



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

**Summary of Conclusions of the Eighteenth Session of the  
High Level Committee on Management's Procurement Network**

(7-9 October 2015 – IAEA & CTBTO, Vienna)

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## INTRODUCTION

1. The 18<sup>th</sup> session of the High Level Committee on Management's Procurement Network (HLCM PN) was hosted by the International Atomic Energy Agency (IAEA) and the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) in Vienna on 7-9 October 2015, under the Chairmanship of Ms. Regina Gambino (Chief, Procurement Service, FAO) with the support of the Vice-Chairperson, Ms. Neris Baez Garcia de Mazzora (Chief, Procurement Section, CTBTO) and the Advisory Chairperson, Mr. Dominic Grace (Director, Sourcing & Operations, UNDP). The incumbents of these three positions form the Management Board of the HLCM PN.
2. The meeting was attended by 37 colleagues<sup>1</sup> representing 26 of the 40 organisations registered as members of the HLCM PN. A list of participants is provided in [Annex I](#).
3. The meeting followed the format of three working days with closed meetings and discussions for Network members around an agreed agenda. In addition, there were separate sessions held for the UNGM Membership on two of the afternoons.
4. Registration for the meeting 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 [www.ungm.org](http://www.ungm.org).
5. Mr. Aldo Malavasi (Deputy Director General, Nuclear Sciences and Applications, IAEA) opened the meeting by welcoming the PN members to Vienna. He conveyed his appreciation of the very important role that procurement plays within the UN System and highlighted collaboration as a key factor for success.
6. The PN Chairperson also welcomed the participants and thanked IAEA and CTBTO for hosting the meeting. She underlined the critical nature of procurement, both in terms of the private sector where savings in procurement contribute directly to increased profit, and in the humanitarian world where effective procurement literally saves lives. Nevertheless, procurement still remains widely undervalued – it is still considered an administrative function as opposed to a strategic one. The Chair emphasized that to become a strategic partner, it is essential for procurement professionals to be able to make judgments and articulate clearly the justifications for those decisions. To make such judgments, it is key to attract and develop the appropriate talent with the capacities, competencies and skills to support procurement as a strategic function and not as a compliance function. Procurement must ensure that the rules allow room for engagement with stakeholders and not be a barrier behind which to hide. Finally, she remarked that one of the things she has enjoyed most about the PN is that it provides a safe space for everyone to share their commitment to a vision that brings procurement out of the realm of red tape and positions it as a strategic partner, and she looked forward to the work that this meeting would do to further this vision.
7. The Vice-Chairperson welcomed PN members to Vienna – a city not only old in age, dating from 8 AD, but 17% of its almost 1.8 million inhabitants today are in the 65+ age bracket. Although the overall birth rate in Austria is in decline, the birth rate in Vienna has increased slightly to 1.3 children per family. The Vice-Chair continued her welcome with some interesting general knowledge concerning Vienna as well as some humorous tips for things never to say to an Austrian!

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<sup>1</sup> In addition, several observers from the Vienna-based agencies attended many of the sessions.

8. The Opening Session also included a round of introductions by all participants (see [Annex 1](#)).

## II. ADOPTION OF THE AGENDA

9. The Agenda (*Annex 2*) adopted by the Network is listed below with the relevant annex numbers for supporting documents<sup>2</sup> related to topics:

i. ***Introduction***

[Annex 1](#): List of Participants

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

[Annex 2](#): Summarised Agenda

iii. ***An Overview of the HLCM PN***

[Annex 3](#): Presentation ‘An Overview of the HLCM PN’

iv. ***Professional Development Working Group Update***

[Annex 4](#): Presentation ‘Professional Development Working Group’

v. ***The Annual Statistical Report (ASR) Automation Project***

[Annex 5](#): Presentation ‘2014 Annual Statistical Report on UN Procurement and Update on ASR Project’

vi. ***Show and Tell: An Introduction to the European Stability Mechanism (ESM)***

[Annex 6](#): Presentation ‘European Stability Mechanism – An Introduction’

vii. ***Harmonisation Working Group Update***

viii. ***Strategic Vendor Management Working Group Update***

[Annex 7](#): Presentation ‘Part I – Report on Main Activities’

[Annex 8](#): Presentation ‘Part II – New Modalities of Business Seminars’

[Annex 9](#): Document ‘Business Case on Business Seminars’

ix. ***Collaborative Procurement of Vehicles Project***

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

x. ***HLCM/CEB Secretariat Briefing***

xi. ***The ERP Interoperability Study***

[Annex 11](#): Presentation ‘ERP Interoperability Study’

[Annex 12](#): Document ‘ERP Interoperability Study - Executive Summary and Report’

[Annex 13](#): Document ‘ERP Interoperability Study - comments from UNICEF Supply Division’

xii. ***Show and Tell: The Common Procurement Activities Group (CPAG), Geneva***

[Annex 14](#): Presentation ‘Common Procurement Activities Group’

xiii. ***UN Global Marketplace Steering Committee (UNGM SC) Briefing***

[Annex 15](#): Document ‘UNGM Rolling Budget 2016-17’

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<sup>2</sup> All documents concerning the session and related presentations can be obtained from the HLCM PN Secretariat at [kerry.kassow@undp.org](mailto:kerry.kassow@undp.org) or by accessing the PN Workspace on [www.ungm.org](http://www.ungm.org)

- [Annex 16](#): Document ‘UNGM Mid-Year Operational Report 2015’  
[Annex 17](#): Document ‘UNGM Operating Modalities’  
[Annex 18](#): Document ‘Concept paper for UNGM 3.0 Strategic Enhancements’  
[Annex 19](#): Document ‘UNGM Core Strategy’

- xiv. ***UNGM Strategic Enhancement Project Update***  
[Annex 20](#): Presentation ‘UNGM Strategic Enhancement Project’
- xv. ***Show and Tell: UNICEF Supply Community, and its Learning & Development Strategy***  
[Annex 21](#): Presentation ‘UNICEF Supply Community, and our Learning & Development Strategy’
- xvi. ***Show and Tell: The New UN Web Buy Platform***  
[Annex 22](#): Presentation ‘UN Web Buy – Increasing Efficiency, Quality & Transparency’
- xvii. ***Show and Tell: UNDP Procurement Strategy 2015-17***  
[Annex 23](#): Presentation ‘UNDP Procurement Strategy 2015-17’
- xviii. ***Show and Tell: An Introduction to the World Trade Organization (WTO)***  
[Annex 24](#): Presentation ‘An Introduction to WTO’
- xix. ***Show and Tell: The New UNGM Knowledge Centre***  
[Annex 25](#): Presentation ‘The New UNGM Knowledge Centre’
- xx. ***Voting in of New Members, Venues for Future Sessions, Meeting Close***

### **III. AN OVERVIEW OF THE HLCM PN**

10. The first part of this session was presented by the PN Secretariat, Ms. Kerry Kassow (UNDP).
11. Considering that the meeting was also attended by new participants, a brief overview of the network was presented, in particular the working groups and projects – how they are managed, their main objectives etc.
12. In addition, the various types of documents and information available on the HLCM PN workspace on [www.ungm.org](http://www.ungm.org) were highlighted. The overview of PN ‘Requests for Information’ and feedback, which is collated and made available on the space, was mentioned in particular, and those agencies that provide input on a regular basis were thanked.

#### ***The PN Secretariat position***

13. This part of the session was presented by Mr. Dominic Grace (UNDP).
14. The PN was informed that, due to an extensive restructuring initiative, UNDP will at the end of the year discontinue funding the full time staff position of the PN Secretariat, which it has financed since the establishment of the HLCM PN (with a small contribution from PN members for operating expenses over the past 2 years).
15. In light of this, the following 5 different scenarios as to how this situation could be resolved were presented for the membership’s consideration:

- (i) The HLCM funds the post (as it does with the Secretariat positions of the other networks).
- (ii) Sharing the costs: (a) across all members using a similar cost-sharing methodology used today for operating expenses or (b) another agency takes over the post and provides partial funding with the other PN members providing the remaining funding through the cost-sharing methodology.
- (iii) Another UN Agency takes over the post and finances it in the way UNDP does at present.
- (iv) The PN Chair takes on the Secretariat responsibilities.
- (v) Take no action.

16. The full presentation for this session can be found in [Annex 3](#).

### **Discussion**

- 17. The PN Chair reminded the group that the Statutes of the HLCM PN state that, “UNDP will continue to finance one staff member to provide secretariat functions to the HLCM PN, unless this arrangement is revoked by the HLCM”.
- 18. The overall view of the PN was that the HLCM should be approached to find a sustainable solution to the situation. The PN members find it unreasonable that the HLCM funds the Secretariats of its other networks, but not that of the PN.
- 19. The CEB Secretariat informed the membership that the PN became a part of the HLCM after the other networks. Although secretariat support has been raised a number of times in the past, it has not been possible to secure funding for such support for a new network through the normal cost-sharing mechanism. There are numerous reasons for this, including UN budget processes and inter-agency cost-sharing mechanisms. The HBP Trust Fund is extra budgetary; therefore, this would not be a sustainable funding option either.
- 20. Since the Finance & Budget Network of the HLCM will have a role in cost-sharing discussions, PN members were urged to approach and explain the situation to their organisation's representative on that network to potentially provide support to the case.
- 21. PN members were in agreement that scenario (iv) would not be a viable option. It would be far too great a burden for the PN Chair to assume the responsibilities of the Secretariat and would undoubtedly be a major obstacle in identifying a new Vice-Chair each year, as this person rotates into the role of Chair. Furthermore it would result in a discontinuity and loss of historical knowledge.
- 22. Similarly, scenario (v) was not supported by the membership. The PN has proved to be a very efficient and high performing group, which is largely due to having its own dedicated and well-functioning Secretariat.
- 23. UNICEF, UN/PD, UNOPS, UNDP and IAEA indicated the possibility to provide financial support in the short-term, but urged that a viable long-term solution be identified.
- 24. Given the above discussion, and that Article 6.1<sup>3</sup> in the Statutes of the HLCM PN state that any change in the funding mechanism for the PN Secretariat position must be approved by

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<sup>3</sup> “UNDP will continue to finance one staff member to provide secretariat functions to the HLCM PN, unless this arrangement is revoked by the HLCM”

the HLCM, it was agreed that the PN Management Board would send a letter to the HLCM requesting its advice and support in identifying a sustainable solution.

