



General Assembly

Distr.: General
22 December 2023

Original: English

Seventy-eighth session

Agenda item 132

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 Assembly of the activities of the Office following the full alignment of its components, including its progress towards implementing 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 report articulates the strategic initiatives identified for the future of the Office, including a paradigm shift for managing categories, client orientation and alignment with the 2030 Agenda for Sustainable Development, underpinned by technology where relevant. The report addresses the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report ([A/76/722](#)) related to the report of the Secretary-General on Supply Chain Activities in the United Nations Secretariat ([A/76/613](#)).



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 structure, the procurement function represents one component of the whole, and the present report therefore follows the format established in the previous report (A/76/613) and reflects the activities of the entire supply chain rather than purchasing activities alone, highlighting critical elements of client service, agility, flexibility and problem-solving, all built on 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 in 2022 and more than 160 Secretariat entities¹ in 2023, with the incorporation of all resident coordinator offices, in addition to peacekeeping and special political missions, offices away from Headquarters, economic commissions, and all Secretariat entities.

2. The Office of Supply Chain Management encompasses the Logistics Division, the Procurement Division, the Uniformed Capabilities Support Division, the Enabling and Outreach Service, the Aviation Safety Section and the Global Service Centre located in Brindisi, Italy, and Valencia, Spain. Two tenant units housed in the Regional Service Centre in Entebbe, Uganda are the Forward Support Deployment Hub, within the Logistics Division, and the Global Procurement Support Section, part of the Procurement Division. Together, these units of the Office,² in partnership with corresponding functions within client entities, form the Secretariat's integrated supply chain. The present report describes results and highlights of the Secretariat's supply chain activity over the past two years, including its planned work as well as urgent responses to unplanned circumstances. Lastly, the report contains a preview of the Secretariat's priorities for the coming years.

II. Supply chain highlights

A. Spend and trends

3. The Secretariat operates the largest and most complex supply chain operations within the United Nations system, with a global procurement value totalling \$2.7 billion in 2021 and \$3.1 billion in 2022. In 2022, information and communications technology was the highest area of expenditure (\$456 million), followed by fuel (\$450 million), air transportation (\$389 million), building and construction (\$293 million) and food and catering (\$291 million). These top five commodity groups have been consistently among the major commodities procured by the Secretariat in the past seven years, accounting for 60 per cent of total procurement in 2022, compared with 61 per cent in 2021. See annex I for a supply chain spend analysis since 2021, and visit the publicly available Procurement Division website (www.un.org/Depts/ptd/extended-statistics) for detailed procurement statistics by country, vendor category and United Nations entity.

¹ 130 resident coordinator offices, 24 peacekeeping and special political missions, and 8 offices away from Headquarters and economic/regional commissions. This does not include many additional small offices that are administered by the Secretariat.

² See annex II, organizational chart of the Office of Supply Chain Management.

B. Vendor outreach and diversity

4. The Secretariat continues its efforts to diversify its vendor base. As described in the previous report, vendor outreach activities include business seminars, multilingualism, revision of vendor registration criteria, promotion of women-owned and disability-inclusive suppliers and a diverse array of support programmes, including capacity-development training, enhanced access to procurement data and information-sharing, to diversify the vendor base and increase the participation of vendors from developing countries and countries with economies in transition. Since the previous report, the Office of Supply Chain Management has the Procurement Manual has been translated into Arabic, Chinese and Russian (the Manual was already available in English, French and Spanish), advertised procurement documents in accessibility mode and introduced an internal category management app showcasing vendor participation in procurement activities by category for vendor country classification, women-owned and disability-inclusive businesses.

5. The Secretariat's procurement volume from vendors from least developed countries, countries with economies in transition and developing countries remained stable in 2018 and 2019, at 61 per cent, and slightly increased in 2020 to 62 per cent. While vendors from these groupings of countries accounted for the largest share of procurement in 2021 and 2022, the procurement volume from vendors from those countries has decreased to 56 per cent, as shown in table 1. The downward trend was notwithstanding dedicated efforts by the Secretariat to attract vendors from those countries, for example, by conducting more business seminars in those countries and increasing the number of invitations extended to vendors from those countries compared with those from developed countries.

Table 1

Trends in the volume and percentage of procurement from industrialized countries, 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>Developed countries</i>		<i>Total (millions of United States dollars)</i>
	<i>Volume (millions of United States dollars)</i>	<i>Percentage</i>	<i>Volume (millions of United States dollars)</i>	<i>Percentage</i>	
2018	1 832	60.52	1 195	39.48	3 026
2019	1 802	60.98	1 153	39.02	2 955
2020	1 664	61.50	1 042	38.50	2 705
2021	1 544	56.56	1 186	43.44	2 729
2022	1 763	56.36	1 365	43.64	3 128

6. The Office of Supply Chain Management conducted 66 business seminars in 2022 and 58 in 2023, in the six official languages and local languages, held in person, virtually or in hybrid format. The Office has expanded advertisement of such events on the United Nations Procurement Division and the United Nations Global Marketplace websites, Department of Operational Support social media accounts (Facebook, X/formerly Twitter and LinkedIn), and notifications to Member States and trade organizations.

Table 2
Business seminars 1 January 2018–30 September 2023

<i>Business seminars</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Developing and economies in transition	28	26	21	31	29	31
Industrialized	12	19	17	17	20	16
International	–	–	2	12	13	11
Regional	–	–	–	8	4	–
Total	40	45	40	68	66	58

7. The percentage of vendors from developing countries and countries with economies in transition invited to tender has increased, from 65.6 per cent in 2019 to 80.69 per cent in 2023.

