



# General Assembly

Distr.: General  
21 December 2021

Original: English

---

## Seventy-sixth session

Agenda item 136

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

## Supply chain activities in the United Nations Secretariat

### Report of the Secretary-General

#### *Summary*

Pursuant to General Assembly resolution [72/266 B](#), the Office of Supply Chain Management was established within the Department of Operational Support on 1 January 2019. In the present report, the Secretary-General informs the General Assembly of the activities of the Office following the full alignment of its components, including its progress towards ensuring a nimble, responsive and responsible supply chain function that properly supports all the activities of the Organization by ensuring the availability of the right goods and services, at the right place, the right time and the right cost, for effective and efficient mandate delivery by the client entities of the Secretariat, while ensuring transparency and accountability, increasing cooperation within the United Nations system, and using innovation and leveraging technology to streamline processes, manage risk and provide responsible solutions.

The present report reflects the current linear structure of the United Nations supply chain, encompassing planning, sourcing, buying, delivering and enabling; highlights cross-cutting initiatives of the integrated supply chain to date, including its front-line support for the Secretariat's response to the coronavirus disease (COVID-19) pandemic; and outlines the goals of the Office for the coming period. In addition, the delegations of authority overseen by the Department of Management Strategy, Policy and Compliance are addressed, and the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report [A/73/790](#), related to the report of the Secretary-General on procurement activities in the United Nations Secretariat ([A/73/704](#)), are taken into account.



## I. Introduction

1. The establishment of the Secretariat's Office of Supply Chain Management within the Department of Operational Support in 2019 pursuant to General Assembly resolution 72/266 B reflected the Organization's drive for more agile, cost-effective, transparent and accountable services for all Secretariat offices through the identification, acquisition and delivery of goods and services. Within this new structure, the procurement function represents one component of the whole, and the present report therefore reflects the activities of the entire supply chain rather than purchasing activities alone, highlighting critical elements of client service, partnerships, agility, flexibility and problem-solving, all built on data-driven innovation and technology. Delivering on this mission has seen the Office's client base rise from 19 entities in 2019 to 35 in 2021, with 45 entities expected in 2022.

2. The Office of Supply Chain Management encompasses the Logistics Division, the Procurement Division, the Enabling and Outreach Service, the Uniformed Capabilities Support Division, the Aviation Safety Section and the Global Service Centre located in Brindisi, Italy. The Logistics Division comprises the Supply Chain Planning Service, the Sourcing Support Service, the Air Transport Service and the Movement Control Section. The Procurement Division is organized into the Technology and Infrastructure Support Service and the Transportation and Life Support Service, together with the Global Procurement Support Section housed in the Regional Service Centre in Entebbe, Uganda. The Enabling and Outreach Service is composed of the Performance Management Section, the Vendor Registration and Outreach Unit and the Operational Guidance Unit. Together, the units of the Office, in partnership with corresponding functions within client entities, form the Secretariat's integrated supply chain. The present report outlines the supply chain process and looks towards the completion of the transition to a standardized approach to planning, sourcing, procuring, delivering, returning and enabling, tailored to United Nations operations.

3. In many respects, the Office has been at the heart of many of the Secretariat's global efforts to stay and deliver on its mandates. In the face of the unprecedented context of closed borders, catastrophic supply chain disruptions and intense demand for medical care and supplies related to the coronavirus disease (COVID-19) pandemic, the Office responded in support of both civilian and uniformed United Nations personnel. This response has been both a major activity and a test of the new integrated configuration. Accordingly, the present report contains a section on the COVID-19 response. Owing to its diverse range of clients, the Office is unique among the supply chain entities of the United Nations organizations in terms of the range of goods and services that it sources and delivers. Many of these goods and services are delivered along extended and challenging supply routes in areas with fragile infrastructure and varying levels of insecurity, where cross-border entry is difficult and cooperation with host nations is evolving. The present report also addresses the regular supply chain responsibilities of the Office in support of global clients and partners and additional initiatives undertaken in the reporting period.

4. Moving forward, the Office will continue to support the Secretariat's response to the COVID-19 pandemic while sustaining the pace of its other global operations. In line with the Office's vision of driving results and continuous improvements in speed and efficiency and providing the best value for money in its services to clients, the present report concludes with a forward-looking discussion of supply chain goals for the near future.

## II. Supply chain pandemic response

5. At the onset of the pandemic, the newly established integrated supply chain faced its first major test and demonstrated its ability to effectively support client entities in sourcing and delivering the goods and services needed for them to stay and deliver on their mandates. The Office quickly engaged with all clients and the business community at the very outset and thus effectively mitigated and responded to the challenges. A supply chain impact analysis was quickly conducted to guide missions with respect to planning requirements, the early identification of needs and stock replenishment to mitigate the impacts of border closures.

6. Continuous collaboration among components and external stakeholders of the Office enabled it to source and deliver the required medical supplies, consumables and equipment in an extremely challenging market. The unity of command and purpose and the proactive decision to centralize procurement activities in selected areas also played significant roles in ensuring that the Office met the requirements of field missions and other clients in a timely manner and supplied goods and services that were of a high quality and provided value for money. The United Nations Logistics Base at Brindisi, Italy, played a key role, in particular in the delivery of strategic deployment stocks of personal protective equipment and the consolidation of newly sourced medical equipment and consumables.

7. At the outset, it was clear that the existing health-care infrastructure in many countries, including medical evacuation arrangements, were not sufficient and that the ability of all United Nations system entities to stay and deliver on mandates was severely compromised. In response, the Office provided key leadership and technical expertise to the unprecedented United Nations System-Wide Task Force on Medical Evacuations in Response to COVID-19, which ensured the availability of intensive care unit beds in locations across the world for eligible United Nations personnel, dependants and key implementing partners who fell severely ill without access to adequate medical care.

8. By leveraging the Office's expertise in aviation services and partnering closely with the World Food Programme (WFP), a joint aviation cell was established at the United Nations Logistics Base at Brindisi to coordinate medical ambulance services. The Office established 16 contracts for air ambulance services and 14 standby air charters, while also completing contracts with private hospitals across the world. As at 15 December 2021, 347 medical evacuations of individuals severely ill with COVID-19 had been conducted. The Uniformed Capabilities Support Division and the Movement Control Section also worked with the Office of Military Affairs and the Police Division to develop and implement a contingent rotation methodology to help to contain and mitigate the virus, ensuring uniformed personnel were not a contagion vector, while continuing to deliver on the Organization's critical mandates.

9. The Office of Supply Chain Management drew on the medical expertise of its Medical Support Section and the logistics capacity of the Logistics Division and the United Nations Logistics Base at Brindisi to acquire and distribute personal protective equipment, medical equipment and consumables to the field, with more than \$7.5 million spent on over 5 million individual items. The intensive care capability was doubled across all peacekeeping missions, and additional medical facilities were established within troop-contributing country units in the United Nations Mission in South Sudan (UNMISS) and the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, with 12 additional high-dependency beds and additional specialist personnel provided by the Government of India at each location. Civilian staff facilities were created in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), the United Nations Support

Office in Somalia (UNSOS), the United Nations Assistance Mission for Iraq and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). To support this endeavour, the Office of Supply Chain Management obtained and delivered intensive care ventilators, vital sign monitors, oxygen concentrators and oxygen generation plants, together with a myriad of other types of equipment and consumables.

10. In addition, the Office oversaw the identification and acquisition of equipment for the United Nations system-wide First Line of Defence Task Force, which provided basic equipment for the management of COVID-19 cases to United Nations locations without United Nations medical facilities, primarily through United Nations country teams, and for the development of individual home care and extended care packages. As at 1 October 2021, the Office had, through the United Nations Logistics Base at Brindisi, deployed some 109 home care packages to 29 countries and four extended care packages to three countries.

11. The Office played a key role in the development of the 100-bed United Nations COVID-19 treatment facility in Nairobi, including by giving advice on hospital design, medical equipment, consumables and staffing requirements. On the basis of an analysis of client requirements, the Office identified needs and sourced and delivered much of the equipment required to establish the first 15 intensive-care and 40 medium-care beds, doubling the intensive care capacity across all peacekeeping missions. The availability of diagnostic testing equipment was a global challenge from the onset of the pandemic. Navigating a melee of national public and private entities struggling in a global market with insufficient supplies, the Office secured a supply of polymerase chain reaction (PCR) machines and delivered them to clients in the second quarter of 2020. As at 1 November 2021, the Office had obtained and distributed 93 PCR machines, 127,500 tests, 150,000 antibody test kits and 40,000 antigen test kits. The Office also established a long-term contract for the PCR machines, which can diagnose a wide range of conditions, and sourced and delivered a high number of simpler testing technologies, which are also in use at Headquarters.