25. PN members will collaborate to contribute to the funding of the Secretariat through 2016, and the incumbent will remain in situ at UNDP during this time.
26. In conclusion of this session, the PN Chair announced that she would be taking early retirement from the end of 2015 and would therefore regretfully be unable to complete her term on the PN Management Board.
27. The PN agreed to the proposal of the PN Management Board for the Advisory Chair to resume the role of Chair from 1 January until the Spring 2016 meeting. This will allow the current Vice-Chair to complete her full term in that role before assuming the role of Chair. A new Vice-Chair will be elected as usual at the Spring meeting, bringing the Board back up to full numbers again.

#### **IV. PROFESSIONAL DEVELOPMENT WORKING GROUP UPDATE**

28. The Professional Development WG Chair, Mr. Torben Soll (UNDP), provided the following update on the group's activities:

##### ***Access to the CIPS Knowledge portal***

29. UN staff members have for the past year had access to the CIPS Knowledge site through [www.ungm.org](http://www.ungm.org). The cost of the subscription is \$50,000 per annum and is due to be renewed at this time.
30. Further to an analysis of usage data, the WG agreed with the PN Management Board that the results did not justify the current subscription fee.
31. WG members urged for access to the portal not to be cancelled as it will complement very well the Knowledge Space that will be launched on the UNGM in the coming months and may very well end up being used much more once made available there.
32. The WG Chair discussed the situation with CIPS and was successful in negotiating an extension of the current subscription for another 1-2 years at no additional cost. Subsequently the platform and knowledge resources will continue to be offered for all staff with access to UNGM.
33. The WG will continue to monitor usage data and if there is a substantial up-take in the use of the platform and knowledge resources within the next 1-2 years a new fee agreement will have to be agreed with CIPS after that time.

##### ***Catalogue of UN Training Opportunities (2015)***

34. The WG's two consolidated tables of training courses have been updated and shared for this meeting:
  - (i) The Training Compendium – training and certification courses offered by HLCM PN member organisations and which are accessible to other UN staff. The table shows that a total of 81 training courses are offered by 17 PN member organisations, an increase compared to the 65 courses offered by 14 member organisations in 2014.

- (ii) Recommended Procurement Training Courses – courses that have been tried, tested, and recommendable. The courses listed are offered by external providers as well as PN member organisations.
35. The Chair also provided a brief update on UNDP/CIPS activities and progress. He informed that UNDP is in the process of drawing up an agreement with CIPS on being able to offer level 5 & 6 training. This training will be more complex and have a longer curriculum (2 year duration with 5 training sessions & 5 exams). The cost has not been finalised, but is expected to be in the region of \$5000-7000 for a combined package of both levels. The plan is to pilot the training in UNDP's country office in Sudan. The WG Chair invited PN members to contact him if interested in exploring this advanced training option.

### ***Update of the Procurement Practitioner's Handbook (PPH)***

36. The PN has previously decided to update the handbook, which has not been updated since it was first published in 2006.
37. Further to the discussions at the last PN meeting, a more realistic budget/timeframe was proposed for the update i.e. to engage a consultant for a 5-6 month period (= approx. \$50K).
38. A number of PN member organisations indicated their willingness to fund the project unilaterally rather than submit a proposal to the HBP Steering Committee for such a modest amount.
39. Commitments have now been received from IAEA (\$20K) and UNICEF (\$20K).
40. Subsequently, the WG requested permission from the PN to:
- (i) Engage a consultant to substantially update the PPH.
  - (ii) Set-up a Steering Committee to handle interactions with the consultant and coordinate substantial inputs from PN members. In addition, the WG asked for nominations for the Committee (ideally 3-5 members).
41. The full presentation can be found in [Annex 4](#).

### ***Discussion***

42. PAHO queried how the CIPS Knowledge portal has been marketed to which the WG Chair responded that mass emailing campaigns had been carried out. He added that because the access is embedded in the UNGM it is not possible for users to bookmark the portal, but he hopes that the portal might have more prominence in the upcoming Knowledge Centre in UNGM and thus experience more traffic.
43. ITU pointed out that the current annual increase in UNGM users (+5000 per year) could not be relied upon as a stable indicator of increased usage of the portal over the next 1-2 years.
44. IAEA offered to cover the remaining gap in funding (\$10K) for the PPH.
45. The PN Chair congratulated the WG Chair on the outcome of the negotiations with CIPS and encouraged the PN members to promote the portal within their organisations. She also expressed her appreciation to the agencies who offered funding for the PPH update.

46. The PN agreed to the hiring of a consultant to update the PPH over a 5-6 month period at a cost of approximately \$50,000. It also agreed to the establishment of a Steering Committee to manage interactions with the consultant and coordinate with PN members on content. PN members will notify the WG Chair of any nominations to the Committee.

## **V. THE ANNUAL STATISTICAL REPORT (ASR) AUTOMATION PROJECT**

47. This project is coordinated by Ms. Anna Spindler (UNOPS) and the session was presented by the ASR Team Lead, Mr. Alan Changtrakul (UNOPS).
48. The full presentation can be found in [Annex 5](#).

### ***2014 Annual Statistical Report***

49. Before providing an update on the project activities, the highlights from the 2014 ASR were presented, in particular, pertinent developments in procurement figures, and new features, such as, the country pages which now have more visually appealing graphics. In addition a summary of the results of a feedback survey was shared, which pinpointed some challenges the agencies face and areas where improvements can be made.
50. Should a decision be made to make any changes or implement any of the improvements, 12 months' notice will be given to the agencies.

### ***The ASR Automation Project***

51. The objectives of this project are to simplify, optimise and automate the data collection and compilation process to provide more timely procurement-related information through an earlier publication of the report.
52. Phase 1 of this HLCM-funded project was a feasibility study conducted in early 2015, the results of which were presented at the last PN meeting.
53. The activities of Phase 2 primarily centre around the development of new tools and processes, and testing of solutions by UNOPS and the reporting agencies.
54. The timeline of activities was presented (and provided to the plenary in a bookmark format) – Phase 2 will end on 31 December 2015, so that the new tool will be ready in time for data submission and publication of the 2015 ASR.
55. The aim is to publish the 2015 report in June 2016 and the deadline for submission of data will be 10 March 2016.

### ***ASR upload tool***

56. The project update was followed by a demonstration of the new ASR upload tool.
57. Data from 2013 & 2014 will be migrated into the tool so that 3 years of data will be available when it is launched.
58. Agencies will still be able to submit their data in the conventional way should they not be able to do so via the new tool.



## *Discussion*

59. IFAD suggested making some data reports available with more in-depth analysis and offering them to external stakeholders at a fee; income from which could in turn be used to finance further project work. This would be a value-added service, for example for an enhanced TAS fee in UNGM, and in addition to making the complete report available online for public access.
60. ITU expressed scepticism about the suggestion to charge for data and regarding implementation of the 3-digit ISO coding for country names in the system given its own challenges with its ERP system. UNOPS responded that it would be up to each agency to decide whether to implement the changes that will be introduced.
61. UNICEF was also opposed to charging a fee for making the statistical data available.
62. UN/PD pointed out that the distinction between goods and services is likely to be somewhat inaccurate due to difficulties agencies have in appropriately categorising their procurement activities. For example, the turnkey projects that UN/PD has are a combination of goods and services and it can be a challenge to determine whether the expenditure falls into one category or the other. UN/PD urged caution about making more data available than currently is the case until the quality can absolutely be guaranteed, in particular if a fee is to be charged.
63. To address concerns regarding data quality and improve reporting accuracy, UNOPS reiterated its interest in working with the Harmonisation WG on the development of standards and definitions for procurement data, and will discuss this further with PAHO, which may lead the initiative.
64. UNRWA reminded that the common high spend areas which are evident from the data could be studied further, as well as exploring which LTAs are already in place, as this could be used to form the basis of increased collaborative procurement.
65. UNDP enquired whether the top level findings in the ASR could be made available in leaflet form for sharing with donors, the business community etc.
66. UNOPS informed that it is planning to prepare a standard set of slides showing the annual ASR highlights, which can be used when meeting with stakeholders or at business seminars.
67. ILO suggested linking the CPAG annual report with the ASR since the former captures much data on spend, collaborative procurement activities and subsequent savings etc.
68. Since a number of areas in the QCPR<sup>4</sup> relate to procurement and the CEB Secretariat has to provide input to the Secretary General's report to the General Assembly and ECOSOC on QCPR activities by November, the CEB Secretariat therefore urged PN members to provide any new data they have on collaborative activities as soon as possible.
69. ITU was interested in gaining an understanding of how many agencies are able to load data directly from their ERPs to the Excel submission sheets versus entering the data manually, as addressing the latter could be a way to speed up the data gathering process in the future.

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<sup>4</sup> [The quadrennial comprehensive policy review \(QCPR\)](#) is the primary policy instrument of the General Assembly to define the way the UN development system operates to support programme countries in their development efforts.

70. ILO pointed out that the data contained within the ASR is owned by all the agencies and therefore objects to UNOPS taking ownership of it by displaying it and making it available in defined sections on its website. It was suggested that a disclaimer should at least be added to the page indicating inter-agency ownership.
71. UNOPS reassured the PN that the ASR team is fully aware that the data is solely in its custody and is not the owner of it.
72. The PN Chair thanked UNOPS for the work undertaken to date and encouraged the PN members to contribute to the requests for input and deadlines relating to the ASR. She agreed that charging a fee for value-added services using the data is a sensitive one that should be approached with caution.

