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**Report of UNDP, UNFPA and UNOPS on joint procurement activities**

*Summary*

The Copenhagen-based United Nations agencies began assessing opportunities for common procurement initiatives since January 2011. UNDP, UNFPA and UNOPS agreed that joint procurement activities would result in stronger procurement practices, more efficient processes and lower costs for all participating agencies.

Since the report on these projects in 2014, the agencies have derived continuing savings and benefits from their common procurement efforts. Additional initiatives were developed and delivered in 2014 reaffirming the value of the harmonization project and the commitment of the participating agencies. A number of projects are under way in 2015 seeking to consolidate and standardize practices within the United Nations system. As this cooperative work continues over the remainder of 2015, wide-ranging savings and improvements are being realized across a range of products, services and sectors.

This report presents key findings and outcomes from the common procurement work conducted in 2014 and sets out the initiatives under way in 2015.

*Elements of a decision*

The Executive Board may wish to take note of the present report and comment on the joint procurement activities delivered in 2014 as well as activities in progress in 2015.



## **I. Introduction**

1. The Copenhagen-based United Nations agencies began assessing opportunities for common procurement initiatives in January 2011. Similar collaborative procurement agreements exist at field level and have been practised for some time, with savings for all parties involved. The rationale for establishing collaborative procurement relationships within the United Nations system is based on a shared understanding of the benefits of consolidating and standardizing procurement practices. The participating agencies (UNDP, UNFPA and UNOPS) agreed to undertake joint procurement activities in order to:

- (a) Secure, supply, assure delivery and quality and leverage volumes at lower costs for the goods and services they buy;
- (b) Use inter-agency collaboration in support of respective mandates;
- (c) Obtain economies of scale through joint purchasing;
- (d) Reduce administrative costs by avoiding duplication of work;
- (e) Use an agency, where necessary, to negotiate or manage specific contracts.

2. The savings obtained from these joint procurement initiatives directly reduce the (administrative) costs of the projects. Further, where applicable, the savings are reprogrammed into project work. This will deliver further support to projects as savings continue to be realized.

3. Joint procurement relationships often involve service-level agreements, multi-agency long-term agreements (LTAs), memorandums of understanding or an LTA established and managed by one agency. Participating organizations place more emphasis on LTAs as the preferred contracting mechanism.

4. Where procurement projects relate to goods, services or work closely aligned to the mandate of an organization, the procurement process further improved by assigning lead organization status. These lead organization opportunities will be further developed in the coming year (UNFPA in the area of contraceptives, for example).

5. Since the inception of the initiative, inter-agency procurement has led to significant savings and a range of other benefits across the United Nations system. As described below, various joint procurement activities are ongoing, with additional projects planned for the calendar year 2015. These initiatives reflect the leadership and participation of UNDP, UNFPA and UNOPS, with their key outcomes highlighted below.

6. Though many large contracts are developed at the headquarters level, there has been an increasing emphasis on collaboration at the country level. Country-level joint procurement activities – particularly in over 30 ‘delivering as one’ countries and those with business operations strategies – focus on capacity-building, policy harmonization, advisory services and tools to facilitate joint processes and to record results. These are discussed further in section III.

## **II. Joint procurement activities delivered by the United Nations organizations in 2014**

7. Inter-organizational procurement initiatives delivered far-ranging benefits in 2014. For some of the activities discussed below, a majority of the project work was completed prior to 2014. These projects nevertheless merit ongoing discussion as the work in these areas – and the associated savings – continued in 2014.

8. Through UN Web Buy at UNOPS, all participating United Nations organizations and their partners are able to benefit from a number of catalogue options for vehicles, including specialized vehicles (ambulances, trucks, buses, motorcycles and armoured vehicles). In 2014, UNOPS

delivered \$62 million worth of goods to 72 countries in support of partners and client projects, including more than 1,600 vehicles and 3,200 motorcycles. Also available are solar energy products and diesel generators, along with hybrid energy solutions, where UN Web Buy experienced a surge in orders for its solar energy products, procuring 280 street lights, 23 full systems for schools and medical centres, and components such as inverters and 400 solar panels, for a total of \$2 million. The number of United Nations agencies procuring through UN Web Buy has increased to 18, including UNDP, UNFPA, UNOPS, Food and Agriculture Organization (FAO) and United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

9. A joint 'spend analysis' was conducted in Copenhagen to identify four key service and product categories of 'high spend', which could be procured jointly among participating organizations (UNDP, UNFPA and UNOPS). This tendering was included in the workplan of each organization for 2014, aimed at reducing costs and duplication in these key 'spend' categories.

10. UNDP led the consolidation and standardization of vehicle procurement. This three-phase project, funded by the High-level Committee on Management (HLCM), was launched based on the estimate that the United Nations organizations spend in excess of \$300 million per year on light-duty vehicles. Despite this volume, there had been no major attempts to consolidate volumes between agencies in order to better negotiate with vehicle manufacturers a more competitive pricing structure. This was partly due to the lack of clear data across all United Nations agencies on buying patterns and the difficulty of agreeing on standardized specifications for makes/models of vehicles. This project aimed to promote consolidated and strategic planned purchasing of vehicles and establishing collaborative LTAs based on volume discounts. By homogenizing and centralizing the procurement process, participating organizations are expected to save an estimated 10-20 per cent of total costs. The project additionally allows for standardization of vehicle type, which could reduce future maintenance and service expenses, and improve inter-organization transfers of both vehicles and staff with technical expertise. Phase I delivered a data-gathering and feasibility assessment, and phase II established a collaborative purchasing framework. The anticipated phase III of the project will focus on improving overall fleet management.

