Enterprise resource planning project (Umoja)

Statement by Catherine Pollard, Under-Secretary-General for Management Strategy, Policy and Compliance, and Atul Khare, Under-Secretary-General for Operational Support

to the Fifth Committee

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Mr. Chairman, Distinguished Delegates,

I am pleased to introduce the twelfth and final progress report on Umoja, not only as USG of DMSPC, but also in my capacity as Umoja Project Owner. Joining me in the presentation of this introductory statement is my colleague Atul Khare, who as USG of DOS, is a key partner in the implementation of Umoja.

In resolution 60/283, the General Assembly approved the replacement of the Integrated Management Information System with an enterprise resource planning system. Three years later, in resolution 63/262, the Assembly also approved a governance framework, seed funding and the creation of a multi-year account for the ERP project.

The Umoja solution was envisaged to replace a patchwork of IT systems whose technical capabilities could not keep pace with the business requirements of the Organization. Umoja is now a global system in use across 449 locations. It has replaced hundreds of legacy systems, providing an integrated and harmonized set of business processes to an ever-wider number and type of clients. Umoja has a very large functional footprint, a complex but robust technical architecture and infrastructure, and a strong business intelligence platform. Its user base of 46,731 extends beyond the Secretariat to include Member States, external partners including meeting participants, implementing partners, and certain categories of vendors. In addition to facilitating the day-to-day work of the United Nations, Umoja has been critical in allowing the Secretariat to maintain business continuity during the COVID-19 pandemic and also manage its persistent liquidity challenges.

The Board of Auditors noted in its ninth annual progress report that Umoja remained a key enabler for modernization and reforms in the administration of the United Nations, that its implementation has seen significant benefits, and that its complete deployment has the potential to contribute further benefits to the Organization. The Board also appreciated the efforts of the Administration towards multiple deployments in a challenging technical landscape and in the face of competing demands on resources, besides working within the approved budget during the year.

Progress over the past year

Over the past year, since the issuance of the eleventh progress report, the deployment of Umoja Extension 2 (UE2) and infrastructure upgrades have been the primary focus of the Umoja project. I am pleased to report that the UE2 sub-projects have progressed well, while major infrastructure upgrades were

also carried out successfully to ensure the system's health and security. The infrastructure optimization project to upgrade over 300 servers and 100 integrated databases took eight months of coordinated effort by multiple teams, and involved meticulous planning, design, testing and implementations over successive weekends. The infrastructure upgrades culminated in early November with a major disaster recovery exercise that proved successfully that the system and all its components can work as effectively from Brindisi as they do from Valencia.

I am also pleased to report that Umoja is on track to close, as a project, at the end of this year, as recommended by the Advisory Committee on Administrative and Budgetary Questions and endorsed by the General Assembly. The cumulative expenditure for the project at the end of 2020 is estimated to be well within the approved budget of $565.3 million, preserving its record of staying within budget for a fourth successive year.

I would like to recall ACABQ's observation in paragraph 20 of its report A/72/7/Add.31 that Umoja Extension 2 comprises some of the more strategic functions, including planning and programming, budget formulation and supply chain management, and that the poor coverage of such functions under the previous systems was one of the main factors leading to the decision to shift to an enterprise resource planning system in the first place.

UE2 not only represents 41% of Umoja processes but also a significant expansion of Umoja's functional footprint. It is also one of the most complex implementations in SAP history. Providing some of the UE2 functionality necessitated leveraging both SAP and non-SAP technologies to meet the UN's unique business requirements. The result is an exponential growth in the technical complexity of Umoja as illustrated in Figure IV for the report before you, with the UN being the first and only customer to use some of these combinations of SAP products. Despite this complexity, the continuing investment in the training of the Umoja team has made it self-sufficient in maintaining the system without reliance on a systems integrator.

While the report includes an update on all the UE2 projects, I would like to briefly highlight some of them due to their particular impact on Member States.

Strategic planning, budgeting and performance management (SPPM)

The Strategic Planning, Budgeting and Performance Management solution provides an integrated solution, the first of its kind among SAP customers, which covers the entire cycle of programme planning, budgeting, implementation, performance monitoring and reporting. It serves as a cornerstone for the Secretary-General's reform agenda, continuing to underpin his efforts to focus on institutional results while supporting the commitment to strengthen transparency and accountability through results-based management. It enables planning for, and reporting on, utilization of resources based on results frameworks.

The SPPM solution was first deployed in 2019. Since then it has continued to be enhanced to cover more processes, besides improving the accuracy of recosting by applying better currency usage patterns. It enabled the planning of the 2021 programme budget in January 2020, followed by the 2021/22 peacekeeping budget in July 2020.