## **VI. SHOW AND TELL: AN INTRODUCTION TO THE EUROPEAN STABILITY MECHANISM**

73. This session was presented by Mr. Florian Zinoecker and Mr. Rod Holden from the European Stability Mechanism (ESM), a new but highly active organisation, seeking Associated Membership to the HLCM PN in order to establish relevant contacts in relation to procurement issues.
74. The ESM, an intergovernmental organisation under public international law, is the permanent crisis resolution mechanism for the countries in the euro area. Its purpose is to provide stability support through a number of financial assistance instruments to the ESM Members which are experiencing or are threatened by severe financing problems.
75. The ESM does not currently adhere to EU Procurement Directives (EPD) but operates in accordance with its own procurement framework. However, a new procurement framework is being introduced driving ESM to be more aligned with EPD from 1 January 2016.
76. ESM's procurement spend is in the region of €60-70M (Professional Services, IT, Facilities, etc.) primarily with European-based suppliers.
77. ESM was particularly interested in obtaining insight from PN members regarding Vendor debriefing and complaints mechanisms. The full presentation can be found in *Annex 6*.

### ***Discussion***

78. ITU advised rather than approaching the PN as a whole, it is best to understand which organisation to approach for advice since rules and regulations differ from one to the other.
79. Since ESM is running Oracle, ADB offered advice from its experience with the software, although it has not yet activated the e-procurement module. ADB recommended tailoring the framework to the software as opposed to vice versa and to keep it flexible and meaningful. In other words, follow best practices and keep it simple.
80. Several PN members offered advice on the establishment of complaints mechanisms.
81. In addition, UNICEF offered to share information with ESM on its well-functioning complaints system, and recommended in general referring to ISO 9001 for good guidance when establishing the new procurement framework.
82. ILO has a comparative study of the mechanisms others are using, which it offered to share.

83. The World Bank advised keeping information-sharing during vendor debriefings to a minimum as in its experience sharing too much information can often trigger complaints.
84. UN/PD highlighted the challenge it has with its system, in that complaints are directed to an award review board which is managed by the contracts committee and therefore poses a conflict of interest. Therefore, the possibility of establishing another body to take over this responsibility is currently being explored. Another finding is that many of the complaints they receive turn out to be groundless.
85. Finally, the PN Chair agreed with many others that the complaints system should be kept as uncomplicated as possible and recommended that ESM finds the right balance between the efforts required to put such a mechanism in place versus the real risks it faces. In her view, it is more important to address vendor sanctioning.

## **VII. HARMONISATION WORKING GROUP UPDATE**

86. The Harmonisation Working Group Chair, Mr. Eric Dupont (UNFPA), provided a brief update on the activities of the group (via teleconference).
87. All of the deliverables under the Harmonisation Project, Phase II have been completed with the exception of the update of the Procurement Practitioner's Handbook, which has been transferred to the Professional Development WG.
88. The only other task remaining is the translation of the updated Modalities for Common UN Procurement at Country Level (version 3.0) into French and Spanish. This is currently being undertaken and should be complete by the end of 2015.
89. Earlier in the year, the proposal for Phase III (for over US\$500,000) was submitted to the CEB Secretariat for consideration for funding by the HBP Steering Committee. However, given that no large funding proposals are being considered until the Trust Fund is significantly replenished, the WG Chair has initiated discussions with DFID, with support from the CEB Secretariat and UNDOCO, on providing support to the deliverables of Phase III. A number of important tools have been developed under Phases I & II, and Phase III is needed to ensure that they are used to increase collaborative procurement.
90. DFID is very eager to encourage UN collaborative procurement and has shown some interest in supporting the project. It might be willing to provide an overall project coordinator plus staff members to support country level initiatives and to coordinate efforts on the ground.
91. A number of countries have subsequently been contacted and asked to submit proposals. The best proposals will then be selected and shared with DFID.

### ***Discussion***

92. The CEB Secretariat noted that the Harmonisation WG Chair has been very careful during his discussions to adhere to the agreed division of roles and responsibilities between the PN and UNDG.
93. PAHO enquired about expectations for the PN to report back to DFID on achievements and results, to which the Harmonisation WG Chair responded that this would be clarified in subsequent discussions.

94. The WG Chair explained that UNFPA, UNDP and UNOPS report collectively to its shared Executive Board where donors continue to pressure the agencies to undertake more collaborative procurement. He believes that involving a donor (DFID) in this way is very important as it can serve to demonstrate to them that collaborating on procurement is not always simple.
95. UNOG highlighted the cost avoidances in the region of \$35M achieved by CPAG and offered to share details with the Harmonisation WG Chair to demonstrate to donors that collaboration is taking place and showing significant results.
96. The WG Chair clarified that the information presented to the Executive Board was not limited to the 3 agencies, but also included data from CPAG and others. Therefore, DFID and other donors are well aware that the PN is achieving results on the administrative side, but now they want to see more programme-related collaboration. The Study on Collaborative Procurement will be instrumental in indicating which areas to focus on.
97. The World Bank underlined the importance of top management understanding the true meaning of cost avoidance as it basically justifies the existence of the procurement function.
98. UNDP enquired as to the status of the tool that was implemented in the UNGM to capture LTAs and cost savings generated through them. The WG Chair confirmed that tool is in place, but needs to have sufficient 'push' to encourage its use. The anticipated engagement with DFID would provide needed support for the utilisation of this tool.
99. The PN Chair thanked the WG Chair for the very encouraging update and for his efforts in engaging with DFID.

## **VIII. STRATEGIC VENDOR MANAGEMENT WORKING GROUP UPDATE**

100. This topic was presented by the WG Chair, Mr. Sandro Luzziatti (IFAD).
101. The Strategic Vendor Management (SVM) WG was created to establish a strategic vision for vendor management and on that basis design, implement and monitor vendor related activities of the HLCM PN pursuant to relevant General Assembly resolutions.

### ***Part I***

102. The PN was presented with an update on the below WG activities. The full presentation can be found in [Annex 7](#).

**(i) The Knowledge Sharing Platform on UNGM** – the WG has defined the specifications for a knowledge sharing area in UNGM dedicated to various topics of Vendor Management.

**(ii) Virtual Business Seminar (VBS) Area on UNGM** – the WG has defined the specifications for a VBS area in UNGM in order to widen the reach to vendors using the Internet. The VBS area will simulate the information shared at actual multi-agency business seminars. The WG has also suggested web pages to support the planning and organisation of multi-agency business seminars.

**(iii) Update of the General Business Guide** – The WG is coordinating the update of the former General Business Guide and its transformation from a paper-based static document

into an electronic collection of dynamic information in UNGM, linked to the Annual Statistical Reports on UN Procurement. The WG Chair urged those organisations that have not yet done so, to submit their information for the 'Agency Fact Sheets' to the PN Secretariat as soon as possible.

**(iv) Model Policy Framework (MPF) on Vendor Sanctions** – the WG has defined the specifications for a knowledge sharing area in UNGM dedicated to the MPF.

All of the above will be implemented under the UNGM Strategic Enhancement Project.

The following two decision items relating to this topic were presented to the PN:

***Decision 1***

Limit the vendor ineligibility flag in UNGM to decisions that are in accordance with the principles of the MPF, "*Sanctions affecting a respondent's eligibility will be on the basis of common actions as described in Section 16...*" (MPF 14.2) and implement a distinct flagging system to provide notice regarding other types of vendor sanctions that do not affect eligibility or performance issues as suggested below<sup>5</sup>:

- RED flag only for suspensions as defined in the MPF
  - Create an ORANGE flag for other situations such as censure or other similar warnings
  - Create a YELLOW flag for vendor performance warnings
- [colour system yet to be agreed]

***Decision 2***

The creation, on a trial basis, of a sub-group to monitor the implementation of the MPF and to handle any requests received from agencies or Member States related to the MPF.

**(v) Collaboration with Chambers of Commerce (CoC)** – after attending the 9th World Chamber Congress and discussing with several CoCs, the WG has defined the specifications for a portal in UNGM dedicated to Chambers of Commerce, Trade Agencies and Industry Associations<sup>6</sup>.

***Discussion***

103. The UNGM SC Chair expressed his support for the proposed flagging system and creation of the sub-group to govern the MPF. He welcomed the formation of the sub-group as it is important to have one representative body that can approach the UNGM to make changes etc. as opposed to the UNGM receiving ad hoc requests from various entities. He advised that he (as UNGM SC Chair) and the SVM WG Chair should not be members of the sub-group as there is a risk of conflict of interest.
104. He also remarked that the management of the three flags should be differentiated i.e. the PN would have ownership of the first two types of flagging, while the flag relating to vendor performance would be limited to those organisations using the UNGM for their vendor roster as the latter is outside the scope of the MPF.
105. UNICEF, having implemented the MPF, welcomed the establishment of the sub-group for guidance and to ensure alignment of procedures, not least in view of treating vendors fairly.