11. In 2014, an estimated 8 per cent of UNOPS total procurement volume was conducted through collaborative procurement with other United Nations agencies. In Latin America, collaborative procurement amounted to over \$43 million, representing close to 50 per cent of the procurement volume in that region. This included pharmaceuticals and medical equipment with the Pan-American Health Organization (PAHO), construction equipment and services with UNDP, and other common goods and services with eight other agencies. In Africa, UNOPS country offices are collaborating with UNDP, United Nations Children's Fund (UNICEF), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), United Nations Educational, Scientific and Cultural Organization (UNESCO), World Food Programme (WFP), United Nations Office at Nairobi and other United Nations agencies. A number of inter-agency working groups were established to address local procurement opportunities and issues; in Ethiopia, UNOPS is actively participating in the procurement working group of the Donor Assistance Group, which includes United Nations and other international actors such as the World Bank. This group focuses solely on providing procurement advisory support to the Government to ensure national capacity development.

12. Twelve United Nations organizations – UNDP, UNFPA, UNOPS, International Organization for Migration (IOM), -International Telecommunications Union (ITU), PAHO, Joint United Nations Programme on HIV/AIDS (UNAIDS), Office of the United Nations High Commissioner for Refugees (UNHCR), UNICEF, UN-Women, WFP and the World Health Organization (WHO) – agreed to collaborate on 'public cloud' outsourcing. UNDP led the establishment of LTAs for standard public cloud services, namely, Microsoft Office 365 and Google Apps for Business. The expected savings (annual cost per user) will vary according to the product but are likely to reach 40-60 per cent.

13. Eight United Nations organizations – UNDP (lead agency), UNFPA, UNHCR, UNICEF, UNRWA, FAO, WFP and WHO – developed a collaborative project on LTAs for ‘very small aperture terminal’, or ‘VSAT’, satellite communications. Cost reductions of up to 40 per cent are projected for UNDP country offices.

14. The United Nations Procurement Division led a collaborative project between the Division and UNDP for a third-party administrator to provide a range of services (claims processing; customer service; utilization management; health provider networks; reporting; and other professional services) for its medical insurance plan, a self-funded plan of medical and dental benefits for locally recruited staff in offices away from headquarters, including peacekeeping missions. Cost reductions of up to 45 per cent are projected for UNDP.

15. In July 2014, UNDP signed a five-year LTA with industry-leading video collaboration company Polycom. This LTA resulted in direct cost savings to UNDP offices (often up to 50 per cent), enhanced mobility support, improved reliability, quality and overall user experience of videoconferencing, as well as a reduction in travel for meetings, and a lighter UNDP carbon footprint. This new partnership with Polycom gives access to some of the best industry leading products and services to boost the global virtual communications across UNDP and for partner agencies. The LTA provides excellent pricing on telepresence, high-definition videoconferencing equipment, eagle-eye cameras, accessories, mobile videoconferencing solutions, as well as videoconferencing support services. To date, UNDP has shared the LTA with UNICEF, UNFPA and UN-Women.

16. UNFPA participated in a UNICEF-led joint procurement for vacuum extractors. This process was rescheduled for 2016 because, during initial market research, it was determined that there have been no market changes for these products, as no new actors have been considered technically qualified for the supply of the products. There is an inter-agency team working on market-shaping activities for these and looking into how to increase the quality of low-cost manufacturers. UNFPA and UNICEF plan to extend their current LTAs for an additional year; this is considered sufficient period of time for possible improvement in market conditions and grant benefits to carry out a competitive process.

17. Through the H4+ medical device working group, led by WHO, UNICEF and UNFPA, harmonized lists of essential medical devices for reproductive, maternal and newborn health care have been finalized; these will be incorporated into future LTAs. WHO began developing a database of technical specifications for each of the medical devices to eliminate duplication in the creation of specifications and technical requirements. UNFPA was additionally granted access to a UNICEF quality assurance test laboratory for testing surgical instruments, increasing efficiency and achieving significant savings.

18. In September 2014, a study was launched to analyse the barriers to inter-organizational (inter-agency) operability, as currently embedded in the existing information and communications technology (ICT) landscape, of which enterprise resource planning is a key component. Based on the barrier analysis, the assigned consulting company was requested to establish feasibility and requirements of utilizing a collaborative mechanism of leveraging individual agencies’ capacity and expertise in the various functional areas across the United Nations system and assess industry solutions available to the United Nations system for provision of commodity services (outsourcing). The value of the contract is \$322,320. The United Nations System Chief Executives Board for Coordination (CEB) secretariat directly supervised the work with the assistance of UNDP. The steering committee of the study was led by the Chair of the ICT Network, currently the Secretary-General of ITU. Three representatives from agencies at the Assistant Secretary-General level form the membership of the Committee.

19. UNOPS and the participating agencies continue to benefit from the certified emission reduction joint procurement that UNOPS led, in collaboration with the United Nations Environment

Programme (UNEP). This procurement established a programme for annually tendering for carbon emission offsets. Other organizations that participated in the joint procurement included the International Monetary Fund and UN-Women. With an estimated 2014 annual value of \$45,000, this project continues to reduce costs by avoiding duplication. For eligible projects, average costs decreased by 50 per cent in 2014, compared to the previous year (average price per unit was €2.0 in 2012; €1.09 in 2013; and €0.55 in 2014).

