

Agenda Item 111 : Procurement Reform.

**Statement by Hon'ble Mr. Bhartruhari Mahtab, M.P.
October 14, 2002.**

Mr Chairman,

We wish to thank the representative of the Secretary General for presentation of the report relating to Procurement Reform (A/57/187). We would also like to thank the Chairman of the Advisory Committee on Administrative and Budgetary Questions for presenting the Committee's views as contained in document A/57/453, which we found to be succinct and focused.

At the outset, we would like to congratulate the Division for improving its website where comprehensive statistical data and related procurement activities have been put up in an organised fashion. This has greatly increased transparency. Further, we find that the Division has continued to reorganise the search engine making it more user-friendly. Records have also been updated over the last three years.

We look forward to the Procurement Division sharing its experience with other UN entities including Funds and Programmes. We understand that WFP has introduced 'WINGS' system, which is suitable for their areas of operation. According to their statistics, we find that WFP effected food purchases from 78 countries in 2001. Of these, 64 are developing countries. Food purchases from these developing countries account for 56% of total food purchases by country of origin for the year 2001. We would urge the Procurement Division to study this system or devise any other system and incorporate changes to achieve further transparency of its website. In co-ordination meetings with other UN entities, the achievements and experience gained should be shared so as to enable greater system-wide transparency.

We have also noted that concerted efforts have been made by the Procurement Division to enlist more vendors from developing countries through organisation of seminars and briefings. However, the litmus test of this is whether there have been significant changes in the level of procurement from developing countries. In this connection, we share the concern expressed in para 4 of ACABQ's report (A/57/453) which states that in some cases, the level of procurement from developing countries shows a real decline, and that the total increase in procurement from developing countries is limited to host countries of UN Peace Keeping Operations or their neighbours. Clearly, this is a subject that requires closer attention and analysis so as to enable the Secretariat to take remedial measures to increase procurement from the developing countries.

On the issue of simplification of vendor registration and the problem of delays in payment being effected to vendors, my delegation endorses the views of the ACABQ expressed in paras 6 and 7 of its report (A/57/453).

We find from Annexure I of the report that total procurement for 2001 amounted to \$ 854 million. This figure is inclusive of a number of purchases of services such as contracts for legal, insurance, travel and medical services. \$ 222 million or 26% of the total procurement pertains to air transportation alone. We would encourage the Division to effect purchase through systems contracts wherever possible. This has the added advantage of reducing the workload substantially.

Although we are not discussing outsourcing practices today, we would like to briefly touch upon the subject in order that we do not have to encroach upon the Committee's valuable time again when this subject comes up for discussion. We note from the Annexure to the Report of the Secretary General on Outsourcing Practices (A/57/185), that a number of services have been outsourced particularly in the field of Local Area Network, Wide Area Network, maintenance of computer hardware and installation of software, since technical skills are not readily available in the organisation. Scrutiny of the Annexure reveals that these items have not been outsourced in UNOG, UNOV and other Funds and Programmes. My delegation wonders whether these services could have been outsourced for UN offices in Geneva and Vienna as well.

We look forward to participating in informal consultations on these topics. We hope that new and innovative measures would be put in place by the Secretariat to effect increased procurement from developing countries.

Thank you, Mr. Chairman

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