Report of UNDP, UNFPA and UNOPS on joint procurement activities

Summary

UNDP, UNFPA and UNOPS continue to show their commitment to joint procurement by initiating, supporting and participating in initiatives and activities globally to pursue benefits and opportunities that result in stronger procurement practices, efficient processes and lower costs for all participating organizations.

Since the last report on these projects (DP-FPA-OPS/2018/1), the organizations have continued to expand and strengthen internal reporting requirements, which has resulted in their ability to provide more quantitative information and analysis on joint procurement. The reporting includes details on the diversity and nature of joint procurement within the three organizations, and reaffirms the value of the initiative and the commitment of the participating organizations.

This report presents key findings and outcomes from the joint procurement work conducted in 2018 and highlights initiatives under way in 2019.

The Executive Board may wish to take note of the present report and comment on the joint procurement activities delivered in 2018, as well as activities in progress in 2019.
I. Introduction

1. Joint procurement initiatives have been part of the activities of the procurement units of UNDP, UNFPA and UNOPS since 2011.

2. Joint procurement is conducted through a number of initiatives and activities that include:
   (a) increasing usage of existing agreements or contracts of other United Nations organizations (‘piggybacking’);
   (b) establishing and using joint long-term agreements through a ‘lead agency’ approach;
   (c) using procurement services of or procuring from other United Nations organizations;
   (d) pursuing other formal collaborations with United Nations partners, through:
      (i) participation in a joint procurement unit, or
      (ii) joint or common procurement activities with other organizations (sharing of specifications, for example).

3. The savings obtained from joint procurement initiatives reduce the costs of projects, either directly, through tangible savings, or indirectly, through cost avoidance. Savings and cost reductions are obtained by:
   (a) increasing value for money through improved planning, requirements gathering, discounts and better negotiation power;
   (b) improving coordination, consistency and planning across organizations;
   (c) reducing parallel processes and transaction costs;
   (d) improving supplier relationships;
   (e) applying better procurement risk management;
   (f) promoting the concept of ‘One United Nations’ among the private sector; and
   (g) sharing purchasing experience, information, expertise and learning.¹

4. Where applicable, the savings are reprogrammed into project work or programmatic activities. This delivers further support to projects and programmes as savings are realized.

5. Since the inception of the initiative, interagency joint procurement has led to significant savings and a range of other benefits across the United Nations system.

6. In 2018, the three organizations continued to demonstrate their commitment to harmonize business practices and improve the effectiveness and efficiency of United Nations procurement. As described in the following sections, various joint procurement activities are ongoing, with additional projects planned for 2019. These initiatives reflect the leadership and participation of UNDP, UNFPA and UNOPS; key results are highlighted below.

II. 2018 highlights – joint procurement activities

7. In 2018, UNDP, UNFPA and UNOPS reported a combined volume of more than $255 million for their joint procurement initiatives and activities globally. This excludes data on other United Nations organizations using UNDP, UNFPA, and UNOPS as vendors (as captured by the 2018 Annual Statistical Report on United Nations Procurement). The share of the reported initiatives and activities from the three organizations are shown in table 1.

Table 1. Volumes of joint procurement activities reported, 2018.

<table>
<thead>
<tr>
<th>Organization</th>
<th>2018 Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP</td>
<td>$186,802,183</td>
</tr>
<tr>
<td>UNOPS</td>
<td>$48,589,233</td>
</tr>
<tr>
<td>UNFPA</td>
<td>$19,813,705</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$255,205,121</strong></td>
</tr>
</tbody>
</table>

Regional distribution of joint procurement

8. While many large contracts are developed at the headquarters level, there is more significant volume on collaboration at the country level. This is evident throughout the three organizations, with joint procurement activities conducted directly by projects, programmes and country offices, representing more than 90 per cent of total collaborative procurement volume. Figure 1 shows the geographical distribution of these activities in 2018.

Figure 1. Regional distribution of joint procurement activities, 2018.

Categories of collaborative initiatives

9. Figure 2 details the volumes of initiatives and activities conducted by UNDP, UNFPA and UNOPS according to six types of collaborative procurement. The initiatives use both joint long-term agreements (LTAs) or contracts (‘lead agency’) and existing LTAs of another United Nations organization (‘piggybacking’), and represented almost 65 per cent of collaborative procurement in 2018 for the three organizations.