20. UNFPA has participated in the Joint United Nations Programme on Greening Procurement in the Health Sector. This One United Nations initiative (One UN) has the overall vision of reducing the environmental burden of the health sector. Participating agencies include UNDP, UNOPS, UNFPA, UNEP and WHO; it is expected that United Nations agencies will establish environmentally sound procurement policies and practices in the health sector.

21. Managed by UNOPS, the United Nations Global Marketplace (UNGM) Vendor Registration Reform (VRR) project phase I was delivered at the end of 2013. More than 26 United Nations agencies are now benefiting from faster vendor registration, stronger risk management, greater transparency, and a more efficient user and vendor experience. The solution includes expanded search capabilities to assist procurement officers in finding information on LTAs, specifications, awards, the eligibility status of vendors and other shared knowledge.

22. A joint procurement process led by UNOPS delivered a new LTA with Carlson Wagonlit Travel, at the end of 2014, for the provision of travel management and visa processing services for the Copenhagen-based organizations. This includes an online travel booking tool. The participating agencies, including UNOPS, UNDP, UNFPA, UNICEF and WHO, are already achieving efficiency gains, with the elimination of paper-based processes and a more efficient ticket search and approval process for the individual travellers. In 2015, UNHCR requested to participate in the solution, becoming the sixth agency to benefit from this joint process.

23. Supported by 21 United Nations organizations, UNFPA led a renegotiation of a joint LTA for Rosetta Stone computer-based language learning courses, revising the pricing scheme, with support services included. In 2014, this yielded \$151,000 in savings (not including cost avoidances), in addition to the \$483,000 in savings achieved in 2013.

24. UNOPS led a joint procurement exercise for Copenhagen-based organizations that delivered a new LTA for office products. The LTA is currently being utilized by original participating agencies: UNDP, UNFPA, UNICEF, UNOPS and WHO; and now UNEP and UNHCR are also using the agreement.

25. UNFPA led a joint procurement for pharmaceuticals, together with PAHO, UNDP, UNFPA and UNOPS, resulting in an increase in the quality of products being sourced as well as administrative savings for participating agencies.

26. In 2014, UNDP established six LTAs for smaller solar appliances. The LTAs are open for use by other United Nations agencies and are valid for a period of three years. It is estimated that these LTAs will lower costs by 10-15 per cent. To date, the LTAs have been shared with UNFPA, UNHCR, UNICEF and WFP.

27. UNICEF and UNFPA conducted a joint bid for medical furniture. With this process, UNFPA completed the commercial evaluation and covered the costs for site inspection, while UNICEF conducted the technical and quality-assurance evaluation. This process is expected to increase quality, in addition to expected administrative savings among participating agencies.

28. UNOPS conducted an international tender exercise to enter into an LTA for psychological counselling services for all UNOPS personnel globally. The resulting agreement has a potential maximum duration of five years and is open for piggybacking to all interested United Nations agencies.

29. In 2014, UNFPA was able to obtain significant administrative savings in the procurement process with the establishment of 41 memorandum of agreements for piggybacking on contracts and LTAs. Through this modality, UNFPA has been able to avoid unnecessary bid solicitation processes and made significant administrative cost savings.

### **III. Joint procurement activities in progress in 2015**

30. In January 2015, UNDP, on behalf of the participating United Nations agencies (UNFPA, UN-Women), concluded an LTA for travel management services. The LTA is valid for a period of three years and might be extended for another two years, on an annual basis, subject to satisfactory contract performance. Volume threshold for three years is set at \$3,215,145. The LTA showed savings of 8 per cent and includes 18 new services. New services include outsourced visa and passport processing to a specialized agency, online booking tool with ATLAS integration, a third airfare quotation with the lowest fare, and recursive airfare checking.

31. UNFPA previously initiated a process to increase awareness of upcoming tender notices at headquarters by sharing the expected annual tender schedule through the UNGM system facility. This year, UNFPA will initiate the same process for core commodity tenders. This process aims to increase supplier awareness and participation in the UNFPA procurement process and strengthen vendor risk management practices in 2015 and beyond.

32. A collaborative project between UNDP, UNFPA, UNOPS and UNICEF as the lead agency has resulted in LTAs being established with four sea freight and two air freight companies. The current LTAs expire on 30 June 2016; in preparation for the launch of a new tender, UNICEF Supply Division began engaging with UNDP and other United Nations agencies towards the alignment of a freight forwarder tender strategy in 2014. This strategy is based on ongoing analysis of the current international transport strategy, lessons learned from the previous tender and assessment of freight forwarder performance in the past period; it will result in the replacement of the current LTAs in 2015.

33. In 2003, UNDP and UNICEF signed a memorandum of understanding entering into a partnership for the procurement of essential health supplies related to programmes of the Global Fund to Fight AIDS, Tuberculosis and Malaria. The aim of the cooperation was to provide joint support to UNDP country offices implementing Global Fund projects through the supply of essential health commodities and related services. Further amendments were signed in 2005 and 2006, with an exchange of letters in 2013. Based on discussions between the two organizations over the past years, and the outcome of a supply chain process review of UNICEF procurement services for UNDP by an external consultant, it was agreed that a service level agreement would be developed to further define the cooperation on operational and transactional levels. This agreement was signed in 2015, with a view to maximize the added value of the partnership and achieve the common programmatic goals in supported countries. During the course of 2014, over \$170 million worth of health-related commodities (antiretroviral and antimalarial medicines) were sourced by UNDP country offices through the partnership.

