The 26th session of the HLCM Procurement Network (HLCM PN) was hosted by the UN Secretariat at the UN Information and Communications Technology Facility in Valencia on 8-10 October 2019 under the following Management Board and Secretariat:

**Chairperson** Ms. Bérénice Bessière (Director, Procurement and Travel, WIPO)
**Vice-Chairperson** Ms. Katinka Rosenbom (Chief Contracting, UNICEF)
**Advisory Chairperson** Ms. Patricia Moser (Director, Procurement Group, UNOPS)
**Secretariat** Ms. Kerry Kassow (UNDP)

The meeting was structured around a full three-day agenda, which included a half-day workshop on operationalising the Mutual Recognition Agreement. The outcomes of the workshop are annexed to this report and the HLCM PN Management Board commits to liaising with relevant working groups shortly to identify concrete action items reflecting the outcomes. These action items, as well as text to reinforce PN members’ commitment to LTA publication, will be circulated in due course. The following is a summary of the key outcomes of the plenary sessions.

### THE WORKING GROUPS

**1. HARMONIZATION WORKING GROUP - HARMONIZATION PROJECT PHASE 3 DECISION SESSION – PRESENTED BY WG CHAIR, MR. ERIC DUPONT (UNFPA) & PROJECT MANAGER MS. KIRSTEN EJLSKOV JENSEN (UNFPA)**

(i) **Common Procurement Templates**

The main deliverable of the Harmonization Project Phase 3 is the development of harmonized key procurement template documents. The PN was therefore asked to endorse the following documents, which are based on the existing standard documents in use by UN organizations and are the result of an extensive review process within the Harmonization Working Group:
Request for Quotation (RFQ), Invitation to Bid (ITB), Request for Proposal (RFP), Request for Offer for use in Direct Contracting (RFO), Mini-Bid (secondary competition) and Request for Expression of Interest (REOI).

The PN recognized the work undertaken to develop the above common UN templates. The PN encourages and supports where possible that UN organizations implement the common templates in accordance with the implementation guidelines for the templates. The Harmonization Working Group will monitor the implementation on a regular basis.

(ii) Definition of Collaborative Procurement/Supply Chain Management

The PN agreed to separate the definition of collaboration as follows:

Collaborative Procurement:

- Using existing long-term agreements (LTAs) or contracts of other UN Organisations
  - Purchasing against established LTA
  - Using the solicitation results of other UN Organisations to establish own LTAs or contracts
- Establishing and using joint LTAs through a Lead Agency approach
- Using the procurement services of other UN Organisations
- Procuring from other UN Organisations
- Using a joint procurement unit

Supply Chain Management Collaboration further encompasses the following range of activities:

- Sharing technical requirements (specifications, terms of reference, statement of works) or developing common technical and performance requirements
- Leveraging technical expertise of other UN Organisations and non-UN partners to collaborate on quality assurance of products and services
- Joint forecasting, logistics and warehousing with UN and non-UN partners for the purpose of market shaping activities
- Joint assessments of manufacturers’ capacity with UN and non-UN partners
- Joint strategies with UN and non-UN partners, e.g., to stimulate and create product development and markets, to ensure product tracking, etc.

In the existing section of the Annual Statistical Report, where collaborative procurement is reported, a section will be included to reflect collaborative activities within supply chain management.

2. STRATEGIC VENDOR MANAGEMENT WORKING GROUP

DECISION SESSION — PRESENTED BY WG CHAIR, MR. SANDRO LUZZIETTI (IFAD)

The two-year pilot period for the PN-endorsed International Procurement Seminar (IPS) concept is reaching conclusion. To date, four IPS have taken place and the first IPS will be held in a developing country (Argentina) in November 2019. The concept has undergone
development and improvement throughout the pilot period and has largely been very successful.

