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Comprehensive Report on United Nations Supply Chain Activities (A/73/613)

– Fifth Committee

Opening Statement by

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Management**

United Nations Department of Operational Support (DOS)

Good morning, Mr Chair, and distinguished delegates.

I am honored to present the Report on the Supply Chain Activities in the United Nations Secretariat. The present report replaces the previous bi-annual submission on Procurement Activities, the last of which I presented in 2019. With the Secretary-General's Management Reform in January of that year, Procurement is now correctly seen as a key component of a broader set of functions that serves all Secretariat entities in pursuit of their mandates by ensuring they can get the right goods and services to the right place, at the right time, at the right quality, and for the right cost.

The goal of this report is to provide Member States with a transparent view of supply chain activities and trends in the period since the management reforms were initiated, key elements of our framework, and major priorities for the coming years. Given that this is the first report post-reform, we provide detail in how that

integration is organized, and in turn, how we collaborate with and support our clients.

Mr Chair, distinguished delegates,

A Supply Chain discussion of the past two years must begin with the COVID-19 pandemic. Supply Chain was, out of necessity, fundamental to the Secretariat's response. Our new integrated structure was challenged with an immediate test of resiliency, innovation, and flexibility. Our activities in the pandemic response provided a daily reminder of the importance of our work, without which the work of the United Nations would clearly have suffered.

. We sourced and delivered life-saving medical equipment, diagnostics, consumables, vaccines and other essential goods and services in an environment of extremely scarce supply and intense competition. This performance routinely demonstrated the advantages of our integrated structure. Throughout these pandemic response activities, the "regular" work continues, amidst unprecedented global supply chain disruptions that persist today and will likely continue for the foreseeable future.

That "regular" work represents the largest and most complex supply chain operations in the UN System. The 2020 procurement spend amounted to \$2.7 billion, with the highest expenditure in Information Technology, air transportation, food and catering, fuel, and building and construction. Given the high spend, we have prioritized the implementation of Category Management, which seeks market-specific strategies for sourcing goods and services in each major category. This

initiative provides clients with global solutions put in place by our Office or in partnership with others.

Category Management now provides a lens into much of the work we do, starting with Planning, which now consolidates global demand to match with the most appropriate sourcing solutions. Those solutions incorporate a commitment to diversify the vendor base, with increases in the percentage of procurement from developing countries and countries with economies in transition.

Mr Chair, distinguished delegates,

As you well know, a key component of the Secretary-General's reform was to place decision-making closer to mandate delivery. Indeed, the delegation of procurement authority to Heads of Entity has enabled a nimbler Secretariat and allowed our Office to focus on delivery of key strategic goods and services with high costs and complexity. These delegations are monitored for compliance and risk management by the Business Transformation and Accountability Division in the Department of Management, Strategy, Policy, and Compliance. Our present framework also places renewed emphasis on partnerships and cooperation throughout the United Nations system.

Looking into the future, the present report outlines several key initiatives. Among them are investments in transitioning to a circular supply chain, a revitalized concept for Strategic Deployment Stocks, inventory management and asset optimization, rationalized Contract Management, delivery of engineering support services, and further mainstreaming requests for proposals in the area of aviation services.

Opportunities also exist for much greater process automation, digitalization, and integration across the supply chain and uniformed personnel management.

Finally, we will strive to better align our activities with peacebuilding and the 2030 Agenda for Sustainable Development with a commitment to ensure our clients succeed in implementing their mandates through the provision of effective, innovative, efficient and responsible solutions. Moreover, we will seek to mitigate any negative consequences of our activity, and to create positive contributions to local communities through infrastructure development, including the introduction of renewable energy, capacity-building, business partnerships, and transfer of skills.

The Office of Supply Chain Management in the Department of Operational Support is committed to delivering on behalf of the United Nations and your, the Member States on our mandated tasks in support of clients worldwide.

Thank you, Mr. Chair and distinguished delegates. I, along with my colleagues, stand ready to respond to any questions.