34. A UNFPA-led team was established in 2012 to manage collaborative procurement activities for New York headquarters (UNDP, UNFPA, UNICEF and UN-Women). The team has delivered a significant increase in 'piggybacking' (buying or using each other's contracts) for headquarters procurement. This year, UNFPA is currently working with New York-based United Nations agencies to create a shared master list of all LTAs that are open for other agencies to use. This master list of LTAs will form a basis to identify common procurement needs and to determine opportunities for more joint bids.

35. UN Web Buy is continuously expanding its offerings and catalogues of common goods and services to support United Nations projects and activities. For 2015, new products include waste incinerators, and agricultural and earth moving equipment such as tractors, cultivators, rippers,

harrows, plows, harvesters, planters, sprayers, bulldozers, loaders, mixers, concrete pumps and road pavers.

36. UNFPA is taking the lead on a follow-up joint bid for catering services for New York-based agencies. In 2014, UN-Women conducted a joint bid which resulted in only one LTA. UNFPA has agreed to take the lead on this follow-up process, with the aim of establishing more catering LTAs, a project to increase awareness of upcoming tenders by sharing the expected annual tender schedule with United Nations organizations (UNDP, UNICEF, UN-Women, United Nations Procurement Division and PAHO) through the Global Marketplace system facility. This will improve product standardization, accelerate the procurement process and strengthen vendor-risk management practices.

37. At its 17th session in Rome, the High-level Committee of Management Procurement Network (HLCM-PN) approved phase I of the project for the automation of data collection for the annual statistical report on United Nations procurement. Led by UNOPS, this project aims to develop solutions that will improve and automate the collection and reporting of procurement data across nearly 40 participating United Nations agencies. One of the longer-term goals of this project is to provide more timely, harmonized and detailed insight into United Nations procurement that will assist the participating agencies in identifying future joint procurement opportunities.

38. UNOPS is currently working on improving internal procurement planning procedures and the analysis of local and global plans. For 2015, UNOPS is specifically highlighting areas for collaborative procurement opportunities with other United Nations agencies and implementing these into workplans for 2015 and forward.

39. In 2015, UNGM secured financing through the CEB for a second phase of VRR (VRR 2.0). The UNGM Secretariat is managed by UNOPS; VRR 2.0 and a second phase of new functionalities and enhancements to the UNGM platform commenced in March 2015. It is expected to be completed by the end of 2015. The focus for VRR 2.0 is on increasing the capacity of UNGM for integrating the ERP and e-procurement systems of United Nations organizations. This will feature two-way data streams, facilitating the development of the United Nations system-wide contract management and vendor performance. In addition, it is planned to enhance the capacity and underlying technology of the UNGM knowledge-sharing platform and increase available content. This development will focus on integrating and linking One UN country portals and strengthening locally assisted vendor registration and vendor eligibility review, while ensuring harmonized and common vendor registration.

40. As part of the ongoing collaborative partnership with the Chartered Institute for Procurement and Supply (CIPS), UNOPS has been awarded a gold certification for its sustainable procurement practices. The gold certificate recognizes the policies, procedures and practices that UNOPS has adopted to promote sustainable procurement; this follows a bronze certificate in 2011 and silver certificate in 2013. UNOPS is the first United Nations agency to receive the gold certification.

41. More than 25 United Nations agencies collaborate on procurement capacity development and certification. UNDP, as the lead agency, has partnered with CIPS and delivered CIPS-accredited certification courses that qualify staff from more than 25 United Nations agencies on common United Nations procurement policies, principles, procedures and processes. The education and certification of procurement staff in common qualification programmes facilitates efficiencies, effectiveness and closer cooperation in procurement. More than 1,200 UNDP staff, as well as 500 UNFPA staff and 300 WFP buyers, have completed various levels of the UNDP/CIPS-led procurement certification programme, thereby promoting common standards and procedures in procurement among current and next generation procurement staff. The certification programme further operates as a driver for the United Nations procurement harmonization agenda, teaching staff new models and procedures for field-based cooperation. The certification programme is partly based on the UN Procurement Practitioner's Handbook, which provides best practices and

guidelines for collaborative procurement. The UNDP/CIPS certification programme was awarded the European Supply Chain Excellency Award in 2013 in recognition of its achievements in professionalizing the United Nations system staff against global industry standards.

42. UNOPS is leading a tender exercise, in collaboration with UNDP and UNFPA, for the provision of professional and technical skilled labour services in high-risk areas of UNOPS operations. The project, costing an estimated \$13 million per year, will improve oversight, reduce duplication and strengthen consistency in the services provided. The terms of reference include requirements and annotations from UNFPA and UNDP; the resulting agreements will be open for piggybacking with all United Nations agencies wishing to utilize the services for their operations in high-risk areas.

43. A joint tender led by UN-Women for event production services was recently launched. The participating organizations, which include UNDP and UNFPA, expect this project to result in reduced duplication, improved efficiency and increased competition. Currently, two UNFPA headquarters staff members – from the Technical Division and the Media and Communications Branch – have volunteered to participate in the technical evaluation panel.

44. UNICEF led the fourth Inter-agency Joint Tender for Freight Forwarding Services. Participating agencies included FAO, UNDP, UNHCR, United Nations Framework Convention on Climate Change, UNFPA, UNOPS and UNRWA. This flagship process would potentially see UNFPA actively collaborating as part of the project team as well as developing other roles throughout the process. All members of the project team will contribute volumes, quantity of freight services and breakdown of information; they will also contribute to the expected results and operation of the future contract. The new LTAs are expected to result in improved trade and visibility of the shipments; clearer accountability; improved transparency through an open book policy; and improved performance management through standardized key performance indicators across participating agencies.