Figure 2. Joint procurement initiatives by type, 2018.

Top categories purchased through joint procurement

10. The top ten categories purchased through joint procurement initiatives represented 69 per cent of the total 2018 collaborative procurement volume. Categories related to project and programme implementation, such as drugs and pharmaceutical products, motor vehicles, mail and cargo transport, sports and recreational equipment and supplies and accessories, and environmental management, make up almost half (48 per cent) of the top ten categories.
Table 2. Top ten categories of products and services purchased through joint procurement activities, 2018.

<table>
<thead>
<tr>
<th>Category description (United Nations standards products and services code – segment/family level)</th>
<th>2018 Volume/Percentage of grand total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel facilitation</td>
<td>$40,092,206 or 15.7%</td>
</tr>
<tr>
<td>Drugs and pharmaceutical products</td>
<td>$26,841,886 or 10.5%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>$26,618,552 or 10.4%</td>
</tr>
<tr>
<td>Mail and cargo transport</td>
<td>$18,526,983 or 7.3%</td>
</tr>
<tr>
<td>Hotels and lodging and meeting facilities</td>
<td>$15,107,174 or 5.9%</td>
</tr>
<tr>
<td>Computer equipment and accessories</td>
<td>$14,162,223 or 5.5%</td>
</tr>
<tr>
<td>Passenger transport</td>
<td>$13,578,548 or 5.3%</td>
</tr>
<tr>
<td>Real estate services</td>
<td>$8,801,121 or 3.4%</td>
</tr>
<tr>
<td>Sports and recreational equipment, supplies and accessories</td>
<td>$7,677,902 or 3.0%</td>
</tr>
<tr>
<td>Environmental management</td>
<td>$5,184,675 or 2.0%</td>
</tr>
</tbody>
</table>

Increased utilization of joint LTAs

11. The utilization of LTAs is steadily increasing within the United Nations procurement community, where organizations have either:

(a) **Used existing LTAs or contracts of other United Nations organizations** (‘piggybacking approach’) in order to reduce administrative costs, to benefit from preferential rates already achieved or, in some cases, to take advantage of the expertise the other organization has developed in procuring certain commodity groups; or

(b) **Cooperated in a joint solicitation process** (‘lead agency approach’). Where procurement projects relate to categories closely aligned to the mandate of an organization, the procurement process is further improved by assigning a ‘lead agency’. This model is used to consolidate procurement volumes to achieve rates and prices that no single organization could obtain on its own. Ultimately, this model can maximize efficiencies and reduce workload for all participating organizations.

Lead agency’ and ‘piggybacking’ approach

12. Sixty-five per cent of collaborative procurement initiatives had an LTA ‘lead agency’ (34 per cent) or LTA ‘piggybacking’ approach (31 per cent).

13. The majority of joint initiatives having an LTA ‘lead agency’ approach were administrative categories that have been utilized at a country office level. The top procurement categories within this approach are shown in table 3.

Table 3. Largest categories of goods and services procured through a ‘lead agency’ approach, 2018.

<table>
<thead>
<tr>
<th>Categories – ‘lead-agency’ approach</th>
<th>2018 Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel facilitation</td>
<td>$36,252,200</td>
</tr>
<tr>
<td>Hotels and lodging and meeting facilities</td>
<td>$13,629,532</td>
</tr>
<tr>
<td>Mail and cargo transport</td>
<td>$12,712,792</td>
</tr>
<tr>
<td>Passenger transport</td>
<td>$4,806,858</td>
</tr>
<tr>
<td>Cleaning equipment and supplies</td>
<td>$3,707,806</td>
</tr>
<tr>
<td>Security and personal safety</td>
<td>$3,477,917</td>
</tr>
<tr>
<td>Financial instruments, products, contracts and agreements</td>
<td>$2,973,857</td>
</tr>
<tr>
<td>Fuels</td>
<td>$1,085,390</td>
</tr>
<tr>
<td>Banking and investment</td>
<td>$1,005,707</td>
</tr>
<tr>
<td>Office supplies</td>
<td>$898,074</td>
</tr>
</tbody>
</table>

14. Collaborative initiatives with an LTA ‘piggybacking’ approach are mainly programmatic procurement categories, such as drugs and pharmaceutical products, motor vehicles, laboratory
and measuring and observing and testing equipment, and ‘research - economics’. The top procurement categories within this approach are shown in table 4 below.

