



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR WALEED AL-SHAHARI OF THE PERMANENT MISSION OF YEMEN ON AGENDA ITEM 128: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS: PROCUREMENT, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 65TH OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 6 October 2010)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 128: entitled Review of the Efficiency of the Administrative and Financial functioning of the United Nations: Procurement.
2. The Group would like to thank Inspectors Cihan Terzi and Tadanori Inomata of the Joint Inspection Unit (JIU) for the introduction of the reports of the Unit contained respectively in documents A/65/63 and A/65/346, entitled "Offshoring in United Nations system organizations" and "Environmental profile of the United Nations system organizations".
3. The Group further thanks Mr. Kenneth Herman, Senior Adviser on Information, Management Policy Coordination, in the Secretariat of the United Nations System Chief Executives Board for Coordination (CEB), for introducing the respective notes of the Secretary-General to the reports of the JIU.

Mr. Chairman,

4. 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 Group of 77 and China has been very actively involved on this issue and will continue to do so. During previous negotiations, we have made proposals aimed at increasing the efficiency, transparency and cost-effectiveness of the UN procurement system. We have also stressed the importance of strengthened accountability of the Secretary-General to Member States for the full implementation of legislative mandates on procurement.
5. During this session, the Fifth Committee will continue the important discussion on procurement reform initiated at the main part of the sixty-fourth session of the General Assembly. In this regard, the Group reiterates its positions regarding the reports introduced by the Secretary-General in 2009.

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 contracts awarded to vendors from developing countries.
7. The Group also 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 for the sourcing of procurement vendors. 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.

Mr. Chairman,

8. Last year, the Group of 77 and China expressed its regret that the report on sustainable procurement did not address the concerns expressed by the General Assembly in resolution 62/269. In our view, the document failed 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.

9. Therefore, it was with deep concern that the Group learned from the JIU report that a number of initiatives on sustainable procurement are currently being undertaken by the United Nations Secretariat, in direct breach of General Assembly resolution 62/269. The Group recalls that the General Assembly has not considered for approval the concept of sustainable procurement, and urges the Secretariat to avoid any initiatives that would preempt a decision of the General Assembly in this regard.

Mr. Chairman,

10. 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 continue to determine the course of the UN procurement reform.

I thank you, Mr. Chairman.