45. UNICEF led a joint procurement process to identify pre-shipment inspection firms, with the intention of establishing LTAs that will be open to piggybacking by other United Nations agencies. UNOPS has expressed interest in utilizing these, and UNFPA has piggybacked on four existing LTAs, and has established a standard operating procedure, in accordance with indicators from UNICEF regarding lead and back-up service providers. UNDP is also establishing memorandums of agreement.

46. It is important to note that when there is no area for United Nations collaboration, when procurement is directly related to specific United Nations mandate commodities, the United Nations agencies look for collaboration with non-United Nations partners. An example of this kind of partnership is the broad collaboration between the United States Agency for International Development (USAID) and UNFPA. In 2012, UNFPA and USAID identified the need for coordinated supply planning (CSP) as a way to achieving greater efficiencies and reducing global supply risk to all programmes receiving family planning commodity support. In 2013, a small cross-organizational group was formed to develop the concept. Representatives of USAID Commodity Security and Logistics Division, UNFPA Procurement Services Branch, USAID | DELIVER PROJECT, the Implants Access Programmes, the Clinton Health Access Initiative, and the Reproductive Health Supplies Coalition met in Washington to review their forecasting approaches, challenges, and needs for family planning commodities. CSP activities developed for 2014 and 2015, primarily focused on USAID and UNFPA coordinated supply planning with plans to expand to other relevant parties. The overarching objective of CSP is to improve supply chain coordination for family planning commodities through continuous, collaborative development of forecasts and supply plans. The CSP group has defined the following shared goals for collaboration:

- (a) Avoid duplication of orders coming from countries through collaborative supply planning by UNFPA and USAID;

- (b) Ensure rational allocation by USAID and UNFPA of products with limited global manufacturing capacity so that one country's orders do not exceed what it reasonably requires in a given time frame, leaving other countries without adequate supply;
- (c) Foster coordination and supply planning at country level between donor representatives, ministries of health, social marketing programmes and non-governmental organizations;
- (d) Coordinate UNFPA and USAID orders with manufacturers to improve supplier production management and to ensure that orders to USAID and UNFPA can be filled on time;
- (e) Co-develop UNFPA and USAID forecasts and supply plans for specific products for use by stakeholders for production planning, advocacy for commodity funding, contract negotiation, ensuring continuous supply, rationale allocations and other uses;
- (f) Conduct periodic reviews of forecast and supply-plan accuracy to improve quality of planning. An example for the concrete outcome of the collaborative planning work of UNFPA-USAID is identification of an overstock situation in one country, which allowed some of the ordered goods for that country to be diverted and released for other countries where there were potential stock-out situations.

47. Joint procurement activities are being undertaken across the United Nations. Geneva-based international organizations have conducted a number of common procurement activities aimed at simplifying and harmonizing United Nations procurement activities for greater efficiency and effectiveness. By combining their efforts, the Common Procurement Activities Group of the Geneva-based organizations have managed to create a more harmonized approach, providing significant resource utilization savings for each member.

48. As a result of the HLCM-PN harmonization project led by UNFPA, United Nations offices are working on a number of areas in collaborative procurement. In Jordan, UNESCO, UNICEF, UNOPS UNRWA and WFP are working together to share knowledge and tools related to collaborative procurement; including joint procurement planning and drafting of terms of reference. This has led to joint procurement activities of a language translation LTA (led by UNOPS); a travel LTA (led by UNESCO); an office supplies and stationery LTA (led by UNICEF); and a security services LTA (led by WFP). With focus on over 30 'delivering as one' countries that have business operations strategies, the second phase of the HLCM-PN harmonization project has been able to demonstrate and record notable savings and improvements at a number of duty stations, including Brazil, Ethiopia, Malawi, Rwanda and United Republic of Tanzania.

49. One example worth noting is the duty station in United Republic of Tanzania. With an increasing emphasis on collaboration at the country level, the United Nations has developed 66 LTAs that are available to all United Nations agencies in the country through the Tanzania One Procurement Team (TOPT). The LTAs were established with a lead agency approach, covering services and goods such as travel management, cleaning and gardening, courier services and transport, accommodation and conference facilities, security services, generator- and car maintenance, printing, office furniture, office supplies, fuel, blankets and driver uniforms. In 2013, United Nations agencies used joint LTAs in 45 per cent of the purchase orders issued, translating to savings of \$620,000. Key factors contributing to the achievements in common procurement include the robust governance arrangements and the support provided by the Office of the Resident Coordinator to the common procurement team. TOPT has access to resources from the One Fund, which is a performance-based funding source created to support the coherent resource mobilization, allocation and disbursement of donor resources to unfunded elements of the United Nations programme. The fund is therefore an important enabling factor for common procurement, as it provides vital resources to areas where it otherwise might be difficult to attract donor interest (see table 1).