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<sup>5</sup> To be financed as described in Chapter XIII, (iii)

<sup>6</sup> To be financed as described in Chapter XIII, (iii)

106. The CEB Secretariat highlighted the importance of continuing to focus on MPF implementation. This was the first project to be funded by the HBP Trust Fund and progress in implementation has been highly visible to the Member States, due to regular reporting from the CEB Secretariat.
107. Furthermore, there is potential for the framework (and the UNGM) to be used as a tool to address fraudulent behaviour of implementing partners. The HLCM is currently working on a high level policy document on this topic, which will need to be addressed by the PN once it has been finalised. A potential hindrance is that some PN member organisations consider implementing partners as vendors and others do not. Treating them as vendors makes it easier to apply established procedures. This aspect would need to be addressed before the tool for sanctioning them can fully be agreed upon. In addition, the PN was asked to consider whether the UNGM could be used as a tool to facilitate supply during natural disasters and emergencies as this is a topic that comes up recurrently at HLCM level.
108. The CEB Secretariat was supportive of the creation of the MPF sub-group and offered support in seeking guidance from other entities, such as the UN Network of International Auditors.
109. UN Women raised the concern of the difficulty some of the smaller agencies have in forming Vendor Review Committees (VRC) and, having made some attempts to join forces with other agencies in setting up a committee, it had not yet been successful.
110. ITU has also experienced challenges in trying to set up a shared VRC in Geneva. ITU urged caution with deviating too far from the agreed MPF for fear of ending up with incoherent approaches.
111. UNDP was supportive of both decision items. It recommended for the sub-group to take on a strong advocacy role; to meet with stakeholders within agencies and convince them to implement the MPF. In UNDP's experience, legal and oversight bodies, which are often barriers to implementation, are typically accepting of implementing the MPF when they are presented with the facts. UNDP has won every case it has had since implementation of the MPF and has managed to justifiably sanction some large companies. UNDP is also successfully using the MPF to sanction NGOs.
112. UNDP suggested that the PN considers changing the name of the Model Policy Framework to more closely reflect its application, i.e., sanctioning vendors.
113. FAO fully agreed with the experience described by UNDP and has found it extremely helpful to have implemented the MPF. The PN was reminded that the MPF was conceived as a model which could be used by each organisation to develop its own agency specific policies. FAO has adopted the framework to fit its needs, while still respecting the fundamental requirements of the original policy. A key benefit of the MPF is that it ensures that there is a minimum level of due process and once implemented by the agencies, even with some differences, provides a baseline of commonality in the way vendor misbehaviour is handled.
114. FAO's VRC functions on a virtual basis, therefore, it should be possible for the smaller agencies to set up shared committees with members in different locations.
115. UNAIDS has now incorporated the MPF into its procurement policy and will begin implementation shortly. It was in favour of establishing the sub-group, although not as a governing body.

116. The WG Chair explained that the sub-group would be created as an interim measure to facilitate information-sharing and to provide implementation support, in particular to the smaller agencies. The role of the group can be reviewed and decided upon on an ongoing basis by the PN.
117. UNDP queried the CoC portal potentially giving access to 40-50,000 entities, how this would be managed, the value it would add and whether it was in line with the UNGM's mandate to serve the business community.
118. The WG Chair clarified that the WG would need to assess the opportunities and the risks further before the portal is developed. At this stage, the technical platform is being specified; the next step will be to identify the content; and then implementation will take place. He invited UNDP to join the group for these discussions.
119. The UNGM SC Chair informed that although it is possible to use the UNGM to sanction NGOs, the registration module for Individual Consultants (ICs) will not be ready until early 2016. At that point, ICs that are considered implementing partners can also be sanctioned on UNGM. He also reminded the group that the UNGM flags entities that have been sanctioned by the UN Security Council.
120. ILO stressed that although some organisations may not have implemented the MPF as such, they may be partially applying it. For instance, when ILO runs a tender it checks whether vendors have been sanctioned. Therefore, while full implementation might not have taken place, an agency may be gradually introducing MPF procedures.
121. UNOPS implemented the framework in 2013 and, having engaged in discussions with other agencies over the past couple of years, is now revising it to align it more with the original MPF.
122. STL agreed that the policy can be adopted in many ways. A challenge can be that in many sanction cases there is staff involvement and therefore there is a need to differentiate between HR cases and vendor cases.
123. The World Bank urged some caution with vendor performance rating as it can be a huge and complex undertaking. The Bank uses a scorecard system for high profile vendors and a more casual (star type) system for standard vendors.
124. The PN Chair thanked the WG Chair for the update and was encouraged to hear that so many organisations are moving forward with MPF implementation. She added that once the decision is taken to implement, it is actually much easier to undertake than expected.
125. The PN endorsed the decisions to:
  - (i) Limit the vendor ineligibility flag (red flag) in UNGM to suspensions that have been adopted in accordance with the principles of the MPF, "*Sanctions affecting a respondent's eligibility will be on the basis of common actions as described in Section 16...*" (MPF 14.2), and the WG's recommendation to implement a distinct flagging system for (a) censures or other vendor statuses (with the specific details to be defined further); and for (b) vendor performance issues.
  - (ii) Create, on a trial basis, a sub-group to monitor the implementation of the MPF and to handle any requests received from agencies or Member States related to the MPF. A TOR will be developed by the SVM WG and circulated for comments and endorsement.

## **Part 2**

126. The WG Chair presented proposals that have been developed for new modalities for business seminars<sup>7</sup>. The full presentation can be found in [Annex 8](#).
127. Many agencies have been finding participating in business seminars a strain on resources. Therefore, since the last PN meeting, the WG has drafted a business case (see [Annex 9](#)) outlining proposed new approaches for the future.
128. The WG has reached consensus on many of the aspects in the business case, including using UNGM as a platform for the following: creating a virtual space to simulate a business seminar; an updated electronic version of ‘Doing Business with UN’; publishing the annual plan of business seminars in the UNGM and providing for direct vendor registration; tracking of attendance and feedback; and expression of interest by Chambers of Commerce to host/finance future events, etc.
129. The WG had not yet come to a consensus on the modalities for delivering future business seminars, i.e., location, frequency, financing, etc.
130. The possible modalities presented in the business case are as follows:
  - (i) HQ-based business seminars – 2-3 per year, once every 2-3 years per location (on rotational basis), attended by local agencies only.
  - (ii) Regional business seminars – 1 event every 2 years per region/continent.
  - (iii) EUPF-style business seminars – 1 per year (in Europe), attended by all relevant agencies.
  - (iv) Business seminars linked with PN meetings – as was custom with IAPWG meetings.
  - (v) Thematic business seminars – dedicated to a particular issue/subject matter, may be linked to one of the above type of seminars.
131. The WG Chair then presented 3 possible scenarios based on the above (see [Annex 8](#)).

## **Discussion**

132. FAO shared feedback on the HQ business seminar that was hosted by the Rome-based agencies in April 2015. Even though the services of an outside entity were engaged to undertake much of the organisation, it did demand a significant amount of time and resources from the lead agency (FAO). In addition, feedback from suppliers after the event was not especially positive.
133. UN/PD informed that the Secretary General, in his capacity as Chair of the UN Chief Executives Board, has been asked by the GA to encourage other UN organisations to take part in the single-organisation business seminars that UN/PD is mandated to undertake in developing countries and countries with economies in transition. In this regard, UN/PD asked the WG to consider the possibility of training field office staff to represent PN organisations at these events.
134. UNHCR was supportive of the streamlining of business seminars. It recommended targeting markets outside of Europe and North America, and understanding some markets better, such as the Chinese market, which tends to be highly fragmented.

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<sup>7</sup> The business seminars being referred to in this section are the multi-agency business seminars coordinated under the auspices of the HLCM PN and not the single-agency seminars, such as those undertaken by UN/PD.



135. ILO and FAO urged caution with (re)introducing seminars in connection with PN meetings as was the practice in the past under the IAPWG. At that time, there was notable and unseemly competition amongst countries to host the meetings and it was difficult to curb inappropriate hospitality practices. In addition, the seminars were typically disruptive to the actual IAPWG proceedings.
136. The WG Chair informed that, once the Chamber of Commerce (CoC) portal is in place, the intention is for the CoCs to submit Expressions of Interest to host the events, 1-2 years in advance of the seminar taking place.
137. The CEB Secretariat advised keeping travel costs to a minimum and reminded that negative perceptions can be created by travelling to distant locations to have meetings, despite the rationale that may exist internally to justify it.
138. Taking the above input from the PN into consideration, the WG will continue to develop the business case for the multi-agency business seminars and present it for PN approval at the Spring 2016 meeting.

## **IX. COLLABORATIVE PROCUREMENT OF VEHICLES PROJECT**

139. The Coordinator of this HLCCM-funded project, Mr. Dominic Grace (UNDP), presented this session – the full presentation can be found in [Annex 10](#).
140. The project aims to promote consolidated, strategic planned purchasing of vehicles and is structured around the following phased approach:
- Phase I - Data gathering and feasibility study  
Phase II - Development of consolidated vehicle procurement framework  
Phase III - Implementation of the framework
141. The project is currently in Phase II and the Project Coordinator highlighted the achievements to date under this phase, namely:
- ✓ Joint tender launched in 2014 (UN/PD acted as lead agency for procurement, other agencies providing technical/procurement expertise).
  - ✓ SOR and resulting contracts drawn up – which include full after-sale support (+ spare parts) during life cycle.
  - ✓ Heavy duty 4x4 (Nissan Patrol Y61), minibuses (Nissan NY350 Urvan), medium buses (Nissan Civilian W41) - contract awarded in September 2015 to Nissan Trading Co for 3+1+1 years, will be circulated to all UN entities upon vendor signature, October 2015.
  - ✓ Heavy duty 4x4 (Nissan Patrol Y61), minibuses (Nissan NY350 Urvan), medium buses (Nissan Civilian W41) – contracts/prices reviewed relative to previous UN contracts and found to be competitive, to be signed in the coming weeks.
  - ✓ Small sedans, large sedans, medium duty pick-ups - awards expected to be finalised late October 2015 and contracts circulated to UN entities November 2015. Maintenance, freight, fuel, spare parts are all considered.
  - ✓ Medium duty 4x4, medium sedans, heavy duty pick-ups - lack of technically compliant proposals and changes in requirements, revised SOR shared with UN entities in June 2015 for finalisation in October 2015, will be re-bid in late October 2015 and contracts are expected to be in place by June 2016.

