



STATEMENT BY MR. ALI ANWAR ANSARI, MEMBER OF PARLIAMENT AND MEMBER OF THE INDIAN DELEGATION, ON AGENDA ITEM ` 30 – REVIEW OF THE EFFICENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS : PROCUREMENT AT THE FIFTH COMMITTEE OF THE 64<sup>TH</sup> SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY ON OCTOBER 28, 2009



I would like to begin by thanking the Assistant Secretary-General for the Office of Central Support Services for presenting the comprehensive report of the Secretary-General on UN procurement activities. We thank the Chairperson of the ACABQ for introducing the Committee's relevant report.

We also convey our appreciation to the Under Secretary-General for Internal Oversight Services for introducing the concerned report of the OIOS.

My delegation aligns itself with the Statement made by the Distinguished Representative of the Sudan on behalf of Group of 77.

Procurement activities in the United Nations have a very important role in ensuring efficient and effective delivery of mandates given to the Secretariat, especially in peacekeeping operations. Besides, it presents a high-risk area in terms of potential breakdown of internal controls and possible corruption, which

harms the Organization not just financially but also tarnishes its image amongst the people.

We have experienced this phenomenon in the recent past and with procurement volume growing from US\$1.3 billion in 2004 to US\$ 3.2 billion in 2008, the need for greater vigilance is more pressing.

In that context, my delegation is concerned by the ACABQ's observation that the Secretary-General's report does not provide a basis for assessing improvements in the procurement function or the adequacy of the internal control regime.

Moreover, it does not provide data and other evidence to substantiate the statements on the progress achieved so far, in procurement reform.

My delegation has noticed in the Secretary-General's report, hints of greater staff requirement for the procurement function, in view of the increasing workload. However, we believe that there is no linear correlation between the increases in volume of procurement and additional staff resources.

Member States have to be convinced of the need for additional staff on the basis of a quantitative analysis of benefits that have accrued from various reforms implemented and resources provided in UN procurement, since 2006.

Given the exponential increase in the demands of field operations, both in terms of size and complexity, it is important to have a well-defined and properly implemented delegation of authority with strict accountability for procurement in the field, in order to speed up the acquisition process.

In view of the dynamic and fast-paced nature of field operations, the adverse impact of a sluggish procurement process can be very high, even affecting the capacity of a peacekeeping operation to deliver its primary mandate of maintaining peace and security.

In this regard, while we understand the need for a more decentralized procurement function, we concur with the ACABQ that the Secretary-General in his next report, should provide information on the experience gained in the implementation of the increased financial thresholds of delegated procurement authority.

We would also be interested in knowing the status of the review of UN rules and procedures to support immediate operational requirements of peacekeeping missions, as promised by the Secretary-General in the 60<sup>th</sup> UNGA session.

While taking note of the proposals on the governance arrangements for procurement function, such as co-location of requisitioners with procurement

officials, my delegation looks forward to positive deliberations on the proposed regional procurement office concept, along with the discussions on the new field support strategy, when it is submitted to the General Assembly in the second resumed part of the 64<sup>th</sup> session.

Regarding the new structures created in the procurement, such as the pilot project establishing the Independent Award Review Board and the Senior Vendor Review Committee, we look forward to the Secretary-General's next report on the experiences gained in the trial period.

Similarly, the ACABQ has requested for additional information, in the next report of the Secretary-General, on the implementation of Best Value for Money Principle, the Lead Agency Concept, subcontracting, staff training etc. We expect that the future report on procurement would address all these pertinent issues in a comprehensive manner.

We take this opportunity to wholeheartedly commend the efforts of the Procurement Division in promoting procurement opportunities for vendors from developing countries and countries with economies in transition, particularly the proactive approach taken to identify means to expand participation of these countries in UN procurement. We encourage the Secretariat to keep up the good work and continue this right direction.

Finally, on the concept of sustainable procurement, we agree with those who call for its cautious implementation, if approved by the General Assembly.

The concept of sustainable procurement should be implemented in a manner which guarantees fairness, integrity and transparency and is consistent with the best practices in today's market.

It should in no way become a restrictive practice that hinders the participation of developing countries in the UN procurement. For this to happen, clear guidelines and transparent procedures should be established as a precondition to its implementation, so that a good intention does not get derailed by suspicion and poor implementation. THANK YOU !

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