12. At the beginning of 2021 when the first vaccines received emergency use listing by the World Health Organization (WHO) for protection against severe illness and death from COVID-19, a similar mechanism to the United Nations System-Wide Task Force on Medical Evacuations in Response to COVID-19 was required to coordinate the sourcing, distribution and administration of vaccines to United Nations personnel in locations where national vaccination programmes were unable to assist. A United Nations system-wide COVID-19 vaccination programme led by the Office, which has brought together 32 United Nations system entities to support their staff, dependants and partners, was established for this purpose. This programme leveraged the resident coordinator network, the Office's deep procurement expertise and the United Nations Medical Directors' Network to source, transport and administer vaccines to United Nations country teams throughout the world. The Office established standby contracts for the provision of vaccination teams where these were needed to support the efforts of United Nations country teams. By December 2021, the Office had distributed more than 350,000 vaccine doses to uniformed and civilian United Nations personnel in 69 countries, together with the associated consumables. For vaccinations of uniformed personnel, the Office supported an informal group of friends convened in January 2021 to establish the way forward in permissible vaccines, in-theatre and predeployment vaccinations and applicable legislative processes. A total of 38 Member States participated in the group of friends.

13. Supporting this system-wide approach, the Office was able to lead the development, training and support of a system-wide vaccination platform, providing a transparent mechanism to schedule appointments, prioritize vaccine candidates,

maintain the confidentiality of and store vaccination records across the 32 participating entities and document the administration of vaccine doses.

14. The unexpected onset of the pandemic tested the global supply chain, which demonstrated its agility, efficiency and responsiveness, together with opportunities for further development. The Office was required to urgently define technical solutions for a new gamut of unforeseen requirements, source them on behalf of all clients and deliver them in a timely manner. At the same time, the Office needed to ensure the resilience of the supply chain and guarantee the sourcing and delivery of sustenance supplies and services to client entities to ensure the continuity of their operations. The crisis caused an unprecedented level of uncertainty in traditional supply chains, which in turn upended historical trends and patterns of spend used for forecast analysis. Many of the above-described contributions to the Secretariat's response are ongoing and were delivered by personnel of the Office, who were essentially double-hatting while undertaking their continuing duties. The centralized procurement of strategic items during a global emergency and the emergency procurement procedures entrusted to the Office, which were activated in March 2020 across all commodities, have been vital enablers of the supply chain response. Critical goods and services in the cumulative amount of just under \$85 million had been obtained through more than 80 procurement actions by the end of October 2021 (see table 1).

Table 1

**Value of critical goods and services obtained through emergency procurement procedures from March 2020 to October 2021**

(United States dollars)

<i>Category</i>	<i>Volume</i>
Aviation	46 102 887.00
Health care	23 469 275.51
Engineering and infrastructure	8 197 231.27
Facilities and construction	5 200 000.00
Communications and technology	1 005 000.00
Freight forwarding	213 245.18
<b>Total</b>	<b>84 187 638.96</b>

### III. Current supply chain activities

#### A. Supply chain spend and trends

15. Throughout the pandemic, the Office continued to operate the Secretariat's global supply chain for goods and services. The Secretariat represents the largest and most complex supply chain operations within the United Nations system, with a global procurement value totalling \$2.7 billion in 2020 and \$2.9 billion in 2019. In 2020, information and communications technology became the highest area of expenditure (\$394 million), followed by air transportation (\$371 million), food and catering (\$369 million), fuel (\$343 million) and building and construction (\$289 million). These top five commodity groups have been consistently among the major commodities procured by the Secretariat in the last five years, accounting for 65.31 per cent of total procurement in 2020, compared with 62.58 per cent in 2019. Owing to the COVID-19-related constraints on some air movements in 2020, air

transportation declined, while previously it had been the highest category of spend since 2011. See annex I for a detailed supply chain spend analysis.

## **B. Category management**

16. As mentioned in the report of the Secretary-General on procurement activities in the United Nations Secretariat ([A/73/704](#)), the Secretariat is implementing category management to develop market-specific strategies based on Secretariat requirements. In May 2019, the Secretariat adopted a category management governance model and, effective 1 January 2021, promulgated comprehensive guidance to clients, encompassing an operating model and related processes. Category management incorporates new business models into category analysis and implementation recommendations, while procurement will continue to be governed by the principles of procurement adopted by the General Assembly.

17. Each category team includes product and sourcing specialists and client representatives. The operating model includes an analysis comprising regulatory, assurance of supply, quality, service, cost and innovation aspects for strategy development. The strategies are intended to incorporate the total cost of ownership into their analysis and recommendations. They complement the goal of the Secretary-General to move authority closer to the point of mandate delivery by enabling entities to exercise their procurement delegations with tailored guidance and recommendations, where appropriate.

18. Each category strategy includes specific key performance indicators to measure the success of strategy implementation. The ongoing involvement of category management in data governance will greatly improve data quality, the quality of service to supported entities and process standardization, where appropriate.

19. Category management efforts will be further mainstreamed into operations through the creation of communities of practice for key categories. The Procurement Network of the High-Level Committee on Management formally adopted a call to action proposed by the Office to utilize category management expertise across the United Nations system. The harmonization working group of the Committee has been tasked with proposing category-specific leadership roles for individual agencies, funds and programmes.

20. A total of 40 categories have been established under eight business areas, for which 31 category strategies have been approved in the last two years. Importantly, several of the category leads are drawn from outside the Office, including from the United Nations Office at Geneva, the United Nations Office at Vienna and field missions, leveraging the best available expertise wherever it exists. Category management strategies for the remaining nine categories will be developed in 2022. Category management is now infused in all aspects of supply chain planning, sourcing and analysis, serving as a strategic framework that informs tactical decision-making by Headquarters and clients.

## **C. Planning**

21. The Office of Supply Chain Management has established a supply chain planning framework that ensures the horizontal and vertical integration of supply chain planning functions, processes and stakeholders locally, regionally and globally. The framework supports the global supply chain plan, which provides full visibility of the global demand for goods and services and supports the determination of optimal

sourcing options and opportunities for more effective and efficient delivery of solutions to satisfy clients' needs.

22. The global supply chain plan for 2021–2022 has expanded to incorporate all offices away from Headquarters and regional commissions, in addition to peacekeeping and special political missions. The global requirements for goods and services are captured in 28,313 demand lines, with a total value of \$2.457 billion as at 1 June 2021.

23. The Office introduced an improved process for reviewing the annual global supply chain plan that is conducted by cross-functional working groups of procurement and technical experts based on category management. This structured review allows for the identification and development of the best sourcing solutions to meet clients' demand from a portfolio of readily available contractual instruments, including global and regional systems contracts, letters of assist, mutual recognition agreements and memorandums of understanding with Member States and United Nations agencies, funds and programmes. A noteworthy outcome of this review was fulfilling \$329.2 million of the total projected demand from existing stocks or reserves, thereby avoiding additional expenditures.

24. To facilitate collaboration with clients during the planning cycle, the Office introduced an integrated business planning process to review and ensure the relevance of plans, adapt them to meet specific mandated activities, identify issues, formulate solutions to address challenges and mitigate risk. In 2021, the Office held 175 integrated business planning meetings with its clients in different parts of the world.

25. The supply chain planning framework provides for planning analytics and business intelligence solutions that will enable trend analysis of demand over a five-year time frame, an online catalogue of centrally managed contractual instruments, mapping of the delivery network and dashboards for monitoring plan implementation. The online catalogue of global, regional, turnkey and local contracts provides an integrated view of historical, current and planned demand and source data to deliver actionable intelligence for optimal sourcing decisions for clients and strategic planning at Headquarters. The contract solicitation schedule embedded in the online catalogue was introduced to provide visibility of ongoing and upcoming solicitations.

26. The delivery planning function conducts a comprehensive mapping of the supply chain delivery network, ensures a proactive approach to the planning and execution of military and police contingent deployments and rotations, and identifies opportunities for more efficient delivery services, including the utilization of global freight forwarding contracts. The supply chain planning for the cycle 2022–2023 will be performed in the new Umoja Extension 2 solution, namely, the supply chain planning tool, which is in the final stage of deployment.

## **D. Sourcing**

### **Sourcing vendors**

27. The Secretariat is committed to maximizing opportunity and diversity in its vendor base. Since 2016, the percentage of the Secretariat's procurement from least developed countries, countries with economies in transition and developing countries has steadily increased (see table 2). Procurement from these countries increased from 55.37 per cent of total volume in 2016 to 61.5 per cent in 2020, exceeding the ratios across the United Nations system as a whole. The 2020 annual statistical report on United Nations procurement shows that 60.38 per cent of the total volume of procurement across the United Nations system has been from the aforementioned groups of countries. The Office has also emphasized the need to invite suppliers from

these groups to tender exercises, with the total number of vendors invited having increased from 58.97 per cent in 2016 to 68.38 per cent in 2020.

