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Statement by Ambassador Maura Connelly
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Review of efficiency: Procurement
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[As Delivered]

Thank you, Madam Chair.

The United States would like to thank Assistant Secretary General for Central Support Services Stephen Cutts for introducing the Secretary General's report on procurement and the Vice Chair of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), Mr. Babou Sene, for introducing the Committee's report on this agenda item. We also thank Mr. Gopinathan Achamkulangare for introducing the report of the Joint Inspection Unit and Mr. Kenneth Herman from the Chief Executives Board.

Madam Chair, we want to use this opportunity to commend the Secretary-General's efforts to modernize the procurement function of the United Nations. With over \$3 billion spent annually on the procurement of goods and services, including for peacekeeping missions and special political missions, it is critical that the UN Procurement Division operate effectively and efficiently, transparently, and in line with industry standards and best practices.

To that end, my delegation recognizes the Procurement Division's efforts to utilize Umoja's real-time information to consolidate procurement processes through initiatives such as the pilot project in Nairobi with UNEP and UN-Habitat, and the joint shipping cell with the World Food Program. The United States believes that there are additional areas of opportunity for the UN to optimize service delivery and consolidate procurement within the Secretariat and amongst UN entities, including through greater regional procurement and utilization of systems contracts. We look forward to hearing more about the proposed phased approach toward a consolidation of local offices as mentioned in the Secretary-General's report.

Madame Chair, with respect to the need to continuously improve procurement practices to align with industry standards, the United States is disappointed at the slow progress made toward the transition in solicitation methodology in long-term air charter services. Given that aviation services is not only the largest commodity procured by the Secretariat but one that is critical for the effective functioning of peacekeeping operations, my delegation believes it is important that the UN operate in line with industry standards and promote a high quality of service, safety and competition. We therefore encourage the Departments of Management and Field Support to jointly address the capability gaps outlined in the ACABQ report.

Madam Chair, the United States believes that transparency and accountability in the procurement process is of the utmost importance. We are pleased with initiatives undertaken in this area such as the expansion of the Award Review Board, and we believe that there are areas that can be further strengthened. In its 2016 report on financial statements, the Board of Auditors made a number of observations that we encourage the Secretary General to address, including those related to the use of waivers for competitive bidding. We also agree with the observation of the Joint Inspection Unit on the need to create a central vendor-ineligibility list to help organizations across the system minimize the use of bad or fraudulent vendors. . Moving forward, we encourage the Secretary-General to strengthen internal controls and transparency as options to consolidate or restructure procurement service delivery in the context of the Global Service Delivery Model are developed.