Table 4. Largest categories of goods and services procured through a ‘piggybacking’ approach, 2018.

<table>
<thead>
<tr>
<th>Categories – ‘piggybacking’ approach</th>
<th>2018 Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drugs and pharmaceutical products</td>
<td>$18,093,888</td>
</tr>
<tr>
<td>Computer equipment and accessories</td>
<td>$11,143,393</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>$8,601,927</td>
</tr>
<tr>
<td>Passenger transport</td>
<td>$4,986,528</td>
</tr>
<tr>
<td>Laboratory and measuring and observing and testing equipment</td>
<td>$3,326,935</td>
</tr>
<tr>
<td>Printing and publishing equipment</td>
<td>$2,504,413</td>
</tr>
<tr>
<td>Accounting and bookkeeping services</td>
<td>$2,436,876</td>
</tr>
<tr>
<td>Travel facilitation</td>
<td>$2,162,163</td>
</tr>
<tr>
<td>Mail and cargo transport</td>
<td>$1,543,397</td>
</tr>
<tr>
<td>Research - economics</td>
<td>$1,499,366</td>
</tr>
</tbody>
</table>

Using procurement services of other organizations

15. In a number of locations and circumstances, it is appropriate or necessary to procure directly from another United Nations organization, or to request that another United Nations organization carry out certain procurement activities on an agency’s behalf. This joint procurement approach is particularly beneficial for procurement in categories where there is a mandate, recognized expertise or available resources for the procurement of the particular goods, works or services.

16. In 2018, UNDP, UNFPA and UNOPS procured over $36 million from another United Nations organization. ‘Real estate services’ for offices rental ($9 million), ‘drugs and pharmaceutical products’ ($6 million) and ‘passenger transport’ ($4 million) were the largest categories procured.

Joint procurement teams, formalized collaboration and minimal common procurement

17. Formalizing joint procurement locally through a joint or common procurement team, or through collaborative sourcing activities, lays the foundation for identifying new ways of ensuring that procurement continues to add value to programmes and projects. Through these teams, interagency procurement needs are identified locally, and workplans are developed to deliver joint sourcing activities. In 2018, UNDP, UNFPA and UNOPS reported a volume of over $22 million for activities involving joint procurement teams or collaboration in the development of specifications and sourcing activities.

Reported benefits of joint procurement

18. In 2018, UNDP, UNFPA and UNOPS reported the benefits shown in figure 3 as outcomes of collaborative procurement initiatives. The benefits of increasing value for money and obtaining savings through economies of scale, and reducing parallel procurement processes and transaction costs, represent 83 per cent of the total collaborative procurement volume.
The United Nations Global Marketplace

19. The United Nations has committed itself to granting market access to its procurement volume, ensuring open competition and fairness in line with General Assembly resolution 61/246 on procurement reform. The United Nations Global Marketplace (UNGM) continues to be a valuable online procurement resource for the United Nations procurement community, providing the global vendor market access to United Nations procurement opportunities; it is also a source of information for United Nations procurement staff and other stakeholders. The UNGM is hosted by UNOPS.

20. Twenty-nine United Nations organizations use the UNGM portal as their vendor database, with more than 9,500 United Nations staff having access to the site and using the available functionalities to source and evaluate vendors, create tender notices, contract awards and upload LTAs, where relevant.

21. Fourteen United Nations organizations have integrated the UNGM vendor roster with their own e-procurement/e-tender portals and/or enterprise resource planning system (ERP). A number of organizations use UNGM web services and web application programming interfaces (APIs) to ensure that all notices and contract awards are published centrally on the UNGM website. For example, UNOPS has integrated with UNGM and its e-sourcing platform, and publishes its contract awards using a web API on the UNGM website.