Table 2

**Trends in the volume and percentage of procurement from industrialized economies and from least developed countries, countries with economies in transition and developing countries**

Year	<i>Least developed countries, countries with economies in transition and developing countries</i>		<i>Industrialized economies</i>		<i>Total (billions of United States dollars)</i>
	<i>Volume (billions of United States dollars)</i>	<i>Percentage</i>	<i>Volume (billions of United States dollars)</i>	<i>Percentage</i>	
2016	1.79	55.37	1.44	44.63	3.23
2017	1.84	60.07	1.23	39.93	3.07
2018	1.83	60.52	1.19	39.48	3.03
2019	1.80	60.98	1.15	39.02	2.96
2020	1.66	61.50	1.04	38.50	2.71

### Vendor registration

28. The Office has simplified the vendor registration process by making it more flexible. Among the measures taken are increasing the threshold for basic registration in the United Nations Global Marketplace from \$40,000 to \$150,000, increasing the authority of the Enabling and Outreach Service to meet exigent requirements for special approvals for vendor registration, automating the request for special approvals of vendor registration and allowing vendors to submit required registration supporting documents in all six official languages.

29. The number of vendors registered in the United Nations Global Marketplace with the Secretariat continues to increase. Since the end of 2020, when 244,526 vendors were registered, a total of 280,408 vendors have registered. The proportion of vendors registered from developing countries and countries with economies in transition has risen marginally over the reporting period, constituting 78 per cent in 2021. A total of 21,532 women-owned businesses are registered with the Secretariat, of which 6 per cent are from developing countries or countries with economies in transition.

30. The Office has worked to increase the number of registered flight service vendors through dedicated outreach and, with the Air Transport Service and the Aviation Safety Section, streamlined the technical criteria for registration during the COVID-19 pandemic. Since January 2019, 38 new air operators, including 20 aeromedical evacuation operators, have been registered, of which 32 per cent have been successfully awarded contracts.

### Vendor outreach

31. Vendor outreach activities are focused on providing interested vendors, including competent but disadvantaged members of the vendor community, with an opportunity to engage in procurement activities. In addition to traditional business seminars organized in consultation with Member States, the scope of activities has expanded to include events focused on registering vendors that can support the implementation of new category management strategies. When requested, the Office provides training to Member States to help them to facilitate the registration of vendors. Business seminars and training opportunities are currently offered virtually.



Table 3 provides an overview of the business seminars offered by the Secretariat during the reporting period.

Table 3

**In-person and webinar business seminars offered by the Secretariat during 2019–2021**

<i>Year</i>	<i>Business seminar focus or location</i>	<i>Number of events</i>
2019	Developing and transitioning countries	26
	Industrialized countries	19
	<b>Total, 2019</b>	<b>45</b>
2020	Developing and transitioning countries	21
	Industrialized countries	17
	Regional events for developing countries	1
	Category-specific business seminars	1
	<b>Total, 2020</b>	<b>40<sup>a</sup></b>
2021	Developing and transitioning countries	28
	Industrialized countries	13
	Regional events for developing countries	14
	Category-specific business seminar	4
	<b>Total, January–November 2021</b>	<b>59<sup>b</sup></b>

<sup>a</sup> Including eight WEConnect International seminars focused on women-owned businesses.

<sup>b</sup> Including 20 WEConnect International seminars focused on women-owned businesses.

32. The Secretariat has introduced a series of key performance indicators to measure the effectiveness of business seminars, with a focus on the diversity of vendors from developing countries and countries with economies in transition and women-owned and disability-inclusive businesses. Under these indicators, the percentage of invitations to vendors from developing countries and countries with economies in transition has increased, from 66 per cent in 2019 to 69 per cent in 2021. The results of a newly introduced business seminar participant satisfaction survey in all official languages indicate that 84 per cent of seminar attendees had never participated in a United Nations procurement exercise in the past, and 72 per cent reported that they had obtained a better understanding of how to do business with the United Nations through the seminar.

33. Vendor outreach activities expand beyond business seminars to embrace multilingualism, promote women-owned and disability-inclusive businesses and provide a range of support programmes, such as capacity training, increased access to procurement data and information-sharing. Pursuant to General Assembly resolution [72/234](#), in which the United Nations was called upon to mainstream a gender perspective and pursue gender equality in its work, including with respect to supporting the access of women to economic opportunities, the Office has implemented an outreach programme aimed at engaging women-owned businesses. As part of this programme, the Office has partnered with WEConnect International, a non-governmental organization. The first WEConnect International business seminar was held in Turkey in 2019. The programme was expanded to 20 business seminars in 2021, together with 10 training opportunities for women-owned businesses covering a range of capacity-building topics. In addition, the Secretariat is partnering with the United Nations Entity for Gender Equality and the Empowerment of Women

to introduce contractors to the Women's Empowerment Principles, which provide a strong framework to support vendors striving for gender equality in workplaces, marketplaces and communities.

34. The Office has embraced a multilingual approach to registration and outreach, as demonstrated by the translation of the United Nations Procurement Manual into French and Spanish, the acceptance of registration applications and supporting documents in all the official languages and the translation of other forms and business opportunity advertisements. The Office has also introduced the requirement to indicate in the source selection plan the number of vendors invited from: (a) developing countries and countries with economies in transition; (b) women-owned businesses; and (c) disability-inclusive businesses.

35. For increased transparency and inclusivity, tender opening proceedings, which were previously conducted in person, are now conducted virtually, and the awards pages of the Procurement Division website have been enhanced to include awards by all Secretariat entities.

36. Pursuant to General Assembly resolution [74/144](#), in which the Assembly called upon the United Nations system to accelerate the full and effective mainstreaming of disability inclusion into the work of the Organization, including by implementing the United Nations Disability Inclusion Strategy, vendor outreach activities also focus on the promotion of disability-inclusive businesses. The Office is working with the working group on sustainable procurement of the Procurement Network of the High-level Committee on Management to promote disability-inclusiveness, including through procurement policies that ensure that the process is accessible to everyone. The Procurement Manual has been updated to include raising the standards of the performance of the United Nations with regard to disability, such as by requiring requisitioning offices to ensure, within reason, that accessibility considerations are factored into the requirements definition and that new acquisitions do not create barriers for persons with disabilities.

### **Sourcing the categories**

37. While entities within the Secretariat have increased authority to procure goods and services essential to mandate delivery, some categories benefit from global sourcing solutions or require specific expertise owing to strategic or regulatory considerations. Working together with the Procurement Division, the Sourcing Support Service, the Air Transport Service and the Movement Control Section of the Logistics Division implement appropriate solutions when a global or centralized approach is most beneficial.

38. In this regard, the Office identifies the solutions needed in the categories of engineering, medical support, vehicle fleets, rations, fuel and general supplies. The requirements of multiple clients are met by establishing and administering approximately 100 global systems contracts and 30 turnkey contracts at any one time, all within the scope of relevant category management strategies.

39. To illustrate the diversity of the commodities sourced, in the financial year 2020/21 more than 73,000 tons of food rations composed of 524 different items, 186 million litres of diesel and almost 70 million litres of Jet A1 fuel were sourced, together with 516 vehicles, including 50 armoured vehicles, 84 trucks, 6 buses and 5 forklifts, and 117 intensive care ventilators.

40. The Office provides technical expertise to all clients and supports the environmental strategy of the Department of Operational Support and the United Nations system-wide strategy on gender parity through the delivery of engineering-related sourcing solutions for the nine engineering categories, with a focus on

innovative and sustainable options, including renewable energy and wastewater treatment. The Elsie Initiative for Field Missions' Facilities and Infrastructure project enhances the participation and retention of women in field missions and improves the overall working and living conditions and safety of staff in the field. The Office serves as the liaison between the Department of Operational Support and the Department of Peace Operations for engineering-related matters, including troop- and police-contributing country engineering units, and with the Unite field remote infrastructure management system for the advanced application of innovation and technology to engineering equipment utilized in field missions.

41. The Office's medical services component is focused on sourcing and managing systems contracts for health materials and services, including medical equipment, consumables, pharmaceuticals and hospital services. From March 2020 to mid-2021, the Medical Support Section played an instrumental role in the pandemic response, as reported above. In addition, the Office supported clients through systems contracts worth almost \$4 million for medical materials. In the coming two years, the Office will shift the Section's efforts onto the development of long-term strategies for contracting health materials and increased collaboration across United Nations entities in medical sourcing, building on lessons learned from the pandemic.

42. As part of the integrated supply chain, the Office established and maintained 62 commercial contracts and 19 letters of assists for military aviation services in 18 different field entities. These contracts and agreements include a fleet of 50 helicopters, 40 fixed-wing aircraft and several air assets contracted on an as-required basis, such as air ambulance services. The Office, through its Strategic Air Operations Centre, has monitored 5,637 flight hours, 159 COVID-19 medical evacuations in coordination with WHO, 17 non-COVID-19 medical evacuations supporting field entities and other Department of Operational Support client support, including the coordination and execution of 55 out-of-mission flights and 21 strategic air support flights.<sup>1</sup> In the area of unmanned aircraft systems and intelligence, surveillance and reconnaissance, the Office has established several commercial contracts and letters of assist in support of clients. It has also supported the acquisition and management of contingent-owned and United Nations-owned equipment, unmanned aircraft systems and other intelligence, surveillance and reconnaissance equipment. A total of 458 unmanned aircraft systems are currently being used by the United Nations under different modalities.