Table 3
Trends in the percentage of invitations to tender by country classification

<i>Classification</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Developing economies and economies in transition	65.60	68.24	69.37	74.43	80.69
Industrialized	34.40	31.76	30.63	25.57	19.31
Grand total	100.00	100.00	100.00	100.00	100.00

Promoting gender equality

8. In accordance with General Assembly resolution [72/234](#), in which the Assembly called upon the United Nations to integrate a gender perspective and pursue gender equality across its operations, including facilitating women's access to economic opportunities, the Office of Supply Chain Management has implemented an outreach programme specifically designed to engage women-owned businesses. In collaboration with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), in 2022 and 2023, the Office provided training on the Women's Empowerment Principles 101 to Secretariat contractors. The programme is aimed at familiarizing Secretariat contractors with the Principles and encouraging them to become signatories. The Principles are a comprehensive set of guidelines for businesses on how to foster gender equality and empower women in the workplace, marketplace and community. By addressing gender with its contractors, the Secretariat strives to reduce gender inequalities within its supply chain activities.

9. Registration of women-owned businesses in the United Nations Global Marketplace has steadily risen, from 10,719 suppliers registered in 2019 to 37,064 in 2023. The inclusion of women-owned businesses in bidding exercises has increased, from 5.1 per cent in 2019 to 8.92 per cent in 2023.

Table 4
Trends in the percentage of invitations to women-owned businesses

	2018	2019	2020	2021	2022	2023
Women-owned businesses	4.02	5.18	6.30	7.32	8.40	8.86
Non-women-owned businesses	95.98	94.82	93.70	92.68	91.60	91.14
Grand total	100.00	100.00	100.00	100.00	100.00	100.00

10. In 2022, procurement from women-owned businesses was \$61.1 million, approximately 2 per cent of the Secretariat's total procurement volume of \$3.1 billion. The Secretariat's procurement volume from women-owned businesses from developing countries and economies in transition has shown consistent growth since 2018, expanding from \$5 million to \$27.4 million in 2022 (a 448 per cent increase over the past five years). Procurement volume from women-owned businesses from developed countries has also steadily grown, from \$9.9 million in 2018 to \$33.6 million in 2022. In 2023, the Office of Supply Chain Management partnered with the International Trade Centre to provide a series of self-evaluation tools, capacity-building training and information on access to financing institutions for women-owned businesses. The first webinar of the series was attended by 518 participants. The Secretariat also advertises its business opportunities on WeConnect.³

Promoting disability inclusion

11. The United Nations Disability Inclusion Strategy calls for specific action in relation to Indicator 8, Procurement, to ensure that disability-inclusive vendors have equal opportunity to bid and be considered for procurement. In support of the Strategy, in 2022 and 2023, the Office of Supply Chain Management conducted business seminars for disability-inclusive suppliers in cooperation with the National Veteran Business Development Council, with 134 vendors attending. The Office is coordinating regional business seminars in the Asia-Pacific region with the Association of Southeast Asian Nations Disability Forum, focusing on diversity and inclusion, for early 2024 as a first step towards working with regional organizations in this area. Currently, there are 37,884 disability inclusive suppliers registered in the United Nations Global Marketplace, and the number of disability inclusive suppliers invited to bidding exercises has increased from 1.56 per cent in 2019 to 8.42 per cent in 2023.

12. With the promotion of disability-inclusive practices as part of vendor outreach and registration activities, there has been a demonstrable increase in procurement volume from disability inclusive suppliers over the past five years. In 2022, the procurement volume for disability-inclusive practices amounted to \$75.3 million, representing a 292 per cent increase in volume as compared with 2018.

³ WEConnect International is a global network that connects women-owned businesses to qualified buyers around the world.

Table 5
Trends in the percentage of invitations to disability-inclusive suppliers

	2018	2019	2020	2021	2022	2023
Disability-inclusive	1.46	1.56	1.74	2.78	5.97	8.42
Non-disability-inclusive	98.54	98.44	98.26	97.22	94.03	91.58
Grand total	100.00	100.00	100.00	100.00	100.00	100.00

13. The Secretariat's procurement volume from disability-inclusive suppliers from developing countries and economies in transition has consistently increased over the past five years, from \$9 million in 2018 to \$35 million in 2022, a growth of 333 per cent. Procurement volume from disability-inclusive suppliers from developed countries has steadily risen, from \$10 million in 2018 to \$39.9 million. The total volume of procurement from women-owned businesses and disability inclusive vendors has been on a steady rise since 2018.

Table 6
Procurement volume for disability-inclusive and women-owned business vendors

Year	Disability-inclusive vendors		Women-owned businesses	
	Volume (millions of United States dollars)	Percentage	Volume (millions of United States dollars)	Percentage
2018	16 787 351.58	0.55	14 202 215.78	0.47
2019	18 587 211.23	0.63	33 106 003.83	1.12
2020	14 517 573.39	0.54	33 880 746.16	1.25
2021	49 665 445.71	1.82	51 079 948.65	1.87
2022	63 974 293.07	2.04	60 620 825.76	1.94

Category-specific outreach

14. Category management plays a pivotal role in addressing the needs of the Organization, increasing competition, diversifying sources of supply, and overcoming global supply chain challenges. Some of the category strategies developed indicated a need to increase competition and conduct outreach to global, regional or local markets. As a consequence, the office has established an outreach strategy for the categories identified, stipulating the initiatives required for relearning the market, addressing barriers in sourcing, registration criteria and outreach to vendors. To that end, in 2022, 18 United Nations business seminars were held for the categories of commercial air transport services, unmanned aerial system services, health care, construction, vehicles, energy/environment, food and security.