22. Since the implementation of the vendor registration reform project in late 2013, the number of vendors registered on the UNGM – particularly from developing countries and countries with economies in transition – has significantly increased, reaching a growth of 406 per cent since 2013. Notably, only three developed countries are represented in the top 10 countries in terms of number of registered vendors: the United States of America (1st), United Kingdom of Great Britain and Northern Ireland (4th) and Italy (6th). The remainder are developing countries: Kenya (2nd), India (3rd), China (5th), Colombia (7th), Nigeria (8th), Afghanistan (9th) and Pakistan (10th).

23. The number of vendors registered on the UNGM totalled more than 188,000 in 2018. In previous years, the number of vendor registrations from developing countries and economies in transition had progressively exceeded the number of vendor registrations from developed countries. Currently, 72 per cent of vendors registered on UNGM are from developing countries or countries with economies in transition.
24. A total of 11,377 public procurement notices were published on the UNGM site in 2018, representing an increase of 32 per cent compared to the previous year. Additionally, 219,520 vendors expressed interest in a tender process with one or more of the integrated organizations during 2018. Only 2,682 contract awards were published, 77 per cent of them by UNOPS using the web API described earlier.

25. There are currently 766 active LTAs listed on UNGM, covering a wide range of category segments. UNDP has 23 active LTAs published, UNFPA 92 and UNOPS 15.

26. The focus of system development efforts continues to be on the system interface capability to further facilitate the integration of e-procurement and ERP systems with UNGM, in order to increase the automation of procurement processes and tender notifications.

27. In addition, functionalities to ensure that United Nations organizations can share information on vendors that have been sanctioned have also been an ongoing priority. A total of 585 companies are listed on UNGM as sanctioned directly by United Nations organizations, in addition to the sanctions on the World Bank Group’s list and the Consolidated United Nations Security Council Sanctions List.

III. **Highlights of activities in progress**

*UNOPS and UN-Women develop first ‘I know gender in procurement’ training module*

28. In 2018, working in partnership to build on existing modules in infrastructure and project management, UNOPS and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) began developing the first ‘I know gender in procurement’ training module. The online course will be launched in 2019 and will focus on key topics, including gender mainstreaming in procurement and practical actions on how practitioners can employ gender mainstreaming. The course draws on the expertise of UN-Women in gender mainstreaming and UNOPS expertise in sustainable procurement, and will be accessible to all United Nations staff through the UN-Women training centre online platform.

*United Nations organizations collaborate to define ‘sustainable tenders’*

29. Under the High-level Committee on Management (HLCM) Procurement Network Sustainable Procurement working group, the International Labour Organization (ILO), UN-Women, the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), UNDP, the United Nations Environment Programme (UNEP), the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Children’s Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO), UNOPS and the World Bank Group established a task force to develop a framework and a methodology to systematically monitor, measure and report on ‘sustainable tenders’; for example, the number of tenders that have included social, environmental or economic sustainability considerations. In 2018, the task force identified 12 key indicators that constitute a sustainable tender, and validated this framework through a pilot test with more than 150 public tenders from eight organizations. In the future, the working group will look to incorporate this framework into UNGM to identify new uploaded tenders as sustainable.

*UNOPS, UNICEF and UNDP advance total cost of ownership considerations in tenders*

30. Building on the work initiated in 2017, in 2018 UNOPS, UNICEF and UNDP finalized practical guidance on using total cost of ownership (TCO) as part of public tender processes. In addition, complementary calculators were developed for specific categories, including information and communications technology (ICT) (computers, laptops and printers) and vehicles. To validate these tools, UNOPS conducted several pilots in South America, Africa and Europe, and lessons learned were collected. These case studies are in the process of being incorporated into the guidance material. The guidance document and the calculators will be made available on the sustainable procurement page of the UNGM knowledge centre, accessible to all United Nations procurement staff.

*Continued leadership in Sustainable Procurement Training*

31. UNOPS continues to offer its flagship Sustainable Procurement Training course to all United Nations entities and affiliates. Developed in partnership with UNEP and the International Training Centre of the ILO (ITC-ILO), this course builds on the existing “Buying for a Better World: A Guide on Sustainable Procurement for the United Nations System” and is currently available in French, English and Spanish. In the past, UNOPS has trained over 20 organizations,
the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) and was recently approached by the Korean International Cooperation Agency to provide this training for their procurement staff.