43. In support of its delivery function, the Office generated 89 commercial short-term freight forwarding contracts from July 2020 to June 2021, worth \$48 million, in addition to eight long-term commercial global freight forwarding contracts that were established in September 2021. The Office also worked closely with troop- and police-contributing countries on the movement of their contingents and cargo through letters of assist, negotiating 32 letters of assist for freight forwarding services worth \$12 million and 109 letters of assist for passenger movements worth \$44.9 million during the same period.

## **E. Procuring**

44. The delegation of procurement authority to each Head of entity has enabled a nimbler Secretariat. This step has been especially important for field-based organizations that have the framework and resources to undertake procurement

<sup>1</sup> Strategic air support flights include very important person flights, such as to provide good offices to the Syrian Arab Republic, support the United Nations Support Office in Somalia and relocate staff from the United Nations Assistance Mission in Afghanistan, all coordinated by the Strategic Air Operations Centre with the client.

activities and make decisions within their delegations without the need to consult Headquarters.

45. With increased delegation to the field, the Office has focused on improving its delivery of strategic goods and services, which continue to be contracted centrally owing to their high capital cost, risk and/or complexity, as listed in annex II. This capacity and expertise have been fundamental to the success of the Secretariat's COVID-19 response.

46. All entities are permitted to undertake procurement for goods and services that are below the thresholds listed in the strategic goods and services matrix and for any goods and services not included therein. Local procurement authority is required in cases in which entities wish to pursue the procurement of goods and services classified as strategic. In offering these centralized support services to Secretariat entities, the Office has processed 87 local procurement authority requests for the procurement of goods and services.

47. The Global Procurement Support Section of the Procurement Division located within the Regional Service Centre in Entebbe provides support to regional client entities, including support in fulfilling the backstopping and surge requirements of large missions and support for clients with insufficient procurement capacity. The Section also coordinates tender opening activities, conducts business seminars and vendor outreach to attract vendors from developing countries and countries with economies in transition, and assists with vendor registration. In addition, the Section is fully integrated into the implementation of category management and is the lead entity for the office equipment and supplies category.

48. The Section is now more closely aligned with the regional arms operating from Entebbe and has forged a partnership with the Forward Support and Deployment Hub in the areas of freight forwarding, the pricing of regional deployment stocks within the strategic deployment stocks framework and third-party logistics contracting support to regional missions. In the next budget cycle, it is intended that the Section be designated administratively as a tenant unit in the Regional Service Centre in Entebbe with a functional reporting line to the Office.

## **F. Delivering**

49. The Office establishes contracts for air, sea and road services to transport the goods and equipment that it acquires for clients and those associated with clients' military, police and civilian personnel into, around and out of the areas of operation in a safe, reliable and cost-effective manner. Specialist units within the Office, including the Air Transport Service and the Movement Control Section, the Strategic Air Operations Centre in Brindisi and the Forward Support and Deployment Hub in Entebbe work together to achieve this. The effect of COVID-19 on the shipping sector is well known. Border closures, the reduction in vessel availability and the substantial backlog of vessels awaiting loading and unloading have delayed shipments by two to six months. In addition, air rotations and demobilizations were delayed in response to the pandemic. Nonetheless, during the same period, the Office transported 47,231 tons of contingent-owned and United Nations-owned equipment, in addition to 188,794 military and police contingent personnel from troop- and police-contributing countries and 18,000 tons of baggage.

50. The Office continues to provide coordinated shipment services to all its client entities when smaller entities do not have the resources to conduct a global freight solicitation or when there is a requirement to charter an entire vessel, typically during the start-up, major reconfiguration or liquidation of a mission. As expected, the integration within the Office of components of the Forward Support and Deployment

Hub has offered immediate synergies and provided the additional capacity necessary to meet the increased operational complexities and heightened expectations of clients. The Office has built upon existing strengths of the Hub in data management and analysis to allow the transfer of non-location specific movement services from New York to Entebbe to improve this functionality. For example, the team in Entebbe supported the additional resources required to mitigate the challenges posed by COVID-19 restrictions on troop movement, ensured the visibility of the end-to-end process for troop rotations through the provision of data analytics and played a role in the support provided by the Office in the liquidation of the African Union-United Nations Hybrid Operation in Darfur and the deployment of new uniformed units to the United Nations Interim Security Force for Abyei (UNISFA).

## **G. Streamlined support for troop- and police-contributing countries**

51. In line with the General Assembly mandate to streamline payments to troop- and police-contributing countries in a timely manner, the Uniformed Capabilities Support Division was established to serve as the single point of contact to support troop- and police contributing countries in all administrative and logistical issues related to force generation, memorandums of understanding, contingent-owned equipment and reimbursements. The Division has continued the quarterly certification of reimbursements for uniformed personnel and contingent-owned equipment deployed to field missions in formed units. On average, these reimbursements amount to \$2 billion during each budget period.

52. The Division is currently coordinating a quadrennial survey to inform the upcoming review by the General Assembly of the rates of reimbursement for uniformed personnel deployed in formed units. The Division is also carrying out a holistic analysis of the policy, legal, administrative and financial aspects of post-traumatic stress disorder claims, including the procedures for processing, medical standards, budgetary methodology for liability estimation and source of funding, with the aim of putting forward a proposal for the consideration of the Assembly of a post-traumatic stress disorder framework for uniformed personnel deployed to United Nations peace operations, as a basis for promoting a sustainable and appropriate approach to the compensation of such claims. Reports on both of these activities will be submitted to the Assembly in early 2022.

53. The Division served as the secretariat of the most recent triennial meeting of the Working Group on Contingent-Owned Equipment, which convened in 2020. During the meeting, 215 experts from 56 Member States agreed on 48 recommendations, marking the highest number of recommendations since the Working Group's inception. Preparations are under way for the next meeting of the Working Group, expected to be held in 2023.

54. Owing to the rapid deterioration of the security situation in MINUSCA and with a view to mitigating the risk of overstretching the Mission's capabilities during the recent elections, the Division coordinated the Office's components in providing a temporary increase in capabilities through inter-mission cooperation. Two infantry companies and two military utility helicopters from two Member States were deployed to MINUSCA from UNMISS. This was one of the fastest troop deployments in United Nations history and was successfully completed within four days of receiving Security Council approval.

55. The Division, with the Office of Military Affairs, is leading the task force planning the ongoing transition of United Nations troops in UNISFA. The objective of the task force is to ensure the repatriation of the current troops from Abyei and their simultaneous replacement with a multinational force. The objective is extremely

challenging because Abyei is one of the most complex and remote geographical environments in United Nations peacekeeping and the window for repatriations and deployments is very short. Coordination aspects include inputs to the statement of unit requirements, mission support engagement to ensure readiness to receive the newly deploying troops, engagement with Member States to ensure the readiness of personnel, the suitability of contingent-owned equipment and the finalization of memorandums of understanding, and complex transportation arrangements along long supply routes with difficult terrain.

## **IV. Framework of the Office of Supply Chain Management**

### **A. Compliance and risk management**

#### **Delegations of procurement authority**

56. The Business Transformation and Accountability Division in the Department of Management Strategy, Policy and Compliance monitors and reports on the use of delegated authority on an ongoing basis. It manages the delegation of authority portal, which serves as the central repository of all delegations of authority under the framework of [ST/SGB/2019/2](#), and monitors entities' use of the portal. The Division created the accountability indicator monitoring section of the management dashboard, which captures the performance of an entity against key performance indicators both quarterly and in real time. Sixteen initial key performance indicators were included in the accountability framework for monitoring the exercise of delegated decision-making authority, including procurement-related indicators to encourage the use of long-term contracts and minimize exceptions to formal methods of solicitation. The indicators are reviewed, expanded and enhanced on a regular basis. Some entities under the delegation of authority framework do not have sufficient capacity to exercise procurement authority and rely on service providers. The Division also utilizes an internal automated tool that uses data from enterprise systems to monitor and identify issues in sub-delegation by entities, such as the granting of subdelegations to staff who may not meet the criteria or approver roles in Umoja to staff with no delegations of authority.

57. The Business Transformation and Accountability Division provides guidance and support to managers who have been delegated authority to ensure that they understand the parameters of the authority delegated to them. Lessons learned from monitoring activities are also gathered to inform future decision-making and delegation of authority policy revisions. A revised delegation of authority instrument, informed by the lessons learned in the first three years of implementing the new framework and based on feedback and contributions by the policy and business owners and all entities, will be rolled out in 2022, in line with the commitment of the Secretary-General to continuous improvement.

58. Of the more than 1,000 subdelegations issued since 2019, 377 were active as at 12 November 2021. No delegations have been withdrawn or revoked owing to concerns about misuse of procurement authority.

#### **Award Review Board**

59. The Award Review Board provides an opportunity for unsuccessful bidders that participated in an eligible competitive procurement process resulting in an award greater than \$200,000 to challenge the award. This is applicable to awards issued by the Office of Supply Chain Management and, as of 1 January 2016, the United Nations Office at Geneva, the United Nations Office at Nairobi and the United Nations Office at Vienna. The Board renders independent advice on the merits of the procurement

challenge to the Under-Secretary-General for Management Strategy, Policy and Compliance.

