



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

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

(11-13 March 2015 – FAO, Rome)

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## INTRODUCTION

1. The 17<sup>th</sup> session of the High Level Committee on Management's Procurement Network (HLCM PN) was hosted by the Food and Agriculture Organization of the United Nations (FAO) at its headquarters in Rome on 11-13 March 2015, under the Chairmanship of Mr. Dominic Grace (Director, Procurement Support Office, UNDP) with the support of the Vice-Chairperson, Ms. Regina Gambino (Chief, Procurement Service, FAO) and the Outgoing Chairperson Mr. Dietmar Plesse (Head, Procurement Division, ITU). The incumbents of these three positions form the Management Board of the HLCM PN.
2. The meeting was attended by 48 colleagues<sup>1</sup> representing 24 of the 36 organisations registered as members of the HLCM PN. A list of participants is provided in [Annex 1](#).
3. The meeting followed the format of three working days with closed meetings and discussions for Network members around an agreed agenda. There were separate sessions held for the Harmonisation Working Group, the UNGM Membership and the Sustainable Procurement Working Group on two of the afternoons. In addition, a half-day multi-stakeholder workshop on Vendor Sanctions, led by the Strategic Vendor Management Working Group, was held the day before commencement of the HLCM PN meeting.
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. Ms. Theresa Panuccio (Director Administrative Services, FAO) opened the meeting by welcoming the PN members to Rome and to FAO. She highlighted the occasion as a great opportunity for members to network, share concerns and explore new approaches to their work.
6. The PN Chairperson also welcomed the participants and expressed his appreciation to FAO for hosting the meeting. He noted that procurement is under increased scrutiny and pressure to be more cost and delivery effective. He emphasised collaboration as being of core importance to PN activities in moving forward, not only on a practical level through collaborative contracting, piggy-backing on LTAs etc., but by fostering a culture of collaboration – acting as One-UN and presenting a united front to the vendor community, governments and donors. The Chair remarked that the PN has already demonstrated its strength and willingness to collaborate in many ways, despite the challenges that often exist, and encouraged all members, no matter the size of the organisation, to support the collaborative culture by actively contributing during the meeting.
7. The Vice-Chairperson welcomed PN members to Rome, her adopted home. She proceeded to provide the audience with a wealth of facts about this fascinating city that is steeped in thousands of years of history. The Romans, however, for all of their advanced thought and engineering in the past, did not have in place the mechanisms that we have today to address conflict, suffering, hunger, illness, ignorance, human rights, discrimination, harm to the environment etc. – all of the areas that the UN was established to address. She highlighted what a privilege it is to work in the procurement field because it ensures that those in need get the necessary support, be it medicines, shelter, food, infrastructure, birth control, books, ability to exercise voting rights etc. She encouraged the PN not to focus on the small differences that exist from organisation to organisation, but rather on the much bigger

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

picture – the issues that support collaboration and cooperation, which in turn will benefit those in need throughout the world.

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. ***Amendment of the HLCM PN Statutes***

[Annex 4](#): Document ‘HLCM PN Statutes’

[Annex 5](#): Document ‘Process for Nomination and Election of HLCM PN Vice-Chair’

- v. ***Professional Development Working Group Update***

[Annex 6](#): Presentation ‘Professional Development Working Group’

- vi. ***Collaborative Procurement of Vehicles Project***

[Annex 7](#): Presentation ‘Phase II – Progress Report’

[Annex 8](#): Document ‘Project Plan’

- vii. ***UN Global Marketplace (UNGM), part 1***

[Annex 9](#): Presentation ‘UNGM 2014 Highlights’

[Annex 10](#): Document ‘UNGM Operational Report for 2014’

[Annex 11](#): Document ‘UNGM Ex-Post Facto Financial Review for 2014’

[Annex 12](#): Presentation ‘UNGM Strategic Enhancement Project – PST Status Report’

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

[Annex 13](#): Presentation ‘Strategic Vendor Management Working Group’

- ix. ***Collaborative Procurement Study***

[Annex 14](#): Presentation ‘World Bank Group Procurement Reform & Collaborative Procurement Study’

[Annex 15](#): Document ‘Project Proposal’

- x. ***Harmonisation Working Group Update***

[Annex 16](#): Presentation ‘Phase 3 Proposal’

[Annex 17](#): Document ‘Phase 3 Proposal’

[Annex 18](#): Presentation ‘Common UN Procurement at Country Level, Version 3.0’

[Annex 19](#): Document ‘Common UN Procurement at Country Level, Version 3.0’

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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 20](#): Presentation ‘Overview of Evaluation Results’  
[Annex 21](#): Document ‘Phase 2 Evaluation Report’
- xi. ***UN Global Marketplace (UNGM), part 2***  
[Annex 22](#): Document ‘Registering Individual Consultants - discussion paper’  
[Annex 23](#): Document ‘UNGM Operating Modalities’
- xii. ***The Annual Statistical Report Automation Report***  
[Annex 24](#): Presentation ‘Automation of Data Collection for the Annual Statistical Report on UN Procurement’
- xiii. ***UNDG/PN Collaboration***  
[Annex 25](#): Presentation ‘UNDG/PN Collaboration’
- xiv. ***HLCM/CEB Secretariat Briefing***
- xv. ***Show and Tell: Procurement for Innovation – University of Rome II, Tor Vergata***  
[Annex 26](#): Presentation ‘Procurement for Innovation’
- xvi. ***Show and Tell: An Introduction to the International Network for Small and Medium Sized Enterprises (INSME)***  
[Annex 27](#): Presentation ‘INSME - International Network for Small and Medium Sized Enterprises’  
[Annex 28](#): Document ‘INSME 2014 Activity Report’
- xvii. ***Show and Tell: Modern Slavery in Supply Chains – Walk Free Foundation***  
[Annex 29](#): Presentation ‘Global Business Authentication’
- xviii. ***Show and Tell: Construction Project Management Tools – WFP***  
[Annex 30](#): Presentation ‘Construction and Project Management Tools’  
[Annex 31](#): Manual ‘Book 1 – Project Management and Planning’  
[Annex 32](#): Manual ‘Book 2 – Procurement’  
[Annex 33](#): Manual ‘Book 3 – Construction’
- xix. ***Show and Tell: An Introduction to the Inter-American Development Bank (IDB)***  
[Annex 34](#): Presentation ‘Introduction to Inter-American Development Bank Group’
- xx. ***Show and Tell: Planning & Forecasting – UNFPA***  
[Annex 35](#): Presentation ‘Procurement Services Branch – Delivering Supplies for Reproductive Health Results’
- xxi. ***Show and Tell: UNDP’s Innovation Award Scheme***  
[Annex 36](#): Presentation ‘UNDP’s Innovation Award Scheme’
- xxii. ***Finalisation of Outstanding Decision Items***
- xxiii. ***Venues for Future Sessions, Meeting Wrap-Up and Close***

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

10. This topic 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.
13. The PN Secretariat informed that a new space for sharing PN policy documents with other UN users has now been made available; she will share further details by email following the meeting.
14. The full presentation can be found in [Annex 3](#).