15. As an example, given the strategic importance of commercial air transport services, the Office of Supply Chain Management developed an outreach strategy for this category in 2022. In line with the strategy, the Office conducted 10 outreach events, including 6 United Nations business seminars hosted by the Office, with one international event on cargo aircraft and five regional events on aircraft operators in East Africa, West Africa, Southern Africa, the Middle East and Western Asia and Asia Pacific, respectively, and four aviation trade shows. The Office engaged with 73 prospective air operators in registration kick-off meetings in 2022, and as at the end of the third quarter in 2023, had held such meetings with an additional 35 prospective air operators. This engagement contributed to an increase in the number of registered

flight service vendors, with 23 new air operators registered in 2022, representing a 77 per cent increase from 2021. The Office continues to leverage the impact of such outreach initiatives and, as at the end of the third quarter in 2023, an additional 15 vendors have been registered.

16. Also because of specific category strategies, the Secretariat has adopted new sets of vendor registration criteria for commercial air operators, fuel, food and construction to evaluate vendors' financial health. The new criteria were introduced to increase registration of vendors and, promote competition and diversity using both qualitative and quantitative analysis aligned with the industry standards.

C. Updates to the supply chain planning framework

17. The supply chain planning framework was established during the implementation of the management reform, led by a dedicated Planning Service in the Logistics Division, which ensures the integration of supply chain planning functions, processes and stakeholders globally. The framework supports global supply chain planning, provides visibility of the global demand for goods and services and supports the determination of optimal sourcing options for more effective and efficient delivery solutions to satisfy clients' needs.

18. In mid-2023, the Office of Supply Chain Management introduced 24-month rolling planning to enable clients to conduct continuous planning and monitor and adjust supply chain plans to improve quantitative forecast accuracy and to enable adjustments to plans in response to evolving operational requirements and therefore facilitating a more agile and responsive supply chain. To further enhance the framework and overall resiliency, scenario planning will now be incorporated. This will improve qualitative forecasting and enhance supply chain strategic planning. Through a collaboration with the Capacity Development and Operational Training Service, an in-house online training course dedicated to scenario planning is under development, with a strong emphasis on process and methodology. The course is planned to launch in the first quarter of 2024.

19. The Office of Supply Chain Management is also introducing a supply network management approach aimed at fulfilling entities' demand for materials not only through a network of external suppliers but also through existing inventory. Such existing inventory includes excess inventory from various local entities, United Nations reserve stock and assets refurbished under the return-refurbish-reuse programme (as described in section D below). Ultimately, materials held in Brindisi and Entebbe under strategic deployment stocks may be another source of supply to fulfil demand. This approach is being developed and is planned to be rolled out in 2024.

D. Key sourcing solutions

20. The post-pandemic landscape has seen major supply chain disruptions, with many long-standing assumptions about the resilience of just-in-time availability of goods in global markets upended. Nevertheless, the Secretariat's supply chain operations have continued to respond to evolving market conditions, through a variety of sourcing solutions, in support of client mandate implementation.

21. Highlights of centralized sourcing solutions in 2022–2023 managed by the Office of Supply Chain Management include 97 systems contracts across more than 10 categories, and 34 turn-key contracts for food rations and fuel. The Office also established and maintained 95 commercial air transport charter agreements in support

of peacekeeping and special political missions, 30 letters of assist with Member States in support of peace operations and 10 commercial short-term air charter agreements in support of special political missions and other United Nations entities. In addition, two commercial long-term air transport charter agreements for contingents' strategic movements and 13 global standby "on-call" commercial air transport contracts were maintained. To support effective and cost-efficient delivery of goods, the Office established and maintained 10 commercial global freight forwarding contracts available for use by all Department of Operational Support client entities. Efforts are ongoing to advance local procurement where quicker or more cost-effective options are available in the duty station or mission area.

Accommodation working group

22. In its resolution [76/274](#), the General Assembly expressed its concern with regard to the welfare, safety and security of peacekeepers operating in field missions, specifically those assigned to temporary operating bases. In response, a working group on operating base management and accommodation in field missions was established in November 2022 to develop coherent guidance on the management of temporary operating bases, including reviewing United Nations standards of accommodation. An advisory board of 15 Member States was established to ensure an inclusive discussion with all stakeholders and to enable effective advice and inputs on the matter in support of the working group's analysis. The working group analysed the situation, organized a series of thematic workshops, consulted with stakeholders and developed recommendations for improvements.

Elsie Initiative for Women in Peace Operations

23. Now in its fifth year, the Elsie Initiative for Women in Peace Operations within the Office of Supply Chain Management has been one of four priority action areas identified in the United Nations system-wide gender parity strategy and uniformed gender parity strategy. The Elsie Initiative was aimed at increasing women's participation, retention and overall security in peace operations. The recommendations of the Initiative, based on the historically underrepresented women's perspective, benefit both men and women peacekeepers. Five pilot projects have been completed across four peacekeeping operations (United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), two projects in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) and the United Nations Interim Security Force for Abyei (UNISFA)). A sixth pilot project is ongoing in the United Nations Mission for the Referendum in Western Sahara (MINURSO). Over the past year, 46 per cent of living accommodations, 56 per cent of ablutions and 40 per cent of recreational spaces in missions have been modified to reflect gender-responsive design recommendations. The Elsie Initiative expanded its scope in 2021 to include recommendations in business areas beyond facilities and infrastructure. Influenced by the Elsie Initiative, the 2023 Working Group on Contingent-Owned Equipment adopted more gender responsive items that are reimbursable in protective equipment, portable toilets, body armour and sanitary products.