60. From October 2018 to October 2021, the Registrar of the Award Review Board received 13 procurement challenges, of which 5 were considered receivable pursuant to the Board's terms of reference and reviewed by independent experts of the Board. In each of those five cases, the Under-Secretary-General for Management Strategy, Policy and Compliance decided, after thorough review, to deny the challenges in their entirety, with no remedy offered. Of the eight procurement challenges that were not taken forward, one was withdrawn by the complainant and five were found to be not receivable because they had originated from a solicitation conducted by a procurement entity that was not participating in the Board. Two challenges were made by vendors that had not in fact participated in the relevant procurement process.

61. Currently, the Award Review Board receives challenges originating from solicitations conducted by Headquarters, offices away from Headquarters and the Global Procurement Support Section. In preparation for an expansion of that process, the Office of Supply Chain Management has developed training materials aimed at increasing the capacity of procurement staff who debrief vendors in order to ensure that their questions and concerns are addressed at the appropriate stage. Since September 2015, 83 staff members, mostly from the Office, have completed training on debriefing unsuccessful vendors.

#### **Vendor Review Committee**

62. The Vendor Review Committee continues to make recommendations to the Under-Secretary-General for Management Strategy, Policy and Compliance concerning possible sanctions against vendors and the reinstatement of vendors. The Committee considers cases in which vendors have engaged or attempted to engage in proscribed practices, including corruption, fraud, coercion, collusion, obstruction, sexual exploitation and other unethical practices. It also reviews cases in which vendors are unable to meet and maintain compliance with mandatory registration requirements, including prerequisites for eligibility and the United Nations Supplier Code of Conduct. In addition, the Committee considers cases of vendors who have allegedly failed to perform in accordance with the terms and conditions of the contracts awarded.

63. From 1 January 2019 to 15 October 2021, the Vendor Review Committee reviewed 117 allegations of proscribed practices involving 32 vendors, which resulted in the Under-Secretary-General for Management Strategy, Policy and Compliance deciding to suspend 22 and remove 10 vendors. Other recommendations made by the Committee included censure and the referral of the cases to the Office of Legal Affairs for contractual remedies or to the Office of Internal Oversight Services for investigation. In addition, the Committee considered the reinstatement of vendors, resulting in lifted suspensions for three vendors.

64. The model policy framework for vendor sanctions is a set of guidelines and policies that United Nations system organizations follow to sanction vendors in the United Nations Global Marketplace that have been involved in proscribed practices. The model policy framework allows United Nations system organizations to establish sanction procedures that meet each entity's specific needs, while facilitating the harmonization of sanction efforts throughout the United Nations system. Over the reporting period, the Vendor Review Committee considered three cases related to the mutual recognition of sanctions imposed by another agency. The process of mutual recognition of sanctions will be further streamlined in the next revision of the Procurement Manual.

## **B. Performance management and process guidance**

65. The Office of Supply Chain Management has issued a supply chain performance management framework, which introduces performance metrics that measure the overall health of the Secretariat's supply chain. The framework enables analysis of key performance indicators for the Organization's supply chain and business process optimization through improved monitoring. It provides all stakeholders with a common understanding of and basis for the Organization's supply chain performance expectations, enables managers and supply chain practitioners to make data-driven decisions at all levels, and provides tools and methodologies to maintain a satisfactory level of performance. In addition, the framework helps entities to identify underlying issues regarding areas of concern and provide actionable insights to ensure that shortfalls are addressed and preventive actions are effectively documented and communicated.

66. The performance attributes and indicators included in the framework – namely, responsiveness, reliability, agility, cost and asset efficiency – are based on the industry standard Supply Chain Operations Reference model. The framework also incorporates a customized set of metrics to meet the Organization's unique requirements. Annex III includes the performance results from 2019–2021, which measure:

- (a) Responsiveness, namely, the speed at which a supply chain provides products to the customer;
- (b) Reliability, namely, the ability to perform tasks as expected;
- (c) Asset efficiency, namely, the ability to efficiently utilize assets;
- (d) Stock coverage, whereby utilization is assessed by identifying excessive levels of inventory and/or slow-moving stock.

67. As part of the framework, the Enabling and Outreach Service has established mechanisms to support entities in managing their supply chains locally. Such mechanisms include issuing operational guidance, detailing the processes involved in identifying reporting requirements, developing data collection plans, extracting and analysing data, reviewing quarterly performance reports, identifying underperformance and critical shortfalls, developing action plans, implementing the selected actions, monitoring targets and providing feedback for continuous improvement.

### **Manuals and operational guidance**

68. As part of its mandate to develop operational guidance and best practices to achieve an effective, efficient and well-managed supply chain throughout the Organization, the Office provides practical, hands-on guidance on supply chain management across the entire spectrum of stakeholders, from requisitioners to procurement practitioners to clients, while seeking to provide transparency across all the supply chain processes of the United Nations to external stakeholders.

69. Since its establishment on 1 January 2019, the Office has developed 17 new guidance documents and updated seven existing ones, including:

- (a) The United Nations Procurement Manual. The revisions of the Procurement Manual of 30 September 2019 and 30 June 2020 reflect changes to simplify and streamline the supply chain and procurement process of the United Nations. The Procurement Manual is a living document and is currently being reviewed to reflect recent developments in good practice in public procurement and to make process and guidance improvements where appropriate;
- (b) The Aviation Manual. The 2021 edition of the Aviation Manual superseded the 2018 edition. The new Manual incorporates lessons learned, updates structures,



establishes new reporting lines and provides updated guidance on unmanned aircraft systems. In addition, the new Manual provides guidance in the areas of authority, command and control of military air assets and casualty evacuation in the field following the recent issuance of policies by both the Department of Operational Support and the Department of Peace Operations. The Office's Air Transport Service and Aviation Safety Section are working together to launch a joint aviation safety and quality statement including safety assurance and quality assurance objectives;

(c) The patient transfer guide, including COVID-19-related instructions on patient transfer in United Nations-contracted air operators, based on WHO, International Air Transport Association and medical ambulance best practices, together with the standard operating procedures on United Nations system-wide COVID-19 medical evacuations and the technical working arrangement with WFP, which provide guidance to United Nations personnel and eligible dependants and international non-governmental organization personnel and dependants of their international staff on established procedures for COVID-19 medical evacuations;

(d) Technical and operational evaluation criteria for air charter services, including improvements from the 2014 edition;

(e) Guidelines on food rations for field missions, issued in 2021 to provide guidance to field missions on the strategic objectives and operational framework for conducting food rations supply activities throughout the United Nations. It guides the work of staff of the Rations Unit at Headquarters and in the field supporting the contingents;

(f) Fuel management guidelines, which provide a set of guidance, best practices and tools for the management of petroleum oil and lubricants, fuel operations and related services in United Nations peace operations and political missions. It reinforces the monitoring and oversight role of all stakeholders responsible for the implementation of fuel programmes, including the role of the Office in the electronic fuel management system in managing and controlling fuel consumption.

## **C. Professionalizing the supply chain workforce**

70. The supply chain is reliant on a tremendous amount of experience acquired informally and sometimes unevenly. Professional certification is therefore increasingly required in the supply chain job descriptions for new recruitments, and an extensive programme of professional certification is under way for current staff of the Office and relevant client staff. As of 2021, all staff with delegated procurement authority are required to have qualifications equivalent to the Chartered Institute of Procurement and Supply level 4 diploma. In line with a holistic approach to supply chain, training efforts have been strengthened for all supply chain personnel. Some of these certification activities are detailed in annex IV.

## **D. Cooperation within the United Nations system**

71. Historically, reports on Secretariat cooperation within the United Nations system in procurement and supply chain activities have not fully captured the breadth of such engagement. Beyond joint systems contracts, entities' existing arrangements under financial rule 105.17 (a), on cooperation with other organizations of the United Nations system, are increasingly used. Annually, collective procurement by the Secretariat using this modality has increased, from \$71.5 million in 2018 to \$87.7 million in 2020.

72. In December 2020, the Secretariat promulgated guidance to strengthen the framework for and clarify the implementation of cooperation with other entities. Recently, a new working group that includes representatives from the Procurement Division was established to examine opportunities to implement mutual recognition. Annex V highlights some examples of cooperation during the reporting period.

## **E. Investing in technology**

73. Sustaining an effective and efficient supply chain requires continued investment in technology. The Office has ensured the continuity of services and the delivery of key products throughout the COVID-19 pandemic, owing in part to the Organization's investments in enterprise resource planning. In the reporting period, the capabilities of the uniformed capabilities management, supply chain planning and transportation management projects in Umoja Extension 2 in forecasting, planning and improving visibility across functional areas were extended and outdated processes were re-engineered.

74. The deployment of the supply chain planning tool is currently under way. This tool encompasses planning for demand for goods and services, determining sources of supply, managing transportation and tracking the movement of goods. The deployment of this functionality for gross demand, net demand and source planning across regular budget entities for all categories and peacekeeping missions across selected categories was carried out successfully across the client entities to complete the annual supply chain plan.