A significant enhancement of the SPPM solution for integrated planning, management and reporting is being deployed in a few days. This new integrated functionality will enable a holistic, end-to-end

capability, using several new UE2 and existing modules, to manage the life-cycle of projects across funding sources. Managers will gain the ability to plan, manage, monitor and track projects using a results-based management methodology, by leveraging qualitative and quantitative information and establishing linkages between projects and programmes, multi-year strategies as well as the overarching mandates and goals of the United Nations.

ACABQ and Member States' access

In July 2020, a new Member States' Contributions Portal was launched as part of the Umoja suite of applications. The Portal provides information about Member States' contributions through a user-friendly interface that is also available on mobile devices. This launch marks the first time that Member States are able to directly access Umoja data online and is aligned with the Secretary-General's commitment to improving transparency.

Leveraging the considerable efforts in building the Contributions Portal, a Budget Information Pilot was deployed in September to both the ACABQ and this Committee. This pilot has been custom designed to provide budget data from Umoja to meet the special requirements of both Committees. The Umoja team, working closely with the ACABQ Secretariat, has created the infrastructure and processes for releasing all budgetary information to the ACABQ and this Committee in an easily retrievable and usable format. We expect to be able to rapidly add more information based on requirements agreed with the ACABQ and this Committee. A proof of concept for an even more powerful and intuitive tool has also been completed and procurement of software licenses is in progress now.

Total Cost of Ownership and Benefits

The report also includes an update on the Total Cost of Ownership, as requested by the General Assembly. The updated benefits realization plan was reviewed by the Board of Auditors in early 2020. The report before you also contains an assessment of the benefits relative to the original business case for Umoja.

Mainstreaming

The achievement of a global ERP solution with a diverse and large user-base across so many locations has been an extraordinary undertaking for our Organization and one that has been very demanding. Looking ahead, although the project phase may be ending, the work in support of the system and enhancements to deployed functionality must continue.

The Committee will recall that the back-end IT infrastructure and security type functions have already been mainstreamed into OICT, including the associated budgets and management of contracts. However, as outlined last year, a successful ERP-based business transformation project requires a number of business-facing or business-leaning functions for a typical "steady-state". As requested by the General Assembly, this report lays out a detailed mainstreaming plan in Section III, identifying the roles and responsibilities needed to sustain the solution.

Our two Departments – DMSPC and DOS - will provide the joint business leadership necessary to ensure that the Umoja solution remains fit for the Organization globally, leveraging the Management Client Board to engage with clients on the strategic and operational needs addressed by Umoja. As part of the

mainstreaming process, the membership of the Umoja Steering Committee was adjusted in April 2020, and an Umoja Change Board was also set up at that time. The mainstreaming plans, including the creation of an Enterprise Resource Planning Solution Division reporting jointly to the USGs of DMSPC and DOS, are more fully described in the report, along with the role of the ICT Steering Committee in relation to Umoja, and we look forward to clarifying these plans during the Committee's deliberations.

The mainstreaming plan is the result of extensive consultations with multiple stakeholders, especially the Department of Operational Support. I thank Atul and his team for joining to speak to these critical functions as well as to provide additional highlights on key achievements on UE2 projects.

At this point therefore please allow me to give the floor to Atul to speak to you in this regard.

USG Khare

Thank you, Catherine.

Mr. Chairman, Distinguished Delegates,

Please allow me to highlight several important achievements within the areas of Supply Chain Management and Uniformed Capabilities Management which have been critical to establishing a robust operational support element within the Umoja Project.

Supply Chain Management (SCM)

Within the area of supply chain management, the deployment of Transportation Management in January 2019 marked an important step towards an integrated transportation management and tracking solution that covers contingent-owned equipment, rotation of military and police contingents, and commercially procured goods.

In addition, this year supply chain management reached another major milestone in designing and configuring demand planning, using SAP's cloud-based solution and integrating with the Umoja system in the Global Service Centres in Valencia and Brindisi. This functionality facilitates gross demand planning which initiates the planning process, incorporating historical consumption patterns for goods and services, product segmentation and statistical forecasting to project potential future demand. Net demand functionality, which follows logically after gross demand planning, will take into account additional sources of supply in the planning process to rationalize needs, including existing inventories and stock-in-transit.

Source planning focuses on establishing sources of supply to meet requirements, such as inventories and equipment surplus in other entity locations as well as procurement contracts. Net demand and source planning functionality are now under development and will be designed and configured by the end of the month, with progressive rollout to users synchronized with fiscal cycles. The UN's use of SAP's cloud-based supply chain management solution will be the first public sector use of this modern solution.

