

20 December 2006

Agenda items 47, 113, 116, 117, 122, 123, 124, 132, 149:

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields,

Follow-up to the Millennium Summit,

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2006-2007

Scale of assessments for the apportionment of the expenses of the United Nations

Human resources management

Joint Inspection Unit

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

United Nations reform: measures and proposals

Draft resolution

Procurement reform

The General Assembly,

Recalling its resolutions 54/14 of 29 October 1999, 57/279, 58/276, 58/277, 59/288 of 13 April 2005, 59/289, 60/260 of 8 May 2006, 60/266, 60/283, 55/247 of 12 April 2001, 57/279 of 20 December 2002, 59/288 of 13 April 2005 and 60/1 of 16 September 2005; **Adopted informal informals**

Having considered the report of the Secretary-General on Investing in the United Nations: for a stronger Organization worldwide: detailed report: procurement reform¹, the report of the Joint Inspection Unit on procurement practices within the United Nations system and the note by the Secretary General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination (CEB) thereon² and the related report of the Advisory Committee on Administrative and Budgetary Questions³; **Adopted informal informals**

¹ A/60/846/Add.5

² A/59/721 and A/59/721/Add.1

³ A/60/904

1. *Takes note* of the report of the Secretary-General¹, the report of the Joint Inspection Unit on procurement practices within the United Nations system and the note by the Secretary General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination (CEB) thereon;² **Adopted informal informals**

2. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions³ subject to the provisions of the present resolution; **Adopted informal informals**

3. *Stresses* the importance of strengthened accountability in the Organization and of ensuring greater accountability of the Secretary-General to Member States, inter alia, for the effective and efficient implementation of legislative mandates on procurement and the related use of financial and human resources, as well as the provision of necessary information on procurement related matters to enable Member States to make well informed decisions. **Adopted informal informals**

5. *Recognizes* that procurement reform is an ongoing process and should focus, inter alia, on ensuring the efficiency, transparency and cost-effectiveness of the United Nations procurement as well as strengthened internal controls, greater accountability to Member States and full implementation of General Assembly resolutions on procurement reform; **Adopted informal informals**

6. *Recalls* its resolutions on procurement reform and notes that the report of the Secretary-General focused mainly on strengthening of internal controls, optimizing United Nations acquisition and procurement management, with emphasis on urgent internal control issues, and that other procurement reform measures will be elaborated in forthcoming reports; **Adopted informal informals**

7. Reiterates its request to the Secretary-General to submit proposals to effectively increase procurement opportunities and participation of vendors from developing countries;

Adopted informal informals

8. *Requests* the Secretary-General to submit to the General Assembly at its sixty-second session a comprehensive report on all aspects of procurement reform, including the outstanding reports referred to in paragraph 4 of the report of the ACABQ³, as well as measures taken to implement its resolutions on procurement reform and the status of implementation of recommendations of the oversight bodies; **Adopted informal informals**

I

Staff

1. *Requests* the Secretary-General to ensure that all staff in the Secretariat involved in procurement activities, including at the senior levels, file financial disclosure statements annually;

Adopted informal informals

2. *Regrets* that the Secretary-General has not submitted proposals related to the issue of conflict of interest requested by the General Assembly in Section V, paragraph 9, of its resolution 60/266 at the main part of its sixty-first session and requests him to do so no later than by the second part of its resumed sixty-first session; **Adopted informal informals**

3. *Stresses* the importance of developing and implementing an ethics and integrity programme for the procurement staff and requests the Secretary-General to complete and issue the ethics guidelines no later than June 2007 for all staff involved in the procurement process; **Adopted informal informals**

4. Welcomes the initiatives by the Secretary-General in undertaking training programmes for United Nations procurement staff, including in the field, and requests the

Secretary-General to evaluate their impact, monitor their implementation and to submit proposals on making any further improvements necessary to the training of staff in procurement processes;

Adopted informal informals

II

Internal controls

1. *Requests* the Secretary-General to further enhance transparency in the procurement decision-making process, through inter alia the establishment of an independent Bid Protest System outside of the reporting hierarchy of the Procurement Division in order to furnish vendors participating in tenders of the Organization with a means to dispute procurement-related decisions;

Adopted informal informals

2. *Requests also* the Secretary-General to report to the General Assembly for its consideration on the specific modalities of the Bid Protest System and related procedures, including possible legal and financial implications; **Adopted informal informals**

3. *Requests further* the Secretary-General to include information, as appropriate, on the Bid Protest System on the website; **Adopted informal informals**