75. The transportation management solution implemented at the end of 2019 was improved with the addition of a carrier collaboration portal, which is used by external partners to share shipment events and documents in real time and has a functionality for contingent-owned equipment and uniformed personnel. The transportation management solution provided significant value in the distribution of vaccines, including by monitoring the cold chain globally.

76. The deployment of the uniformed capabilities management solution, providing a foundation for force administration requirements, was completed in early 2021. The solution encompasses the planning of requirements for contingents, the management of agreements between the Secretariat and troop- and police-contributing countries, contingent-owned equipment inspections and verification reporting, monthly reporting across all uniformed personnel categories, and the calculation and processing of reimbursements to Member States.

77. In addition to the Umoja Extension 2 projects, the Office has developed and launched an e-tendering solution, which is currently in the pilot phase and is being used by the Procurement Division. The road map for a phased Secretariat-wide implementation runs throughout 2022. The solution will assist in monitoring and managing procurement operations. The increased efficiency from e-tendering, in particular for large, complex requirements, supports the Office's commitment to maximizing access to business opportunities for the broadest pool of qualified vendors.

## **V. Goals of the Office for the coming period**

### **A. Transition from a linear to a circular supply chain**

78. The United Nations supply chain needs to work towards attaining the industry standard of planning, sourcing, buying, delivering, returning and enabling. Usable equipment that is not in use should be returned either to another client or to a central

or regional location for refurbishment and redistribution. A circular supply chain, including processes for the controlled return of assets into the supply loop, is required for an effective and efficient supply chain. The new strategic deployment stocks concept builds on this and proposes that these assets be returned from entities if they meet certain criteria, thus increasing availability and lowering costs for clients. Similarly, surplus consumables should be returned on the basis of residual value and remaining life expectancy. A circular supply chain is based on the philosophy of reducing, reusing, recycling and repurposing, and the Office intends to include this philosophy in Secretariat processes, in partnership with client entities. The Enabling and Outreach Service is working with the Global Service Centre to further develop a full global material life cycle management function that will focus on high-value assets, seeking the highest possible serviceability of each asset and the maximum utilization rate to achieve the highest return on investment.

79. For example, the Office supports a fleet of approximately 13,000 trucks and other vehicles, with annual spending of around \$50 million. Duplication exists between United Nations-owned equipment, contingent-owned equipment and local trucking companies, much of which may be avoided with an active return approach. Earlier demobilization and return of unused assets will help to avoid losses upon the closure and liquidation of missions, reduce some need for new acquisitions and reduce the environmental footprint and waste. The intention is to transition from a linear supply chain to a circular one, with the ultimate target of cost avoidance and sustainability.

## **B. Revitalize the concept of strategic deployment stocks**

80. Strategic deployment stocks have two primary functions. One is the traditional function of stock for use in crises, and the second is to serve as a revolving fund to enable the Secretariat to act quickly to purchase essential goods on behalf of multiple entities with replenishment through charge-back (e.g. blood supply to field missions). In serving both these functions, strategic deployment stocks were critical to the effective response by the Office to the pandemic.

81. In line with the requests from Member States for an update on the content, performance and future of strategic deployment stocks, and with the continued implementation of the new supply chain management paradigm across the Secretariat, a new concept of strategic deployment solutions is under development. It will cover: (a) mission start-up and support; (b) disaster support; (c) public health crises; and (d) improved global asset management, including optimized cargo and freight distribution from centralized locations, and proper liquidation and disposal of items. Supply will be managed from the United Nations Logistics Base at Brindisi through the following supply nodes: (a) strategic deployment stocks; (b) regionally deployed stocks; (c) vendor-managed inventory replenishment; and (c) direct procurement by the wider network of the Office.

82. Strategically developed to focus on performance and results, the concept is designed to provide entities with high levels of service and solutions that they seek by choice. The Regional Deployment Stocks Support Cell at the Forward Support and Deployment Hub in the Regional Service Centre in Entebbe supports the development by the United Nations Logistics Base at Brindisi of the regional deployment stocks in Entebbe, producing efficiencies in particular through reduced delivery time. The concept includes the expansion of the client base from peacekeeping operations to other Secretariat activities and support for the activities of United Nations agencies, funds and programmes under the One United Nations approach, the provision of at-cost surge support services and contracts, the creation of a more sustainable circular supply chain model encompassing the approach of returning, refurbishing

and reusing assets, the incorporation of vendor-managed inventory to replenish rapidly evolving items, those with a limited shelf life or those requiring specialist support, and the creation of a steering committee chaired by the Assistant Secretary-General for Supply Chain Management.

### **C. Re-engineer engineering**

83. In 2020, the Office delivered more than \$368 million of food and more than \$343 million of fuel. Such operations are complex and involve substantial outsourcing to specialist firms that are able to operate in remote locations. These services are contracted as a strategic resource centrally and paid for on a per unit basis. Conversely, the model for aviation, historically averaging more than \$400 million per annum, with its substantial risk and the safety of the tens of thousands of United Nations passengers at stake, is individually implemented and monitored by the Office, in close liaison with each client. The business area of facilities and infrastructure, which totalled more than \$340 million in 2020, has pockets of capacity and expertise dotted around Headquarters, the United Nations Logistics Base at Brindisi and the field, making the delivery of engineering-related needs in the field missions challenging.

84. The Office's engagement with several field missions has revealed a shared desire to refine and enhance the way in which the Office supports the engineering requirements of its clients. Key findings suggest that it is insufficient to have substantial building blocks in engineering equipment (such as strategic deployment stocks) without having the skills and internal or contracted expertise in place to install and operate them. The Office plans to review how best to improve the delivery of engineering support services and to conduct a detailed examination of additional skills and capacities that may be required. Areas of focus include engineering conceptual designs and estimates, construction and commissioning services, facilities and camp management services, systems contracts focused on shifting from capital to operational expenditures (e.g. equipment as a service). The findings of this review and relevant recommendations will be included in an upcoming overview report and budget.

### **D. Rationalize contract management**

85. Over the past two years, progress has been seen in systematizing contract management activity. As part of this initiative, cohesive guidance for all entities has been produced to replace outdated documents, and tools and a centralized database of contractors' performance evaluation reports have been developed. Two such tools – the contract performance reporting tool and the instant feedback system – have already been developed by the Office and the United Nations Logistics Base at Brindisi and used by Secretariat entities.

86. The contract performance reporting tool is a web-based platform that facilitates the collection of contract performance reports with analysis and reporting capabilities. The tool produces comparative reports with an overview of the performance feedback for contracts serving multiple clients and provides a centralized data repository of contract performance feedback. The new tool includes all stakeholders in the Secretariat.

87. The instant feedback system is an electronic tool that enables clients to perform an instant evaluation of vendors when goods and services are delivered and captures vendor feedback related to the United Nations evaluation. The tool also provides a

robust communications platform that facilitates information-sharing by contract stakeholders, driving contractor performance improvements at early stages.

88. Given that the United Nations relies on commercial contractors to provide critical goods and services, there is still work to be done to rationalize contract management across the Organization. In the Secretariat, contract administration is handled by the procurement function, while contract management is handled differently by entity. While contracts are managed by dedicated contract management units in some entities, they are handled by technical sections or even the requisitioner in others. Contracts, particularly those with a large monetary value, a broad scope and a high degree of complexity, require robust contract management from their initiation to their closure. The alignment of strategic guidance, including roles and responsibilities in contract management for all Secretariat entities, is essential. To achieve this, the Office will provide strategic direction and oversight on contract management, including vendor performance evaluation, tools and processes to all Secretariat entities, drawing also on the outputs of the working group on strategic vendor management of the Procurement Network of the High-Level Committee on Management and seeking ways to share methodology and information on contractor performance.

#### **E. Mainstream requests for proposal for aviation services**

89. The time necessary to develop, solicit and complete a request for proposal for aviation services is longer on average than for an invitation to bid. Nonetheless, experience with requests for proposals for aviation services has shown that they often provide better value for money through enhanced international competition and a greater number of and more variation in offers received than is typical under the invitation to bid method for similar requirements. In the last two years, there have been requests for proposal for a standby air charter and for a strategic troop rotation with wide- and narrow-body aircraft. A total of five more requests for proposal, two concerning aircraft and three concerning unmanned aircraft systems, are under development.

90. The need for maximum speed in securing air assets has slowed the pace of adoption of requests for proposal during the reporting period. Nonetheless, a comprehensive external review of the Secretariat's implementation of the request for proposal methodology was undertaken to identify lessons learned. A key element of an aviation request for proposal process is a disciplined method for the end user (client) to provide sufficient data to define the requirement without predetermining the solution. The review emphasized that providing vendors with more detailed demand information, such as historical actual demand requirements, on a daily or weekly basis offers a much more nuanced picture of the fluctuations in demand and allows bidders a much more detailed appreciation of the range of and fluctuations in demand that would need to be supported in their proposed solutions.

91. To address this data gap and ensure that all clients provide the level of detail needed, backstopping those that cannot, the Aviation and Movement Cells of the Forward Support and Deployment Hub will work directly with the clients in providing this information, drawing on the tools at the Secretariat's disposal. It is envisaged that access to this data will both expedite and streamline the preparation and evaluation of requests for proposal and increase the potential benefits of the proposed solutions.