Further to the status update provided by the WG Chair, the PN recognised the success of IPS events during the pilot period of 2018-2019 and agreed to adopt the IPS model. The PN also recognised the need for better coordination with other types of events. The PN invited the UN agencies to fully support and continue to develop the IPS model as the “best option business seminar” to the Member States and UN agencies, to increase the use of virtual tools to facilitate events, facilitate events in developing countries, measure efforts and effectiveness of IPS through surveys, monitoring of TAS subscriptions, tender participation by vendors partaking in IPS, etc. and publish a more complete calendar inclusive of other vendor-targeted events (such as EUPF, UN-PD led, HQ-based, sector-specific events, etc).

3. PROFESSIONAL DEVELOPMENT WORKING GROUP
DECISION SESSION – PRESENTED BY WG CHAIR, MR. TORBEN SOLL (UNDP)

The WG Chair provided a brief update on the newly published training course tables for 2019 and informed that the French version of the Procurement Practitioner’s Handbook (PPH) is now available. The PPH is currently undergoing a general update and the new version will be available in early 2020.

UN Procurement Awards
The objectives of this initiative are to increase motivation, showcase success stories, promote the work of the PN and raise the profile of the procurement profession. The PN endorsed the UN Procurement Awards concept for UN personnel and next steps, including launching the UN Procurement Awards 2020 in early 2020.

4. SUSTAINABLE PROCUREMENT WORKING GROUP
INFORMATION SESSION – PRESENTED BY WG (CO)CHAIR MR. NIELS RAMM (UNOPS) & TASK FORCE REPRESENTATIVES MR. DARKO STOJMENOVSKI (OSCE), MR. VANJA OSTOJIC (ILO) AND MR. AKHTAR ZAZAI (UN WOMEN)

A brief update was provided on on-going and planned working group activities, in particular concerning the SP Indicators Project. The indicator methodology must now be integrated in the UNGM and the various online procurement platforms/systems for each participating UN organization. An SP icon will identify sustainable tenders in the UNGM Business Opportunities page.

An update was also provided on the two newly formed Task Forces (TF):

(i) Human Trafficking (HT) and Forced Labour (FL)
This group, comprised of 8 UN agencies, was formed following the PN meeting in March 2019. To date, the group has delivered a Terms of Reference and created a collaborative workspace in the UNGM Knowledge Centre, where a set of existing reference guides, studies and papers related to the topics have been made available.

The next steps will be to:

- develop a set of indicators to measure the risks and facilitate the elaboration of mitigation strategies of HT and FL in procurement and contract management cycles

All documents related to the meeting are available on the HLCM-PN Workspace on www.ungm.org or by contacting the PN Secretariat on kerry.kassow@undp.org
- carry out a baseline survey on measures in assessing and mitigating risk of modern slavery and forced labour with ‘First Tier’ suppliers
- form partnerships with other UN entities (Alliance 8.7, ICAT) and non-UN public entities including private sector initiatives

(iii) Gender Responsive Procurement
This TF has also delivered a Terms of Reference and is in the process of developing a baseline survey, which will be circulated within the PN in due course. The findings from the survey will determine workplan activities. Activities are expected to both be UN-focused as well as to support women-owned businesses.

The Task Force representatives called for more UN agencies to join both groups.

INNOVATION FOR IMPACT WORKING GROUPS

5. INNOVATIVE CONTRACTING & SUPPLIER RELATIONSHIP WORKING GROUP
INFORMATION SESSION – PRESENTED BY WG CHAIR, MS. BÉRÉNICE BESSIÈRE (WIPO)

This WG has two main axes of work:
- Co-development of innovations - sharing existing experiences and practices within the group
- Performance incentives – identifying ways to incentivise suppliers

To encourage innovation and to incentivise suppliers, a draft supplier award proposal has been developed and a pilot survey has been carried out within a few agencies to test the appetite for such a program. The survey results were shared and the PN endorsed the following:
- Carry out an extended survey within more agencies to assess the appetite for such a programme
- Target contract managers and/or procurement staff
- Add/amend questions in the pilot survey

It was clarified that the pilot survey was on an opt in basis for organizations that would like to participate, and that any pilot of the actual award programme would be on a single organization basis and not a PN award.