**Table 1. Common United Nations procurement at country level**

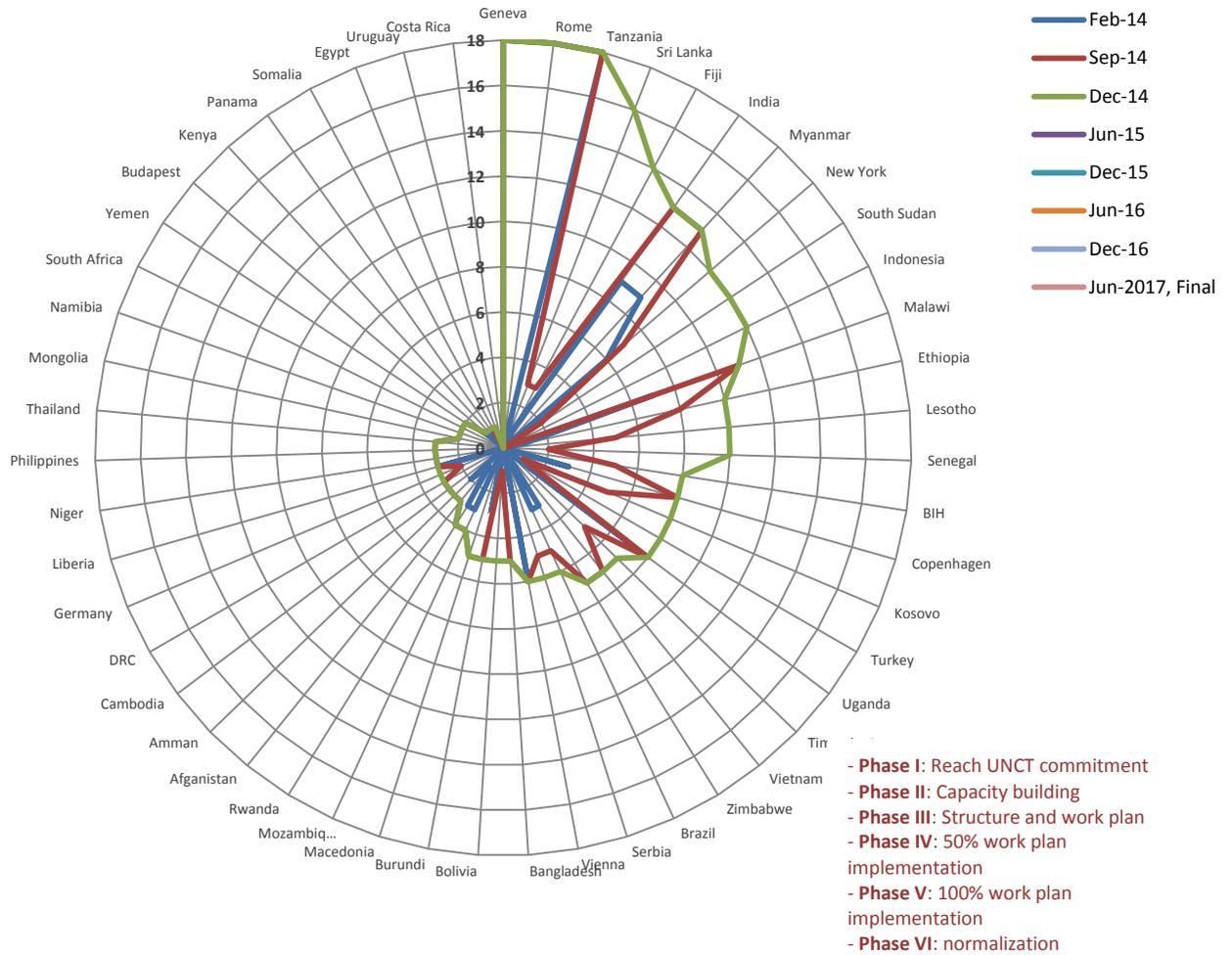
Office	Organizations involved	Items involved	Collaborative procurement type	Total value	Benefits
Democratic Republic of the Congo	All United Nations agencies in the Democratic Republic of the Congo	Fiber optic Internet services	Joint solicitation (lead agency approach)	Estimated 10-15% savings	Economies of scale, reduced repetition of work and improved relations with suppliers
Ethiopia	UNDP, UNFPA, UNOPS, HACT, 15 agencies	Joint LTA for printing services	Collaborative procurement	\$1,000,000 \$400,000 \$760 per agency	
Malawi	United Nations Resident Coordinator's Office , United Nations country team , UNICEF	Office stationery	Piggybacking	\$29,000	
South Sudan	UNDP, United Nations Mission in South Sudan (UNMISS)	Radio equipment	Piggybacking	\$2,000,000 worth of radio equipment	
Sri Lanka	UNICEF, UNDP, WFP, United Nations Department of Safety and Security , UNICEF, UNHCR	Security services	Collaborative procurement for LTA for security services	Administrative savings	
Tanzania (United Republic of)	Tanzania One Procurement Team, United Nations Development Assistance Plan , all United Nations agencies in Tanzania	Travel management, cleaning and gardening, courier services and transport, accommodation and conference facilities, security services, generator and car maintenance, printing, office furniture, office supplies, fuel, blankets, and driver uniforms	66 LTAs developed with a lead agency approach	\$620,000	
Uruguay	Operations Management Team , UNESCO, other United Nations agencies	Office supplies	Collaborative low-value procurement	Cost and administrative savings	
For duty station implementation status overview, see appendix A.					
For a summary of country-level procurement, see appendix B.					

## **IV. Conclusion**

50. Collaborative procurement initiatives led by UNDP, UNFPA and UNOPS and involving other United Nations organizations have delivered significant improvements and savings across the United Nations system. Many of these projects have eliminated duplication, increased consistency and strengthened country office procurement. As cooperative projects continue throughout 2015, these organizations are increasing their commitment to work together to pursue opportunities across a range of products and sectors. This is based on a shared understanding of the benefits of consolidating and standardizing procurement practices across the United Nations system. The support of all participating organizations has been, and continues to be, invaluable.