Smart Camp

24. UN Smart Camp, led by the United Nations Global Service Centre, is a facility that embodies innovative technologies to increase service efficiency and availability, optimizes costs, reduces in-mission carbon footprint, improves safety and security through an integrated base defence, and enables a positive legacy for the host nation.

The present implementation encompasses life Support, security and asset management. After the successful deployment of field remote infrastructure monitoring, using the Internet of things (the United field remote infrastructure monitoring platform) and targeting life support assets (water, wastewater, energy and fuel), the initiative is now focused on extending the concept to contingent-owned equipment, developing an integrated base defence technology solution, developing the concept of smart contingents, incorporating ongoing asset management technologies and fostering partnerships to accelerate development and implementation.

Return-refurbish-reuse programme

25. The return-refurbish-reuse programme was initiated during the African Union-United Nations Hybrid Operation in Darfur (UNAMID) downsizing. A total of 103 high-value assets with an acquisition value of more than \$100,000, such as soil compactors, forklifts, loaders and excavators, were returned to the United Nations Global Service Centre in Brindisi for refurbishment and subsequent redeployment to field operations in need of such assets. The implementation of the programme supports the transition from a linear to a circular supply chain, enhances the Organization's ability to monitor, manage and maintain equipment and strengthens resource stewardship by providing solutions to reintegrate high-value, surplus or underutilized equipment into the global fleet at a fraction of the cost of new equipment.

26. The Programme has already refurbished 13 assets, including water trucks, generators, loaders and ground power units, representing a cost avoidance of approximately \$1.4 million. These assets have been redeployed to MONUSCO, MINURSO, the United Nations Support Mission in Libya (UNSMIL) and the United Nations Support Office in Somalia (UNSOS), with discussions ongoing with several additional entities. A further 15 UNAMID assets are expected to be refurbished by the end of 2023, and, as part of the MINUSMA liquidation, some 35 additional assets with an acquisition value of approximately \$10.6 million have been earmarked to date for transfer to the United Nations Global Service Centre for refurbishment.

27. The reverse logistics approach of the return-refurbish-reuse programme enhances global asset visibility and tracking, increases assets lifecycle and reduces waste, which helps align supply chain operations with the 'Sustainable Development Goals, and in particular Goal 12, Responsible consumption and production. Operational benefits to entities opting to source assets from the programme include reduced delivery lead times, proven product quality under International Organization for Standardization (ISO 9001)⁴ controlled practices and cost savings by choosing fully refurbished "as-new" equipment over costly new equipment.

28. In November 2023, a dedicated fund was established to support the return-refurbish-reuse programme implementation. The purpose of the dedicated fund is to enable its transparent and effective management and to facilitate recording and reporting on activities. The fund will provide the required operational flexibility and subsequent deployment of refurbished assets to entities of varying scope and with varying needs, as well as a tool for improved global management of assets with high-value and long lead times with an end-to-end life-cycle view. The initial funding was provided from the UNAMID liquidation budget, and is therefore from assessed funding. Funds will be returned to Member States gradually as costs are recovered from missions and other entities on capitalized value of the refurbished equipment. If

⁴ ISO 9001 is an internationally recognized standard that demonstrates to stakeholders that an organization is committed to quality management practices and continuous improvement.

appropriate, the fund could receive additional allocations from future liquidation budgets along similar lines.

E. Further aligning authority and processes with management reform

29. The management reform set a clear but ambitious challenge to improve how the organization is managed, aiming for the United Nations to deliver results more effectively by making things simpler, aligning responsibility with accountability and increasing agility to respond. For supply chain management, the goal was to strike an appropriate balance between an entity's decision-making authority – taking into consideration existing capacities, structures and internal controls – and the benefits that global coordination and cooperation bring to support entities in their mandate delivery efforts.

30. To further realize the Secretary-General's reform agenda, the Department of Operational Support, in collaboration with the Department of Management Strategy, Policy and Compliance, facilitated a comprehensive supply chain management seminar in 2023. Virtual sessions brought together interested Secretariat clients, the Department of Operational Support, and the Department of Management Strategy, Policy and Compliance to discuss opportunities for improving delegation of authority, compliance, process simplification, digitalization and category-specific procurement challenges. The results of the seminar include increased procurement delegations, increased thresholds above which cases require a compliance review by local committees on contracts and/or the Headquarters Committee on Contracts, proposals to simplify local procurement processes, more opportunities to use another United Nations system organization's contracts through applying the principles of mutual recognition and a reduced list of goods and services requiring headquarters authorization before local sourcing.

31. The overall delegation of authority framework – the policy, tools and processes and support provided to entities – is undergoing a process of continuous improvement. Regarding procurement specifically, 410 Secretariat staff have valid procurement delegations as at November 2023 (up from 377 in November 2021). The Business Transformation and Accountability Division in the Department of Management Strategy, Policy and Compliance, working with partners in the Department of Operational Support, is revising the delegation of authority policy and has incorporated the increased procurement delegations resulting from the supply chain management seminar. Performance monitoring tools, including new procurement key performance indicators, have been enhanced – as has the support and guidance available to entities at the first line of defence. Continuous improvement efforts will continue in 2024.