6. COGNITIVE PROCUREMENT WORKING GROUP
INFORMATION SESSION – PRESENTED BY WG CHAIR, MR. PETER EASLEY (WORLD BANK)

This WG seeks to define, scope and explore disruptive technologies such as artificial intelligence and robotic process automation, and the potential for application across the UN supply chain.

After the last PN meeting the group lost its Chair, but the role has now been taken over and the plan is to re-invigorate the working group with regular monthly meetings. Topics of interest will be explored in more detail and external subject-matter experts will be invited to share their perspectives.

It was agreed that the Working Group will launch a survey to explore initiatives that have been completed or are in the pipeline across the PN agencies.

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1. PROCUREMENT SAVINGS METHODOLOGY EXERCISE
INFORMATION SESSION — PRESENTED BY LEAD AGENCY REPRESENTATIVE, MS. PATRICIA MOSER (UNOPS)

At the last PN meeting, the principles of a UN-wide methodology for collecting procurement savings was endorsed and subsequently made available to UN users on the UNGM. A survey was recently conducted, and responded to by 20 UN agencies, to ascertain which agencies have implemented, or are considering implementing, the methodology. Key results from the survey were as follows:

- 25% of agencies have changed their approach to procurement savings since the publication of the methodology
- The methodology works well for goods and services which are relatively standardized, but some flexibility is required for complex services
- There was interest in having more granular guidance for the measurement of procurement impact beyond financial savings
- It is challenging to compare pricing across different markets
- More than half of the agencies that have not yet changed their approach intend to implement the methodology (at least in part)
- Challenges remain in implementation from perspective of resourcing (biggest barrier), system integration, information management and coordination

2. COLLABORATIVE PROCUREMENT OF IT HARDWARE
INFORMATION SESSION — PRESENTED BY LEAD AGENCY REPRESENTATIVE, MS. KATINKA ROSENBOM (UNICEF)

UNICEF provided a recap of the project and the actions that have taken place to date, which include a comprehensive comparison of the various contracts already in place with ILO, UNDP, World Bank, UN/PD and UNICEF.

UNICEF will work with UNDP, who will be the lead agency, to establish a tender based on scoping work undertaken for the existing LTA requirements or joint bidding (target completion by mid 2020). The intention is to design a tender with an outcome that will give UN agencies the option to set up their own contracts and ordering systems.

OTHER TOPICS

1. UPDATE FROM THE CEB SECRETARIAT
INFORMATION SESSION — PRESENTED BY HLCM SECRETARY, MR. REMO LALLI (CEB SECRETARIAT)

The following key priorities of the HLCM were highlighted for the PN members:

(i) The future of the workforce in the UN system

Developments within technology and innovation are impacting the UN work place. The Secretary-General and the CEB have mandated the HLCM to draft a framework strategy for people management. The HLCM will have a one-day retreat to brainstorm on this topic at its upcoming session and the discussions will be centered around: (a) issues of composition of the workforce and contractual arrangements, (b) flexible working arrangements, and (c) the HR function/management.

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(ii) Mutual recognition
Although the PN has made considerable progress in mutually recognizing each other’s policies, procedures etc., members were encouraged to take the discussions during the upcoming workshop on the topic very seriously. The obstacles and challenges that remain should be identified, addressed and/or brought to the attention of the HLCM.

(iii) Innovation & technology
Innovation and technology are changing the way we do business and should continue to form the basis of discussions moving forward. The PN was urged to continue to explore available technologies and how they could be applied to procurement operations.

Finally, the PN was asked to use its internal resources and experiences from the previous Collaborative Procurement of Vehicles project to ensure that the work continues and results are demonstrated.