51. Due to the 'lead agency' concept whereby a United Nations organization is appointed as the lead for specific programmatic areas (UNFPA is the lead agency for contraceptives; UNDP for elections; UNICEF for vaccines), the scope of collaborative procurement activities in programmatic areas is somewhat limited; that is the reason why most joint procurement has been done for administrative needs. Joint programmatic procurement activities can be better achieved with non-United Nations partners (USAID collaborating with UNFPA in the area of reproductive health) in order to shape markets, as indicated above.

## Appendix A. Duty station implementation status overview



## Appendix B.

### UNOPS, UNFPA, UNDP and others collaborative procurement efforts at the country level 2014/2015

Office	Organizations involved	Items involved	Collaborative procurement type	Total value	Comments
Afghanistan	All United Nations organizations in Afghanistan	LTA for the provision of security services	Used a joint LTA/contract (lead agency)	\$55,464,510	United Nations organizations in Afghanistan conducted a joint solicitation process headed by UNDP to establish a LTA for the provision of security services. This LTA has significantly reduced costs.
Mexico	UNFPA, UNDP, UNICEF	Air and land tickets, contracts with hotels related to special events or trainings, printing services	Collaborative procurement	Administrative savings	The United Nations system in Mexico has integrated an operations management team involving all the local agencies. The country office has developed a common plan to obtain a better approach of the procurement processes between agencies.
Jordan	Multiple United Nations agencies in Jordan	Multiple areas of collaborative procurement	Joint Procurement Team	N/A	The procurement country team has established a portal in which agencies share existing LTAs for common services and goods. It is currently working to establish new LTAs for: translation services (UNOPS lead); travel services (UNESCO lead); office supplies (UNICEF lead); security services (WFP lead); uniforms (UNOPS lead).
Jerusalem	UNDP, WFP, UN-Women, UNOPS	Information technology broadcasting and telecommunications ; printing and photographic and audio and visual equipment and supplies; financial and insurance services; office equipment and accessories and supplies; cleaning equipment and supplies; transportation and storage and mail services; personal and domestic services; paper materials and products	Used an existing LTAs of another United Nations entity	\$189,493	Using the existing LTAs provided better efficiency as an overall benefit.
Sri Lanka, Maldives	UNICEF, UNDP, UNOPS	Industrial cleaning services; personal and domestic services; travel and food and lodging and entertainment	Used an existing LTA of another United Nations entity	\$58,762	Reduction of procurement process and time; increased value for money through requirements gathering and better procurement of risk management; reduction of

		services; transportation and storage and mail services			procurement time for air ticket purchasing, getting discounts and better negotiating power.
Myanmar	UNICEF, UNFPA, UNDP, UNHCR, WHO, UNOPS	Drugs and pharmaceutical products; medical equipment and accessories and supplies	Used procurement services of other United Nations organizations; used a joint LTA/ contract (lead agency)	\$4,305,457	N/A
Pristina, Kosovo	UNDP, UNOPS	Travel and food and lodging and entertainment services	Used an existing LTA of another United Nations entity	N/A	A part of travel (only airplane tickets). UNDP shared another local LTA for printing services and UNMIK shared local LTA for ground fuel, but they are not used by all United Nations agencies.
Serbia	UNDP, UNOPS	Management and business professionals and administrative services; fuel and fuel additives and lubricants and anticorrosive materials; apparel and luggage and personal care products	Used a joint LTA/contract (lead agency)	\$186,488	Discussed during the UNDAF preparation of common procurement (UNDP has lead role) but, so far, still at discussion and exchange of information stage.
Democratic Republic of the Congo	All agencies.	Travel and food and lodging and entertainment services; cleaning equipment and supplies; fuel and fuel additives and lubricants and anticorrosive materials; office equipment and accessories and supplies; Defence and Law Enforcement and Security and Safety equipment and supplies; information technology broadcasting and telecommunications ; transportation and storage and mail services; electronic components and supplies; land and buildings and structures and thoroughfares	Used a joint LTA/contract (lead agency)	\$490,670	Giving an estimated savings in cost and time. Using LTA of all agencies is very efficient in price and delivery time.
Ethiopia, Sudan	United Nations Resident Coordinator, FAO, ILO, IOM, ITU, UNAIDS, UNECA, UNEP,	N/A	Joint procurement team	N/A	Ethiopia has a strong and active operations management team structure in place. • Market assessment conducted by UNICEF to facilitate the creation of inter-agency