142. Overall, the project is expected to lower costs by purchasing ex-factory rather than ex-stock and from improved negotiating leverage given combined volumes; standardisation of vehicle types; other interagency opportunities (e.g. consolidated spare parts ordering, driver training for safety and security, fleet management, shared workshops, etc.).
143. Recruitment of a new Project Manager is underway. This will be a fixed term P4 position as opposed to a consultancy to ensure the full-time presence of the person in New York.
144. Finally, the Project Coordinator encouraged PN members to act in a unified 'One-UN' manner as this will be the key to ensuring that this collaborative project is successful.

### ***Discussion***

145. ITU queried why the medium duty 4x4, medium sedans and heavy duty pick-ups had to be re-tendered. The Project Coordinator responded that the lack of technically compliant proposals was most probably a result of the specifications being over-demanding.
146. In response to a query from UNICEF regarding customised vehicles, the Project Coordinator clarified that accessories had not been included in the specifications as this would have complicated matters considerably.
147. The CEB Secretariat highlighted the importance of this project, which has received one of the largest amounts of funding to date from the HBP Trust Fund. There are high expectations to demonstrate results to the Member States. The project has demonstrated some successes to date, such as agreement on specifications, but it is vital that it delivers on its overall objective to achieve cost savings through collaboration. The hiring of the new Project Manager, coupled with the Dept. of Management of the UN Secretariat having assured UN/PD's commitment to the project, should help ensure a successful delivery. However, a key element that is lacking is the full commitment from a few organisations, which is required for the project to truly reach a successful conclusion.
148. UNOPS voiced its support for the project, but explained that it has a business model which requires it to offer a very wide range of vehicles - the 9 categories of vehicles under the project are not sufficient to serve UNOPS main clientele, i.e., governments, IFIs and NGOs (UN agencies only account for 25% of UNOPS business). This client base and the need to offer a wide range of vehicles require that UNOPS continues carrying out its own tenders.
149. UNOPS reconfirmed its offer to have the LTAs that are established through the PN project accessible through Web Buy where the reporting on the use of the LTAs and consolidated ordering could take place.
150. The Project Coordinator reminded the group that only a 1-2 year commitment to the project was being asked for. In the event the initiative is not successful, organisations will be free to approach vehicle procurement as they choose.

### **X. HLCCM/CEB SECRETARIAT BRIEFING**

151. The Senior Coordinator of the CEB Secretariat, Mr. Ronny Lindstrom (UNOG), provided a brief update on the status of the HBP Trust Fund.
152. Funding has been pledged by Sweden and Switzerland, but will be spread over a 3 year period. Approximately \$1.5M has been received to date.

153. The proposal for the Collaborative Procurement Study that has been submitted by the PN has not yet been reviewed by the HBP Steering Committee. Nevertheless, he encouraged the PN to already start considering how to move forward with the outcomes once the study has been undertaken as it would be important to send a clear signal to the Steering Committee that the findings would be acted upon.
154. The Senior Coordinator informed that he would expect that the UNGM SC would be interested in how the proposal for the second phase of the UNGM Strategic Enhancement project can be amended to be more financially acceptable given the limited size of recent projects that have been funded.
155. Finally, the Senior Coordinator highlighted the importance of the PN reporting on its project results and other relevant achievements as all of these activities are presented to the Members States through the Secretary General's report on the QCPR.
156. The HLCM Secretary of the CEB Secretariat, Mr. Remo Lalli (UNOG), provided the second part of the briefing.
157. The PN's work is highly visible and much appreciated by the HLCM. The UNGM Vendor Registration Reform Project is the latest success story to be reported on and has been highly acclaimed by the Member States. The increase in the number of registered vendors is a statistic that greatly appeals to all countries concerned and the results have a high impact.
158. In terms of the biannual meetings, the HLCM Secretary encouraged the PN to try and arrange for its meetings to take place before the HLCM meetings. In this way it is easier for the PN Chair to take part in both meetings and report to the HLCM on any matters from the PN discussions
159. Further to the HLCM meeting which took place earlier in the week, the narrative regarding harmonisation and simplification of business practices is being transformed into a mutual recognition of agencies' business processes. Basically, this is new labelling with the same substance, but comes across as less threatening to some organisations. The PN has already demonstrated through its work with the Harmonisation Projects that it is moving in this direction with organisations increasingly accepting the processes of each other rather than trying to harmonise.
160. The Collaborative Procurement of Vehicles Project appeals to the HLCM and donors, as it is not only a commodity group where savings can be envisaged, but it very easy for all audiences to understand. The Collaborative Procurement Study will provide the basis for further work of this nature to be undertaken and is likely to generate similar interest from stakeholders. Therefore, the PN was urged to give it proper attention when the time comes.
161. In the future, if there is not adequate funding available to undertake feasibility studies, the PN is likely to be asked to proceed directly with implementation. Before any feasibility study can be funded there will need to be formal commitment up-front to delivering on the recommendations of the study. He reassured that, as an overarching principle, the PN will not be asked to pursue any activity or implement anything that does not make good business sense.
162. The concept of joint procurement at HQ duty stations has a strong appeal. It is very valuable for the PN to provide examples and concrete figures on achievements as these are reported on to the HLCM and Member States, and often referred to at high level meetings. He mentioned New York as a location where more work on collaborative procurement

could be done, especially in light of its prominent location in terms of political discussions etc.

163. The HLCM Secretary encouraged the PN to see the positive side of the QCPR. The QCPR is essentially the ‘law’ for the Funds & Programmes who are mandated to report on it. Where it demands, for example, for more collaborative procurement, see this as an opportunity rather than an imposition. It can be a major asset to be able to share success stories on procurement not only at joint level but also at the level of the individual organisation.
164. Finally, the PN was given a brief update on the ERP Interoperability Study presented at the HLCM meeting earlier in the week. The study originated from a specific requirement in the QCPR and is an assessment of the interoperability of the different ERPs the UN organisations are using.
165. Further to review by the HLCM, it was agreed that the study should undergo an immediate review by the individual organisations and then a collective review by a cross-functional task force. An interim report on the study, including feedback from the individual organisations, will be prepared for the SG by mid-November 2015. It is now a priority to assign dedicated capacities to the task force and put forward a collective point of view on the study in time for the HLCM’s Spring 2016 meeting. The PN was advised to give this important undertaking the required attention and to ensure its participation.

### ***Discussion***

166. The PN Chair was very pleased to note the change in narrative regarding harmonisation vs. “mutual recognition”, as it represents a fundamental change that will facilitate increased collaborative procurement. In fact the PN was amongst the leaders in advocating for such a shift with its recommendation to include “mutual recognition” language in procurement manuals. She expressed her concern about the notion of funding not being made available in the future to carry out feasibility studies. The PN has been successful because funds have been made available to undertake such work. The preliminary studies often form the basis for moving forward with an initiative and without this it will be very difficult to commit to project work. She agreed with the principle of using good business sense in identifying the opportunities for collaboration. In fact, in Rome where the agencies collaborate to a high degree, they have identified activities for which there was no good business case to undertake joint procurement.
167. UN Women is now leading collaborative procurement activities on behalf of the US-based agencies. The group meets frequently, has so far identified more than 30 common user items and has set up new LTAs. By collaborating and improving existing LTAs, the group expects to achieve a cost avoidance of approximately \$3M over the next 3 years. UNDG has agreed to fund a consultant to work with the group on renegotiating and modernising existing LTAs of participating UN agencies. UN Women offered to share details on the activities of the group.
168. UNOPS is an active member of the collaborative procurement group in Copenhagen led by UNFPA. To date, the group has been successful in collaborating on travel services and office supplies and hopes to continue the good work in 2016.
169. UNICEF will launch the global tender for freight forwarding (annual spend \$100M+) this year. The TOR has now been agreed upon by the participating agencies, the procurement

- strategy has been developed, the bidders' conference will now be taking place and then the tender will be launched.
170. In addition, UNICEF and UNFPA met with DFID earlier this year and many of the achievements for 2014 were highlighted, details of which can be shared with the CEB Secretariat by UNFPA.
  171. Moreover, UNICEF highlighted the joint WFP and UNICEF Global Engineering Services LTA and offered to share a summary of the upcoming Global Freight Forwarding tender.
  172. ILO commented that procurement could benefit from having the savings achieved by procurement re-invested into some of the inter-agency bodies, such as the PN Secretariat, CPAG etc. Instead, there appears to be a trend to reduce procurement capacity at HQ level to regional/country level, such is the case with WHO in Geneva, which means that they can no longer participate in CPAG activities.
  173. PAHO underlined the necessity of being able to carry out feasibility studies before embarking on a project. PN projects have been successful to date because they have had the funding to do the necessary studies and for a resource to take the lead. Without funding, momentum is lost and work grinds to a halt.
  174. ITU seconded this, stating that while the private sector can afford to make more immediate decisions, the feasibility studies are a necessary tool in the UN to justify moving forward with projects.
  175. The World Bank underlined the importance of defining savings accurately, i.e., they can be categorised not only as hard savings, but also as soft savings and cost avoidance. In other words, savings may not only figure on the bottom line they can also come in the form of increasing efficiency, change of scope etc. The Bank also highlighted the importance of collaborating closely with strategic clients and, when embarking on joint procurement initiatives, for all parties to give their full commitment.
  176. The CEB Secretariat recommended highlighting achievements to a broader audience than one single donor (DFID) and to share such information with the CEB Secretariat on a regular basis.
  177. The Trust Fund was intended to provide seed money that would result in mainstream practices. It is important that the approaches that are developed can become business practices without the need for further funding. It may appear that the Harmonisation WG has lost momentum due to lack of funds at present, however, deliverables from the previous projects have been successfully taken on board, incorporated into agencies' procurement manuals etc. He suggested for now to focus on mainstreaming the approaches developed and when additional funds become available it may be possible to move to new levels.
  178. Finally, the CEB Secretariat reminded the PN of the opt in/opt out principle. If an initiative is of benefit to a group of organisations, it should be possible to move forward with it despite the fact that there might be organisations which do not wish to participate.
  179. The PN Chair agreed that the work undertaken by the Harmonisation WG is now very much embedded in business processes and has brought about significant and long-lasting changes in the way organisations are now collaborating and trusting in each other's processes. The opt in/opt out approach has also been instrumental in facilitating collaborative procurement.

