

181. The Senior Coordinator informed that there would be discussions regarding funding of the various projects at the upcoming HLCM meeting. An unexpected request for funding for an ERP study has been received, and the HBP SC will discuss how to move forward with this and the proposals already submitted by the PN. If the ERP proposal is approved, funds remaining will be USD .5 million. The Senior Coordinator hopes that a meeting of the HBP SC can be convened in early May.
182. The PN Chair thanked the Senior Coordinator for his continued support to the PN, and asked him to share the HBP funding-raising proposal.

XVII. VICE-CHAIRPERSON ELECTION

183. Ms. Regina Gambino (FAO) was nominated and welcomed by the Network as the new Vice-Chairperson for the 2014-2015 period.

XVIII. FINALISATION OF OUTSTANDING DECISION ITEMS

184. CGIAR was welcomed as a new Associated Member of the HLCM PN.
185. The revised text of the UNGM (Version 2.0) funding proposal (see [Annex 25](#)) was presented and endorsed by the plenary for submission to the HBP SC. The PN Chair asked the UNGM SC to edit and format the document before submission.
186. The PN endorsed the Concept Note (funding request) by the Joint UN Programme for Greening Procurement in the Health Sector for submission to the HBP SC, which had been shared electronically for comment in January 2014. (See [Annex 26](#).)

XIX. VENUES FOR FUTURE SESSIONS, MEETING WRAP-UP & CLOSE

Next venues

187. The next PN session will be hosted by AfDB in Pretoria on 17-19 September 2014.
188. The PN agreed that a business seminar for the local supplier community should not be held in conjunction with the HLCM PN meeting in Pretoria. Should the AfDB wish to organise such an event on another occasion, it will be up to the individual Agencies to decide whether or not they should participate.
189. FAO and UNRWA offered to host subsequent PN meetings.

Closing

190. Having now completed his term, the PN Chair thanked the Specialised Agencies for having nominated him for the PN Management Board back in 2012 - he has found the experiences as Vice-Chair and Chair of the Network to be extremely valuable. He also thanked the UNGM SC for the work it has done on driving the UNGM forward, and the Harmonisation Project Team, all the Working Groups and their Chairs for their hard work. He further thanked his colleagues on the PN Management Board & Secretariat. Finally he expressed appreciation to ITCILO for the excellent hospitality and support in organising the meeting.
191. The Vice-Chair thanked the PN Chair for his commitment and conscientious approach to managing the PN over the past two years. He commended the PN Chair for the perspectives he has provided and for challenging the status quo.
192. The Vice-Chair also paid a brief farewell tribute to Mr. Neil Ashcroft (UNRWA) and congratulated him on his well-deserved promotion to Director of UNRWA's Administrative Support Department.
193. ILO extended appreciation to long-serving PN members who were unable to join for the meeting, and who would soon be retiring, namely, Mr. David Macdonald (ILO), Mr. Andrew Lukach (WFP) and Mr. George Jadoun (ITCILO).