

Information and communications technology

Statement of the Chairman of the ACABQ

(ACABQ report: A/66/7/Add.1; Secretary-General's related reports: A/66/381 and A/66/94)

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report on Information and Communications Technology, covering the Secretary-General's reports on progress in the implementation of the enterprise resource planning project (A/66/381) and enterprise ICT initiatives for the United Nations Secretariat (A/66/94).

Third progress report on ERP/Umoja project

As you may already know, the Secretary-General is reporting an anticipated two-year delay in the full implementation of the Enterprise Resource Planning (ERP) system or Umoja. The delay also has impact on the implementation of the International Public Sector Accounting Standards (IPSAS), given the latter's critical dependency on timely implementation of Umoja.

The Advisory Committee recognizes the challenges posed by the complexity, scale and scope of the Umoja project. The Committee however considers that a two year delay clearly reflects a failure in the management of the project. It also puts into question the adequacy and effectiveness of the project's governance, decision-making and risk management structures. In the Committee's view, the situation also demonstrates a lack of commitment to the project, as well as insufficient cooperation and coordination throughout the Secretariat. The Committee has therefore emphasized the need to ensure that lessons are fully analyzed and effectively applied so as to avoid repeating the same mistakes in the future. It has also highlighted the important role of the project Steering Committee in guiding implementation of the project, supporting the Project Director in securing the necessary resources, and facilitating decision-making and the rapid resolution of issues.

The Advisory Committee strongly believes that, at this stage, all efforts must be directed towards ensuring that the project is put back on track. The project team should also be fully staffed, and all activities should be delivered according to plan. It recognizes the efforts made to put forward measures to mitigate the effects of the delay, including changes to governance and project oversight and a phased implementation approach. The Committee also notes the measures taken to strengthen the composition, leadership and role of the project Steering Committee, which is presently chaired by the Deputy Secretary-General on an *ad interim* basis. In order to ensure effective direction and management of the project, the Committee is recommending that a permanent governance structure be put into place as early as possible. The post of the Project Director, which was still vacant at the time of the finalization of the Committee's report, should also be filled without any further delay.

The Advisory Committee has noted the Secretary-General's statement that the revised phased implementation of Umoja is consistent with the "pilot first" approach, as endorsed by the

General Assembly, and will deliver the comprehensive functionality for driving management reform and organizational transformation as originally envisioned. It also notes that the overall approved resource requirements for project implementation remain unchanged, at \$315.8 million. The Secretary-General indicates that the first phase, Umoja Foundation, which includes the functions necessary for IPSAS implementation, is to be piloted in 2013 and deployed across the Organization by December 2014. The second phase, Umoja Extension, is planned to be deployed by December 2015, and will deliver the remaining functions, including human resources management and budget formulation.

In its report, the Committee discusses the numerous challenges facing the project, which must be addressed through prompt and proactive management action if the project is to be implemented within the planned timetable and approved budget, and deliver the desired results. Some of the key issues highlighted include the timely recruitment of project staff, subject matter experts and consultants with the appropriate expertise; the procurement of the services of the systems integrator for the next phase of the project; the establishment of an inventory of the systems to be interfaced to or replaced by Umoja; and the identification of all the tasks to be completed by user departments such as data cleansing, system testing and training. The Committee welcomes the intensified collaboration with the World Food Programme, as well as the Secretary-General's decision to initiate a United Nations system-wide study on enterprise resource planning solutions.

The Advisory Committee accepts the Secretary-General's priority focus on the implementation of IPSAS during the first phase of Umoja. It has also pointed out that the significant investment made by the Member States was justified, in part, on the basis of management improvements and reforms that Umoja would enable. These include results-based management, risk management, strengthening internal controls and enhancing performance and accountability, as well as the enhanced efficiency and effectiveness in programme management. The Committee has reiterated that these improvements remain essential organizational goals that must be achieved within the budget approved for the Umoja project.

Enterprise ICT initiatives

Mr. Chairman,

Turning to the Secretary-General's report on enterprise ICT initiatives, the Advisory Committee recognizes the efforts made to present, as requested by the General Assembly, a revised proposal for the implementation of the ICT strategy. It notes the approach taken to integrate and combine, under four ICT initiatives, the structural review projects presented in the Secretary-General's previous report (A/65/491), as well as proposals in response to outstanding requests by the Assembly concerning enterprise content management, customer relationship management, and disaster recovery and business continuity. The Committee considers that such an approach would avoid a piecemeal implementation of the ICT strategy and also allow consolidation and streamlining of the reports on ICT matters submitted for consideration by the General Assembly.

The Advisory Committee notes that, while the current report of the Secretary-General revises and repackages the structural review projects as enterprise ICT initiatives, broadens their scope in some areas and incorporates additional requirements in others, the thrust of the main

proposals remains unchanged. In making its observations and recommendations on the individual initiatives, the Committee has focused its attention on the differences between earlier and current proposals, the proposed resource requirements and activities accomplished since the issuance of the previous report.

While noting the efforts made to lower the overall costs, the Committee has pointed out that the proposals for the enterprise ICT initiatives still represent a significant outlay. Moreover, the Committee is not convinced that the whole range of activities associated with the four enterprise ICT initiatives has to be implemented at the same time. In the light of the difficulties encountered in the management of Umoja, the Committee is equally not convinced about the Secretariat's capacity to undertake and successfully execute a large number of complex initiatives concurrently, in particular initiatives involving significant institutional change. Furthermore, given the tight timetable for the adoption of IPSAS by 2014, the Committee believes that the Secretariat should, to the extent possible, avoid launching major new initiatives and proceed with the implementation of ongoing projects in a more gradual manner. This would allow proper analysis and absorption of the lessons learned from recent experience.

With these considerations in mind, the Advisory Committee is recommending that the Secretary-General should further reprioritize and reduce the scope of the activities envisaged for the biennium 2012-2013 under each of the four enterprise ICT initiatives. He should identify the features that could be postponed without negatively impacting ongoing activities or compromising the return on investments already made.

Regarding the Secretary-General's requests for new posts, the Advisory Committee recognizes the need for direction and coordination of the enterprise ICT infrastructure. It has therefore recommended approval of the proposed post for a Director for the Infrastructure Management Service at the D-2 level. It is also recommending the continuation of the seven P-4 general temporary assistance positions, approved by the General Assembly in its resolution 65/259 to augment the capacity of the OICT to undertake the cross-cutting activities of its broadened Organization-wide mandate. Finally, in line with the views expressed in its report, the Committee recommends approval of resources equivalent to 50 per cent of the non-post resources proposed for the implementation of activities in connection with the four enterprise ICT initiatives.

It should be noted that the Secretary-General proposes that the four ICT initiatives be carried out over a four-year period from 2012 to 2015 and be funded on the basis of the cost-sharing arrangement approved for Umoja. In its first report on the Proposed Programme Budget for the biennium 2012-2013 (A/66/7), the Advisory Committee noted that the regular budget share of the resources proposed for the four initiatives was not reflected under budgetary proposals for 2012-2013. Any additional resources approved by the General Assembly would therefore represent additional requirements under section 30, Office of Information and Communications Technology and section 29D, Office of Central Support Services of the Proposed Programme Budget for the biennium 2012-2013.

I thank you, Mr. Chairman.