She also pointed out that the results that the PN has achieved have been largely possible due to its dedicated Secretariat.

180. Finally, the UNGM SC Chair expressed appreciation for the funding that made the vital reform of the UNGM vendor registration process possible as well as subsequent funding that has been granted.

## **XI. THE ERP INTEROPERABILITY STUDY**

181. This topic was presented by the PN focal point for the study, Mr. Willem Tahon (UN/PD).
182. The background of the study, which stems from the QCPR, as well as the methodology and the scope of work, were explained.
183. The overall findings were then presented, as well as the main findings concerning Supply Chain, which include the following:
- There is a high degree of commonality for goods and services required at HQ, regional and country offices - some highly unique/specialty commodities for which there are recognised expert agencies.
  - There are local sourcing requirements put in place by host nations or as a specific part of a development programme.
  - The UN should develop a global sourcing approach focusing on minimising administrative overheads while remaining flexible and responsive.
  - There is a need for a UN system-wide governance mechanism to which all individual agencies agree to be bound.
  - Common registration, tendering, contracting and supplier data management can be implemented as an extension of the UNGM platform, which can then provide an end-to-end service.
  - Commodity Centres of Excellence can be implemented to focus on specialty areas.
184. The presentation concluded with a brief overview of the barriers identified by the study and the next steps.
185. The full presentation can be found in [Annex 11](#) and the ERP Interoperability Study can be referenced in [Annex 12](#).
186. Following the above, UNICEF presented its feedback on the study. In brief, UNICEF disagrees with the recommendations in the study concerning Supply Chain for a number of reasons, notably:
- It does not take into account existing structure for inter-agency coordination of supply and procurement processes, such as the HLCM PN, and corresponding Working Groups nor does it consider ongoing initiatives and processes within this framework.
  - Differences exist in terms of implementation of supply chain processes due to different requirements linked to different funding structures, different staffing needs and different mandates and operations.
187. In addition, UNICEF informed that it is currently implementing a global shared service system for finance in Budapest. This is proving to be a huge and very challenging undertaking even though it only concerns a single agency. It is expected to bring about

benefits and efficiencies in the long term, but it will take some time to establish itself and is bound to be a learning process.

188. UNICEF urged the PN to examine the report in detail and discuss how to best approach it.
189. UNICEF's more detailed responses to each of the Supply Chain recommendations can be found in [Annex 13](#).

### ***Discussion***

190. ITU thanked UNICEF for the in-depth analysis and highlighted the need for the report to also be reviewed in detail by the other HLCM networks. In particular, there should be a neutral analysis in terms of technology.
191. The PN Chair highlighted that the agencies being asked to set up shared service centres in other locations may be a concern to Members States currently hosting UN offices.
192. The CEB Secretariat urged the PN to review the study and provide feedback as the greater the input there is from each network, the greater the understanding will be of the various arguments.

## **XII. SHOW AND TELL: THE COMMON PROCUREMENT ACTIVITIES GROUP (CPAG), GENEVA**

193. This topic was presented by the CPAG Secretary, Mr. Stephen Farrell (UNOG).
194. CPAG is leading efforts towards the simplification and harmonisation of procurement practices among 16 Geneva-based international organisations with the objective of increasing the efficiency and effectiveness of UN procurement activities.
195. The presentation discussed the background of CPAG, its management and governance structure, etc., and provided an overview of its key common projects. These have included travel agency & visa processing services, airline negotiations, electricity and diplomatic pouch services. In addition, CPAG members collaborate on procurement of office supplies, mobile telephone services, car/driver services and more.
196. The estimated cost avoidance through CPAG's various collaborative activities in 2014 totalled almost \$35.5M.
197. To address the challenges that exist, CPAG recognises that the way forward will require the following: harmonisation of regulatory frameworks; appropriate levels of resources to ensure implementation of identified opportunities for economies of scale; and enhancement of the existing collaborative procurement mechanisms to ensure that resources and benefits are shared equally by all members.
198. The full presentation can be found in [Annex 14](#).

### ***Discussion***

199. UN/PD queried the cost-sharing methodology used for the P3 position in the CPAG Secretariat, which is a UN post and is based on the number of staff per organisation, however, one CPAG member is non-UN.

200. ILO responded that the methodology being used was agreed a long time ago and that a fixed membership fee may be considered at some point.
201. The CEB Secretariat was interested in gaining a better understanding of the issues that different regulatory frameworks create as this is often reported from field level as a barrier to common procurement.
202. The CPAG Chair clarified that one of the main issues was with the different review mechanisms that exist from organisation to organisation. If the process of the Lead Agency is a lengthy one this delays contract award and the ability of the other organisations to award the contract. In addition, many organisations are required to obtain the approval of their own contracts committees.
203. ILO informed that a small group was currently working on defining a policy for collaborative procurement that may be applied to simplify and expedite the approval and award process.
204. In response to a query from IFAD, the CPAG Chair explained that the General Terms & Conditions (GT&C) pertinent to each organisation are incorporated into the bidding documents. In fact, normally it is sufficient to attach the GT&C of the UN Secretariat as they are the most comprehensive. However, vendors have to sign contracts with the individual organisations in which they agree to the GT&C of each.
205. In terms of travel costs, WFP informed it is easy to calculate cost avoidance with regards to business class tickets where there normally are only 3-4 fares and to which airlines apply a set discount.
206. The CPAG Chair added that in some of its contracts CPAG asks the service provider to share information on savings calculations, which further facilitates cost avoidance estimation.
207. FAO informed that as it developed the language for recognising the processes of other UN organisations that was adopted by the PN, it was the first to adopt this practice (in 2010). When FAO piggybacks on the LTA of another organisation there is no need for additional approval from FAO's contracts committee.
208. UNICEF added that it has adopted the same approach and simply shares the details with its contracts committee for information purposes.

### **XIII. UN GLOBAL MARKETPLACE STEERING COMMITTEE (UNGM SC) BRIEFING**

209. The UNGM SC Chair, Mr. Giorgio Fraternali (ILO), provided an update on the outcomes of the meeting of the UNGM Membership which took place earlier in the week.

#### ***(i) UNGM Rolling Budget 2016-2017***

210. As per normal practice, the UNGM budget for the forthcoming year as well as the following year was presented to the UNGM membership.
211. The budget document (see [Annex 15](#)) presented to the UNGM membership provides a consolidated overview of the anticipated costs and income flows covering both the regular UNGM activities and the bespoke projects funded by external sources.



212. The UNGM SC Chair informed the PN that the UNGM rolling budget for 2016-2017 was approved by the UNGM membership.

213. For a detailed overview of recent UNGM activities and achievements, the 2015 UNGM Mid-Year Operational Report is available in [Annex 16](#).

***(ii) UNGM Operating Modalities***

214. As agreed at the last PN meeting, the UNGM Operating Modalities document (see [Annex 17](#)) underwent a general review by the UNGM SC. The subsequent modifications were then presented to the UNGM membership for approval.

215. The UNGM SC informed the PN that (with an additional minor amendment to one of the Annexes<sup>8</sup>) the updated UNGM Operating Modalities document was approved by the UNGM Membership.

***(iii) UNGM Version 3.0 Strategic Enhancements***

216. Following on from the success of the UNGM vendor registration reform, the UNGM SC & UNGM Secretariat identified the need to add features that will further enhance UNGM's value to the UN organisations, the international business community, donors, governmental and institutional stakeholders.

217. Therefore, a proposal (see [Annex 18](#)) outlining the following development priorities was presented to the UNGM membership for endorsement:

- Re-alignment of the flagging system for the Model Policy Framework for Vendor Sanctions<sup>9</sup>
- A portal for Chambers of Commerce and Trade Promotion Entities<sup>10</sup>
- Registration of Individual Consultants
- Improvement & fine-tuning performance of functionalities

218. The UNGM SC Chair informed the PN that the UNGM membership endorsed the proposal for the UNGM Version 3.0 Strategic Enhancements (with some minor suggested amendments) to be funded by the UNGM Reserve Fund.

***(iv) UNGM Strategy 2016-2018***

219. UNGM SC member, Mr. Sandro Luzziatti (IFAD) presented a 1-page strategy statement for 2016-2018, developed by the UNGM SC to ensure a strategic and proactive approach in the management of the UNGM and to respond to significant trends that have been identified.

220. In summary, the strategy states that the UNGM will: widen the services and value offered to its members; ensure UNGM members' compliance with the UN Security Council's and UN agencies' sanction lists; diversify its revenue streams; become a centre of excellence in international public procurement; reinforce its Secretariat; establish partnerships; support achievement of the Sustainable Development Goals; interact and conduct Business-to-

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<sup>8</sup> Annex 1b will be amended to read, "Provision of a help-desk service, available within normal UNOPS Copenhagen working hours, and/or whatever other timetable is agreed by the UNGM Steering Committee and the Service Provider".

<sup>9</sup> As described in Chapter VIII, paragraph 71 (iv)

<sup>10</sup> As described in Chapter VIII, paragraph 71 (v)

Business secure transactions with external systems; and reinforce and monitor its technological infrastructure. The full document can be found in [Annex 19](#).

221. Within the next year, the UNGM SC will develop an action plan based on the 2016-2018 strategy statement.

222. The PN Chair conveyed her support to the outlined strategy, which will enable the group to better communicate to stakeholders the vision for the UNGM and the extent of its capabilities.