F. Support to troop- and police-contributing countries

32. In line with the General Assembly mandate to streamline payments to troop- and police-contributing countries in a timely manner (resolution [72/266 B](#), para. 20), the Uniformed Capabilities Support Division was established within the Office of Supply Chain Management to serve as the single point of contact to support troop- and police-contributing countries on 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.

33. Pursuant to resolution [67/261](#), the third and most recent quadrennial survey to inform the General Assembly's review of the standard rate of reimbursement for uniformed personnel deployed in formed units was conducted by the Uniformed Capabilities Support Division during the 2021/22 budget period. The resulting report of the Secretary-General ([A/76/676](#)) was taken up by the Assembly during the second resumed part of its seventy-sixth session. In resolution [76/276](#), the Assembly established a new single rate of reimbursement to countries contributing contingent personnel to United Nations field operations.

34. The most recent triennial meeting of the Working Group on Contingent-Owned Equipment was convened in New York from 16 to 26 January 2023 and comprised approximately 275 technical, financial and medical experts from 76 Member States, who successfully reviewed the reimbursement rates, policies and standards for contingent-owned equipment. A total of 80 issue papers from Member States and 38 from the Secretariat were submitted for consideration by the Working Group. The Working Group adopted 57 proposals by consensus, which resulted in 62 actionable recommendations, and reached consensus on the review of the reimbursement rates for contingent-owned equipment, resulting in a net average increase of 1.57 per cent in the wet lease rates for major equipment and rates for self-sustainment. Preparations are under way for the next meeting of the Working Group, expected to be held in January 2026.

35. To address concerns raised by Member States, the Deployment Timelines Project was initiated, aimed at identifying chokepoints in the generation and deployment of military and police formed units to field missions, and recommending solutions. The project was conducted in coordination with Department of Operational Support-Department of Peace Operations-Department of Political and Peacebuilding Affairs stakeholders, four field missions and five troop/police contributors. The creative recommendations were approved by the three Departments in August 2022, duly adopted by the Working Group on Contingent-Owned Equipment in January 2023 and are expected to reduce deployment times.

36. Quarterly outreach to troop- and police-contributing countries is conducted on the basis of verification reports received from field missions with a view to mitigating identified gaps in deployed capabilities. The Uniformed Capabilities Support Division works closely with the Office of Military Affairs and the Police Division to ensure that capabilities deployed under a memorandum of understanding remain aligned with mandated activities in the respective field missions. Where required and appropriate, necessary changes to the memorandums of understanding with troop- and police-contributing countries are expeditiously implemented. Required guidance and assistance to troop- and police-contributing countries on the reimbursement framework for formed units continues. Where applicable, in situ support is provided on the policies and procedures required to meet mandated documentation required for applicable reimbursements.

G. Unplanned activity and crisis response

37. Despite steady improvements in global supply chain planning and scenario planning, inevitably there are unplanned circumstances and crises that require immediate and complex action. In line with the core Department of Operational Support function of In Extremis Support, urgent supply chain activities include acquiring and delivering lifesaving supplies, organization of staff evacuations and the implementation of sudden and unforeseen changes in mandate. The previous report on supply chain activities ([A/76/613](#)) detailed several relevant actions taken in response to the coronavirus disease (COVID-19) pandemic, and many such activities

have continued since the issuance of that report. In addition, the Office of Supply Chain Management played a significant role in several events as described below.

Life support supply chain disruptions

38. The impact of the COVID-19 pandemic since early 2020 – and more recently, the repercussions of the current conflict in Ukraine – have severely affected supply chain operations globally and in mission settings. These crises have set in motion a chain reaction leading to significant disruptions, manifesting in price inflation, logistical complications and shortages of critical supplies. As a result, many rations and fuel suppliers are facing difficulties in fulfilling their contractual obligations, directly impacting missions.

39. In response to fuel shortages, missions have reduced their activities in order to limit consumption to critical and life-saving operations only. In some instances, resilience was achieved through extremely costly and labour-intensive supply chain modalities, which are not sustainable in the long term. The disruptions have also proven the need for mitigation measures, whereby all United Nations entities are called upon to reduce their consumption to the maximum extent possible.

40. In this regard, the Office of Supply Chain Management has developed guidelines to ensure business continuity in the provision of food services and fuel. The guidelines, (a) “Fuel crisis: recommendations to minimize the impact on missions’ operations”; and (b) “Food services: recommendations and practical guidance for United Nations operations” have been shared with clients.

Conflict in Ukraine

41. The Office of Supply Chain Management established a task force in February 2022 to support the Resident and Humanitarian Coordinator in Ukraine, the Office for the Coordination of Humanitarian Affairs and the emergency operations of the agencies, funds and programmes. The task force included representatives from the relevant components in the Office of Supply Chain Management. On 2 March 2022, the Office of Supply Chain Management delivered the first shipment of first aid and trauma kits to the Office for the Coordination of Humanitarian Affairs at Rzeszów in Poland on the border with Ukraine. This delivery was made possible via a United Nations Global Service Centre convoy with nine armoured vehicles and three buses loaded with personal protective equipment, communication equipment, laptops and solar recharging stations. The Office of Supply Chain Management continued to provide transportation services and filled other gaps in logistics and administrative functions by deploying 35 personnel from Brindisi in various roles. The Office of Supply Chain Management also continued to provide emergency response equipment to the Office for the Coordination of Humanitarian Affairs, the Department of Safety and Security, the World Food Programme (WFP) and other agencies, funds and programmes in support of their operations in Ukraine.

