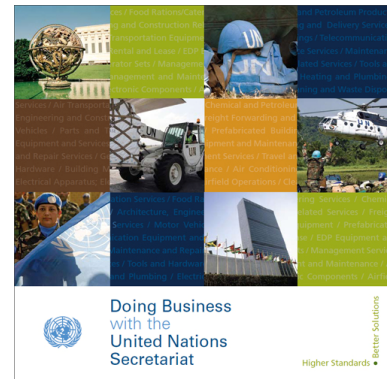




- Best value for money
- Fairness, integrity and transparency
- Effective international competition
- The interest of the United Nations

General principles of UN procurement



Procurement remains a focus area of management reform at the United Nations. Over the last few years, concerted efforts have been made to strengthen internal control and oversight mechanisms, optimize the acquisition process, and manage the UN procurement function more strategically. At the same time, emerging operational needs had to be taken into account to facilitate efficient backstopping of UN field presences around the world.

Strengthened internal control and oversight

The **Procurement Task Force** (PTF) operated between January 2006 and December 2008 to address specific allegations of fraud and corruption related to the Oil-for-Food Programme. While the PTF recommended legal action in 13 cases, its efforts did not expose widespread corruption at the United Nations (see Board of Auditors report A/63/167). The implementation of numerous Task Force recommendations has significantly strengthened UN procurement and management processes.

Staff members with procurement functions are subject to the policies on **Financial Disclosure** and **Post Employment Restrictions**, both issued in 2006.

An **administrative review mechanism** was introduced in 2010 to further enhance fairness, and transparency in the UN procurement process through better communication with the vendor community. For an initial trial period and for the first time in UN history, companies can file a procurement challenge with the **Award Review Board** to ascertain why their bid/proposal was not selected. The **Senior Vendor Review Committee** provides independent advice on vendors who are under investigation, accused, convicted or involved in litigation in which the vendor is alleged to have, or did engage in a fraudulent, corrupt or unethical practice.

Improved training and knowledge-sharing

An updated version of the **United Nations Procurement Manual** was issued in 2010. Innovative and interactive **knowledge management mechanisms** (Communities of Practice for UN procurement practitioners and members of the Committees on Contracts, respectively) were introduced to enable UN staff to share good practices and guidance materials on procurement matters.

A new interactive on-line **Procurement Training Campus** was also rolled out in 2010. The modules “Best Value for Money” and “Ethics and Integrity in Procurement” are mandatory for all staff members serving in procurement offices worldwide. The modules “The Fundamentals of Procurement” and “Overview of the Procurement Manual” are requirements for the designation of

certain staff members for the performance of significant functions in the management of financial, human and physical resources. The system is internet based to ensure world wide accessibility for all United Nations Staff.

Several **training tools related to the work of the Committees on Contracts** were developed in 2009 and 2010 to strengthen organizational capacity for the contract review process. The online learning tool "Welcome to the Committees on Contracts" is complemented by an in person training programme that is mandatory for all members of Committees on Contracts.

Procurement reaches out to Global Vendors

As part of an ongoing effort to further enhance its procurement activities, the UN strives to be as inclusive as possible and extend procurement opportunities to vendors from developing countries, and countries with economies in transition. This increases competition in solicitation processes. It also ensures fairness and efficiency.

A dedicated **outreach programme** informs vendors from developing countries and economies in transition about procurement opportunities and encourages them to participate in tender invitations. In 2010 alone, 28 business seminars were conducted.

A streamlined **vendor registration process**, implemented in 2008, facilitates online registration on the United Nations Global Marketplace website (www.ungm.org). Revised criteria allow vendors to register according to the value of tenders in which they wish to participate and are particularly supportive of small and medium enterprises in developing countries and economies in transition.

The first **Regional Procurement Office (RPO)** became operational in Entebbe (Uganda) in July 2010. In the first months of operations, the outreach efforts of the RPO have already increased procurement opportunities for the region markedly, while maintaining the internal control and segregation of duties between the Requisitioner (Department of Field Support) and the Procurer (Department of Management).

To provide a forum for ideas on conducting procurement in sustainable and innovative ways, **thematic supplements to the Annual Statistical Report on United Nations Procurement** were introduced. They provide an overview of the international debate on the subject, case studies as well as contributions from practitioners and international experts. In 2008, the supplement focused on "Sustainable procurement", and in 2009 on "Procurement from developing countries and economies in transition".

The Secretary-General has proposed a phased approach towards **sustainable procurement practices** in the United Nations. As a result of the deliberations by the General Assembly during its the 65th session, the General Assembly has requested an update for consideration at the first part of its resumed 67th session.