#### **XIV. UNGM STRATEGIC ENHANCEMENT PROJECT UPDATE**

223. The UNGM Strategic Enhancement Project (Version 2.0, Phase I) update was presented by the Project Coordinator, Mr. Kiyohiro Mitsui (UN/PD).

224. The deliverables of this HLCM-funded project, which commenced on 2 February 2015 and will be completed at the end of the year, are as follows:

- (i) ERP and E-Procurement Systems Integration
- (ii) Technical Platform for Innovation, Harmonisation and Knowledge Sharing
- (iii) Functionality for the UN Annual Statistical Report (ASR)<sup>11</sup>
- (iv) Integration with One-UN Country Portals

225. The status on development work is as follows:

- The ERP web API has been completed and is undergoing testing
- The Knowledge Centre development is ongoing - wireframes can be viewed on <http://doshuku.axshare.com/> (password: ungm2015)
- Development of ASR functionality is ongoing
- Development of the One-UN country portals is to start in October/ November 2015

226. After completion of the UNGM Version 2.0, Phase I (above), project activities are expected to be two-fold:

- (i) UNGM Version 2.0, Phase II (pending funding from the HBP Trust Fund)
  - (ii) UNGM Version 3.0 (to be funded from the UNGM's Reserve Fund).
- Both projects are expected to have a duration of 6 months.

227. The full presentation can be found in [Annex 20](#).

#### **Discussion**

228. PAHO queried how the UNGM Secretariat would manage the different requests from agencies to link their ERPs and e-procurement systems to the UNGM. The UNGM Team Lead responded that they were already carrying out integration work for some agencies and it takes place on a 'first come, first served' basis. In addition, since the web API has now been developed, integration is quite straightforward and multiple integration can almost take place simultaneously.

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<sup>11</sup> This development work relates the ASR Automation Project (see Chapter V) and was incorporated into the UNGM Project following a decision of the UNGM SC in consultation with the CEB Secretariat

229. In response to another query from PAHO, the UNGM Team Lead clarified that the API allowed the agencies integrating their systems with the UNGM full flexibility in choosing which data fields they want to receive. In addition, the API facilitates the automatic publishing of tenders on the UNGM from the agency's system.
230. UNHCR will over the next 18 months be upgrading its ERP system and will contact the UNGM Secretariat in due course regarding integration.
231. In addition, UNHCR queried why 'Post Launch ICT Support' was listed in the presentation as a separate deliverable under UNGM Version 2.0, Phase II. The UNGM Team Lead clarified that this is simply a phase of post-development support necessary to fine-tune and fix any bugs identified. The UNGM SC Chair added that this was a lesson learned from the first UNGM project (vendor registration reform) where resources for bug-fixing had not been provided for. The steering team now includes it as a separate activity in projects.
232. The CEB Secretariat highlighted the relevancy of the PN including information on the ERP/UNGM integration work in the feedback it will be providing on the ERP Interoperability Study.
233. The CEB Secretariat also reminded the PN to convey to Member States how useful HBP funding has been to its projects as this may encourage further donations to the Trust Fund.
234. The PN Chair thanked the Project Coordinator and all parties concerned for their contribution to this important work, made possible by funding provided by the HBP SC. She especially commended the UNGM team on the achievements to date.
235. Finally, the Project Coordinator thanked the UNGM SC and the UNGM team for their continued support.

## **XV. SHOW AND TELL: UNICEF SUPPLY COMMUNITY, AND ITS LEARNING & DEVELOPMENT STRATEGY**

236. This topic was presented by Ms. Lena Musum Romer (UNICEF).
237. UNICEF has established a concept of 'supply community' (encompassing 965 staff across 89 countries) to develop and support a sense of professional belonging, team and togetherness, knowledge sharing, and career development in the supply function.
238. The presentation gave the PN a high level overview of the main components of the initiative, including UNICEF's recently established learning and development (L&D) strategy for 2015-2017.
239. The presentation included a discussion on the objectives of the L&D strategy, the drivers and the actual learning and development plan, which identifies the knowledge & skills staff need to support the overall strategic plan.
240. For the professional development component, UNICEF uses a Learning Management System called AGORA. UNICEF is changing some of its core supply learning programmes into blended learning solutions (e-learning combined with other methods including face-to-face training). It has established collaboration with UNHCR on the sharing of learning material and the joint development of new material of common interest. External partners will be able to access learning programmes on the UNICEF AGORA platform. UNICEF is

also willing to share any material it develops with other organisations interested in implementing such learning programmes on their own platforms.

241. Furthermore, if there is PN interest in any of the training courses listed in the slides, UNICEF is willing to share with those agencies.
242. Finally, UNICEF Supply Division's Annual Report was also highlighted as it showcases various stories from its supply community around the globe.
243. The full presentation can be found in [Annex 21](#).

### ***Discussion***

244. UNOPS commended UNICEF on the work, in particular regarding the showcasing of stories in the annual report as this is a great way to bring staff in the field together and create a sense of community when people are otherwise far apart.
245. UNHCR added that featuring the stories is an important way of empowering people and giving them a sense of pride.
246. UNHCR is working with UNICEF on some of the blended learning initiatives. It finds the blended learning to be a more effective means of learning than the face-to-face only approach.
247. In response to a query from FAO as to the resources required to implement the work, UNICEF responded that initially it was the work of 1 person with a little assistance. Now they have 2 learning specialists, 2 learning assistants and 1 intern. Subject matter experts are used to deliver the 30 training courses in the plan. The key element throughout has been the support of top management in creating buy-in etc. Another advantage is that UNICEF has teams dedicated to HR, IT, Finance, Procurement etc. based in Copenhagen so the expertise of staff in these areas can easily be drawn upon.
248. The PN Chair thanked UNICEF for the presentation, describing the work as fascinating, encouraging and heartening, and a progressive way to increase the professionalisation of staff.

## **XVI. SHOW AND TELL: THE NEW UN WEB BUY PLATFORM**

249. This session was presented by Ms. Anna Spindler (UNOPS).
250. UN Web Buy<sup>12</sup> is UNOPS's eCommerce solution that allows its clients and partners to order common humanitarian user items online.
251. UN Web Buy is currently expanding the categories of goods and services that are made available for online procurement. To support this growth, and the overall vision of UN Web Buy, development has just begun on creating a new eCommerce platform that will be launched in 2016.
252. UNOPS has just completed a motor vehicle tender where LTAs were signed with 17 companies covering 28 vehicle categories and over 740 different model versions, including major brands such as Toyota, Nissan, Ford, VW, Isuzu, Mazda and Chevrolet.

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<sup>12</sup> [www.unwebbuy.org](http://www.unwebbuy.org)

253. The new UNOPS catalogue for armored vehicles was presented; UNOPS has signed LTAs with 13 suppliers of armored vehicles from Europe, US and the Middle East.
254. In addition, the new UNOPS Agriculture and Earth Moving Equipment catalogue was presented; LTAs have been signed with 10 companies covering 24 categories of equipment.
255. Additional functionality will be introduced to UN Web Buy to provide a more efficient and user-friendly online procurement experience for users.
256. The full presentation can be found in [Annex 22](#).

### ***Discussion***

257. In response to a query from UNAIDS, UNOPS informed that it does not make any volume commitments to its vendors. There are dynamic pricing structures within Web Buy and volume discounts are offered. Additionally, clients who can provide forecasts at the beginning of the year can achieve a reduction in the handling fee that is charged. In the event UNOPS receives a very large order, it will often run a secondary bidding process, in particular where freight is concerned. When manufacturers offer a discount for bulk buying, UNOPS ensures that the saving is passed on to the client.
258. IFAD enquired as to whether Web Buy could be connected with ERP systems. UNOPS responded that this question was very timely as UNOPS is exploring this matter in connection with development of the new system. Anyone interested in discussing this further was encouraged to contact UNOPS.
259. IFAD also queried whether an LTA resulting from a PN collaborative procurement activity could potentially be made available from Web Buy. UNOPS responded that it can certainly make the LTA information accessible free of charge, but if UNOPS was to provide any service in connection with it, this would be subject to a cost-recovery fee which would have to be discussed. The new platform will make it much easier for UNOPS to post LTAs on behalf of other agencies.
260. ILO mentioned that CPAG would shortly be selecting vendors for some consumer items and may contact UNOPS with regard to making the LTAs available via Web Buy.
261. UNDP enquired whether the new system would facilitate the maintenance of the various catalogues. UNOPS explained that the first phase was focusing on making the vehicles catalogue more robust. The next phase will encompass higher volume, faster moving products where UNOPS will be looking to add value to the supply chain by introducing more self-service functions etc. that will in turn reduce costs.
262. FAO alerted the PN to an issue that an auditing firm has raised regarding an EU verification, which identifies FAO's purchase of vehicles from UNOPS as a deviation from FAO procurement rules because UNOPS did not participate in a competitive process. FAO has explained that the process is legitimate as it falls under UN collaboration, which is encouraged as a basic principle in the FAO procurement manual. However this specific auditing firm appears to be insisting that the procurement from UNOPS should be considered an ineligible cost. Feedback from the EU is now awaited. Should the EU agree with the auditor, this will be a serious obstacle to the PN in moving forward with collaborative procurement activities.

263. UNOPS clarified that this audit recommendation appeared to be an isolated case and one which it had responded to by correcting some of the facts and calculations.
264. FAO flagged another issue it has had relating to using Web Buy, which is the inability to apply liquidated damages (LDs) when there is a very late delivery of vehicles. The External Auditors have focussed very much on the application of LDs and FAO is trying to identify a means to address this issue.
265. UNICEF enquired as to whether Web Buy would be considered as a platform for hosting the LTAs that will emerge from the collaborative procurement of vehicles project. UNOPS would be supportive of this and, should the approach be chosen, would be open to discuss ways to reduce the handling fee.