Sudan evacuation

42. The unexpected outbreak of civil conflict in Sudan in April 2023 precipitated a massive evacuation response effort by the Department of Operational Support, in coordination with WFP and all other United Nations entities on the ground. Highlights of that activity included coordination with the French Navy to transport 398 United Nations personnel and dependents from Port Sudan to Jeddah, Saudi Arabia, on 25 April, securing additional seats on a commercial ferry for 151 United Nations passengers on 28 April, the utilization of long-term aviation agreements to ensure suitable United Nations-chartered aircraft were on standby in Jeddah to facilitate the swift onward travel of passengers in constant cooperation with the Government of

Saudi Arabia, the coordination of evacuation of 72 United Nations personnel (including contractors) aboard a French military aircraft from El-Fasher to N'Djamena on 27 and 28 April, and the evacuation of 59 United Nations personnel from Kadugli on 2 and 3 May 2023, with the support of UNISFA and the United Nations Mission in South Sudan (UNMISS).

43. In the aftermath of the evacuation activities, the Department of Operational Support continued its urgent support to the United Nations Integrated Transition Assistance Mission in the Sudan (UNITAMS) and the entire United Nations presence remaining in Port Sudan through the organization of special passenger, cash and cargo flights carrying life-support supplies, including trauma bags, helmets, cots, personal protective equipment and combat ration packs loaded in Brindisi. The Office of Supply Chain Management continued to collaborate closely with WFP and UNITAMS to identify contingency sea-based accommodation and evacuation options.

Drawdown of the United Nations Multidimensional Integrated Stabilization Mission in Mali

44. The unexpected termination of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) mandate by the Security Council in June 2023, with the resultant six-month period for drawdown activities created a massive supply chain challenge for removing troops and equipment from multiple locations throughout Mali. Extensive coordination and planning efforts have gone into the MINUSMA drawdown in collaboration among the mission, the Department of Operational Support and the Department of Peace Operations. A total of 45 additional new contracts have been established exclusively to implement the drawdown and liquidation plan beyond previously existing contracts in support of MINUSMA. Multiple letters of assist for self-repatriation of cargo and personnel have also been signed with various Member States and for storage and transportation with neighbouring staging area countries.

45. Of 471 inbound purchase orders with a total value of \$76 million at the time of the MINUSMA drawdown announcement, 195, totalling \$44 million (58 per cent) were successfully redirected to other missions or the United Nations reserve for future allocation, while 276 purchase orders (\$32 million) were closed after careful evaluation, either because they could be cancelled or were already within the mission area. The rapidly deteriorating security environment has been a tremendous challenge in the operationalization of the plan, forcing increasing attention at all levels to meet the deadline imposed to complete the drawdown by 31 December 2023.

46. On the ground, support is also continuously provided to MINUSMA in the areas of property management and warehousing. This includes Umoja reporting activities and transactions, disposal support and related training. The United Nations Global Service Centre Environmental team is also providing support with the environmental close-out assessment, as well as guidance on soil decontamination and the disposal of hazardous waste and environmental equipment such as solar photovoltaic systems and energy efficient air conditioning units.

III. Strategic direction

47. Since its establishment, the Office of Supply Chain Management has helped steer the Secretariat through a global pandemic, unforeseen external disruptions to global supply chains and the onboarding of new clients into the Department of Operational Support portfolio. In addition, it has led supply chain transformations through category management, the introduction and refinement of the supply chain performance management and global planning frameworks, along with new enabling

and uniformed capabilities components. This work has been within the context of increased delegated authority to client entities and stronger demands for better client service and alignment with the 2030 Agenda for Sustainable Development.

48. Given this context, the following three areas comprise the strategic direction for the Secretariat's supply chain activities, underpinned by a robust technology component.

A. Paradigm shift for managing supply chain categories

49. The implementation of category management has been among the major accomplishments of the Office of Supply Chain Management since its formation in 2019 and was a major component of its design. Category management as an initiative is now past and has become part of the Office's "DNA". Now that initial strategies have been developed for almost all 40 identified categories of goods and services, the next few years must mainstream category management as the working method and focus efforts on serving clients more effectively. Many of those strategies will need to be reviewed and updated. Although all 40 categories are necessary for clients to implement their mandates, not all of them require a centralized resource-heavy component to provide solutions. A thorough analysis will divide the categories into two groups: "core categories" and those requiring bespoke solutions.

Office of Supply Chain Management core categories

50. These are the categories for which the Office of Supply Chain Management takes the lead in establishing supply chain solutions on behalf of all clients. These core categories benefit from specialized resources which support complex acquisition strategies given the nature of goods and services included, such as fuel or rations. The objective is not to constrain client entities but rather to offer readily available solutions that are better than those that clients could acquire on their own. Specifically, the intent of establishing core categories is to better enable the Office to provide end-to-end – or holistic – solutions to clients that take full advantage of Office of Supply Chain Management planning, procurement, delivery, vendor/Member State engagement and enabling capabilities.

51. The Office of Supply Chain Management has begun the analysis of all its categories to determine the appropriate criteria for inclusion as a core category. That criteria will then be applied to the entire portfolio of goods and services. The analysis is expected to be complete by the first quarter of 2024 and will be consulted on with client entities to ensure that the approach enables delivery that is agile, effective and efficient.

