

**THE DEPUTY SECRETARY-GENERAL'S STATEMENT
TO THE FIFTH COMMITTEE ON UMOJA AND ICT**

29 November 2011

Mr. Chairman, Excellencies, Distinguished Delegates.

Ladies and gentlemen.

I am pleased to present two strategic priorities of the Secretariat - the Information and Communications Technology Initiatives and the Enterprise resource planning project also known as Umoja.

I would like to begin with ICT.

The Secretary-General has said on many occasions that the UN Secretariat needs to become a hub of innovation – a centre of excellence. ICT is an engine for innovation. It also provides a broad spectrum of capabilities needed to successfully implement the management reform.

The Secretary-General and I fully recognize that these are extraordinary times; and we are very mindful of the global financial situation and fiscal constraints affecting you - the Member States.

We are aware that questions have been asked about the timeliness of funding new ICT initiatives. I would like to stress that the current ICT proposals before you will bring significant qualitative and quantitative benefits to the entire Organization for the long term. Given the pervasive use of ICT, these initiatives will not only improve ICT operations but also all other programmes of the Organization.

Moreover, they will provide standardization and consolidation of the technology environment, which will ultimately contain the overall ICT costs, as well as speed-up the implementation of strategic technology-intensive projects, such as Umoja.

The point I wish to emphasize here today is simple: if we do not invest in ICT now, the overall costs of our operations will continue to rise, and we will miss significant opportunities to achieve transparency, effectiveness and efficiency in the Secretariat's substantive work programmes, as well as in its ICT operations. Furthermore, these ICT initiatives will contribute to the Secretary-General's effort to "do more with less" – an imperative of the current climate.

Mr. Chairman, Distinguished delegates.

We have been continuing our efforts, with your understanding and support, to implement the Secretariat-wide ICT strategy, aimed at improving the Organization's overall effectiveness and efficiency in delivering the United Nations' services to the world.

Since our presentation to this Committee last year on the status of implementation of the ICT strategy, we have been continuing our strategic programmes and operations to the best of our ability within the resources provided, while making a significant effort to meet Member States' requests for revised proposals for the projects included in A/65/491 and earlier General Assembly resolutions. The Secretary-General's report (A/66/94) that is in front of you today presents the results of our efforts.

With regard to the regular budget section for OICT—Section 30, the request set forth pertains to the resources needed for maintain critical ICT operations

at the UN headquarters, and for carrying out, on a limited basis, the mandate of OICT.

An analysis of the trends of recent years demonstrates that the overall budget of the Office of Information and Communications Technology (OICT) has been steadily declining, despite the new mandate of OICT created by Member States and a significant growth in the demand for ICT services at the UN headquarters.

It should be noted that OICT was created in 2009 in a staff and resource neutral manner. Therefore, OICT had to reallocate a significant level of resources dedicated to routine operations to new high-priority strategic activities it is now required to carry out.

The continuing lack of resources not only impedes the ability of OICT to fulfill its mandate, but also poses significant risks to day-to-day operations of the UN headquarters that relies heavily on ICT. Therefore, it is critical that the required resources are provided to meet these essential demands.

Mr. Chairman, Distinguished delegates.

We are fully aware of the current tough economic climate. However, some funding remains essential over the next years to move forward and to realize the goals of the ICT Strategy, and with it - to fix the pressing issues in our ICT environment.

The ICT proposal comprises a fully integrated set of four Organization-wide ICT initiatives which, in the long term, will benefit the entire Organization.

It should be noted that these proposals were developed in consultation with Departments and Offices, and were vetted through the Secretariat's ICT governance bodies, including the ICT Executive Committee. Since these proposals will bring a significant level of change to the Organization, it was critical to continue close consultations with the affected Departments and Offices during the formulation of this report. This coordination will continue during the implementation stages as well.

In summary, the implementation of these integrated Organization-wide initiatives will provide the foundational ICT capabilities that will allow the implementation of the Secretariat-wide ICT Strategy and address acute systemic problems in a number of critical areas. They will also help the entire Organization become more responsive, transparent, and efficient.

Mr. Chairman, Distinguished Delegates.

Now, I would like to comment on the third progress report on Umoja (A/66/381).