### **IV. AMENDMENT OF THE HLCM PN STATUTES**

15. The PN Chair, Mr. Dominic Grace (UNDP), presented this item, on behalf of the PN Management Board, to discontinue the rotation between Specialised Agencies and Funds & Programmes/UN Secretariat in the selection of new Vice-Chairs for the HLCM PN Management Board, as it unnecessarily limits the number of potential candidates for the Vice-Chair role each year.
16. To avoid the risk of a single Member Organisation having more than one role on the Management Board, it was also proposed that language be included in the Statutes to prohibit this possibility.
17. In addition, it was proposed that the name ‘Outgoing Chair’ is amended to ‘Advisory Chair’ as this more accurately describes the role of the incumbent.
18. The PN approved the proposed amendments to the HLCM PN Statutes & the Process for Nomination and Election of HLCM PN Vice-Chair ([Annexes 4 & 5](#)). The PN also agreed that the Statutes should be reviewed to determine whether further modifications of the document are necessary and, if so, these will be presented for decision at the next PN meeting.

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

19. The Professional Development WG Chair, Mr. Torben Soll (UNDP), provided updates on:
  - (i) The ‘CIPS Knowledge’ portal – all UNGM users have had access to the portal since 1 September 2014. Usage of the portal is now being tracked and measured, and the decision on renewal of the subscription will be decided on at the next PN meeting.
  - (ii) Licensing the Procurement & Supply Profession – at the last PN meeting members concluded that they supported the overall principle of licensing the profession, but not any monopolistic approach of a single provider. The WG was tasked with reviewing the initiative and elaborating on the potential implications. Feedback on this was shared in the presentation. Considering the many issues this would raise (e.g. HR issues with respect to

current staff without certifications, mobility, career development, etc.) the WG concluded that the UN should not necessarily be a ‘first mover’ on the initiative and that it could not support such an initiative at this time.

(iii) The Knowledge Sharing Platform on UNGM – this will be a component of the UNGM Strategic Enhancement Project which has just commenced. The Professional Development WG will provide input to the UNGM Project Team on structure, functionality, content, choice of software solution etc.

(iv) The Procurement Practitioner’s Handbook (PPH) – upon conclusion of the Harmonisation Project - Phase 2, the PPH update initiative was transferred to the Professional Development WG. The PPH has not been updated since it was first published in 2006. The WG asked the PN to approve a request by the WG for funding from the HBP Trust Fund to hire a consultant to update the PPH.

(iv) Training Opportunities Tables – The annual updating of the two tables (Recommended Training Courses & the Training Compendium) will now take place simultaneously and the next update will be requested before the PN meeting in autumn 2015.

20. The full presentation can be found in [Annex 6](#).

### ***Discussion***

21. In response to a comment from ILO that the CIPS Knowledge portal does not permit access to all resources, the WG Chair acknowledged that some of the online training courses, executive papers, training literature etc. were not available through the subscription.
22. Many PN members expressed continued concern about the notion of licensing the procurement profession due to the involvement of CIPS, the constraints the requirement might put on staff, such as limitation for encouraging staff mobility between different functions of the organisation etc.
23. Furthermore, deciding whether or not to license the profession in the UN is most likely not a decision that the PN could take without the involvement of HR.
24. The PN Chair supported the cautious approach the PN is taking. Nevertheless, he noted that CIPS will move ahead with the initiative regardless of the UN’s stance and therefore it is important to be aware of the developments.
25. Many PN members mentioned the great value of the PPH and felt the update should be given priority. It was noted though that the timeframe (1 month) and budgeted amount (USD 10,000) for this initiative were too conservative and should be reviewed.
26. Furthermore, given the reduced level of funds available in the HBP Trust Fund, some members suggested that this modest project could potentially be funded internally. Both UNICEF and UNDP offered to contribute.
27. Alternatively, it could be included as part of the UNGM Strategic Enhancement Project – Phase 2, which will have a component focusing on the content for the knowledge sharing platform being developed under Phase 1.
28. The Harmonisation WG Chair informed that a recent survey carried out among PN members revealed that half of the respondents felt the PPH update should be the

responsibility of the Harmonisation WG, while the other half indicated that it should fall under the Professional Development WG.

29. The PN Vice-Chair urged for the Professional Development WG to take charge of the update and continued maintenance of the PPH. Given that it is often used as a training tool and is basically a compendium of best practices, it should be under the responsibility of a group dedicated to professional development.
30. The PN Vice-Chair also recommended aiming for a broader review of the PPH as opposed to just addressing the most pressing cosmetic issues. The effort required in limiting a review to cosmetic changes can often end up being as much work as carrying out a full update.
31. The WG Chair added that it makes more sense to hire a consultant, supported by a small internal steering team, to carry out the PPH update rather than expecting PN members to dedicate time to update the various sections.
32. The PN agreed that the PPH requires updating. However, the proposal will be reviewed and revised to reflect a more realistic timeframe/budget and to include some context regarding the need for the update. The WG Chair will share the amended proposal for comments and to determine the funding modalities, i.e. internal funds, HBP Trust Fund or other.

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

33. The Coordinator of this HLCCM-funded project, Mr. Dominic Grace (UNDP), presented this session.
34. The Project is currently in the latter stages of Phase 2 – aimed at developing a consolidated vehicles procurement framework – and the deliverables to date were presented.
35. UN/PD has been leading the procurement exercise. With the completion of the technical and commercial bid evaluations, a few issues have emerged. In particular, there was a shortage of compliant proposals in two of the nine vehicle categories and although favourable pricing has been achieved in the other seven categories, it has become clear that savings through procurement of the vehicles is only a small part of the overall savings that may be achievable.
36. Therefore, to ensure that the project reflects the current lessons learned, it was proposed that the project plan ([Annex 8](#)) be revised to include the following 4 outputs:
  - (i) Complete the current tender and launch a new tender for the remaining categories where there are insufficient or no compliant bids.
  - (ii) Create a Fleet Management framework to aimed at achieving additional savings for organisations that can implement it.
  - (iii) Capture lessons learned to be documented and applied for the new tender and future collaborative activities.
  - (iv) Provide a list of gaps in geographical coverage (list of countries and related vehicle categories) for inclusion in the new tender.
37. The full presentation can be found in [Annex 7](#).

## *Discussion*

38. UN/PD stressed the importance of delivering on (i), (iii) and (iv) above by the end of March 2015 as several organisations have contracts that are expiring in the coming months.
39. UN/PD asked the PN to share the point of contact in each organisation so that they can share and review the evaluation results and finalise the recommendations.
40. When carrying out the new tender, UN/PD intends to have another (mandatory) bidders' conference and assured it will reach out to relevant vendors.
41. To avoid confusion, UNOPS wished to highlight that this collaborative procurement exercise is not the only tender that the UN will pursue. UNOPS has a catalogue of over 200 types of vehicles on its UN Webbuy procurement portal. It buys approximately 2000 vehicles per year and the majority (75%) of its clients are non-UN entities. Therefore, in order to ensure continuity of supply and serve its clients, UNOPS will be conducting tenders for several vehicle categories later in the year.
42. UNOPS also noted that earlier in the project it had offered to lead or assist with the procurement exercise, however was unable to offer to do this on a collaborative basis due to the nature of the tool it uses for tendering processes.
43. Since UNOPS operates on a 100% cost-recovery basis, a fee is charged on all transactions – this fee serves to cover the costs associated with processing the order and is not a fee for simply using the LTA. UNOPS expressed openness to discuss how the fee system could be structured should the group be interested in using UN Webbuy for making the LTAs available once finalised.
44. UNOPS asked the group to consider the costs of all organisations carrying out their procurement transactions individually versus consolidating the process, be it through UN Webbuy or another solution.
45. ITU reminded that the project is included in the HLCCM's Strategic Plan and is therefore of utmost importance.
46. UN/PD added that one of the recommendations included in the JIU report on LTAs is for the executive heads of organisations to support the advancement of the work of the PN in the joint procurement of vehicles. The JIU report was also recently on the agenda of a 5<sup>th</sup> Committee meeting and therefore has the attention of the Member States.
47. UNHCR, UNICEF and UNRWA expressed strong interest in a successful project outcome and will continue to support group activities.
48. In terms of UN Webbuy, the Project Coordinator expressed interest in having the purpose of the fee and what it covers clearly articulated so as to give a better understanding of what the value-added of using the tool would be.
49. Finally, the Project Coordinator thanked UNHCR and UNRWA for the strong support provided to date, and to UN/PD and ITU for reminding the group about the high visibility of the project. In addition, he stressed the importance of operating as One UN and demonstrating a spirit of collaboration with respect to the Member States and the supply market.