Categories for bespoke solutions

52. These categories lend themselves to sourcing activities at the local or entity level, rather than by the Office of Supply Chain Management. For instance, office equipment and supplies or catering services would likely fit into this group. Category strategies are still essential, as they inform the appropriate grouping for the given category and provide the best guidance to client entities on sourcing options. The Office would still be expected to have expertise for this group of categories but the nature of support to entities would be bespoke, either in guidance, advice or implementation of entity-specific solicitations. Rather than a "push" model for the core categories, whereby holistic solutions are proactively offered to clients, these categories would follow a "pull" model, whereby the Office would be prepared with established strategies to respond to specific client needs as they arise, either through guidance for decentralized operations or direct client service, as appropriate.

B. Heightened emphasis on client orientation

53. Under the management reforms, the Department of Operational Support provides operational support to all Secretariat entities, irrespective of their location or mandate. Given the diversity of the Department's client base, client segmentation has become more important for the Office of Supply Chain Management, in the interest of providing valuable services to all. Peace operations have historically dominated much of the supply chain discussion, in terms of overall value of procurement spend, the dedicated Uniformed Capabilities Support Division, and in terms of logistics challenges supported by the Logistics Division and the Global Service Centre. Smaller clients often have the most unique requirements, and the effort to support such clients is not always commensurate with the relative size of their procurement budgets. The Office will continue to reorient its client focus to support all client profiles.

54. Although the Department of Operational Support has sourced goods and services for other United Nations system entities during exigencies or special circumstances, as part of the efficiency agenda, the Department will continue to explore options on the sourcing of products and services on behalf of other United Nations agencies within the United Nations system. Category strategies will incorporate sourcing, logistics and other supply chain recommendations that consider segments of clients (e.g., peacekeeping operations, offices away from Headquarters, resident coordinator offices, etc.). The needs and demands of clients will ultimately drive the global supply chain requirements. The end-to-end solutions for core categories will therefore be designed to serve the client perspective when identifying those tasks that should be carried out by the Office and those more appropriately carried out by clients ("upstream" or "downstream").

C. Alignment with the 2030 Agenda for Sustainable Development

55. Over a number of years, the Office of Supply Chain Management has launched several initiatives to align with the 2030 Agenda for Sustainable Development. The Office provides the environmental technical support capacity to support field operations, other Secretariat entities and clients in implementing the Department of Operational Support environment strategy for peace operations. Since the strategy was launched in 2017, the team has provided extensive remote and on-site support focused on energy, water and wastewater and solid waste management. In addition to supporting entities in enhancing overall environmental performance, the team has helped clients with hazardous waste identification and treatment and the establishment of renewable energy projects such as solar farms and wastewater treatment plants. Over the past two years the team's efforts have also been dedicated to environmental clean-out activities as part of the UNAMID and MINUSMA liquidations, with support provided in the preparation of the environmental close-out assessments and assistance with the implementation of relevant assessments, reviews and activities.

56. In parallel, the Office of Supply Chain Management has established seven energy efficient and key renewable energy global systems contracts in the past two years, available to United Nations field operations. Each of these contracts has been established to make field missions less dependent on fuel and assist them in reducing the level of greenhouse gas emissions. These contracts provide field entities with tried and tested renewable energy solutions.

57. Comprehensive technical solutions were developed for equipment and services, including upgrades to wastewater treatment systems, the introduction of incinerators

of different capacities and waste reduction strategies and equipment. Efforts to improve resource efficiency have led to the introduction of more efficient heating, ventilation and air conditioning (HVAC) units, lighting, accommodation units, hybrid vehicles, renewable energy solutions, water-saving fixtures and reduced waste in packaging for rations.

58. Moving forward, the Office of Supply Chain Management plans to develop clearer, overarching guiding principles, which would inform category strategies across functional process areas in line with the request of the General Assembly in paragraph 83 of resolution 76/274 to the Secretary-General to intensify the efforts aimed at reducing the overall environmental footprint of missions, including through the implementation of environmentally responsible waste management and power generation systems, also working towards a potential positive legacy for host communities, in full compliance with the relevant regulations and rules. The supply chain approach to aligning with the 2030 Agenda will be coordinated closely with the Department of Operational Support environment strategy 2023–2030, which includes three key themes: (a) responsibility; (b) ambition; and (c) legacy.

59. The aim of alignment with the 2030 Agenda is also to incorporate other Sustainable Development Goals, including: gender equality through supply chain operations (Goal 5); promotion of economic growth (Goal 8); reduction of inequality (Goal 10) through better promotion and diversification of the vendor base; and responsible consumption and production (Goal 12). Emphasis will be on how the support infrastructure built through the Office of Supply Chain Management solutions can promote these Goals. The work envisioned to implement this strategic priority will fully comply with relevant rules and regulations, as well as the Secretariat's procurement framework.

D. Technology drivers in support of the supply chain strategy

60. The Secretary-General launched the United Nations 2.0 quintet of change initiative to modernize and transform the United Nations to deal with the challenges outlined in the 2030 Agenda. A digital transformation strategy and road map has been developed to support the Secretary General's vision to make United Nations operations more secure, responsible and inclusive (see "Our Common Agenda policy brief 11: UN 2.0 – forward-thinking culture and cutting-edge skills for better United Nations system impact" (September 2023)). Digital transformation is an enabler for the next iteration in supply chain modernization, in which United Nations suppliers and the Secretariat come together in new ways, blurring the lines between the digital and physical worlds and erasing traditional organizational boundaries.

