

UNITED NATIONS



NATIONS UNIES

Agenda Item 139
Review of the efficiency of the administrative and financial functioning of the United Nations

Funding model for DMSPC and DOS

Report of the Secretary-General
on shifting the management paradigm in the United Nations: funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support (A/74/761)

FIFTH COMMITTEE

Joint Statement by

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and

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Under-Secretary-General for Operational Support

12 October 2020

Mr. Chairman,
Distinguished Delegates,

1. We have the honour of presenting the report of the Secretary-General on the proposed funding model for the Department of Management Strategy, Policy and Compliance (DMSPC) and the Department of Operational Support (DOS). The Secretary-General established, in his report on the establishment of a new management architecture, his intention to submit this report to the General Assembly at the second part of its resumed 74th session in response to an earlier recommendation by the Advisory Committee on Administrative and Budgetary Questions for additional clarification on the use of the peacekeeping support account and how it may possibly be adapted, given that both departments will serve the entire Secretariat, including peacekeeping.

2. The new management architecture was established through the reorganization of the functions and resources of the former Department of Field Support and Department of Management to ensure that the creation of the new departments could be done in a post-neutral manner. As a result, the funding source of post and non-post resources in the new management architecture is primarily a function of the defunct structures from which they were drawn instead of the actual activities currently supported by those resources. In other words, it affected the linkage between the nature of functions performed in the new departments and their respective sources of funding.

3. As the Committee is aware, establishing a clear delineation between peacekeeping and non-peacekeeping activities has become increasingly challenging in an increasingly interconnected global Secretariat. In fact, the Secretariat-wide nature of the majority of services performed by both DMSPC and DOS no longer lend themselves to the maintenance of clear distinctions between peacekeeping and non-peacekeeping activities. The Secretary-General proposes to address these issues by establishing a new approach to funding DOS and DMSPC. This model would replace the existing practice of determining funding from the bottom up at the level of posts with a new approach that, instead, allocates the funding based on the clients that the two departments support.

4. Under the proposed model, the overall distribution of costs between the programme and peacekeeping budgets would, from 2022 onwards, be determined at the beginning of each year based on the ratio of posts approved by the General Assembly under the programme and peacekeeping budgets. This would ensure that the distribution of costs between the two funding streams will automatically align with the relative scale of peacekeeping and non-peacekeeping activities of the Secretariat. This particular approach is proposed because it not only provides conceptual clarity to the apportionment of costs, but also is transparent, easy to update, and ultimately derived from decisions of the General Assembly. If the model is approved, the totality of the resources for DOS and DMSPC, including OICT, would be presented in a consolidated manner in the context of the programme budget, with the peacekeeping share of the overall requirements to be financed through an allotment from the support account for peacekeeping operations.

5. The proposed funding model has benefits beyond establishing a solid conceptual basis for the financing of the new management architecture. The fact that the results-based budgeting frameworks and resource requirements of DMSPC and DOS are currently split across two different

budgets with different methodologies and financial periods creates challenges for effective intergovernmental oversight. The model would allow the Advisory Committee and the Fifth Committee to consider the resource requirements for the two departments in a comprehensive manner, under unified results-based budgeting frameworks. As the budgets for these departments would only need to be presented once each year, consolidation of requirements would also streamline the processes for the preparation and intergovernmental consideration of the budgets and performance reports of the two departments.

6. Moreover, as many organizational units of the two departments are currently funded through both budgets, the proposed model allows for a more efficient management of resources by the Secretariat through elimination of the administrative barriers that currently exist between resources funded through the programme and peacekeeping budgets.

7. The existing funding arrangements for DMSPC and DOS are workable, but not ideal. The proposed model addresses the challenges faced by providing a clear basis for the funding arrangements for the new departments, ensuring that the level of support account funding for the two departments is automatically aligned with the relative level of peacekeeping activity within the Secretariat as approved by Member States. The model also eases the oversight functions of intergovernmental and expert bodies by presenting a comprehensive view of the requirements of the two departments and facilitating more efficient management of resources by the Secretariat. These arrangements will help ensure that the new management architecture at Headquarters can both embody and support the vision of the Secretary-General for a more transparent, accountable, effective and nimble Secretariat.

8. The Secretariat remains, as always, at your disposal. We look forward to responding to any questions you may have regarding the proposal.

Thank you, Mr. Chairman.