

31ST HLCM PROCUREMENT NETWORK (VIRTUAL) SESSION PART 1 – 30TH MARCH 2022

Chair Elisabeth Eckerstrom (Director of Procurement, UNDP)
Vice-Chair Daniela Leinen (Director, Office of Procurement Services, IAEA)
Advisory Chair Katinka Rosenbom (Chief Contracting, UNICEF)
Second Advisory Chair Roberto Samayoa (Procurement Excellence and Compliance Specialist, PAHO)
Secretariat Kerry Kassow (UNDP)

THE SESSION WAS ATTENDED BY 51 PARTICIPANTS, REPRESENTING 28 ORGANIZATIONS <u>LIST OF PARTICIPANTS</u>

1. CIRCULARITY IN UN PROCUREMENT

CARSTEN HANSEN (UNDP), ISABELLA MARRAS (UNEP & LUKAS VON SHUCKMANN (UNEP) SUSTAINABLE PROCUREMENT WORKING GROUP (SP WG)

The UN Secretary General's Senior Management Group met on the 7th of April 2021 to discuss "sustainable consumption and circular economy" which resulted in the HLCM being asked to "map supply chains and procurement and produce recommendations to improve circularity". To support this, the SP WG presented a concept note at the last HLCM-PN session, proposing the below **four recommendations** on how circularity can be advanced in the context of the PN's on-going work on sustainable procurement.

- 1. Clear commitment and continuous communication from top management (SG, DSG, Agency heads).
- 2. The main UN procurement categories will be mapped and analysed by spend for sustainability and circularity opportunities.
- 3. Resources must be made available for capacity development programmes including market readiness assessments.
- 4. The Sustainable Procurement Indicators should be reviewed to ensure they capture circularity considerations in procurement.

Based on these recommendations, it was agreed that the following **three concrete outcomes** would be presented to the HLCM-PN at its March 2022 Session.

- 1. A proposal for a circular procurement pilot phase with three high-spend, high-impact categories.
- 2. A proposal for a UN-system wide online capacity development programme on sustainable procurement in the form of (potentially stand-alone) modules on circular procurement.
- 3. A review of the SP Indicators and proposal of potential changes.

The SP WG representatives provided the PN with the following **update on the outcomes**, which have been worked on under the leadership of UNDP and the UN Secretariat:

1. The following three high-spend categories have been identified as the most impactful candidates in the area of corporate procurement:

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- Furniture
- ICT
- Construction
- 2. It has been determined that any capacity building effort in the field of circular procurement will have to be category specific. Each category comes with its own challenges, risk mitigation efforts, circularity process infrastructure, etc. Consequently, a high-level, theoretical capacity building programme was deemed ineffective. Instead, inclusive, category-based working groups that exchange experience and knowledge might be an example of a more impactful approach to knowledge dissemination. The further approach to capacity building will have to be determined in the next phase of the circularity project.
- 3. The SP Indicators were reviewed for the suitability to capture data on circular procurement. It was found that four indicators are relevant and that minimal updating is necessary. Rather than developing a stand-alone indicator for circularity, it was decided to add asterisks to relevant sub-indicators in combination with a note informing users that those indicators will count towards circular procurement measurement and reporting. Doing otherwise would make the selection process more confusing as there would be an overlap in what level 1 indicators cover.

Finally, it was highlighted that circular procurement will take time to implement properly. The complexity of such a project will also require both commitment from agencies and funding for dedicated resources.

Summary of discussions

PN members reiterated that commitment and communication from top management across the Organisations is still key as circularity cannot be addressed by procurement alone. The report should emphasise the importance of re-thinking needs.

For the initiative to be successful, it is recommended that consideration is given to developing a communications strategy and other awareness-raising activities, which outline the benefits etc. for Programmes, Donors, and others.

When seeking funding or promoting circularity in procurement, the economic gains (cost and time savings) should be highlighted in addition to the environmental gains.

To support the case for circular procurement, it could be advantageous to achieve some simple "quick wins" to demonstrate success at an early stage.

Before the report is fully finalised the WG was asked to ensure verification and alignment of wording, definitions and terminology.

In addition to category-specific capacity building, it could be useful to have a basic and more general training module explaining the circular economy concept.



The PN Management Board commended the SP WG and the team led by UNDP & the UN Secretariat for the work undertaken so far. The group appreciated the feedback received (above) from the PN and agreed to revise the paper to reflect this.

For more information on the above see the following:

Summary Sheet - Circularity in UN Procurement

<u>Presentation - Sustainable Procurement Working Group</u>

Presentation - Circular Procurement Integration

Report on Circularity in UN Procurement

Concept note on Sustainable Procurement for a Circular Economy v.2 24Sept2021

2. HARMONIZATION WORKING GROUP (WG) CHAIR ROLE

(i) Retirement of WG Chair

The current Chair, Eric Dupont (UNFPA), will retire at the end of this month. Eric was thanked for over a decade of dedication to the HLCM-PN and for expertly leading the Harmonization WG during this time.

(ii) New WG Chair

The Harmonization WG has elected Katinka Rosenbom (UNICEF) as the new WG Chair per the 1st of April 2022. Katinka, who has been a member of the WG for several years, was welcomed to her new role.

3. AOB

(i) UN Procurement Awards 2022

The PN Chair reminded PN members about the deadline for submissions on the 30th April 2022.

(ii) Human Trafficking & Forced Labour Task Force

The PN Chair invited PN members to join and actively participate in the sense-making workshop on the 4th April 2022.

(iii) HLCM PN (hybrid) Session 10-12 May 2022 – hosted by IFAD & WFP, Rome.

The PN was informed of the following:

- Consultations are currently taking place with the Working Group Chairs and a draft agenda will be developed in due course.
- The deadline for documents for decision items is the 19th April and it is the 26th April for information items.
- PN members are invited to propose topics for discussion or Show & Tell to the PN Secretariat on kerry.kassow@undp.org.
- Should there not be sufficient time for Show & Tell items, virtual sessions can be arranged at a later date.
- The first day of the meeting will be dedicated to networking activities and discussing
 the strategic vision of the PN, how it can support all members moving forward,
 whether changes/additions should be made to Working Groups, etc.
- A survey will be circulated in the coming weeks which will form the basis of these discussions.
- To facilitate meeting planning activities, a poll will be sent out shortly asking PN members to indicate whether or not they will attend the meeting in person.

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- Meeting registration and provision of logistical information will take place after the Easter break.
- As per normal practice, a new Vice Chair will be elected at the May session a call for nominations will be circulated in advance.