50. In conclusion, the Vice-Chair shared her view; there is a difference between harmonisation and collaboration - the latter is often easier to achieve than the former. The group as a whole demonstrates the will to collaborate, the challenge being the differing requirements from organisation to organisation. This project has clearly been a learning process and the lessons learned so far are a reflection of reality. Nonetheless, given the high profile and scale of this project, successful delivery is of utmost importance.
51. The PN agreed to the proposal to revise the project plan to include 4 additional outputs.

## VII. UN GLOBAL MARKETPLACE (UNGM), PART 1

### (i) UNGM Highlights 2014

52. The UNGM Steering Committee (SC) Chair, Mr. Giorgio Fraternali (ILO) and the UNGM Team Lead, Mr. Niels Ramm (UNOPS), jointly presented the highlights of the UNGM for 2014 - the most successful year in UNGM's history. The highlights included the following:
- 26 organisations maintain their vendor roster in UNGM & 10 have or plan to have an ERP and/or e-procurement application integration.
  - 5,300 procurement notices were published.
  - 30,000 vendors completed the new registration process - more vendors registered in 2014 than in the all of the previous years of UNGM's operation combined.
  - 55% of vendors are from developing countries & countries with economies in transition - 8 developing countries are among the top 15 countries with the highest numbers of vendors.
  - A number of functionalities have been enhanced or developed. Most recently , the contract award functionality and inclusion of the consolidated UN Security Council list of sanctioned vendors.
  - Revenue from the tender alert service was USD 485,182 (USD 135,182 above target).
  - 80% of UN staff & 80% of vendors consider the new UNGM site good or excellent.
53. The full presentation can be found in [Annex 9](#). The UNGM Operational Report for 2014 and the UNGM Ex-Post Facto Financial Review for 2014 can be found in [Annexes 10 & 11](#).

### *Discussion*

54. The UNGM SC Chair thanked UNOPS, the UNGM team, UN/PD and IFAD for the achievements and strong support, and the UNGM Team Lead commended the UNGM team members both in Copenhagen and Bangkok for their excellent work.
55. Further to a query from UNHCR on UNGM members using different coding systems and classifying items differently, the UNGM SC Chair explained that at the 9<sup>th</sup> HLCM PN meeting in March 2011, the members decided to discontinue the use in the UNGM of the United Nations Common Coding System (UNCCS), which has become obsolete due to lack of maintenance for more than a decade. The decision was made at that time to migrate to the United Nations Standard Products and Services Code (UNSPSC). Initially it was foreseen that such migration was to take place in the UNGM only. HLCM PN members were free to decide and plan if and when to implement the new coding system. Currently, when uploading a tender notice in UNGM, users need to identify the appropriate UNSPSC code regardless of the coding system they use in their organisation.

56. UNFPA commended the team on the new system, however, it did experience significant issues with its InTend link crashing when the new UNGM was launched, and therefore requested that more consideration be given to these possible consequences when changes are implemented in future.
57. The UNGM SC Chair highlighted that as the UNGM develops and expands, pressure on the limited UNGM staff increases. Although the tender alert service revenue is currently very promising, there is a risk associated with relying on this as a source of income. Therefore, a more stable and sustainable funding mechanism should be identified. In response to a suggestion to consider charging suppliers to register, the UNGM SC Chair pointed out that this would not be considered acceptable as it is against a long term established UN policy and principle (requesting a registration fee might be regarded as an obstacle to competition for UN business opportunities).
58. IFAD added that charging for providing additional services (to vendors, chambers of commerce, agencies etc.) has been discussed and will be further explored by the UNGM SC.
59. In response to a query from ICAO which has experienced problems with duplicate registrations in its system, the UNGM Team Lead explained that the UNGM has tried to address this issue by suggesting matches when a person enters the company details into the system. In this way the registrant can more easily see if the company already has a registration. The system also checks against email addresses already in the system.
60. The UNGM Team Lead clarified that it is possible to track and monitor vendor visits on the UNGM versus UN user activity.

***(i) UNGM Strategic Enhancement Project, Phase 1 – Status Report***

61. This part of the session was presented by the Project Coordinator, Mr. Kiyohiro Mitsui (UN/PD).
62. The objectives of this HLCCM-funded project, which will run for 9 months (commenced 2 February 2015), are as follows:
  - (i) To increase the UNGM capacity for integrating with UN organisations' ERP and e-procurement systems with the aim of featuring two-way data streams.
  - (ii) To integrate and link with One-UN country portals and further develop & strengthen local assisted vendor registration and vendor eligibility.
  - (iii) To further enhance the capacity and underlying technology of the UNGM knowledge sharing platform and increase the available content.
63. Upon completion of Phase 1, a proposal for a Phase 2 will be presented to the HBP SC in consultation with the CEB Secretariat. Phase 2 will have an 8 month timeframe and its activities will include, developing an external business intelligence interface, a UNGM institutional organisation portal and ensuring post launch ICT support.
64. The full presentation can be found in [Annex 12](#).

## *Discussion*

65. ICAO queried the plans for interfacing with a business intelligence service provider, to which the UNGM SC explained that the Project Steering Team would be looking, amongst others, at the contract UN/PD has in place for such services.
66. UN/PD added that its (220K USD) contract with Bureau von Dijke encompasses very extensive reporting. There is the possibility of expanding this service to the UNGM where the needs would be less complex.
67. IFAD clarified that the idea is to provide a basic rating for companies and any agency would be able to request reports, which they would then pay for themselves. By combining volume, there may be a possibility to obtain a reduction in the fees.
68. UN Women queried whether the UNGM could be used to support inter-agency Vendor Review Committee (VRC) activities. The PN Chair suggested that a starting point could be to identify agencies interested in collaborating on a VRC, and from there work on an SOP and determine how the UNGM could be used as a support tool. Work on the latter should be done in collaboration with the Strategic Vendor Management WG.

## **VIII. STRATEGIC VENDOR MANAGEMENT (SVM) WORKING GROUP UPDATE**

69. This topic was jointly presented by the WG Chair, Mr. Sandro Luzziatti (IFAD) and the WG Vice-Chair, Ms. Anna Spindler (UNOPS). The full presentation can be found in [Annex 13](#).
70. The new WG has had a very active programme of work since it was established following the last PN in September 2014. An update was provided on its main areas of responsibility:

### *(i) Vendor Access*

71. An overview Multi-Agency Business Seminars for 2014 was shared as well as the programme so far for 2015.
72. Many agencies are finding business seminars a strain on resources and therefore the WG has been discussing alternative approaches, such as creating a virtual business seminar space on the UNGM, consolidating seminars in HQ & regional locations, structuring the events in a more streamlined manner etc.
73. The WG proposed working further on these ideas and presenting a concept(s) for approval at the next PN meeting with a view to implement any new approach in 2016.