2. THE UN GLOBAL MARKETPLACE (UNGM)
DECISION SESSION – PRESENTED BY UNGM STEERING COMMITTEE CHAIR, MR. GIORGIO FRATERNALE (ILO) AND UNGM TEAM LEAD, MR. NIELS RAMM (UNOPS)

The UNGM Rolling Budget document provides a consolidated overview of the anticipated costs, and income flows covering both the regular UNGM budget and development projects funded by the UNGM reserve fund. The UNGM membership endorsed the rolling budget for 2020-2021.

There was also a presentation of key UNGM activities and highlights for 2019, reflections and takeaways from the last few years, and the vision for the next 5 years to ensure that the UNGM platform remains relevant and sustainable.

An election of the UNGM Steering Committee took place and the following individuals were (re)elected onto the committee:

Giorgio Fraternale (ILO) - Chair
Kiyohiro Mitsui (UN/PD) - Vice Chair
Courtney Linley (CTBTO)
Arslen Bounemra (FAO)
Sandro Luzzietti (IFAD)
Elisabeth Eckerstrom (ITU)
Gerard Gomez (UNDP)

3. MEMBERSHIP OF THE HLCM PN
DECISION SESSION – PRESENTED BY MR. KIYOHIRO MITSUI (UNPD)

The introduction of a procedure for accepting new ‘Associate Members’ to the PN, as well as the rights that PN member types should have, has been debated for the past many PN meetings. Following the PN meeting in September 2018, the UN Secretariat kindly agreed to take the lead in developing a proposal, which was then presented at the PN meeting in March 2019. The PN had strong reservations about widening the PN membership to include non-UN members, but was supportive of the overall direction of the proposal in terms of addressing the key issue of equal treatment of existing PN members. It was agreed that the UN Secretariat would fine-tune the proposal and present it for decision at this PN meeting.

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As a result, the PN agreed to the following:

(i) Composition of membership
The PN agreed that all current members, except for non-UN Organizations without observer status from the General Assembly (i.e. ESM & CGIAR), would be considered member organisations of the network.

(ii) New members
The PN agreed to accept the International Criminal Court as a PN Member. However, other, non-HLCM entities interested in becoming members/observers (Asian Infrastructure & Investment Bank, Irena, etc.), must wait until the PN has amended its Statutes, after which they will have to formal request to the PN Management Board.

(iii) Voting rights
The PN agreed that all members of PN should have equal rights including the capacity to vote. It was however agreed that policy decisions which may affect the HLCM and its activities would require consensus among HLCM/CEB member organisations only. The PN Management Board will determine which issues constitute a policy decision and, if necessary, will consult with the HLCM Secretariat.

Decisions concerning operational issues, such as, implementation of PN projects, studies and surveys, will be made by consensus of all member organisations. With the support of the UN Secretariat, the operational issue context will be further elaborated in the PN Statutes.

Administrative decisions such as selection of the Management Board and meeting venues will be made by the simple majority vote of all member organisations.

Associate members/observers do not have voting rights.

(iv) Serving on the PN Management Board
The PN approved the following option:

HLCM/CEB members will serve a term of 3 years on the Management Board, as per current practice, and only HLCM/CEB members of the PN can serve as Chair of the Management Board and represent the PN at the HLCM plenary meetings.

If there is a candidate from non HLCM/CEB member organisations interested in joining the Management Board, the PN will appoint a second Vice Chair or Advisory Chair, i.e. there would then be 4 members on the PN Management Board. The selected candidate from non HLCM/CEB member organisations will serve on the Management Board for 3 years in the same capacity.

It was agreed that the Management Board would modify the HLCM-PN Statues to reflect the above decisions and present the amendments at the next PN Meeting. Until then, the provisions in the current Statutes concerning membership composition, rights etc. will remain valid.

4. UN TRAVEL IN EUROPE & CATEGORY MANAGEMENT AT THE UN SECRETARIAT
INFORMATION SESSION — PRESENTED BY MR. STEPHEN FARRELL (UNOG)

A brief update was provided on the current status of the UN Secretariat’s Category Management initiative on travel. This was followed by an update on activities related to cooperation within the wider UN system, specifically in Europe, and the opportunities for potential further cooperation among UN entities.