**Enhanced Annual Statistical Report on United Nations Procurement**

32. UNOPS, on behalf of United Nations organizations, will launch a new enhanced online annual statistical report, which will provide more interactive, user-friendly and dynamic data dashboards. This project received funding from the United Nations Procurement Division (UNPD) and supports United Nations organizations, Member States, donors, suppliers and other stakeholders to derive significantly more value from the report, as well as saving users more than $250,000 per annum in time analysing and downloading the important information contained in the report.

**Common United Nations procurement savings methodology**

33. UNOPS is leading a project on behalf of the HLCM Procurement Network to define and agree on a United Nations system-wide methodology for procurement savings and value creation. This methodology will be finalized in 2019 and supports a consistent approach in defining, capturing, calculating and reporting procurement savings across all organizations in the United Nations to partners, donors, Member States and other stakeholders.

**The HLCM Procurement Network cognitive procurement working group**

34. The HLCM Procurement Network has launched a working group on cognitive procurement chaired by UNOPS to explore the opportunities of new disruptive technologies, such as artificial intelligence and robotic process automation, for its potential application across the United Nations supply chain. The focus of the group will be to assess the current United Nations landscape, current market opportunities and the applicability, scalability and ease of implementation of these solutions to improve the quality and efficiency of United Nations procurement.

**UNDP provides procurement services to resident and non-resident United Nations organizations**

35. UNDP provided procurement services up to $290 million for United Nations organizations through the Service Clearance Account in 2018. This is 13.6 per cent of the $2.1 billion for directly implemented procurement volume reported by UNDP to the annual statistical report on United Nations procurement.

**UNDP enables operational effectiveness for the United Nations system at the country office level**

36. Between 2016 and 2018, UNDP led the procurement processes to establish travel management LTAs for $327 million in 40 country offices. During the same period, UNDP led the joint procurement processes for security services worth $50 million in 25 countries. The result of these activities were volume discounts, economies of scale and operational effectiveness for the United Nations system.

**UNDP leads business operations strategy initiatives in Fiji**

37. UNDP is leading UNICEF, UNFPA, UN-Women, the World Health Organization (WHO), ILO, the United Nations Office for Disaster Risk Reduction (UNISDR), the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the World Food Programme (WFP) to establish common LTAs for hotel/conferencing, printing, design, vehicle hire and stationery as part of business operations strategy initiatives. The initiatives include standardization of lump sum monthly fee for long-term consultants and local individual consultants’ fee scale. The goal is to achieve considerable cost savings, standardization of procurement process and rates across United Nations organizations in Fiji and quicker turnaround with dedicated vendors, preferential positioning and risk reduction.

**UNFPA, UNICEF joint procurement for hospital furniture**

38. UNFPA continues to increase its collaboration with UNICEF in hospital furniture procurement. The two organizations mapped the products and services in their operations that overlap, in order to combine resources and increase the commodities sourced via joint processes. The outcome of the initiative was the development of the third joint procurement tender on hospital furniture. For 2019, UNFPA and UNICEF will develop a joint procurement process for anatomical models.
UNFPA using UNDP services for contract review approval

39. UNFPA and UNDP have signed a memorandum of understanding (MOU) that allows UNFPA to access UNDP online Contracts, Assets and Procurement Committee (CAP) system. Based on this agreement, UNFPA country offices can use the online CAP services of UNDP for the review and approval of procurement cases in line with UNFPA procurement thresholds and procedures. In 2018, UNDP reviewed $1.4 million UNFPA procurement cases. This collaboration has allowed UNFPA to avoid duplication of costs and efforts by using the existing services of another United Nations organization. Both organizations plan to further extend this collaboration in 2019.

Collaborative procurement for diagnostics

40. UNDP is working with UNICEF and WHO on a collaborative procurement for diagnostics related to projects under the Global Fund to Fight AIDS, Tuberculosis and Malaria (viral load, point of care, rapid diagnostic test kits) worth about $10 million, to be finalized in 2019.

