

69th Session of the General Assembly: Agenda item 132

Comprehensive report on United Nations Procurement Activities

Introductory statement by Mr. Stephen J. Cutts, Assistant Secretary-General,
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Mr. Chairman, Distinguished Delegates,

I am pleased to introduce the Secretary-General's comprehensive report on United Nations procurement activities (A/69/710), which is submitted herewith for your consideration pursuant to General Assembly resolution A/68/263.

I would like to recall the previous Comprehensive Report on procurement activities presented to the General Assembly in the 67th session (A/67/683) which focused on the deployment of the Umoja solution, the increase in the Secretariat's demand in consulting and technology requirements, the change in the Secretariat's service delivery model and the strategic management of procurement at Headquarters. That report further outlined the achievements of the Regional Procurement Office (RPO) pilot project in Entebbe, the efforts undertaken in the area of training and professionalization of staff, the development of key performance indicators for procurement and the increase in participation of vendors from developing countries and countries with economies in transition as well as many other priority issues. The two addenda to that report provided an overview of the pilot project on the independent procurement challenge, which was extended until 30 June 2015 as well as findings and recommendations issued following a comprehensive evaluation of audit reports by OIOS.

Mister Chairman, please allow me to highlight the following key elements of the present report:

The value of procurement has increased from close to \$3.1 billion in 2012 to over \$3.2 billion in 2013 and an estimated value of \$3.4 billion in 2014.

I would note that Umoja supply chain module is expected to rationalize acquisition processes and benefit the Organization through efficiency gains and enhanced visibility. The role of the Communications and Information Technology Section of the Procurement Division is crucial in implementing this and other complex ICT programmes of global strategic importance.

The Procurement Division and the Department of Field Support are undertaking the transition in solicitation methodology from ITB to RFP for long-term aircharter requirements in consultation with ICAO. This transition will, we believe, ensure greater operational flexibility, enhanced international competition and performance management and, as a result, better value for the Organization.

I would note that the efforts undertaken by the Procurement Division in cooperation with the Department of Field Support in several critical areas of major expense such as the provision of food rations and fuel to field missions have improved service delivery. The major changes in the food rations specifications and standards have resulted in significant savings for the Organization and in new contractors for this commodity, majority of which are from developing countries.

The report also emphasizes that the Independent Procurement Challenge Programme was established as a pilot project to enhance integrity and fairness through transparency in procurement. Both vendors and the Organization have benefited from the feedback provided as a result of this process. In the present report, the Secretary-General requests the establishment of the programme on a continuous basis and its phased expansion to all UN Secretariat entities.

The Secretariat is fully committed to continue its efforts to improve procurement

opportunities for vendors from developing countries and countries with economies in transition. In this respect, in addition to improvements as outlined in the previous report on procurement activities A/67/683, the Secretariat, which has led the vendor registration reform project for HLCCM-Procurement Network, has significantly simplified the registration process, with a view to accommodating vendors from developing countries and economies in transition and allowing them greater participation in procurement tenders. This project was completed in November 2013. The percentage of procurement volume from vendors from developing countries and countries with economies in transition stands at 55 per cent in 2013.

Finally, Mister Chairman, the Secretariat wishes to pursue the implementation of sustainable procurement through a pilot project as outlined in the current report. While key elements of sustainability, such as social, environmental and economic requirements, already exist within the Secretariat procurement, there is more to be done in this area.

Thank you, Mister Chairman.