



**STATEMENT DELIVERED ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. LOURDES PEREIRA S., FIRST SECRETARY, PERMANENT MISSION OF ECUADOR, ON AGENDA ITEM 133: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS; PROCUREMENT ACTIVITIES IN THE UNITED NATIONS SECRETARIAT, AT THE FIFTH COMMITTEE DURING FIRST RESUMED SESSION OF THE 71ST SESSION OF THE UN GENERAL ASSEMBLY (NEW YORK, 9 MARCH 2017)**

Madam Chair,

1. I have the honour to deliver this statement on behalf of the Group of 77 and China on agenda item 133: Review of the Efficiency of the Administrative and Financial Functioning of the United Nations; Procurement Activities in the United Nations Secretariat.
2. The Group would like to thank the Assistant Secretary General for central support services Mr. Stephen Cutts, for introducing the Secretary-General's report A/71/681 on procurement. We also thank Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for introducing the committee's report on this Agenda item.
3. The Group further thanks Mr. Gopinathan Achamkulangare, Inspector, Joint Inspection Unit, for introducing the report of the Joint Inspection Unit in document A/70/676. We also thank the Senior Adviser on Information Management and Policy Coordination of the Secretariat of the United Nations System Chief Executives Board for Coordination (CEB), Mr. Kenneth Herman, for introducing the note of the Secretary General contained in document A/70/676.

Madam Chair,

4. The Group is cognizant of the increased procurement activities of the United Nations system in general and the Procurement Division in the Office of Central Support Services (OCSS) in particular. We have also noticed that the overall volume of the Division has touched \$3.3 billion in 2015. The Group reiterates the significance of increased efficiency, transparency, and cost effectiveness as the basic tools to achieve cross-cutting results in the UN Procurement System. To this end, we urge the Secretary-General to strengthen internal controls and oversight regimes; accountability over senior staff; and implementation of corresponding legislative mandates.
5. The Group has taken note of the ACABQ report, and is of the view that any structural change in the procurement operations while implementing service delivery proposals must be fully coordinated, integrated and synchronized within the supply chain management system.

Madam Chair,

6. The Group of 77 and China commends the Secretariat's Procurement Division for the efforts being made to reach out to the widest possible audience through the usage of business seminars, the United Nations Global Market place online portal and UN procurement manuals. These multifaceted outreach initiatives will surely in the long run bring about awareness of procedural requirements for various vendors and companies from developing countries.
7. We note with great interest and appreciation the outreach activities carried out and would request that more effort be placed in this regard so as to balance the playing field for all vendors and companies from the 193 Member States of the organisation especially those from developing countries.

8. The Group of 77 and China maintains its position to increase procurement opportunities for vendors from developing countries and countries with economies in transition. Equal, fair and non-discriminatory access must be given to companies from such countries. Transparency and efficiency within the UN Procurement system can never be achieved without a significant increase in procurement by vendors from developing countries.

9. The Group therefore request's the Secretary-General to continue to explore additional innovative ways to promote procurement from the developing countries and countries with economies in transition at headquarters and at field offices.

10. The Group also acknowledges the observations and recommendations of the Board of Auditors contained in document [A/71/5 (Vol.I), chap..II paras.217-251]. We are concerned about the waivers and extensions granted to the vendors in many cases. The Group believes that such waivers and extensions go against the spirit of transparency and fair play of the UN system. We trust that the Secretary-General would address the weakness identified by the Board and take appropriate actions to improve the efficiency and effectiveness of the Procurement Division.

Madam Chair,

11. Goods and services procured by the Organization should be in compliance with established procurement procedures, based on international competitive bidding and the widest possible geographical base. It is in this regard that the Group of 77 and China continues to call on this Organization to promote and call for a transparent, open, impartial and cost-effective, procurement system that fully reflects the international character of the United Nations, as requested in many General Assembly resolutions.

12. On the notion of e-tendering, the Group recognizes its importance with regards enhanced efficiencies, however, request further details from the Secretary-General on the lessons learnt and results achieved of e-tendering, especially with regards the performance of developing countries. We therefore urge the Secretary-General to report on the efforts made to reach out to the vendors who may not be able to access the technology intensive system.

13. On the notion of sustainable procurement, madam Chair, the Group of 77 and China believes that the General Assembly has yet to approve the concept of environmentally friendly and sustainable development. In this regard, more analysis and study is required on the content of and criteria for sustainable procurement, including its possible impact on the diversification of the origin of vendors and international competition. Furthermore, the Group remains that paragraph 20 of resolution A/RES/69/273 clearly requested the Secretary-General not to proceed with a pilot project on sustainable procurement. The Group would inquire during the informal session about this matter.

Madam Chair,

14. The Group of 77 and China welcomes the benefits realized since the establishment of the Regional Procurement Office in Entebbe and seeks more information on the Secretariat's intention regarding the future of the Regional Procurement Office especially as we now consider prospects of a global service-delivery model.

15. In closing, Madam Chair, the Group of 77 and China reiterates its strong commitment and resolve to conclude this agenda item on time and assure you of our constructive engagement during the informal deliberations.

I thank you, Madam Chair.