## *Discussion*

74. ITU underlined the importance of communicating any new approach to the Member States. Otherwise some may continue to put pressure on agencies to take part in seminars on top of the proposed consolidated events, meaning an increase in demand on resources rather than a decrease.
75. UNOPS suggested finding ways to monitor and measure any business generated from the seminars and stressed the importance of reaching out to SMEs and encouraging them to form partnerships and consortiums.

76. UNOPS supported the idea of having a virtual space on UNGM as currently there is no effective means of sharing information and solutions presented by suppliers at business seminars with colleagues in our organisations. Development of the knowledge sharing portal on the UNGM in the current Strategic Enhancement Project could be a timely opportunity to explore this idea further.
77. ILO urged caution in re-introducing business seminars in conjunction with PN meetings. Apart from the fact that the PN members might not necessarily be the appropriate persons from the organisations to make the presentations at the business seminars, it would risk exposing the PN to pressure from Member States to host etc. If this idea is to be pursued, clear guidelines/procedures would need to be put in place on eligibility, frequency, supply market, hospitality etc.
78. UN/PD was supportive of making presentations available online as they can be more readily updated than videos. It also emphasised the importance of ensuring relevant suppliers attend the seminars and was supportive of the idea of having seminars in conjunction with trade shows/exhibitions.
79. UNOPS advised not to underestimate the administrative efforts required in organising the seminars. It also felt that the seminars could be more effective and meaningful. Many of the same questions come up repeatedly and tend to be general in nature – perhaps the virtual space on UNGM could be an opportunity to more effectively address these questions and relieve pressure on some of the agencies.

**(ii) Partnerships**

80. Part of the WG's TOR is to *establish partnerships with the private sector (e.g. through Chambers of Commerce) and Member State institutions (e.g. the relevant Ministry/ies)*.
81. The WG proposed drafting a template for Partnership Agreements, which would define areas for collaboration, clarify respective independence, clarify intellectual property rights, define respective commitments and areas of common development, and present it at the next PN meeting.

**(iii) Model Policy Framework (MPF) on Vendor Eligibility**

82. The day before the PN meeting, the WG hosted an inter-agency workshop for staff from Procurement, Legal, Audit, Ethics, and various Committees. Approximately 30 participants from over 10 organisations participated.
83. UNDP, UNOPS, FAO shared their experiences in implementing the MPF with the group. The obstacles and challenges were discussed as were possible solutions and risks.
84. The following key points were identified as areas where the SVM WG can provide support:
- Reinforce the workspace in UNGM to share more information
  - Create an ad hoc UNGM profile for Legal, Audit, Ethics, Committees
  - Monitor & report on adoption by agencies
  - Share experience through good case studies
  - Undertake periodic surveys on challenges
  - Support agencies who are adopting
85. The WG encouraged those who have not yet implemented the MPF to:
- Understand & address reasons of resistance

- Seek support within their organisation, as well as through the PN
- Prepare a good business case for adoption, with benefits, a strategy, measurable outcomes, reputational risks for not implementing etc.

### ***Discussion***

86. The Senior Coordinator from the CEB Secretariat strongly supports the vendor sanctions framework which emerged from the first project funded by the HLCM. However, when presenting it to Member States, it has become challenging to explain why it has only been implemented by a few organisations. Therefore, he urged PN members to continue to push for implementation within their organisations.
87. UNICEF informed that it has been pushing for implementation for some time and has finally obtained approval from its legal and audit & investigations units to move ahead. In the meantime, they have been using an ad hoc sanctions board to address cases. They expect to have a more formal process and VRC in place by the end of the year.
88. UNDP emphasised the importance of multi-stakeholder engagement. UNDP faced much internal friction with audit/investigations at the start of the process but implementation of a vendor sanctions policy has actually strengthened the relationships of procurement, audit and legal. The group was reminded that the MPF is not only centred around punitive actions but it also focuses on the rehabilitation of vendors. It is a very valuable framework that can be adapted to the needs of the organisation and is well worth the efforts and resources required to implement it. UNDP is willing to provide support and guidance in so far possible.
89. The World Bank informed that it debars 83-100 firms per annum, which is a very effective signal to send to the market.
90. ITU does not believe that the burden should be on procurement to implement the MPF, rather it should be the responsibility of the legal departments. The MPF was approved at HLCM level but head of the organisations are in general not pushing for it. Resources are a serious challenge to smaller organisations in implementation.
91. UNDP informed that it took the decision to make implementation an administrative process rather than a legal one as it is essentially due process, supported by templates etc. In UNDP's experience approximately 80% of cases can be dealt with through administrative process and the remainder through legal process. Resources are always an issue – inter-agency collaboration could be a way to address this.
92. FAO pointed out that the UN has a moral responsibility to its beneficiaries to systematically address unethical vendor behaviour. This consideration was one of the reasons that convinced FAO to invest in implementation.
93. UNOPS informed that a space would be made available on UNGM for agencies to share their documents, SOPs etc.

### ***(iv) Establishing a Strategic Vision for Vendor Management***

94. The objective of the WG is to establish a strategic vision for vendor management. In that regard a survey was recently carried out among PN members to determine what the fundamental themes of the strategic vision should be and the main topics that the strategy should encompass.

95. The results of the survey were presented and will be used by the WG in moving forward with formulating a strategic vision for vendor management, which it proposes to present at the next PN meeting.

### *Discussion*

96. The UNGM SC Chair informed that some of aspects of vendor management that were rated highly in the survey, such as vendor rating, assessing legal & financial information of vendors etc., can be supported by Phase 2 of the UNGM Strategic Enhancement Project should it go ahead.
97. UNHCR asked for options for providing comments/additional information to be included in any future surveys.

## **IX. COLLABORATIVE PROCUREMENT STUDY**

98. This session was presented by Mr. Bryan Cook (World Bank). The first part of the presentation centred around World Bank Group's Corporate Procurement Reform and concluded with a proposal to be submitted to the HBP SC for a project to review and perform analysis of procurement and spend data across the UN in order to identify further potential areas for collaborative procurement. The full presentation can be found in [Annex 14](#) and the project proposal in [Annex 15](#).

### *Discussion*

99. ITU was in favour of the proposal in principle, but pointed out that the project only makes sense if the monopolies that exist in the UN System are discontinued. For instance, self-financing entities such as UNICC have been set up to deliver services to the UN without any competitive process having taken place. In addition, since these entities benefit from UN immunities and privileges, their existence could be considered discriminatory against the private sector.
100. UNOPS was supportive of the project and suggested availing of information in the Annual Statistical Report on UN Procurement.
101. UNDP suggested reviewing the proposal for any potential overlap with the Harmonisation Project.
102. ILO suggested adding text to the proposal to reflect the fact that much collaborative procurement is already taking place, in particular at HQ locations, and that this proposal is focusing on procurement on a global basis.
103. UNFPA emphasised the importance of reporting to donors on savings and suggested adding an action plan to the proposal for capturing this data.
104. The PN Vice-Chair urged caution with language for reporting on savings.
105. The PN endorsed the proposal in principle – it should be revised to indicate that the project will include modest information on potential savings and include normal caveats regarding the difficulties in identifying hard savings.