Umoja is a strategic priority of the Organization and a cornerstone of Secretary-General's management reform agenda.

Umoja will enhance accountability, transparency and internal controls through effective management of resources. It is a re-designed way of managing our human, financial and material resources and instituting best practices, to provide a single, global solution to replace the hundreds of disparate, outdated systems and diverse practices we have today.

Umoja will equip the Organization with an enterprise resource planning system, leveraging state-of-the art technology to advance the capacity of the Organization to transform the way resources are managed. Indeed, Umoja will enable the Secretariat to carry out Member States' mandates more quickly and efficiently in a time of increasing financial pressure.

You are by now well aware that this year's progress report does not reflect business as usual. Despite continued progress and much hard work, Umoja has faced challenges which have caused the project to be delayed. We had planned to be fully deployed by 2013, but this is now projected for December 2015.

Delay resulted from several factors which are described in the report. Let me assure you that every effort is being made to ensure that the project is firmly back on track.

A number of steps were taken to accelerate the project's implementation at this critical juncture, including interim arrangements to strengthen the project's governance. The Secretary-General will soon be in a position to communicate to you a renewed governance structure for the project.

Mr. Chairman, Distinguished Delegates.

Let me also say a few words about the revised plan which is described in the report before you. To further mitigate the impact of the delay, a phased approach has been developed for Umoja's implementation.

The phased approach maintains Umoja's original vision and is consistent with the "pilot first" implementation endorsed by the General Assembly.

The first phase - the "Umoja Foundation" - will pilot in January 2013 and deploy in clusters across the Organization by the end of 2014. Umoja Foundation will lay the core building blocks for the second phase - "Umoja Extension" - which will be deployed in two waves by the end of 2015. Umoja Extension will deliver the remaining comprehensive functionality. These functions will commence deployment starting in 2014.

The advantages of this revised implementation approach are many. It will enable the Organization to be IPSAS-compliant by the 2014 deadline. It means that staff will begin using a new system by the end of 2013. Given the delays, the prior approach would not have allowed for deployment by that time.

With this approach, staff will also have a gradual introduction to new ways of working, thereby strengthening organizational acceptance. Managers will have greater control over deployment because fewer changes will occur at one time.

Mr. Chairman, Distinguished Delegates.

I would like to stress that Member States will still see a return on the significant investment which you have made in Umoja. Umoja is projected to deliver benefits in the range of \$139 to \$220 million annually compared to the current spending in administrative support services.

Umoja will also produce qualitative benefits, through increased operational effectiveness and timeliness; improved accountability; the adoption of international best practices and standards; enhanced transparency; higher client satisfaction; and better internal controls.

As we drive forward the implementation of Umoja, the Secretary-General and his management team do so fully cognizant that these are extraordinary times; fully mindful of the global financial situation and the resultant fiscal constraints affecting Member States.

In terms of resource requirements, the Secretary-General is not requesting additional resources for the 2012-2013 biennium. The total cost projection for the project remains at \$315.8 million, and this will be kept under constant review.

Mr. Chairman, Distinguished Delegates.

We are confident that all of the adjustments which I have described will help ensure the proper management of the project, overcome current delays, mitigate risks and costs, and ensure that the project is delivered with all the benefits as envisaged.

The Secretary-General's commitment to ensuring we deliver on Umoja is steadfast. The Umoja Steering Committee also firmly supports the revised implementation approach.

Mr. Chairman, Distinguished delegates.

In today's environment, ICT and Umoja have a broad and significant impact on the work of the UN. They are the engine and enabler for the UN reform and strengthening.

ICT and Umoja are the cornerstones of management reform at the United Nations. Investments in both areas will have major returns across the Organization and deserve your strong support.

The Secretary-General and I firmly believe that ICT and Umoja are the high-priority areas for investment in order to create greater productivity gains and cost savings for the Organization, ultimately increasing our ability to fulfill more effectively our mandate.

Despite the tough economic climate, certain important initiatives must be undertaken to lay the ground for enhanced effectiveness and further savings for the long term.

I would like to thank the Committee for this opportunity. I look forward to a fruitful discussion on these proposals. We are happy to answer any questions you might have on the Secretary-General's reports.

Thank you very much.