#### **F. Use technology to meet the Office's goals**

92. Continued investment in technology and resources is required to bring to light the true benefits of the supply chain and raise customer service to the level at which

it needs to be. The Office will continue to cultivate a data-driven culture through continuous learning, training and renewal of the workforce.

93. Looking to the future, the Office will identify opportunities to extend the automation of supply chain business processes by simplifying current systems through extensive client engagement and the introduction of third-party commercial solutions to complement Umoja. Opportunities for greater automation and digitization will be explored, which will pave the way towards a modernized and digital supply chain.

94. With a view to streamlining support and improving the experience for troop- and police-contributing countries, the Office will seek to identify improvements for increased automation of processes, integration of systems and data, and alignment of processes, covering force planning, management and administration. Initiatives under consideration include granular location-based reporting of uniformed personnel and improved location-based reporting of contingent-owned equipment, and a functionality for in-mission military and police unit performance. Building on the foundation of the uniformed capabilities management solution, overall supply chain planning and execution activities related to uniformed personnel and contingent-owned equipment can be bolstered.

## **G. Align the supply chain with the 2030 Agenda for Sustainable Development**

95. The 2030 Agenda for Sustainable Development will be incorporated into supply chain activities with a view to using local resources more responsibly and reducing the harmful impact of pollution and waste. For example, from 2022, UNSOS in Baidoa, Somalia, will reduce annual consumption of diesel by almost 1 million litres, cutting 1,800 tons of carbon dioxide emissions, with a net saving of more than \$500,000 annually, by using solar panels. MINUSMA in Bamako will launch a similar project, cutting 2 million litres of fuel, reducing carbon dioxide emissions by 5,000 tons and saving more than \$1 million annually. Both projects will substantially reduce noise pollution and reduce safety and security risks for convoys.

96. Launching in 2022, a new programme on the theme “Adding value to peace operations through the supply chain” brings together many of the aforementioned initiatives. With the objective of developing a framework for assessing and increasing the impact of supply chain activities in support of peace operations, the programme will study a number of elements, including local procurement for sustainability and development, the creation and transfer of skills for local capacity-building and resilience, the incorporation of sustainability criteria into asset management, systems and technology, and private sector investment and business partnership opportunities. The programme seeks not only to mitigate the negative consequences of supply chain activity, but also to create positive contributions to local communities and the Sustainable Development Goals.

97. In support of Sustainable Development Goal 5 (achieve gender equality and empower all women and girls) and target 12.7 (promoting sustainable public procurement practices), the Office has been working with WEConnect International, a non-governmental organization that provides access to a network of women-owned businesses in many categories, as part of an outreach programme described above. The second phase of the Elsie Initiative project, a related initiative aimed at enhancing the participation and retention of women in field missions and improving the overall safety and security of staff in the field, was launched in April 2021 with the aim of implementing enhanced standards, developing recommendations and systematically

providing technical support to the field missions (including the conceptual design of a 200-person camp for military and police).

98. As part of the United Nations Smart Camp initiative, which is based on smart city technologies and builds on the Unite field remote infrastructure management system, more than 70 potential initiatives have been identified to be explored and leveraged with technology. When fully implemented, the initiative will allow for data collection, analytics, informed decision-making and automation. Further integration and expansion, based on testing technologies and solutions in the Green Village of the Global Service Centre and implementing successful ones in field missions, will allow for increased operational effectiveness, automation and process optimization, resulting in a further reduction of the environmental footprint and a positive legacy.

## VI. Conclusion

99. **In the period covered by the present report, which is the first report on supply chain activities in the Secretariat, the newly established Office of Supply Chain Management within the Department of Operational Support has sought to deliver on the commitment of the Secretary-General to ensure that client entities succeed through the provision of effective, innovative, transparent, efficient and responsible solutions within a global end-to-end integrated supply chain. At the onset of the COVID-19 pandemic, the integrated supply chain faced its first major test and clearly demonstrated the value of the joint reform efforts aimed at transforming the Organization by effectively supporting client entities in sourcing and delivering the goods and services that were needed for them to stay and deliver on their mandates.**

100. **The General Assembly is requested to take note of the present report.**

## Annex I

## United Nations Secretariat spend analysis, 2019–2021

Table 1

**Spend analysis, 2019**

(Millions of United States dollars)

<i>Major commodity</i>	<i>Purchase order value</i>
Air transport	478.76
Information and communications technology	418.08
Fuels	372.45
Food and catering	312.33
Building and construction	268.04
Travel	190.14
Real estate	140.26
Transportation and storage	126.03
Security	90.63
Professional services	81.12
Vehicles	72.3
Financial and insurance	53.95
Industrial cleaning	46.74
Lodging and conference services	45.04
Utilities	35.37
Pharmaceuticals and health	31.81
Engineering services	28.72
Water treatment	23.38
Education	23.02
Power generation and distribution	20.55
Industrial	16.78
Office equipment and supplies	14.74
Furniture	11.22
Raw materials and chemicals	11.09
Heating, cooling and distribution	9.73
Electrical and lighting	9.63
Miscellaneous	8.61
Manufacturing	4.18
Published products	3.27
Paper materials	3.06
Cleaning	2.62
Tools	1.72
Agricultural	0.39
<b>Total</b>	<b>2 955.74</b>



Table 2  
**Spend analysis, 2020**  
(Millions of United States dollars)

<i>Major commodity</i>	<i>Purchase order value</i>
Information and communications technology	393.91
Air transport	371.4
Food and catering	368.97
Fuels	343.19
Building and construction	289.41
Real estate	133.28
Transportation and storage	120.98
Security	91.72
Professional services	75.09
Financial and insurance	65.84
Pharmaceuticals and health	61.78
Vehicles	56.11
Industrial cleaning	53.25
Travel	46.81
Utilities	29.77
Engineering services	28.25
Power generation and distribution	23.29
Industrial	19.1
Furniture	18.37
Education	17.01
Miscellaneous	15.07
Raw materials and chemicals	14.57
Heating, cooling and distribution	11.97
Electrical and lighting	11.01
Office equipment and supplies	10.77
Lodging and conference services	10.44
Water treatment	8.97
Cleaning	3.89
Manufacturing	3.69
Published products	2.95
Tools	2.16
Paper materials	2.06
Agricultural	0.43
<b>Total</b>	<b>2 705.52</b>

Table 3  
**Spend analysis, 2021**  
(Millions of United States dollars)

<i>Major commodity</i>	<i>Purchase order value</i>
Information and communications technology	348.18
Air transport	330.97
Building and construction	305.01
Food and catering	291.7
Fuels	238.36
Transportation and storage	144.59
Real estate	120.87
Security	102.78
Professional services	77.73
Vehicles	59.69
Financial and insurance	49.72
Pharmaceuticals and health	42.95
Industrial cleaning	42.49
Utilities	38.23
Engineering services	30.29
Power generation and distribution	22.15
Education	20.29
Water treatment	18.18
Lodging and conference services	17.93
Industrial	15.17
Miscellaneous	13.88
Electrical and lighting	13.08
Furniture	12.85
Heating, cooling and distribution	12.09
Raw materials and chemicals	10.64
Office equipment and supplies	10.27
Cleaning	3.79
Published products	3.06
Travel	2.47
Manufacturing	2.38
Tools	2.05
Paper materials	1.59
Agricultural	0.93
<b>Total</b>	<b>2 406.33</b>

## Annex II

## Strategic goods and services expenditure, 2019–2021

(United States dollars)

Category management	Value		
	2019	2020	January–November 2021
Aviation and transportation			
Air transportation services	438 400 657.77	350 176 799.63	281 707 293.83
Airborne intelligence, surveillance and reconnaissance	24 093 264.20	4 213 617.02	17 581 335.36
Airfield and air operations support	16 350 565.00	19 099 259.99	12 777 804.43
Freight forwarding and third-party logistics	111 081 522.54	114 214 466.57	120 055 878.99
Vehicle fleet	78 538 112.00	60 643 054.37	59 084 242.04
<b>Subtotal, aviation and transportation</b>	<b>668 464 121.51</b>	<b>548 347 197.58</b>	<b>491 206 554.65</b>
Corporate support			
Conference and office support services	83 947 278.98	58 028 904.11	62 780 254.42
Financial services	53 946 046.39	65 842 759.18	47 292 141.96
Office equipment and supplies	15 711 943.38	12 888 617.85	9 456 848.57
Professional services	36 823 453.83	32 577 799.60	24 825 894.19
Recruitment and training services	23 021 504.62	17 011 068.07	17 860 973.08
Travel management services	219 909 979.23	56 816 084.16	13 880 819.68
<b>Subtotal, corporate support</b>	<b>433 360 206.43</b>	<b>243 165 232.97</b>	<b>176 096 931.90</b>
Facilities and infrastructure			
Accommodation	22 203 423.73	48 737 033.26	47 156 982.01
Engineering design and construction	281 217 143.60	289 978 590.59	287 952 451.82
Facility management	111 297 298.99	109 973 224.03	96 660 190.50
Horizontal infrastructure	1 526 449.07	74 167.57	1 716 943.97
Interior furnishings	17 829 503.27	27 746 164.05	16 248 276.15
Power generation	21 895 561.12	24 966 190.74	22 149 400.00
Property leasing	140 258 540.44	133 277 810.34	118 121 882.59
Solid waste management	46 721 678.91	53 116 921.69	41 919 558.21
Water and wastewater treatment	23 383 425.78	8 971 057.57	15 286 215.98
<b>Subtotal, facilities and infrastructure</b>	<b>666 333 024.91</b>	<b>696 841 159.84</b>	<b>647 211 901.23</b>
Food			
Catering services	308 769 155.78	363 603 359.68	282 054 236.74
Rations	1 099 994.85	1 866 107.11	1 188 804.76
<b>Subtotal, food</b>	<b>309 869 150.63</b>	<b>365 469 466.79</b>	<b>283 243 041.50</b>
Fuel			
Fuel	372 448 348.54	343 189 149.54	214 073 911.58
<b>Subtotal, fuel</b>	<b>372 448 348.54</b>	<b>343 189 149.54</b>	<b>214 073 911.58</b>