## **X. HARMONISATION WORKING GROUP UPDATE**

106. This session was presented by the WG Chair, Mr. Eric Dupont (UNFPA).

### ***(i) Proposal for Phase 3***

107. The 511K USD proposal for the 12-month Phase 3 was submitted to the CEB Secretariat in January 2015. The main deliverables of Phase 3 will be as follows:

- Develop common procurement prototype templates
- Update the modalities for common procurement
- Translation and publication of above documents into Spanish and French
- 3 capacity-building workshops
- Guidance to target duty stations
- Follow up on other Phase 2 outputs (expert roster, etc.)
- Enhance UNGM LTA module for recording & reporting of collaboration results (savings)
- Follow up with target duty stations on their usage of UNGM tools to report results
- Update the “Traffic Light” matrix

108. The full presentation can be found in [Annex 16](#) and the Phase 3 Proposal in [Annex 17](#).

### ***(ii) Modalities for Common UN Procurement at Country Level, Version 3.0***

109. The Modalities for Common UN Procurement at Country Level have been updated to reflect the following:

- Minor updates (broken links, etc.)
- Encourage use of UNGM
- Clarify roles of UNDG and HLCCM
- Update on collaborative procurement activities and savings
- Update on lessons learned (Tanzania)
- New tools (Phase 2 project)
- Update of collaborative procurement indicators table for each of the collaborative procurement approaches

110. The full presentation can be found in [Annex 18](#) and the updated modalities document in [Annex 19](#).

### ***(iii) Phase 2, Project Evaluation***

111. An overview of the evaluation results for Phase 2 was presented. The main findings from the evaluation were as follows:

- Out of the 10 work packages, 9 were fully completed (PPH not completed)
- COs more positive about project performance than HQ
- WG members (“suppliers”) positive about harmonisation component, more critical on collaboration component/Workshop participants (“users”) positive about both
- Both groups very positive about M&E component
- Deliverables found relevant overall
- Good operational link between HLCCM and UNDG but sustainability remains an issue
- WG entities committed own resources (in kind and staff time) - signals high commitment to UN collaboration

- Implemented within budget and on schedule (efficient)
  - Governance after April 2014 Rome meeting was effective
112. A total of 9 recommendations emerged from the evaluation and these centred around Governance, Collaboration, Knowledge Management and Sustainability.
113. The full presentation can be found in [Annex 20](#) and the evaluation report in [Annex 21](#).

## **XI. UN GLOBAL MARKETPLACE (UNGM), PART 2**

114. The UNGM SC Chair, Mr. Giorgio Fraternali (ILO) provided the plenary with an update on two decisions made by the UNGM Membership the previous afternoon:

### ***(i) Registering Individual Consultants on UNGM***

115. This decision item stems from an expression of interest from UNAIDS and PAHO in further developing the UNGM to accommodate the registration and management of individual consultants (ICs) to meet the needs of their e-tendering systems. Whereby the UNGM system should be able to facilitate the registration of ICs by providing the required data fields throughout the registration process. The system would use the same functionalities as it currently does for standard vendor (company) profiles, search, ineligibility filtering, tender alert service. (See [Annex 22](#) for further details.)
116. The UNGM Membership was in general supportive of this initiative, especially in light of the recent enhancement to the vendor eligibility filter that now checks against the consolidated lists of sanctioned vendors issued by the UN Security Council. After some debate, the UNGM Membership, with the exception of ITU<sup>3</sup>, agreed that the UNGM Reserve Fund should be used to cover the cost of developing the new functionality.

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

117. The UNGM Membership approved the revisions made to the UNGM Operating Modalities ([Annex 23](#)) to reflect decisions<sup>4</sup> endorsed at the last PN meeting and to enhance some of the pre-existing text. However, it was agreed that some articles in the document require review to ensure the document accurately reflects current collaborative environment.
118. The UNGM Operating Modalities document will undergo a general review by the UNGM SC, and any additional modifications will be presented to the UNGM Membership for decision at a later date.

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

119. This item was presented by the Project Coordinator, Ms. Anna Spindler (UNOPS) who commenced the session by introducing a trophy for the organisations who have been first to submit their statistical data since 2011, namely, OPCW, UNRWA, ILO, UNOG and, most recently, PAHO. Those agencies who have submitted their 2014 data were thanked and others were encouraged to do so by 31 March.

<sup>3</sup> ITU felt that the 2 requesting agencies should cover the costs.

<sup>4</sup> Expansion of the UNGM SC; increasing the duration of SC membership; and discontinuing the distinction between UN Secretariat/Funds & Programmes versus Specialised Agencies in SC membership.



120. The remainder of the session focused on an update on the ASR Automation project. The purpose of this 2-phased, HLCM-funded project is to simplify, optimise and automate the data collection and compilation process for the ASR and provide more timely procurement-related information to stakeholders. The results of the Phase 1 Feasibility Study were shared followed by the recommendations for Phase 2, which were as follows:
- (i) Highlight unified standards and definitions of procurement data for discussion
  - (ii) Rework the data submission process
  - (iii) Have an automated upload and compilation tool
  - (iv) Ensure the ASR is a secure data bank
  - (v) Online ASR database with reporting and query tool
121. The full presentation can be found in [Annex 24](#).

### ***Discussion***

122. UNOPS clarified that it is the 'clean' data that the organisations would be asked to upload and not PO level data.
123. ITU pointed out that it had challenges with submitting data as two-thirds of its procurement related expenses are not entered into its procurement system. Therefore, much additional work is required to identify this data and submit it in the required format.
124. UNOPS responded it was conscious of these types of issues and assured that the project would also endeavour to support organisations with less robust ERP systems.
125. The UNGM SC Chair raised the possibility of charging external parties for use of the e-version of the ASR. FAO had concerns about charging for accessing this type of information, which everyone should have the right to access. The UNGM SC Chair clarified that the suggestion was that the ASR would continue to be available as always for download and that possibly additional value added services such as an e-version could be considered as optional services subject to a charge. It was agreed that this discussion should be continued at a later date.
126. The Senior Coordinator from the CEB Secretariat informed that it has extensive experience with data handling and encouraged UNOPS to consult with them as it moves into Phase 2. He added that the e-version of the ASR would most likely be very popular.
127. UN/PD highlighted developing unified standards and definitions of procurement data as being of key importance and urged UNOPS not to overly complicate the submission process, which is already cumbersome in nature.
128. UNOPS requested that the Harmonisation WG explores the feasibility of developing unified standards and definitions of procurement data.
129. UNOPS informed that the issue of double reporting on data is not being addressed by the project, so this would have to be examined separately.
130. In response to a question from UNHCR on how Implementing Partner procurement was being reported, UNOPS informed that some organisations have confirmed they report on this and others do not. This will be examined further in the next phase.

131. The PN agreed to the conclusions of the feasibility of an automated data collection process, and endorsed moving ahead with Phase 2 – implementation of the project. UNOPS will share the full report on the Phase 1 feasibility study once it has been finalised. The funds for Phase 2 have already been set aside by the CEB Secretariat and will be released in due course.

