



**Report of the Secretary-General on  
the Fifth Progress Report on the Enterprise Resource Planning Project (Umoja)  
(A/68/375, A/68/375/Add.1)**

**FIFTH COMMITTEE**

Statement by  
Mr. Yukio Takasu,  
Under-Secretary-General for Management  
2 December 2013

Mr. Chairman,  
Distinguished Delegates,

1. I have the honour to introduce the Secretary-General's fifth progress report on the Enterprise Resource Planning project, Umoja. This report is submitted for your consideration pursuant to General Assembly resolution 64/243 and addresses the requests made by the Assembly in its resolution 67/246. ASG Baca, Project Director for Umoja, joins me. I would like to express my gratitude to the Chairman of the ACABQ for its thorough consideration of this subject and for its report.
2. At the last session, the General Assembly approved the project's revised deployment strategy and timetable. Since then, Umoja has made significant progress, much of which is documented in the fifth progress report. After the report was completed, Umoja Foundation was successfully deployed at its Pilot locations of UNIFIL and UNSCOL on 1 July 2013. And on 1 November, the major milestone was achieved with the Foundation successfully deployed to the Cluster 1; 12 peacekeeping operations, the Regional Service Center in Entebbe and the Global Service Center in Brindisi. Umoja is now a fully operational live system, covering 3,000 staff members globally.
3. Umoja is at the centre of the Secretary-General's management reform initiatives. It has been one of the top priority concerns of this Committee. As the project owner, I assure you that Umoja is receiving the highest attention throughout the Secretariat likewise. Through Umoja, we are harmonizing administrative processes and building standardized and integrated service delivery. As a new operating model, Umoja creates opportunities for improved oversight, leaner administration process and additional efficiencies. The full implementation of Umoja is essential to make the UN a more efficient, global and unified Organization.

4. The fifth progress report provides an update on the results of the major project changes presented in last year's report. The implementation strategy proved highly valuable, as lessons learned from the pilot in July supported the successful go-live in peacekeeping missions in November. Valuable lessons learned were derived from both the Pilot and Cluster 1 roll-out. Most importantly, the business readiness activities associated with migrating from disparate operating models to a single, common operating model proved more challenging than expected. For instance, data reconciliation and data cleansing were extremely complex and labour-intensive. Particularly in the area of business partners data, important lessons were derived that will allow to adjust our data preparedness procedures in future implementations.
5. As explained in the addendum to the fifth progress report, the Steering Committee decided in August that deployment would be carried out in Cluster 1 (peacekeeping missions) on 1 November 2013 and in Cluster 2 (special political missions) on 1 February 2014 on the basis of experience gained during the July 2013 pilot at UNIFIL, particularly regarding the business readiness activities. After the Cluster 1 roll-out on 1 November, additional areas requiring adjustment were identified. The Steering Committee decided to deploy Cluster 2 on 1 March 2014, together with Extension 1 pilot at MINUSTAH. We are determined to take necessary steps to ensure the achievement of project milestones.
6. Governance has strengthened considerably over the past year, especially the concept of 'Process Ownership' and the concomitant authorities and responsibilities. I am accountable for the project as the Project Owner and the Chair of the Steering Committee. The Process Owner role was reinforced earlier in the year by a memorandum from the Secretary-General to all Heads of Departments and Offices requesting their close collaboration with the Process Owners and the prioritization of activities related to Umoja. Senior management in the Organization have demonstrated strong support and personal engagement in ensuring Umoja's success.
7. As we move on, organizational readiness, nevertheless, remains the major challenge to Umoja's implementation. The journey from disparate ways of working for many decades to a single, common operating model for the global Secretariat must be carefully planned, prepared and managed for each entity and requires significant effort and commitment from all stakeholders. The approach proved successful for the deployment to peacekeeping missions where the leadership and senior management in DFS provided unwavering support to the project team. To accelerate the engagement of non-peacekeeping entities, we formed a Business Reengineering Group to assist Departments and Offices to prepare for and deploy Umoja in Clusters 3 and 4.
8. The successful implementation of Umoja will realize anticipated benefits. While some qualitative benefits will be seen immediately, quantitative benefits will not be evident before Umoja is fully stabilized and the Secretariat is in a position to fully implement all the organizational adjustments associated to the implementation of a leading-edge ERP operating model. For peacekeeping operations, benefits will start to be reflected in the 2016/17 budget cycle, while those in the regular budget will start from 2017 onward. In

line with last year's projections, the Secretary-General is fully committed to delivering quantitative benefits in the range of \$140 to \$220 million by 2019.

9. The Secretary-General is mindful of the significant financial and political investment of Member States in Umoja. Overall requirements for Umoja are currently projected to be \$360.9 million. This represents an increase of \$12.8 million compared to the projection of \$348.1 million provided in the fourth annual progress report. The increase is due to higher requirements for additional contractual services and readiness activities for deployment. However, the Secretary-General does not seek funding for the additional amount at this stage and all efforts are being made to contain costs through 2014. Updated requirements for 2015, as well as projected resource requirements for 2016 and 2017 will be presented in the sixth annual progress report.
10. The report outlines a plan to reprofile the Umoja project team to meet the changing need in implementation stage of the project. We will ensure that the project's skills requirements are met increasingly by internal rather than external resources. In the next two years the Umoja team expects to face far larger and more complex and challenging tasks related to the project's implementation in United Nations Headquarters and Offices away from Headquarters in Clusters 3 and 4. The proposed upgrade of the post of the Project's Deputy Director from D-1 to D-2 level will strengthen the day to day management of the project and allow the Project Director to focus on engagement with senior management to drive organizational readiness.

Mr. Chairman and distinguished delegates,

11. Overall, the past year has been challenging and exhausting, but at the same time immensely rewarding for the members of the project team. The technical solution has proven successful in the pilot and in the Cluster 1 roll-out. It took significant effort that extended far beyond the core Umoja team. We know that Umoja can only happen with the dedicated support of all stakeholders— senior management, staff throughout the Secretariat at Headquarters, Offices away from Headquarters and field missions, and, above all, political and financial support of Member States. The implementation of an ERP system is a very demanding journey, particularly in an organization such as the UN, where mandates, activities and business models are diverse and geographically dispersed all over the world. The project leadership is totally committed to the successful completion of Umoja. With your continued support and guidance, and with a consistent set of decisions aligned to the original goal of embracing a common, UN Secretariat-wide operating model, we are confident that Umoja will complete its journey and be successfully implemented throughout the Secretariat.

Thank you Mr. Chairman.