## **XVII. SHOW AND TELL: UNDP PROCUREMENT STRATEGY 2015-17**

266. This session was presented by Mr. Dominic Grace (UNDP).
267. UNDP's Procurement Strategy for 2015-17 signals a new approach to procurement that is innovative, fit-for-purpose, efficient, cost effective and in substance promotes sustainable procurement and positions it as a strategic function.
268. The Strategy complements UNDP's Strategic Plan and contributes to achieving its objectives through the following commitments:
- Green, Responsible & Inclusive
  - Cleaner supply chains
  - Purchasing innovation
  - Better integration with programmes
  - Stronger partnerships
  - Transparency, integrity, and accountability
  - Measuring impact
  - Assessing and building capacity
269. Further information on each of these areas, which form the structure of the Strategy, can be found in the presentation in [Annex 23](#).
270. UNDP indicated that it would be open to partnering with any PN member organisations interested in collaborating on specific initiatives relating to the above themes.

### ***Discussion***

271. UNHCR has managed to mitigate some risks in its supply chains by examining some of its suppliers more closely and would be willing to work on this with UNDP. An area UNHCR is finding a challenge is innovation and engaging with the private sector.
272. IAEA also enquired as to how UNDP manages to maintain transparency and fairness while engaging with the private sector on innovation.
273. UNDP explained that it has approached innovation by defining a specific desired outcome and advertising it. The subsequent proposals received are then evaluated and an award (of max. \$40,000) is given to the selected vendor. It has been a challenge to resolve who owns the Intellectual Property Rights. With the assistance of lawyers it has now been agreed that

- UNDP owns the rights, but the company that receives the award has the licence to supply the product/service indefinitely.
274. UNICEF informed that its innovation scheme has been in operation for a number of years and is now quite well developed. In addition, it has been doing considerable work in the area of clean supply chains. UNICEF offered to share information on both areas of work with interested agencies.
275. UNOPS relayed a recent discussion of the Sustainable Procurement WG regarding SDG no. 14 - Ensure Sustainable Consumption & Production Patterns - which has specific indicators relating to sustainable procurement. The WG has identified the High Level Political Forum (HLPF) as the body responsible for UN sustainable development activities, in which case it may be advisable for the PN Management Board to establish contact with it to seek input and guidance. The PN Chair asked the WG to follow up with the Board on this following the PN meeting.
276. UN/PD queried whether UNDP had carried out any research in the private sector prior to embarking on its work on sustainability in supply chains. UNDP explained that the approach it took was to contact its 40 largest suppliers to determine the level of potential compliance with the sustainability criteria it was planning on introducing into its tenders. UNDP found that all suppliers viewed the criteria as reasonable demands and that the enquiry in itself sent an important signal to the vendor community.
277. IFAD informed that the SVM WG was exploring ways that the UNGM could be used to support innovation and welcomed PN members to share all good ideas with the group.
278. In response to an enquiry from UN Women regarding whether UNDP had implemented any initiatives to support the empowerment of women, UNDP explained that the first step taken was to introduce the sustainability criteria (accounts for 7% of the score) and it then plans to factor in other aspects in due course, for example, points for women-owned businesses etc.
279. UNDP confirmed that the LTAs for solar technology products are available for other agencies to use.

#### **XVIII.SHOW AND TELL: AN INTRODUCTION TO THE WORLD TRADE ORGANIZATION (WTO)**

280. Ms. Alessandra Caratozzolo of WTO gave a brief introduction to the organisation as this was the first time WTO was participating in a PN meeting,
281. The PN was provided with pertinent background information on WTO, followed more specifically with information on its procurement activities (2015 budget = approx. \$20.5M).
282. WTO's current procurement framework and guidelines, covering the acquisition of goods, services, and works, are the result of a procurement reform conducted in 2008. Now the organisation is seeking to position procurement as a strategic function and increase efficiency through, (i) the revision of its rules, policies and manual and (ii) the streamlining of processes.
283. WTO expressed interested in becoming an active member of the PN in order to: enhance the visibility of WTO; gain knowledge of the procurement practices of other international

organisations; access system contracts where applicable; and to avail of the opportunity to network.

284. The full presentation can be found in [Annex 24](#).

### ***Discussion***

285. The PN Chair encouraged WTO to take advantage of the knowledge within the network and to access the tools that have been developed, and are available on UNGM, to support it in revising its manual, policies etc. She also congratulated WTO on passing the four Pillar Assessments of the EU.

286. ITU informed that it would be undergoing a similar assessment and WTO offered to share further information and experiences on the process.

## **XIX. SHOW AND TELL: THE NEW UNGM KNOWLEDGE CENTRE**

287. This topic was presented by the UNGM Team Lead, Mr. Niels Ramm (UNOPS).

288. Although the new knowledge sharing platform on UNGM had already been touched upon as part of the session on Strategic Vendor Management (Chapter VIII), this presentation served to provide a closer look at the upcoming pages, functionality and usability of the space.

289. The platform, which is a component of the UNGM Strategic Enhancement Project (Phase I), is being built on a Content Management System that allows users to easily create new content without any IT-developer intervention.

290. The new Knowledge Centre will replace the current simple page of links in UNGM and instead will have areas dedicated to:

- Procurement Categories
- Collaborative Procurement
- The Model Policy Framework (MPF) for Vendor Sanctions
- Procurement Topics
- HLCM PN Workspace
- UN Staff Discussion Forums (on various pages)
- Sustainable Procurement
- The Annual Statistical Report (ASR) on UN Procurement
- UN Virtual Business Seminars
- UN Procurement Harmonisation
- Useful Links
- Publications
- And more

291. While some of the areas will have public access, others will only be accessible to UN Users.

292. The full presentation can be found in [Annex 25](#).



## *Discussion*

293. In response to various queries from UN/PD, UNOPS informed that, (i) the Content Management System had been built by UNGM developers, but that some of the widgets (e.g. discussion forum) are ‘off-the-shelf’ software, (ii) the ASR page will allow users to download specific information, such as country data, (iii) information on contract awards will be posted, and a web service will be used to uplift awards posted on agency websites.
294. UNICEF commended the progress made to date, in particular regarding the discussion forums, which will finally allow procurement practitioners to link up more easily. UNICEF did however flag the challenge there can be in getting people to actually use such a tool and whether there would be any moderation of the forum.
295. UNOPS acknowledged the concern and explained that although the overall concept for the discussion forums was in place, the more detailed functionality had yet to be addressed. UNOPS expressed interest in reaching out to UNICEF in due course to learn from its experiences with such tools.
296. UNDP recommended having a moderator to ensure proper use and management of the discussion forums.
297. Although at the outset only access to UN users is envisaged for the discussion forums, UN/PD recommended caution if consideration is given to allowing external access as this can generate unwanted content and be difficult to control.
298. Further to an enquiry from PAHO, UNOPS agreed that it would be highly desirable to have an App for the Knowledge Centre, but would be dependent on additional resources being available.

## **XX. VOTING IN OF NEW MEMBERS, VENUES FOR FUTURE SESSIONS, MEETING CLOSE**

### *Venues*

299. For the Spring 2016 meeting, the following locations were proposed and voted on: Bonn (UNFCCC), Istanbul (UNDP), Tokyo (UN/PD). Tokyo received the majority of the votes; therefore the next PN meeting will be hosted there by UN Procurement Division in collaboration with United Nations University (the latter has its HQ in Tokyo). The date for the meeting is yet to be determined.

### *New Member*

300. The European Stability Mechanism (ESM) was welcomed as a new Associated Member of the PN.
301. Over the past few years, the PN has seen an increase in the number of external organisations seeking Associated Membership to the network. Therefore, the PN had a discussion regarding introducing a more structured process for handling such requests in the future. It was agreed that a simple protocol for pre-assessment of external organisations seeking Associated Membership should be drawn up and incorporated into the PN Statutes. The PN Management Board will address this along with any amendments that need to be made to the Statutes relating to the funding of the PN Secretariat position (Chapter VI -

Financing). Until an agreed upon procedure is established, the PN will postpone acceptance of any new organisations seeking Associated Membership to the network.

### *Announcements*

302. The PN congratulated Mr. Bryan Cook (World Bank) on being one of only two people in the world who has achieved Chartered Status with CIPS.

### *Close*

303. On behalf of the PN, the Vice Chair thanked the Chair for her strong commitment and contribution to the network over the years. She noted that the Chair's direct and innovative approach has greatly contributed to collaborative procurement activities. On that note, the Vice Chair wished the Chair the best of luck with her upcoming early retirement.
304. After welcoming both ESM and WTO to the network, the Chair announced the departure of two existing members - Ms. Caro Cook (IAEA) who will return to IMF, and Mr. Dietmar Plesse (ITU) who will be leaving the UN shortly to return to the German Government for another 3 years before retirement.
305. The PN Chair thanked Ms. Caro Cook for her contribution to the PN over the years as well as for the great hospitality and support provided by her and her team during the meeting.
306. The PN Chair also paid tribute to Mr. Dietmar Plesse for his dedication to the network over the past 7 years. The PN has always been able to rely on his unconventional wisdom and interesting input to discussions. This has greatly been appreciated by the PN membership and Management Board.
307. Mr. Dietmar Plesse wished the PN every success with its continued efforts to increase collaboration in UN procurement - an endeavour that will be ever appreciated by the Member States.
308. Finally, the Chair thanked IAEA & CTBTO for hosting the meeting, and the Advisory Chair, Vice Chair and the PN Secretariat for their invaluable support. She remarked that she found it a rewarding experience to be on the PN Management Board and encouraged others to join in the future. She concluded by expressing her appreciation to the PN for the frank participation and warm friendship. She wished everyone all the best for the future; not least in collaborating.