Category management	Value		
	2019	2020	January–November 2021
Health care			
Health services	16 838 331.49	25 391 183.61	20 842 031.54
Medical and dental equipment and supplies	7 984 954.30	34 196 688.94	9 469 097.99
Pharmaceuticals	5 520 157.47	4 971 505.73	7 208 051.84
<b>Subtotal, health care</b>	<b>30 343 443.26</b>	<b>64 559 378.28</b>	<b>37 519 181.37</b>
Information and communications technology			
Communication services	175 910 519.38	155 850 519.19	130 877 007.90
End user technology and applications	118 662 356.12	123 864 088.23	98 488 370.63
Network and storage equipment	82 122 068.19	69 247 315.96	63 257 022.27
<b>Subtotal, information and communications technology</b>	<b>376 694 943.69</b>	<b>348 961 923.38</b>	<b>292 622 400.80</b>
Security			
Electronic security systems	1 496 675.60	988 420.53	650 377.97
Intelligence, surveillance and reconnaissance and electronic defence systems	9 209 566.63	13 161 442.25	10 038 275.18
Physical security infrastructure	8 929 927.14	8 175 608.59	6 316 077.28
Security services	67 122 761.64	59 349 435.89	60 796 111.86
Staff security and safety	11 469 136.41	13 308 875.29	11 578 940.52
<b>Subtotal, security</b>	<b>98 228 067.42</b>	<b>94 983 782.55</b>	<b>89 379 782.81</b>
<b>Total</b>	<b>2 955 741 306.39</b>	<b>2 705 517 290.93</b>	<b>2 231 353 705.84</b>

## Annex III

## Performance management results, 2019–2021

<i>Upstream responsiveness (points out of 100)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
58.34	58.44	58.4	57.06	57.12	56.51	55.72	56.56
<i>Upstream reliability (points out of 100)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
37.55	37.33	38.07	38.76	39.8	41.67	41.48	41.74
<i>Downstream responsiveness (average number of days)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
6.18	6.5	6.36	5.91	6.11	5.71	5.62	4.94
<i>Downstream reliability (points out of 100)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
36.39	36.7	37.84	39.94	41.49	42.34	43	42.24
<i>Asset efficiency (points out of 100)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
96.48	96.68	96.06	96.00	95.65	94.69	94.99	95.16
<i>Stock coverage (points out of 100)</i>							
<i>Fourth quarter 2019</i>	<i>First quarter 2020</i>	<i>Second quarter 2020</i>	<i>Third quarter 2020</i>	<i>Fourth quarter 2020</i>	<i>First quarter 2021</i>	<i>Second quarter 2021</i>	<i>Third quarter 2021</i>
41.86	42.84	52.12	49.11	40.27	40.26	40.34	40.66

## Annex IV

## Supply chain professionalization and training activities, 2019–2021

<i>Training activity</i>	<i>Training modality</i>	<i>Audience</i>	<i>Number of learners</i>	<i>Additional information</i>
Schoolhouse for supply chain management	Licensed online learning platform	Office of Supply Chain Management and United Nations Secretariat	367 (565 active licences)	9,997 completed courses; average of 17 study hours per person
Demand planning and forecasting	Online instructor-led certification training	Office of Supply Chain Management	20	A session with 20 participants is planned for 2022
Supply Chain Operations Reference professional certification	Online instructor-led certification training	Office of Supply Chain Management	27	A session of 23 participants is planned for 2022
Certified supply chain professional certification	Online self-paced and instructor-led certification training	Office of Supply Chain Management	29	Ongoing training; final exam may be taken up to March 2022
PRINCE2 foundation and practitioner courses	Online instructor-led certification training	Office of Supply Chain Management	86	No additional information
Systems Applications and Products in Data Processing certifications	Online instructor-led certification training	Office of Supply Chain Management	4	Course to be extended in 2022
Procurement Training Campus courses	Online open-access learning platform for procurement training	Office of Supply Chain Management, United Nations Secretariat and United Nations agencies, funds and programmes	732	Relaunched as an e-learning platform with self-paced lessons, with 4 modules already updated and 3 modules being updated; 61 entities; 2,868 completed courses
Chartered Institute of Procurement and Supply level 4 diploma and level 5 advanced diploma	Online self-paced certification training	Office of Supply Chain Management and United Nations Secretariat	484	Target audience continues to evolve

<i>Training activity</i>	<i>Training modality</i>	<i>Audience</i>	<i>Number of learners</i>	<i>Additional information</i>
Transport of dangerous goods by air and by sea	In-person instructor-led training	Office of Supply Chain Management	7	6 staff members will be trained in 2022
Safety management systems for airlines	Online instructor-led certification training	Office of Supply Chain Management	4	4 staff members will be trained in 2022

## Annex V

## Highlights of inter-agency cooperation, 2019–2021

<i>Service or equipment</i>	<i>Lead</i>	<i>Partners</i>	<i>Status</i>
Information and communications technology products	United Nations Children's Fund (UNICEF)	Office of Supply Chain Management	Received
Vehicles	Sourcing Support Service and Procurement Division of the Office of Supply Chain Management	United Nations Development Programme	Solicitation process under way
Category management leads	Programme Management and Support Section of the Office of Supply Chain Management	United Nations Environment Programme, United Nations Office at Vienna and United Nations Office at Geneva	Ongoing
Vehicle tracking	Supply and Transport Unit of the Sourcing Support Service of the Logistics Division of the Office of Supply Chain Management	World Food Programme (WFP) and Office of the United Nations High Commissioner for Refugees	Solicitation process under way
Coronavirus disease (COVID-19) home care package for United Nations staff at locations without United Nations medical facilities	Medical Support Section of the Sourcing Support Service of the Logistics Division of the Office of Supply Chain Management	World Health Organization (WHO) and WFP	Delivered and ongoing
Geospatial, information and telecommunications technology	Service for Geospatial, Information and Telecommunications Technologies of the Global Service Centre	African Union Military Observer Mission in Somalia, International Criminal Court, International Organization for Migration (IOM), UNICEF, United Nations Office for Project Services (UNOPS), United Nations Population Fund, United Nations Relief and Works Agency for Palestine Refugees in the Near East and WFP	Ongoing
Professional procurement training	Procurement Division of the Office of Supply Chain Management	All members of the United Nations system	Ongoing



<i>Service or equipment</i>	<i>Lead</i>	<i>Partners</i>	<i>Status</i>
COVID-19 medical evacuations	Office of Supply Chain Management of the Department of Operational Support	WFP, WHO and IOM	Ongoing
Polymerase chain reaction (PCR) testing in the field	Medical Support Section of the Sourcing Support Service of the Logistics Division of the Office of Supply Chain Management	United Nations country teams	Ongoing
COVID-19 vaccination	Office of Supply Chain Management of the Department of Operational Support	All United Nations agencies, funds and programmes	Ongoing
United Nations Aviation Technical Advisory Group	Air Transport Service of the Logistics Division of the Office of Supply Chain Management	International Civil Aviation Organization and WFP	Ongoing
Vendor management sub-working group on vendor due diligence and risk management of the Procurement Network of the High-Level Committee on Management	Enabling and Outreach Service of the Office of Supply Chain Management	United Nations Secretariat, Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, UNOPS, Pan American Health Organization, International Labour Organization (ILO), WFP, United Nations Development Programme and UNICEF	Leading the sub-working group
Procurement Network of the High-Level Committee on Management	Enabling and Outreach Service and Procurement Division of the Office of Supply Chain Management	UNOPS, United Nations Entity for Gender Equality and the Empowerment of Women, WHO, Organization for Security and Cooperation in Europe, International Monetary Fund, ILO, World Bank and WHO	Participating in the gender-responsive procurement task force
United Nations Global Marketplace working group of the Procurement Network of the High-Level Committee on Management	Enabling and Outreach Service and Procurement Division of the Office of Supply Chain Management	None	Ongoing