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**REMARKS TO THE FIFTH COMMITTEE
ON REFORM OF UNITED NATIONS MANAGEMENT**

New York, 31 May 2018

Mr. Chairman,

Mr Carlos Ruiz Massieu, Chairman of the Advisory Committee on Administrative and Budgetary Questions

Excellencies, distinguished delegates,

I am pleased to introduce the report of the Secretary-General, entitled “Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability.”

The Secretary-General pledged to implement an ambitious reform agenda right from the start, and the reform process has been a central focus of his work. He launched three reform tracks in 2017: of the peace and security architecture, of the development system, and of the internal management of the United Nations. All these were aimed at improving the Secretariat’s ability to implement its mandates and enabling it to use its resources more effectively. In short, at improving our work on behalf of Member States, to better serve people around the world.

The Secretary-General outlined his vision for a shift in the management paradigm of the United Nations in October 2017, based on the principles of simplification, decentralisation, delegation of authority, accountability and transparency.

Building on the proposal outlined in the first report of the Secretary-General, the current report contains the costed proposal for the reorganisation of the current Department of Management and Department of Field Support into two new departments: a Department of Management Strategy, Policy and Compliance with a clear policy, strategy and compliance role; complemented with a Department of Operational Support focused on operations, services, transactions and surge support. Both departments will serve the entire Secretariat.

Mr. Chairman,

Management reform is about more than restructuring. At its core, it is about making sure that the Secretariat is better positioned and equipped to fulfil its duties. It is about greater transparency, accountability and effectiveness. It is about changing the status quo.

This will require a shift in our management paradigm: from a centralised to a decentralised Secretariat; and from a bureaucracy focused on process to an institution focused on results.

The changes to our current structures will enable this shift.

The rationale for changing our structures are clear. We want to eliminate duplicative functions, establish a clearer division of roles and responsibilities, and ensure the necessary checks and balances.

Mr. Chairman,

The existing Departments of Management and of Field Support were established at different times and for different purposes. They deal with critical and essential business processes, including budgets, recruitment and procurement. But the differing scope of their mandates and delegated authorities led to inconsistent services and levels of support across the Secretariat.

Moreover, the division of responsibilities between the two departments, particularly in their support to peace operations, can often be unclear.

The piecemeal delegation of authority, duplication of effort, the design and application of policies originally crafted for non-mission settings, and repetitive processes with multiple departmental handover points all contribute to lengthy timelines and diluted accountability.

The HIPPO report three years ago found that the current administrative framework does not enable effective and efficient field operations. It pointed out that duplication, delays and bureaucratic friction were undermining our work.

Similar challenges plagued our work in non-field settings.

The Secretary-General's reforms are aimed at addressing these challenges.

Mr. Chairman,

The Secretary-General strongly believes that segregating policy from operations in our management structures is a prerequisite for meaningful change. The proposed structure will enable this segregation. It will enable the Secretariat to constantly assess and improve the effectiveness of our policies and administrative support functions.

Procurement and human resource management are two areas in which our current structures are particularly slow and cumbersome.

In procurement, the process for establishing a systems contract can take 24 months and involves some 40 steps. Even when a contract is established, there may be further delays. In Somalia, for example, purchases from a systems contract took an average of 288 days. It took 114 days to amend an existing contract.

Much of the delay occurs at inter-departmental handover points. Integration of procurement and logistics into a single department will streamline the process and reduce these delays. It will enable a more holistic measure of performance that takes sourcing, delivery and return or disposal into account, instead of focusing only on costs.

Moving to an integrated supply chain management approach will ensure that missions and field offices receive goods and services at the right place, the right time and the right cost.

Controls will not be sacrificed for speed. We will retain the same segregation and firewalls that currently exist.

The logistics function will work with clients and retain technical responsibilities for planning global requirements; performing technical evaluations of bids; and enabling strategic and critical movements of troop and equipment.

The procurement function will retain the commercial responsibilities for advising on market conditions and latest innovations; managing procurement exercises; and for administering contracts.

DMSPC will provide an additional compliance layer to make internal controls even more robust than they are today.

On human resource management, we need better policies and should provide better support to managers.

Under the existing structure, we have struggled to meaningfully perform strategic human resources functions, including strategic workforce planning and career development. We have struggled to develop human resources policies that work also for field operations.

The bulk of the time of HR staff is consumed with meeting the operational and transactional requirements of non-field entities. As a result, we have not had sufficient focus on strategic issues or on designing policies that meet field requirements.