	UNESCO, UNFPA, UNHCR, UNICEF, UNIDO, UNOAU, UNOCHA, UN-Women, OHCHR, WFP, WHO, UNDP, UNOPS				<p>agreements for the provision of print production services. Over 20 inter-agency LTAs were established with suppliers.</p> <ul style="list-style-type: none"> <li>• Training of champions course on procurement operations and harmonization for the Africa region held in Addis Ababa in August 2014 with the United Nations Development Group (UNDG) and High-level Committee on Management (HLCM). Some 40 staff from 16 agencies working in Addis Ababa and the region attended the workshop.</li> <li>• A UNDP-led joint tender on hotel/conference services was launched by UNDP in November 2014, covering all regions of the country. Inter-agency LTAs will be created as a result, covering all major cities of the country.</li> <li>• A new common tender is under process, led by UNICEF, for the establishment of inter-agency agreement for provision of driver uniforms.</li> <li>• UNICEF extended the LTAs signed in 2013 for duration of one year with two local audit companies for audit and HACT-related inspection services and checks. The LTAs were extended for two more years.</li> <li>• Over 200 LTAs have been collected and will be uploaded on the UNGM and United Nations country team intranet so that all agencies can access and use them as required.</li> </ul>
Venezuela	UNFPA, UNDP	Transport, telephone and mobile phone services, hotels	Piggybacking		The Venezuela country office has piggybacked on UNDP LTA for customs clearance of reproductive health commodities. However, this was not the case in 2014 because the LTA had expired. Due to the high inflation rate in the country and the different currency exchange rates used, new bid processes are being launched using maximum prices.
Argentina, Paraguay, Brazil	UNDP, UNOPS	Travel and food and lodging and entertainment services; office equipment and accessories and supplies	Used an existing LTA of another United Nations entity; procured from another United Nations organization	\$232,000	N/A
Colombia	UNDP, UNOPS	Office Equipment and Accessories and Supplies; Food	Used procurement services of other United Nations	\$35,410	N/A

		Beverage and Tobacco Products	organizations		
Costa Rica	UNDP, UNOPS	Engineering and research and technology-based services	Used procurement services of other United Nations organizations	\$589,988	N/A
Haiti	UNDP, UNOPS, UNFPA, UNICEF, Moore Stephens	Information technology broadcasting and telecommunications ; National defence and public order and security and safety services; fuels and fuel additives and lubricants and anticorrosive materials, micro-assessments, office supplies and stationery, garbage removal/recycling	Used an existing LTA of another United Nations entity; Procured from another United Nations organization	\$750,000	Time and administrative savings achieved. Additional \$30 million mobilized
Honduras	PAHO, UNDP, WFP, UNOPS	Drugs and pharmaceutical products; medical equipment and accessories and supplies; travel and food and lodging and entertainment services; information technology broadcasting and telecommunications , minor works, dental equipment	Minimal common procurement; used an existing LTA of another United Nations entity	\$40,077,492	N/A
Nicaragua	UNFPA, OPS, Viajes America	Travel services	Collaborative procurement		The county office is part of the inter-agency procurement group, with a working plan for the activities planned for 2015 on a joint collaboration modality.
Peru	ONUSIDA, PMA, PNUD, UNICEF, FAO, OACI, UNOPS	Fuels and fuel additives and lubricants and anticorrosive materials; office equipment and accessories and supplies	Used a joint procurement team	\$149,013.21	N/A
Paraguay	UNFPA, UNDP, UNICEF, UN-Women	Common United Nations House services	Piggybacking		UNFPA piggybacks on two LTAs signed by UNDP; it is part of a joint bidding process with UNICEF and UN-Women for telephone services and travel agencies. At present, all United Nations agencies in the UN House support UNDP in their bidding processes and RFQs for common United Nations House services.
Panama	PAHO, UNOPS	Building and facility construction and maintenance	Used procurement services of other United Nations	\$1,500,000	N/A

		services; land and buildings and structures and thoroughfares	organizations; Used a joint procurement team		
Cuba	UNFPA, UNDP, COPA Airline; Air France KLM; Sucursal de Eventos e Incentivos CUBANACAN S.A; Cadena Hotelera Islazul, Agencia de transportación TRANSCARGO; Móviles MOVITEL S.A; Hotel Habana Riviera	IT and other office equipment, transport, telephone and mobile phone services, hotels	Piggybacking		County office piggybacks on UNDP contracts and LTAs with international suppliers to procure IT and other office equipment. The country office is piggybacking on contracts signed by UNDP with national suppliers for the procurement of services, such as transport, telephone and mobile phone services and hotels.
Geneva	Various United Nations agencies	Office equipment and accessories and supplies; transportation and storage and mail services; management and business professionals and administrative services; information technology, broadcasting and telecommunications	Used an existing LTA of another United Nations entity; used procurement services of other United Nations organizations	\$94,500	N/A
Peace and Security cluster	UNDP, United Nations Humanitarian Air Service, UNHCR, UNICEF, United Nations, UNOPS, WFP	Information technology, broadcasting and telecommunications ; office equipment and accessories and supplies; fuels, fuel additives and lubricants and anticorrosive materials; travel, food and lodging and entertainment services; defence and law enforcement and security and safety equipment and supplies; transportation and storage and mail services; furniture and furnishings; paper materials and products; structures and building and construction and manufacturing components and supplies; education and training services; engineering and	Used an existing LTA of another United Nations entity; procured from another United Nations organization	\$2,619,634	UNOPS estimated savings of up to \$48,000 per year from mobile satellite services through UNICEF LTA.

		research and technology-based services			
Small grants cluster	UNDP, UNOPS	Travel, food and lodging and entertainment services; information technology broadcasting and telecommunications	Used an existing LTA of another United Nations entity	\$84,992	
Water and energy cluster	UNDP, UNEP, UNICEF, UNOPS, WFP	Travel and food and lodging and entertainment services; editorial and design and graphic and fine art services; industrial cleaning services	Used an existing LTA of another United Nations entity; used procurement services of other United Nations organizations	\$523,364	N/A
New York	United Nations, UNDP, UNOPS	Information technology broadcasting and telecommunications ; building and facility construction and maintenance services; engineering and research and technology-based services; printing and photographic and audio-visual equipment and supplies	Used an existing LTA of another United Nations entity	\$272,994.50	N/A