UNDP chairs joint supplier conferences in Somalia

41. UNDP is the chair of the One United Nations procurement working group under the Somalia operations management team. UNDP, UNICEF, the Food and Agriculture Organization of the United Nations (FAO), OCHA, the United Nations Support Office in Somalia (UNSOS), WFP and the United Nations Human Settlements Programme (UN-Habitat) are reaching out to local vendors to teach them how to do business with the United Nations.

42. The organizations held a supplier conference in Mogadishu in May 2018 that was attended by 300 companies. Two other supplier conferences were held in Puntland and Somaliland in February 2019 for 120 and 150 companies, respectively. The conferences led to the strengthening of procurement capacity, expanded supplier rosters, increased registration of local vendors on UNGM, enhanced quality of bids’ submission and reduction of procurement risks such as collusion and corrupt practices.

Category expansion for United Nations Web Buy Plus

43. In 2018, UNOPS continued to support United Nations organizations through its e-commerce platform UN Web Buy Plus. United Nations organizations procured $11 million in the categories of vehicles, generators, construction machinery and agricultural equipment. In 2019, UNOPS will continue to expand the catalogue with a special focus on sustainable options. New categories planned include metal and mine detectors, electric buses, photovoltaic solar systems and advanced mobile clinics. UNOPS will also reach out to other United Nations organizations to discuss the possibility of hosting their LTAs, while looking at ways to increase integration with UNGM.

UNDP leads joint procurement of cost saving and security initiatives in Zimbabwe

44. In 2019, UNDP is leading UNFPA, the United Nations Office on Drugs and Crime (UNODC) and UN-Women in a joint procurement process for an LTA in provision of office plans and their maintenance. UNDP, UNFPA, the United Nations Educational, Scientific and Cultural Organization (UNESCO), UN-Women, FAO and the Office of the United Nations High Commissioner for Refugees (UNHCR) are collaborating on procuring a vehicle tracking system; and UNDP, UNICEF, WHO, WFP, FAO, UNFPA, UNESCO, UNHCR, UNODC are collaborating on the procurement of office and residential security.

Local travel services in Brazil

45. FAO, ILO, UN-Women, UNDP, UNEP, UNESCO, UNFPA, UNHCR, UNICEF, UNODC, UNOPS, WFP and WHO are part of a collaborative process for local third-party travel services in Brazil (WHO is the lead organization). The outcome of this LTA will increase transparency, create cost/time savings, and improve performance management through standardized indicators across participating organizations.

Joint LTA on branded items in Ukraine

46. The International Organization for Migration (IOM), UN-Women, UNDP, UNFPA, UNICEF and UNOPS are part of an initiative to launch a local LTA on printing and production of branded items in Ukraine. UNOPS will act as lead agency in the process of establishing a one-year LTA with the possibility of further extension.
47. UNDP, UNESCO and UNOPS are developing a collaborative procurement for vehicle rental services in Costa Rica (UNOPS is the lead organization). The process began in December 2018 and is currently in its final phase. The expected benefits of this initiative are increased value for money, economies of scale and improvement on monitoring.

Collaboration with non-United Nations partners

**UNDP strengthens United Nations system and national governments’ procurement capacity**

48. UNDP, in cooperation with the leading qualification institution in the industry, the Chartered Institute of Purchasing and Supply (CIPS), has established the tailor-made UNDP/CIPS procurement certification programme for levels 2, 3 and 4 in full compliance with international qualification standards. The programme is offered to all United Nations organizations, governments and non-governmental organizations (NGOs) for the professionalization of the procurement function in the United Nations system and the public sector. In 2018, UNDP successfully certified 613 partner government personnel, 623 United Nations staff and 342 UNDP staff on the UNDP/CIPS procurement training courses, indicating there is continuous demand for these services.