### **XIII. UNDG/PN COLLABORATION**

132. This topic was jointly presented by Mr. Ronny Lindstrom, CEB Secretariat (UNOG), and Mr. Eric Dupont, Harmonisation WG Chair (UNFPA), on behalf of Mr. Lars Tushuizen (UNDG) who was unable to attend. The full presentation can be found in [Annex 25](#).
133. The objective was to discuss the proposal from the UNDG to identify common areas for collaboration, combining resources under a clear division of labour for a select set of initiatives, thus ensuring a well-balanced consistent implementation package that can support field colleagues. The UNDG feels that common ground already exists under several initiatives, warranting such collaboration.
134. The CEB Secretariat informed the PN that there is an increased emphasis from Member States on being reassured that there is proper coordination and collaboration between the HLCM and the UNDG. Although the work of the PN is closely coordinated with the UNDG, this focus by Member States should nevertheless be recognised.
135. He clarified that the PN is not being asked to become an active implementing partner at field level, but rather to provide, for example, expertise to some UNDG activities through the pool of individuals that have been trained.

#### ***Discussion***

136. Also in support of collaboration at field level, UNFPA suggested that a formal communication could be sent out to Resident Coordinators advising, amongst others, on the commodities that are recommended for inclusion in common procurement activities.
137. UNDP added that a high volume of LTA piggy-backing takes place nowadays, but that greater effort could be made in raising Country Offices awareness of which LTAs exist etc.
138. UNDP recalled that in the past the UNDG had an operational layer, subsequently cut during down-sizing, which greatly facilitated collaboration, planning etc. at field level. The Management layer of the UNDG remains, but the operational arm that underpins activities at field level is sorely missed and the burden to provide the support is now put on the PN.
139. The CEB Secretariat informed that it makes great efforts to promote the good work that the PN is doing. To help with this, it is vital that the PN shares the success stories, ‘sound bites’ etc. as these can be very powerful when reporting to Member States.
140. In that regard, the UNGM SC Chair reminded that one of the deliverables of the UNGM Strategic Enhancement Project is to integrate and link with One-UN country portals and further develop and strengthen local assisted vendor registration and vendor eligibility, which is further proof of support to collaboration at field level.
141. IFAD added that the PN has the opportunity to provide support by building a strong and efficient platform for knowledge sharing, harmonisation and collaboration in the UNGM, and should bear this in mind when developing the specifications.

142. FAO flagged top level management buy-in as vital. Without this, it is a challenge to achieve commitment from the client units on collaborative procurement activities – a major issue faced by the Common Procurement Team (CPT) in Rome.
143. UNDP agreed that the process was very bottom-up at present. Although the HLCM requires the PN to collaborate, little directive exists within each organisation. There needs to be greater HLCM engagement in prioritising and measuring activities.
144. In UNOPS' experience, despite what is agreed on when people meet, the activities of their organisations tend to be influenced by how they are being measured. Therefore, it is important that the metrics are aligned.
145. WIPO informed that it uses collaborative procurement as a KPI. While it agrees that senior management support is important, procurement units have a responsibility to promote collaborative procurement and its benefits. The Common Procurement Activities Group in Geneva (CPAG) has been very active and successful in this regard.
146. UNICEF suggested that PN members inform their HLCM representatives of the challenges being faced.
147. ILO suggested re-introducing Show & Tell sessions from HQ collaborative procurement teams to PN meetings.
148. UNDP emphasised the amount of work that is required to compile data on collaborative procurement. UNFPA currently compiles data on UN collaborative procurement for the UNFPA/UNOPS/UNDP Executive Board on an annual basis. The wider PN could support this by providing data to UNFPA, and the overview could be then shared with the PN as well as with the Executive Board.
149. The PN agreed that the Harmonisation WG will work with the UNDG in establishing a framework for greater collaboration. As a starting point, it was suggested having regular meetings between the UNDG, WG Chairs/Project Coordinators and the PN Management Board – an approach which was supported by the CEB Secretariat.

#### **XIV. HLCM/CEB SECRETARIAT BRIEFING**

150. Mr. Ronny Lindstrom, the Senior Coordinator of the CEB Secretariat (UNOG), provided a briefing on the current status of the HBP Trust Fund as well as other information and advice.
151. Phase 1 of the HBP Trust Fund has more or less now been depleted. However, renewed fund-raising efforts in 2014 have resulted in approximately 1M USD being pledged by Switzerland and a further approximately 1M USD pledged by Sweden. The funds will be disbursed in tranches over a 3-year period. To date 480K USD has been received in 2015 and a further tranche is expected towards the end of the year. Thus, there could potentially be 750K USD available by year end depending on how many projects are approved.
152. The PN was asked to share 'sound bites' on any savings achieved, collaborative procurement activities etc. as this information can be very effective when seeking funding from the Member States. In fact, it may have been instrumental in convincing Norway to currently reconsider providing further funding.

153. Similarly, the CEB Secretariat urged PN members to inform Member States how beneficial it has been to receive the funding it has been granted to date for projects.
154. The PN was encouraged to prioritise its projects and continue to submit funding proposals, although it is unlikely they will be reviewed by the HBP SC until late spring/early summer. It's also important to bear in mind that the SC has been reluctant in recent times to approve proposals exceeding 200-220K USD.
155. The proposal for carrying out the Study on Collaborative Procurement is likely to be well received as it is very much in line with the QCPR and the HQ Plan of Action on Delivering as One. While the UNGM Vendor Registration Reform project has been highlighted as successful, and very much supported by the CEB Secretariat, the UNGM SC may have to explore whether revenues from the tender alert subscriptions can be used for further development activities.
156. Any information/data that can be shared by HQ collaborative procurement teams is much appreciated. Geneva already provides solid data; Copenhagen, New York and Rome were encouraged to do the same.
157. The HR network has been asked by the HLCM to task managers with including inter-agency collaboration in staff performance plans in order to give this work deserved recognition. PN members should inform/remind their staff and senior managers of this.
158. To ensure issues are heard, PN members should keep their managers abreast of the issues and challenges they face. A good strategy for this is to ensure the information is included in the talking points for HLCM meetings, Executive Board meetings, other meetings with governing bodies etc.
159. Finally, the PN was asked to cooperate if approached by Cap Gemini for input to the ICT Network's 'ERP Inter-Operability Study'. ERP inter-operability has been reported by Country Teams as an obstacle to 'Delivering as One' activities, hence the study. The PN has found differing ERPs not to be a hindrance to collaborative activities and therefore can be instrumental in allaying any misconceptions.

### ***Discussion***

160. UNDP suggested that when the PN submits the proposal for the Collaborative Procurement Study it could highlight how beneficial the funds received for projects have been to date. Similarly, the message can be conveyed to donors during Executive Board meetings etc.
161. UNFPA informed that it is hoping to receive funding from DFID for a JPO position so that data on global collaborative activities can be collected.
162. In addition, UNFPA suggested the global implementation status matrix, developed under the Harmonisation Project - Phase 1, could be powerful to show the donors as it provides a snapshot of the stages countries are at in terms of collaboration.
163. ILO enquired about the status of the request for the HLCM (and UNDG) to develop a common policy framework for risk management and information sharing across the UN System to be applied when working with implementing partners. The CEB Secretariat informed that UNDG has partially taken this on. Otherwise, OCHA, having received input from the HLCM & the PN, was to move it forward, but has not reverted yet.