4. *Notes* the promotion by the Procurement Division of the voluntary principles of the corporate social responsibility initiative, the Global Compact, within the United Nations procurement framework, and requests the Secretary-General, as appropriate, to report to the General Assembly for further consideration; **Adopted informal informals**

5. *Notes with appreciation* that the Supplier Code of Conduct has been promulgated and posted on the website with a view to achieving the goal of safeguarding the integrity of the United Nations in procurement activities; **Adopted informal informals**

6. *Requests* the Secretary-General to continue to simplify and streamline the vendor registration process, to share responsibilities among the various United Nations organizations, and

to take into account the different circumstances and varying levels of Internet access in countries, and to report, in the context of the comprehensive report, on the results achieved at its sixty-second session; **Adopted informal informals**

III

Governance

1. *Notes with concern* the possible weaknesses in the control environment with regard to procurement activities due, inter alia, to the split of responsibilities between the Department of Management and the Department of Peacekeeping Operations, as referred to in paragraph 14 in the report of the Advisory Committee on Budgetary and Administrative questions³; **Adopted informal informals**

2. *Requests* the Secretary-General to submit to it at the second part of its resumed sixty-first session a comprehensive report on the following elements:

- a) The management arrangements for procurement, including clear lines of accountability and delegation of authority;
- b) The findings of the working group established to examine ways in which the organizational structure could be changed to better align responsibility with authority and to improve the overall control environment for peace-keeping procurement;
- c) The respective responsibilities of the Department of Management and the Department of Peacekeeping Operations;
- d) Streamlined procurement procedures for peacekeeping operations in the field including specific information on mechanisms for strengthened monitoring, oversight and accountability;
- e) The functioning of the Headquarters Contracts Committee and the Local Committees on Contracts: **Adopted informal informals**

IV

**Procurement opportunities for vendors from developing countries and countries
with economies in transition**

1. *Requests* the Secretary-General to explore additional ways to improve procurement opportunities for vendors from developing countries and countries with economies in transition both at headquarters and in the field and to report to the General Assembly at the second part of its resumed sixty-first session on the implementation thereon; **Adopted ad ref informal informals**

2. *Recalls* section VII paragraph 2 of its resolution 60/266 and requests the Secretary-General to ensure that information on procurement opportunities in headquarters and in peacekeeping operations is made available to business communities in developing countries and countries with economies in transition, through, inter alia, continued cooperation between the Department of Public Information and the Procurement Division of the Department of Management, utilizing the United Nations information centers and offices; **Adopted ad ref informal informals**

3. *Recognizes* the efforts by the Procurement Division to increase the number of business seminars in developing countries and requests the Secretary-General, in his capacity as Chairman of the Chiefs Executive Board, to encourage the organizations of the United Nations system to facilitate, in cooperation with Member States, the organization of business seminars in developing countries and countries with economies in transition; **Adopted ad ref informal informals**

4. *Requests* the Secretary-General to invite the Inter-Agency Procurement Working Group to continue to study ways and means and recommend concrete proposals to diversify the sourcing of goods and services, in particular from developing countries and countries with economies in transition; **Adopted ad ref informal informals**

5. *Requests also* the Secretary-General to encourage the organizations of the United Nations system, consistent with their respective mandates, to take further steps to increase procurement opportunities for vendors from developing countries and countries with economies in transition; **Adopted ad ref informal informals**

V

Procurement management

1. *Recalls* that the General Assembly has not yet taken a decision on the lead agency concept and reiterates its request to the Secretary-General to include in his report to the General Assembly an assessment of the internal controls of the United Nations organizations and how these differ from those from the United Nations Procurement Division; **Adopted informal informals**

2. *Recognizes* that the lead agency concept is being developed and that extensive consultations are underway within the United Nations system and request the Secretary-General to report to the General Assembly for its consideration at its sixty-second session on the proposals for the lead agency concept and the status of consultations, including on clear lines of accountability, applicability of General Assembly resolutions and decisions, impact on efforts to improve the diversification of origin of vendors, possible efficiency gains and cost savings and distribution of resources within the United Nations system, enabling proposed designated buyers to manage larger procurement activities; **Adopted informal informals**

3. *Requests* the Secretary-General to continue to encourage all the organizations of the United Nations system, consistent with their respective mandates, to further improve their procurement practices, inter alia, by participating in the United Nations Global Marketplace with a view to creating one common United Nations global procurement web site; **Adopted ad ref informal informals**

4. *Stresses* the need to ensure transparency in procurement throughout the United Nations system, and requests the Secretary-General to ensure that the United Nations Global Marketplace website is fully accessible to Member States no later than 1 June 2007; **Adopted ad ref informal informals**