**Engaging with manufacturers and suppliers towards sustainable health products**

49. The UNDP Global Fund Health Implementation Support Team (GF-HIST) provides support and capacity building to countries delivering large-scale health programmes in high-risk contexts. Starting as a pilot project in 2015 through an LTA with five suppliers of antiretroviral pharmaceuticals, UNDP influenced supplying practices through the transitioning of production facilities towards ISO environmental management certifications, optimized pharmaceutical products packaging (down by 29 per cent) and reduced CO2 emissions of freight shipments (down by 57 per cent). As a result, the programme achieved a reduction of environmental impacts through a partnership engagement with manufacturers, freight forwarders and national regulatory authorities, and savings of up to $8 million.

50. Based on the success of the pilot, UNDP GF-HIST will develop the same approach with 10 antiretroviral manufacturers as part of LTAs for a combined value of $300 million for the next three years. The new LTA framework institutionalizes the partnerships-for-change approach in the procurement process, engagement process and contract lifecycle, and requires manufacturers and freight forwarders to provide qualitative and quantitative data. The information is used as part of programme monitoring and evaluation through business intelligence analytics, portfolio risk assessments and identified hotspot areas for further improvements. With these mechanisms and tools in place, UNDP will further assess, measure and provide dedicated support for the innovation and gradual adoption of sustainable health manufacturing and procurement practices.

**Logistics cluster in the Syrian Arab Republic**

51. Collaboration with the Inter-Agency Standing Committee Logistics Cluster in the Syrian Arab Republic was essential for conducting UNFPA country office supply operations in the country in 2018. The Logistics Cluster provided free-of-charge warehousing and inland transportation services during the crisis, saving the organization approximately $150,000. Furthermore, the Logistics Cluster donated prefabricated units, mobile storage units, generators and fuel to UNFPA implementing partners. This collaboration helped the UNFPA country office reduce its costs while maintaining operations in the whole country.

**UNFPA and USAID registration data management**

52. The UNFPA registration data management and the United States Agency for International Development (USAID) procurement and supply management are part of a collaborative process to develop a joint contraceptive registration platform for the internal stakeholders of the UNFPA and USAID Global Health Supply Chain Programme (GHSC). The initiative is a two-phased project starting with the development of a spreadsheet template followed by an online platform that will connect the Global Family Planning Visibility and Analytics Network (Global FPVAN), UNFPA and USAID procurement and supply management catalogues. The project will allow procurers to identify gaps in their portfolio and suppliers to standardize their registration information with UNFPA and USAID. The outcomes of the initiative will reduce
the time suppliers spend on their registration, ensure common registration information and simplify the analysis of historical data and current countries’ requirements.

**Packaging harmonization project**

53. UNFPA and USAID procurement and supply management finalized the packaging harmonization project for hormonal and non-hormonal contraceptives. The objective of the initiative was to generate evidence of optimal packaging configurations for key products according to country programme needs. The project had two deliverables. The first analysed the different packaging of hormonal and non-hormonal contraceptives. The second focused on country case studies supported with onsite visits. The findings are summarized by product category in an internal document entitled ‘contraceptive and condom packaging rationalization’ finalized in February 2019.

**Condom and lubricant consolidated procurement UNFPA and The Global Fund**

54. In 2015, UNFPA and the Global Fund signed an agreement whereby the procurement of male and female condoms and lubricants for the principal recipients of the Global Fund would be channelled through UNFPA. This additional volume has increased the UNFPA procurement leverage and allowed UNFPA to save an additional $656,000 in 2018. These savings have benefited both organizations.

### IV. Conclusion

55. UNDP, UNFPA and UNOPS showed continued focus on joint procurement in 2018, initiating, supporting and participating in initiatives and activities globally to pursue benefits and opportunities for savings and efficiency gains. As documented by this report, these initiatives and activities are not only of an administrative nature – as was the case at their inception in 2011 – but cover a wide range of products and sectors in direct support of projects and programmes.

56. Joint procurement initiatives continue to provide both tangible and intangible benefits to UNDP, UNFPA and UNOPS, and to other participating United Nations organizations. These include delivering savings, avoiding costs, eliminating duplication of work, and increasing consistency, leading to stronger project and country office procurement.

57. UNDP, UNFPA and UNOPS will continue to pursue joint procurement opportunities at both central and regional levels, continuously increasing their commitment to work together in pursuing opportunities across a broad range of products, and to share these with the wider United Nations system.