## **XV. SHOW AND TELL: PROCUREMENT FOR INNOVATION – UNIVERSITY OF ROME II - TOR VERGATA**

164. This topic was presented by guest speaker, Prof. Elisabetta Iossa, Director of Proxenter, Research Centre on Procurement and Supply Chain (University of Rome II – Tor Vergata) whose research efforts are devoted to evaluating the rationale of demand-side innovation policies and estimating the empirical impact of innovation procurement.
165. The presentation, which linked well with the supplement to the 2013 UN Annual Statistical Report dedicated to Procurement & Innovation, focused on new procedures introduced by the EU to support innovation.
166. A specific goal of the European Commission’s ‘Europe 2020’ strategy is focused on R&D with an aspiration for combined public and private R&D investment levels to reach 3% of the EU's GDP (it is currently 1.26% - 2%). To support this the following demand-side procurement procedures have been introduced to spur innovation:
  - Innovation Partnership (IP)
  - Pre-commercial procurement (PCP)
  - Public Procurement of Innovation (PPI)
  - Public-Private Partnership for Innovation (iPPP)
167. The university’s studies of the IP & PCP procedures were explained, and the advantages & risks of each were outlined.
168. The presentation was rounded off with an overview of other EU procurement procedures of potential interest to the UN, in particular, Competitive Dialogue and Dynamic Purchasing Systems.
169. The full presentation can be found in [Annex 26](#).

### ***Discussion***

170. WIPO queried whether any of the presented procedures could be applied to highly complex/specialised procurement. Prof. Iossa suggested that these cases should be carried out in phases whereby criteria for the first phase (typically a feasibility study) would be set and then, once the solutions have been examined, the next phase/set of criteria can be determined. However, procurement procedures are not always the best approach to complex projects – grants or subsidies may be a better solution.
171. UNICEF informed that it has a product innovation strategy and has applied the two different approaches described in the presentation. They do not have any written procedures for this work, which has resulted in both successes and ‘successful failures’, and would be interested in collaborating with Tor Vergata if possible.
172. UN/PD had a query regarding the challenges that exist with Competitive Dialogue as it may be relevant for procedures being applied for the renovation of the UN HQ building in Geneva. In response, Prof. Iossa advised that it is a very costly procedure as it involves a high degree of exchange of information with x number of companies. It is vital that the same information is shared with all or the initiative could fail. In Europe, this procedure tends to only be used for very complex cases.

## **XVI. SHOW AND TELL: AN INTRODUCTION TO THE INTERNATIONAL NETWORK FOR SMALL AND MEDIUM SIZED ENTERPRISES (INSME)**

173. This session was presented by guest speaker, Ms. Christin Pfeiffer, Secretary General of INSME, a non-profit association open to international membership, founded by the OECD, that aims at stimulating transnational cooperation and public-private partnerships in the field of innovation and technology transfer to small and medium sized enterprises.
174. The presentation provided an overview of INSME's membership/global outreach as well as its main activities and services, which include, international conferences & trainings, project development opportunities and access to a SME portfolio of experts.
175. INSME proposed that the association could be of potential interest to the UN as it can increase visibility of support services and thus attract new users as well as facilitate the establishment of new relations with other stakeholders. The UNGM was mentioned as a specific example of where partnering with INSME could help promote the platform and thus spread the knowledge of how to access the UN market.
176. In addition, joint events such as business seminars were suggested as another possibility, and INSME presented some examples of where it has already collaborated with some UN entities in organising trainings and forums.
177. The full presentation and INSME's 2014 Activity Report can be found in [Annexes 27 & 28](#).

### ***Discussion***

178. WIPO noted that it is highly interested in reaching out to SMEs during tenders, but finds it challenging and enquired whether INSME could facilitate these efforts. Ms. Pfeiffer responded that INSME and its members would be happy to do so.
179. UNOPS highlighted that the know-how among SMEs to create consortiums and sub-contractor partnerships is often lacking and, therefore, it is key to develop the skills of SMEs in these areas.
180. UN/PD informed INSME and the PN that as it is a sponsor of the World Chambers Congress it will, in cooperation with UNGM, have a stand at the upcoming event in Turin on 10-12 June 2015. If INSME membership includes any Chambers that represent SMEs, this could be a good opportunity to open the dialogue with them.

## **XVII. SHOW AND TELL: MODERN SLAVERY IN SUPPLY CHAINS**

181. This session was presented by guest speaker, Mr. Peter Nicholls of the Walk Free (WF) Foundation, whose mission is to end modern slavery by mobilising a global activist movement, generating the highest quality research, enlisting businesses and working with government to drive change in those countries and industries bearing the greatest responsibility for slavery today.
182. WF aims to eradicate modern slavery through six avenues:
  - The Movement – 8.5M members
  - Research & Policy – produces the annual Global Slavery Index
  - The Freedom Fund – private donor fund
  - The Global Fund – public-private fund

- The Global Freedom Network – alliance of faith leaders (see [video](#))
  - Global Business Authentication – innovating best practices alongside businesses
183. The focus of the presentation was on the Global Business Authentication (GBA) approach which helps businesses develop practical ways to identify, protect against and remedy modern slavery in their supply chains. GBA is just at the foundation/piloting stage, the next step will be to fully launch it and then work towards global accreditation and continuous improvement.
184. In conclusion, a number of suggestions were made as to how UN agencies could contribute to combatting modern slavery, e.g. reviewing current policies and procedures and reflect on how modern slavery could be addressed in areas of spend (identify high risk commodities), work with GBA to adjust supplier pre-qualification requirements and standard contract clauses, update manuals and the UN Supplier Code of Conduct with more stringent requirements, etc.
185. The full presentation can be found in [Annex 29](#).

### ***Discussion***

186. UNDP queried whether WF was considering product labelling as a tool to help combat modern slavery and make it easier for buyers to make informed decisions. WF informed that it is focusing on the top management level in corporations, and working towards accrediting these corporations for implementing good practices in managing risk. To work on certifying specific products would be very burdensome, but the hope is that over time, specific industries will work towards adopting their own unique product certification. WF's aim is for companies to adopt the good practices and in turn give buyers piece of mind in doing business with them.
187. UNHCR informed that it is taking steps to try and address unsafe workplaces – carrying out factory visits etc. It feels that some of the language used in UN policies could be more stringent and is interested in discussing these concerns further with the PN.
188. ILO agreed that the language is not particularly strong in the UN Supplier Code of Conduct, but to even get the ILO articles included in it was a very lengthy process subject to much discussion. To enforce good practice, ILO includes a clause in all its contracts that states that use of forced labour would result in termination of the contract.
189. ILO also mentioned that as the first step when registering in the UNGM companies must accept the UN Supplier Code of Conduct, and was interested to know how WF could support verifying that companies accepting the code actually comply with its requirements. WF responded that it advocates for good practice and offers corporations the opportunity to be accredited for complying with that good practice. They can also offer to carry out 3<sup>rd</sup> party verification of companies or approve others to provide this verification.
190. UNWomen enquired whether the statistical data on modern slavery provided in the presentation had been accredited by any other institute, relevant governments etc. WF responded that it had not, but is compiled and reviewed by well renowned academics who are experts in their field and the methodology used is published on the WF website.