61. The supply chain digital transformation is driven by the confluence of several different technological disruptions, including end-to-end process review, big data and analytics, robotic process automation, artificial intelligence via machine-to-machine and human-to-machine interaction, 3-D printing, automation, artificial intelligence and augmented reality. The digitalization of the supply chain promises to reduce inefficiencies and lower costs while improving flexibility – critical ingredients for boosting resiliency.

62. The e-tendering solution, part of Umoja, has been fully implemented and used for solicitations conducted by the Procurement Division since December 2021. To date, 243 solicitations are being or have been run successfully using the solution, which allows requisitioners, procurement staff, tender opening committees and vendors to interact through a single platform. The solution is connected to the United Nations Global Marketplace, where vendors can express interest in participating in solicitations. In replacing paper-based solicitation processes, e-tendering has enabled

the digitalization of a key business process in supply chain management, furthering the objective of modernizing and transforming its activities through transparency, traceability, accountability, increased competition and consistency. The Secretariat hopes to further deploy the e-tendering solution globally to maximize its benefits throughout the supply chain.

63. Future opportunities to digitally transform the Secretariat's supply chain operations will be continuously assessed in alignment with the Secretary-General's strategy and the Office of Information and Communication Technology road map. Such opportunities may include further enhancement of existing systems or introduction of new technologies, as appropriate. When appropriate, proposals will be included in future budget submissions and potentially as proposed projects for extrabudgetary funding.

IV. Conclusion

64. In the period 2022–2023 covered by the present report, the Office of Supply Chain Management has continued to improve on its support activities to serve a diverse and large client base through the provision of effective, innovative, transparent, efficient and responsible solutions. The Secretariat's supply chain infrastructure has proven resilient through its planned activities and in response to crises and unplanned circumstances requiring urgent responses. Looking forward, the Secretariat will seek to optimize the mix of services among centralized, regional and local supply chain solutions in ways that best serve a diversified client base in a sustainable manner and ensure that clients are able to deliver on their mandates in an agile, effective and efficient manner.

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

Annex I

United Nations Secretariat spend analysis, 2021–2023

Table 1

Spend analysis, 2021

(Millions of United States dollars)

<i>Major commodity</i>	<i>Purchase order value</i>
Information and communications technology	418.55
Air transport	394.73
Building and construction	331.92
Food and catering	288.05
Fuels	234.19
Transportation and storage	159.65
Real estate	128.70
Security	106.79
Professional services	90.51
Vehicles	68.69
Travel	61.78
Financial and insurance	54.70
Pharmaceuticals and health	53.31
Industrial cleaning	47.84
Engineering services	41.97
Utilities	39.62
Power generation and distribution	24.51
Education	24.01
Lodging and conference services	20.17
Water treatment	20.11
Industrial	19.13
Electrical and Lighting	16.46
Miscellaneous	15.98
Furniture	15.83
Heating, cooling and distribution	12.96
Office equipment and supplies	12.68
Raw materials and chemicals	11.33
Cleaning	3.93
Published products	3.51
Manufacturing	2.89
Tools	2.33
Paper materials	1.96
Agricultural	0.97
Total	2 729.76

Table 2
Spend analysis, 2022
(Millions of United States dollars)

<i>Major commodity</i>	<i>Purchase order value</i>
ICT	455.83
Fuels	449.50
Air transport	388.94
Building and construction	292.67
Food and catering	290.56
Transportation and storage	206.83
Travel	184.33
Real estate	138.52
Vehicles	99.62
Security	92.91
Professional services	90.75
Industrial cleaning	54.57
Financial and insurance	53.19
Lodging and conference services	39.58
Engineering services	37.80
Power generation and distribution	37.08
Utilities	34.42
Pharmaceuticals and health	34.04
Education	21.11
Industrial	20.96
Heating, cooling and distribution	17.18
Miscellaneous	15.41
Water treatment	13.39
Office equipment and supplies	12.03
Electrical and lighting	10.93
Raw materials and chemicals	9.82
Furniture	9.53
Manufacturing	5.82
Published products	3.33
Paper materials	2.95
Tools	1.93
Cleaning	1.91
Agricultural	1.10
Total	3 128.55

Table 3
Spend analysis, 2023
(Millions of United States dollars)

<i>Major Commodity</i>	<i>Purchase order value</i>
Information and communications technology	283.09
Fuels	259.30
Air transport	253.39
Food and catering	246.34
Building and construction	213.48
Transportation and storage	158.35
Real estate	120.69
Security	84.14
Professional services	68.51
Industrial cleaning	51.39
Vehicles	44.64
Financial and insurance	42.76
Lodging and conference services	37.52
Utilities	29.28
Engineering services	28.75
Pharmaceuticals and health	25.04
Travel	16.63
Industrial	13.42
Electrical and lighting	12.49
Power generation and distribution	12.08
Miscellaneous	11.13
Education	10.67
Office equipment and supplies	8.39
Furniture	7.52
Raw materials and chemicals	7.13
Heating, cooling and distribution	4.77
Water treatment	4.33
Published products	3.57
Manufacturing	3.31
Cleaning	2.22
Paper materials	1.68
Tools	1.08
Agricultural	0.53
Total	2 067.61

Annex II

Office of Supply Chain Management organizational chart