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In an effort to consolidate travel in Europe, there has been significant activity and outreach taking place since the last PN meeting. Informal inter-agency discussions have taken place with travel managers (technical leads) and there is strong support for greater coordination among UN agencies as it has been recognized that significant savings can be achieved. UN City Copenhagen was able to access the airline discounts negotiated by CPAG, leading to an estimated 1.5 million USD annual cost avoidance.

The PN was asked to:

- encourage the joint solicitation exercise for Travel Management Companies (TMC) on a regional basis
- actively support consolidated airline negotiations
- join the bidding exercise for a new TMC provider in 2020, led by UNOG in conjunction with the CPAG network – interested agencies should contact Stephen Farrell on farrells@un.org

5. THE BUSINESS INNOVATIONS GROUP INITIATIVE
INFORMATION SESSION – PRESENTED BY MR. DOMINIC GRACE (UNDP)

In December 2017, the UN Secretary-General set a number of ambitious targets to reform the UN System; of these, the Business Innovations Group (BIG) is tasked with delivering and building on the proposals aimed at maximizing programmatic gains through efficient and high-quality back-office operations. Specifically, deliverables were defined around Mutual Recognition, Common Premises, Client Orientation, the Business Operations Strategy, Common Back Offices and Global Shared Service Centres. The session provided an overview of the progress made on the BIG project and how Mutual Recognition is relevant to procurement leadership and practitioners.

6. COLLABORATIVE PROCUREMENT OF VEHICLES
DECISION SESSION – PRESENTED BY MR. KIYOHIRO MITSUI (UN SECRETARIAT)

The Collaborative Procurement of Vehicles Project previously undertaken by the PN resulted in the establishment of eight systems contracts for a variety of vehicle categories, which are currently active and available to all UN entities. The first of these eight contracts will expire in Oct 2020 without the possibility of further extension.

The HLCM PN endorsed continuation of Collaborative Vehicle Procurement and encourages PN member organizations to initiate discussions on a new collaborative vehicle procurement exercise, taking lessons learned from the previous exercise into account.

7. GLOBAL INNOVATION INDEX
INFORMATION SESSION – PRESENTED BY MR. SACHA WUNSCH-VINCENT (WIPO)

Recognizing that innovation is a key driver of economic development, the Global Innovation Index (GII) – co-published by Cornell University, INSEAD and WIPO – provides a rich innovation ranking and analysis referencing 129 economies. Over the last decade, the GII has gained international recognition, becoming a “tool for action” for countries that incorporate the GII into their innovation agendas. Key messages and trends from the GII 2019 were presented, concluding in particular with medical innovation, which is seen as critical for closing the gaps in global healthcare provision.

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**AOB**

**(i) Consolidation of Working Groups**

In order to ensure adequate participation in Working Group activities, it was agreed that consolidation would take place where it makes sense to do so. As a result, it was agreed that:

- the Innovative Contracting & Supplier Relationship group will move under the Strategic Vendor Management group
- The Consolidated/Outsourced Procurement group will merge with the Cognitive Procurement group – with the possibility of having co-Chairs

**(ii) Venues for future meetings**

As agreed at the last PN meeting, the next session will be hosted by IFAD in Rome. The dates for the meeting will be 17-19 March 2020.

The 2020 Autumn session will take place in Nairobi, hosted by UN Environment.

**SHOW & TELL SESSIONS**

The following ‘Show & Tell’ sessions were also a part of the PN meeting agenda:

- **(i) Product Innovation** – Ms. Katinka Rosenbom (UNICEF)
- **(ii) Crowdsourcing - an example of a procurement action** – Ms. Bérénice Bessière (WIPO)
- **(iii) 2018 CPAG Annual Report** – Mr. Stephen Farrell (UNOG)
- **(iv) Redefining Excellence - Supply Chains, Operations and Paradigms** – Mr. Darko Stojmenovski (OSCE)

*Supporting information can be found as indicated in the footer.*