5. *Requests* the Secretary-General to ensure that the United Nations Global Marketplace website, inter alia, features lists of companies that register through United Nations Global Marketplace as vendors of the United Nations system entities, as well as statistics on contract awards, acquisition plans, and procurement notices; **Adopted ad ref informal informals**

6. *Encourages* the Secretary-General to extend the participation and improve the level of collaboration, coordination and information sharing of procurement activities among the organizations within the United Nations in order to achieve economies of scale and eliminate duplication of work; **Adopted informal informals**

7. *Notes* the activities of the Inter-Agency Procurement Working Group and of the Common Services Procurement Working Group on enhancing the transparency and increasing the harmonization of procurement practices, and requests the Secretary-General, in consultation with the executive heads of the United Nations funds and programmes, to continue work in this regard; **Adopted ad ref informal informals**

8. *Recalls* paragraph 10 of its resolution 59/288 and noting paragraphs 65-66 of the report of the Secretary-General¹, further requests the Secretary-General to report comprehensively to the General Assembly at its sixty-second session on the principle of best value for money, its implementation in United Nations procurement, including inter alia, its possible effect on diversification of vendors and suppliers and on efforts to improve procurement for vendors from developing countries and countries with economies in transition; **Adopted informal informals**

9. *Requests* the Secretary-General to continue to develop clear guidelines for the implementation of the best value for money methodology in United Nations procurement and to report thereon to the General Assembly at its sixty-second session; **Adopted informal informals**

VI

Other issues

1. *Requests* the Secretary-General to implement measures to reduce the time line associated with invoice payment; **Adopted informal informals**

2. *Requests also* the Secretary-General to ensure a monthly update of the contract awards statistics posted on the website of the United Nations Procurement Division; **Adopted informal informals**

3. *Requests* further the Secretary-General to continue to improve the website of the United Nations Procurement Division and make it more “user-friendly”; **Adopted informal informals**

4. Request the SG to report to the GA, in the context of the comprehensive report, on the implementation of the provisions of the present resolution; **Adopted informal informals**

VII

Resources

1. *Decides to* approve the conversion of 20 positions funded under general temporary assistance to established posts under the Support Account for peacekeeping operations for the period ending 30 June 2007, as follows: **Adopted informal informals**

(a) Procurement Division: 11 posts: 1 P-5, 3 P-4, 4 P-3, 1 GS (PL) and 2 GS (OL); **Adopted informal informals**

(b) Office of Mission Support (Department of Peacekeeping Operations): 2 posts (1 P-5 and 1 P-4); **Adopted informal informals**

(c) Headquarters Committee on Contracts/Office of Under-Secretary-General for Management 3 posts: 1 D-1, 1 P-4 and 1 GS (OL) **Adopted informal informals**

(d) General Legal Division/Office of Legal Affairs: 4 posts: 2 P-5, 1 P-4 and 1 GS (OL); **Adopted informal informals**

2. *Decides also* to approve the conversion of the 6 positions (1 D-1, 4 P-4 and 1 P-3), for Procurement Division, funded under general temporary assistance to established posts and an amount of \$706,500 representing the balance of the resource requirement for the 6 posts under the support account for peacekeeping operations for the period ending 30 June 2007; **Adopted informal informals**

3. *Decides further* that from the above established posts 1 P-4, 1 P-3 and 1 GS (OL) will be designated to the Vendor Registration and Management Team with a view to, inter alia, promote the diversification of origin of vendors among all Member States, including developing countries and countries with economies in transition, simplify vendor registration, manage the vendor database and liaise with vendors; **Adopted informal informals**

4. *Approves* the resource requirements of \$1,050,000 proposed in the report of the Secretary-General on Investing in the United Nations: for a stronger Organization worldwide: detailed report: procurement reform¹, for the Procurement Division under the support account for peacekeeping operations for the rest of fiscal year ending on 30 June 2007 for the following:

Adopted informal informals

(a) \$200,000 for consultants to review industry practices and procurement models in specific industries relevant to United Nations requirements. **Adopted informal informals**

informals

(b) \$800,000 for training of both Headquarters and peacekeeping missions procurement staff; \$640,000 for consultants to organize training; \$150,000 for staff travel for procurement training and \$10,000 for training supplies and materials.

Adopted informal informals

(c) \$50,000 for travel to business seminars. **Adopted informal informals**

5. *Also approves* reclassification of D-1 Chief of Procurement post to D-2 level;

Adopted informal informals

6. Requests the SG to comprehensively review the post and non-post requirements of the Procurement Division, taking into account GA resolutions, including the present one, on Procurement Reform, and to present proposals based on identified requirements in the context of the budget for the Support Account 2007/2008 and the proposed program budget for the biennium 2008-2009. **Adopted informal informals**