## **XVIII.SHOW AND TELL: WFP – CONSTRUCTION AND PROJECT MANAGEMENT TOOLS**

191. This topic was presented by guest speaker, Mr. Mark Finegan, Chief Engineer (WFP).
192. In order to support its ongoing construction activities WFP has developed a complete set of engineering services and construction project management tools including a Construction Manual and tailored Construction Contracts, based on international standard formats. A wide variety of UN entities have expressed an interest in gaining a greater understanding of WFP's approach to construction, the tools it uses and how they could be adapted to meet their individual needs.
193. The WFP Construction Manual provides guidance on the implementation of construction projects, mechanisms for implementation in a humanitarian context, controls for execution in accordance with WFP rules, and tools, templates & examples to assist with implementation.
194. In addition, WFP has developed 3 types of Construction Contracts: (i) FIDIC White for professional services, (ii) FIDIC Green for smaller or lower risk projects, and (iii) FIDIC Red for large complex. All 3 are supported with a complete suite of templates, forms, letters etc.
195. The Manual and Contracts stand in parallel with FIDIC. Therefore, to use the WFP model the user must acquire the FIDIC framework.
196. The full presentation can be found in [Annex 30](#) and the tools in [Annexes 31, 32 and 33](#). The web version of the tools will shortly be being piloted in the field and later accessible by all.

### ***Discussion***

197. In response to an enquiry from UNDP on how the market has responded to the contract conditions, WFP informed that the conditions and the way they are laid out have provided clarity for suppliers as before they had to deal with many differing conditions. Larger contractors are already familiar with FIDIC contracts and smaller companies have not been overly concerned.
198. UNFPA queried whether WFP provides construction services for other agencies, and WFP responded that its primary concern is with providing food assistance. If WFP has resources on the ground already they can sometimes respond or undertake work on behalf of others, or if there is a critical humanitarian need, they can step in.
199. UNHCR enquired as to how WFP deals with governance issues in projects, to which WFP explained that the manual defines all the roles and responsibilities. This was recently supplemented with a circular explaining the rules concerning areas of responsibility.
200. UNHCR also queried whether requesting a performance guarantee was a limiting factor in contracting with local companies. WFP clarified that whether or not to request a performance guarantee was at the discretion of the Country Office and that the contracts could be tailored to suit the context.
201. WFP gave permission to make the tools available on the UNGM.



## **XIX. SHOW AND TELL: AN INTRODUCTION THE INTER-AMERICAN DEVELOPMENT BANK GROUP**

- 202. This session was presented by Ms. Saritha Venumbaka (IDB).
- 203. The presentation explained the activities of the IDB whose purpose is to partner with the Latin American and Caribbean nations to improve lives by reducing poverty and inequality. It currently has 48 member countries.
- 204. IDB's Corporate Procurement section manages 20% of the total budget of the Bank. Due to internal and external challenges, the section is embarking on a transformation journey with key change initiatives that are being managed through proven change management techniques.
- 205. The full presentation can be found in [Annex 34](#) and the introductory video shown is available [here](#).

### ***Discussion***

- 206. UNOPS expressed interest in IDB sharing the 5 questions relating to pre-clearance for tender and in learning more about the specifics of the contract management training initiative.

## **XX. SHOW AND TELL: UNFPA – PLANNING & FORECASTING**

- 207. This item was presented by Mr. Eric Dupont (UNFPA).
- 208. UNFPA has made considerable efforts to improve planning and global forecasting to address stock-outs in countries, to identify funding gaps, and to provide better visibility to suppliers.
- 209. The presentation outlined the initiative undertaken by UNFPA and USAID to coordinate planned shipments, avoid duplications, pre-empt stock-outs and to cooperate with suppliers when production capacity is limited.
- 210. Furthermore, UNFPA is working with a number of partners to develop long term forecasts for key products.
- 211. At present Excel is the main tool used for exchanging data and developing forecasts, but the longer term vision is to develop a collaborative IT tool to be used by all participating organisations.
- 212. The full presentation can be found in [Annex 35](#).

### ***Discussion***

- 213. UNRWA enquired whether UNFPA could share any lessons learned from the initiative so far – UNFPA recommended investing time in establishing partnerships and gaining their support early on in the process.
- 214. Further to a request from ICAO, UNFPA agreed to provide a link to the collaborative IT tool once it has been developed.

## **XXI. SHOW AND TELL: UNDP – INNOVATION AWARD SCHEME**

215. This item was presented by Ms. Lorena Sander (UNDP).
216. The definition of ‘innovation challenge’ was introduced: a method of tapping into the collective knowledge or intelligence of the open public – in order to achieve a desired outcome or solve a problem – by an entity that would typically perform this function by itself, or by outsourcing it to another entity.
217. UNDP’s draft policy for innovation challenges was presented, which included, the proper use, key principles, Delegation of Authority, implementation modalities, evaluation, monitoring, documentation etc. This was followed by the benefits versus the risks.
218. The full presentation can be found in [Annex 36](#).

### ***Discussion***

219. IFAD informed that it was including this procedure in its draft revised procurement manual along with the concept of crowd sourcing.
220. UNDP agreed to share the policy once it has been finalised and approved.

## **XXII. ELECTION OF PN VICE-CHAIRPERSON**

221. Ms. Neris Baez Garcia de Mazzora (CTBTO) was nominated and welcomed by the PN as the new Vice-Chair for the 2015-2016 period.
222. The PN Chair expressed appreciation to the Advisory Chair for his conscientiousness and commitment to the PN Management Board over the past 3 years.
223. The Advisory Chair was very appreciative of the opportunity to serve on the Board, which has given him a deeper insight into how the HLCCM functions and the chance to implement some small changes. He expressed his thanks to the other Board members and the PN Secretariat for their strong support.

## **XXIII. VENUES FOR FUTURE SESSIONS, MEETING WRAP-UP & CLOSE**

### ***Venues***

224. For the autumn 2015 meeting, the following locations were proposed and voted on: Amman (UNRWA), Bonn (UNFCCC), Istanbul (UNDP), Vienna (IAEA/CTBTO). Vienna received the majority of the votes; therefore the next PN meeting will be hosted there by IAEA and CTBTO.

### ***New Member***

225. IDB was welcomed as a new Associated Member of the PN.

### ***Announcements***

226. UNICEF announced that it will be conducting the joint UN tender for freight forwarding services this year. Agencies who wish to participate in the joint tender were asked to inform Ms. Elena Trajkovska, Supply Division Chief of International Transport on

[etrajkovska@unicef.org](mailto:etrajkovska@unicef.org) by 31 March 2015. The draft Concept/Information Note can be found in *Annex 37*.

227. UNDP announced that in collaboration with UNFPA and UNICEF it is intending to pilot an initiative for pooling vehicles and drivers. In countries where agencies are co-located it is expected that efficiencies and savings can be derived from creating such a pool, that will be subject to special SOPs, scheduling, and perhaps One-UN branding etc. rather than each agency having its own vehicles and drivers. The intention is to identify 2-3 countries for the pilot, and any other agencies interested in joining the initiative were invited to come forward.

### ***Close***

228. The PN Chair thanked the membership for a great meeting and expressed appreciation for the work being carried out by the Working Groups & Projects, not least the new Strategic Vendor Management WG, which has been very active so far. He highlighted the Show & Tell sessions as being very interesting and relevant, and urged the PN to continue to support this activity. The use of multi-media was very welcome and a good way to add variety to the presentations. Finally, he thanked FAO for the great hospitality and organisational efforts, and the PN Board and Secretariat for the support.
229. The PN Vice-Chair thanked everyone for coming to Rome. She is looking forward to continuing to work with the PN Advisory Chair & Secretariat and welcomed the new Vice-Chair on board.