Our policies have been too headquarters-centric. Staff contracts and conditions of services do not reflect the imperatives of the field.

The proposed structure takes full account of segregation of duties between the framers of policy and the implementers of policy. This will allow for more effective compliance.

DMSPC will be able to undertake the role of corporate human resources management. DOS will focus on operations, support services and transactions.

Not all operational aspects of human resources management can be decentralized to senior managers. Some functions, such as maintenance of rosters and support to the placement of staff during downsizing exercises are operational activities that can only be effectively performed in a centralized manner by DOS.

Some entities may be small and lack sufficient capacities to undertake human resources functions. DOS will provide Executive Office type functions to those entities. Field entities may require surge support for which they will turn to DOS.

Mr. Chairman,

The proposed reorganisation of structures and functions is not only a response to current weaknesses. It is also about building on the benefits delivered by past reforms.

Many of the services performed by the Department of Field Support for peace operations are also required by other parts of the Secretariat. The proposed restructuring will make these services more systematically available across the entire Secretariat. Likewise, the reform will ensure that strategies, policies and compliance mechanisms apply across the entire Secretariat, including peace operations.

The Secretary-General proposes the creation of several new features and management functions, from within existing resources.

First, we are proposing the creation of a new Business Transformation and Accountability Division focusing on performance, monitoring, self-evaluation and compliance functions. This will enable us to address many of the issues raised by oversight bodies over the past few years.

Second, a new Uniformed Capability Support Division will consolidate capacities currently spread across three divisions in two departments. This division will create a one-stop-shop for Troop-and Police-Contributing Countries for all administrative and logistical issues related to force generation, memorandums of understanding, contingent owned equipment and reimbursements. It will also enable faster processing of reimbursements and other claims.

Third, a new Support Partnerships Service will focus on situations where the United Nations provides support to non-UN activities, particularly African peace support operations including AMISOM and the G5 Sahel Joint Force.

Fourth, healthcare management and occupational health and safety, currently split across three departments, will be consolidated into a single division. This will enable a more holistic approach to medical issues in the field and improve the safety and security of peacekeepers.

Fifth, administrative law, and conduct and discipline functions will be located together to ensure consistency of approach across the Secretariat, regardless of location.

Sixth, the global information technology functions will be consolidated in one office, reporting to both Under-Secretaries-General, to ensure unified delivery on the Information and Communications Technology strategy. ICT is a rapidly evolving area of work where policy is often chasing advances in operations. A unified ICT Office will increase effectiveness, speed up operational support, strengthen accountability and ensure that ICT better supports the core work of the United Nations.

Seventh, an internal management structure, the Management Client Board, co-chaired by the USGs of the new departments and made up of rotating representatives from the different types of departments and other entities within the Secretariat will ensure that both the new departments address the particular requirements of all parts of the Secretariat. It will also ensure that operational requirements feed into policy-making processes.

Mr. Chairman,

Through these changes, we will increase transparency and accountability to Member States by:

- creating stronger internal control and quality assurance functions;
- changing the current system of delegation of authority to enable managers to deliver and hold them accountable for their performance,
- separating responsibilities between the two new departments to ensure that we support troop and police contingents better and process payment of reimbursements faster,
- improving our self-evaluation capacity,

- reflecting financial and procurement transactional level expenditure information on dashboards, accessible to Member States, based on International Aid Transparency Initiative standards.

Mr. Chairman,

The Secretary-General is seeking the support of the General Assembly for the creation of the two new departments, and the resources required.

The costings are set out in great detail in the revised estimates for the current programme budget and the proposal for the support account for 2018-19. The posts required will remain within the current envelope.

We hope for a positive decision in June that will enable us to launch the new departments by January 2019.

This will require a heavy change process in the subsequent six months, and even thereafter. We need to reprofile, advertise and fill close to 70 posts for the new departments. We need to find a humane solution for the staff who will be affected. This will entail having a conversation with affected staff to see if they can be retrained for the new functions, moved laterally or would prefer to take a package.

Beyond the restructuring, we will continue to review rules, administrative policies and guidance to simplify the management frameworks in which we operate; decentralize decision-making through increased delegations of authority; and streamline convoluted processes.

United Nations staff are our greatest asset. We must be sure that they understand the changes to their own roles and responsibilities under the new paradigm. And we will provide guidance and training to help us roll out the new paradigm in the coming months.

Mr. Chairman, Excellencies, Distinguished delegates,

With your support, we will change the status quo and bring about the paradigm shift that will make the United Nations more effective and better able to respond to the challenges we face.

I thank you.