



**STATEMENT DELIVERED ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MAGID YOUSIF, MINISTER PLENIPOTENTIARY, REPUBLIC OF SUDAN, ON AGENDA ITEM 130: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS; COMPREHENSIVE REPORT ON THE UNITED NATIONS PROCUREMENT ACTIVITIES, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 64TH OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 28 October 2009)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 130: entitled Review of the Efficiency of the Administrative and Financial functioning of the United Nations; Comprehensive Report on the United Nations Procurement Activities.
2. The Group thanks Mr. Warren Sach for introducing the Secretary-General's report A/64/284 as well as A/64/284/Add.1 and A/64/284/Add.2. We also thank Ms. Susan McLurg for introducing the related report of the Advisory Committee (A/64/501).
3. The Group further thanks Mrs. Inga-Britt Ahlenius for introducing the report of the Office of Internal Oversight Services (A/64/369).

Mr. Chairman,

4. The Group of 77 and China has been very actively involved in the United Nations procurement reform. During previous negotiations, we have made proposals aimed at increasing efficiency, transparency and cost-effectiveness of the UN procurement. We have stressed the importance of strengthened accountability of the Secretary-General to Member States for the full implementation of legislative mandates on procurement. We have also supported the training in ethics and integrity for the staff, including at the senior levels.
5. The Group notes that procurement reform has become a very important issue in the United Nations in view of the growing complexity and size of the operations undertaken by the organization. The reports of the Secretary-General attempt to provide information regarding the implementation of the procurement reforms approved by the General Assembly in Resolutions 62/269, 61/246 and 59/288. In this regard, the Group concurs with the ACABQ that the reports before us overall do not provide a basis for assessing the improvements in the procurement function.

Mr. Chairman,

6. The Group of 77 and China reiterates that increasing procurement opportunities for vendors from developing countries is an integral and fundamental part of the United Nations procurement reform. Equal, fair and non-discriminatory access must be given to companies from developing countries. No procurement reform will be complete or effective without a significant increase in the procurement for vendors from developing countries.
7. The Group acknowledges that efforts have been made to promote procurement opportunities for vendors from developing countries and countries with economies in transition. We support the use

of business conferences and seminars to effectively generate awareness about the opportunities and the procedural requirements to participate in procurement activities at the United Nations. The Group believes, nonetheless, that additional initiatives must be developed as part of a comprehensive strategy to improve geographical vendor representation. Furthermore, we encourage the initiative of the Secretary-General to provide a supplier financing option as a means to alleviate finance-related difficulties that may hinder the participation of vendors from developing countries and economies in transition.

8. The Group reiterates that appropriate action should be taken by the Secretariat help to change the perception among vendors in developing countries that they will not be competitive for bids using the "best value for money". We regret that the report of the Secretary-General does include the specifics of the weighted techniques used by the Procurement Division for evaluation of proposals, as requested by the General Assembly in paragraph 25 of its resolution 62/269.

Mr. Chairman,

9. The Group of 77 and China notes the unprecedented surge in procurement related to peacekeeping operations in recent years. We understand that the Secretariat has been trying to find alternatives to deal with the increase in the volume and complexity of the procurement processes. In this regard, we note with interest the proposal to establish a regional procurement office at Entebbe, on a pilot basis with effect from July 2010. We would like to receive further information regarding the relationship of this proposal and the support strategy under development by the Department of Field Support.

10. In this regard, the Group stresses once again that the Secretary-General should present a comprehensive report that takes fully into account the needs of the procurement at Headquarters, in the field offices away from headquarters, regional commission and the tribunals.

Mr. Chairman

11. The Group of 77 and China stresses that goods and services procured by the Organization should be in compliance with the established procedures for procurement, based on international competitive bidding and the widest possible geographical base of procurement. We also stress the need for the procurement system to be transparent, open, impartial and cost-effective, based on competitive bidding and fully reflecting the international character of the United Nations, as requested in many General Assembly resolutions.

12. The Group emphasizes the need for the Secretariat to take into account experiences from the past when making decisions on procurement, in particular with regard to peacekeeping missions on their start-up phase. The report of the Secretary-General does not address adequately the operational requirements for these missions. We believe that further clarification regarding this issue should be provided to the General Assembly.

Mr. Chairman,

13. The Group of 77 and China regrets that the report on sustainable procurement does not address the concerns expressed by the General Assembly in resolution 62/269. The document fails to provide sufficient information for an informed decision on the matter, in particular on its impact on the diversification of the origin of vendors and on international competition, including for developing countries and countries with economies in transition. The Group recalls that the General Assembly has not considered for approval this concept, and urges the Secretariat to avoid any initiatives that

would preempt a decision of the General Assembly.

Mr. Chairman,

14. The Group of 77 would like to reiterate that the reform agenda is determined by Member States, and not by the Secretariat. As Member States, we want to continue to determine the course of the UN procurement reform.

I thank you, Mr. Chairman.