Uniformed Capabilities Management (UCM)

UCM is a non-traditional ERP implementation that required an innovative blending of SAP and non-SAP technologies to provide an enterprise-class solution. This was critical for managing the extensive range of processes required in our collaborations with troop and police contributing countries. It has allowed the

Uniformed Capabilities Support Division in DOS and many other users of the solution to sustain the core business functions for processing TCC/PCC claims since the onset of the COVID-19 pandemic. It must be stressed that this would not have been possible with our legacy systems, as they were not available remotely to users.

Mainstreaming operational components

As Catherine mentioned, DOS will work together with DMSPC to ensure the continued success of the Umoja solution throughout the process of mainstreaming. This will ensure that the solution remains fit-for-purpose and continues to support the business case that underpinned its approval by the General Assembly.

For example, Umoja training will be transitioned to the Capacity Development and Operational Training Service (CDOTS) in DOS. A closer integration of training is envisaged, relating to broader operational capacities and Umoja-related functions, with the overall objective of improving capacities in the application of UN policies, procedures and related business processes and in the effective stewardship of resources, ensuring that the learning needs of both practitioners and managers are met. In addition, DOS will continue its focus on the operational support, innovation and business transformation activities related to mainstreaming human resources capabilities.

Finally, we will continue to jointly supervise the technical role of OICT in its support of Umoja. As you know, Umoja is hosted in the Brindisi and Valencia Enterprise Technology centres managed by the UN Global Service Centre (UNGSC) within the Department of Operational Support. The maintenance of all Umoja infrastructure will continue to be carried out by OICT, in cooperation with ERPSD and UNGSC as necessary. Infrastructure management has been incrementally mainstreamed to OICT since 2014.

With your permission, Mr. Chairman, I will now give the floor back to Catherine who will address the resource requirements for 2021.

USG Pollard

Thank you Atul.

Mr.Chairman, Distinguished Delegates,

Resource Requirements for 2021

The report before you contains a request for resources of $26 million for 2021 for a proposed Enterprise Resource Planning Solution Division budgeted within DMSPC but reporting jointly to the USGs of DMSPC and DOS. The proposed Division includes 68 posts supplemented by 17 GTA positions, and represents the skilled personnel required to maintain and sustain the Umoja solution without any support from a systems integrator. This is the culmination of a four-year re-organization and re-profiling of resources that has been presented to, and endorsed by, the General Assembly in the last four annual progress reports. Table 7 of the report shows the evolution of the grade structure for this proposed division; it represents the abolition of 49 posts, including 4 proposed for abolition in this report, the establishment of 27 new posts from 2017 to 2019, and the re-profiling of 25 posts over the last four years. Between mid-2016 and September of this year, 1,231 technical training courses through SAP's education branch have provided the skills and capacity to manage the Umoja solution. The abolitions proposed in this report continue the trend

of abolishing senior level positions, which has been welcomed by this Committee and the General Assembly. This report proposes the abolition of the post of 1 ASG, 2 P5s, and also 1 General Service – Principal Level, as repeated attempts to recruit qualified personnel for the GS post have been unsuccessful.

The resource proposals for the ERP Solution Division also reflect a continuing reduction of GTA and contractual resources as part of the continued downsizing of project resources, while maintaining the self-sufficiency to support the solution, as requested by the General Assembly. The team has been reduced from over 300 personnel in mid-2016 to less than 110, despite the growing complexity of the solution.

Separately, and in addition to the $26 million requested for 2021 for the proposed division, the report also includes a request for funding of $3.7 million for 22 GTA to support DOS, DMSPC and DGACM in different areas including training, as the lack of such support has been proved to be a bottleneck throughout the deployment of Umoja. The independent firm that provided a quality assurance review in 2018 (following a BOA recommendation) had identified the lack of dedicated funding and resources for post go-live maintenance as a serious risk for the sustainment of Umoja. The Board of Auditors in its latest report has also reiterated that the mainstreaming plan should identify a robust, nimble and effective post-mainstreaming Umoja support structure, and cater to the needs of UE2 stabilization, production support, continuous improvements and the development of the skills necessary to carry out these responsibilities.

Pending the finalization of a funding model for DMSPC-DOS which is under consideration by the General Assembly, the report proposes to finance support functions on an interim basis from within the unused funds that will be returned to Member States at the end of next year.

Mr. Chairman, Distinguished members of the Committee,

We count on the continued support of this Committee to ensure that Umoja can deliver on its potential. Our teams stand ready to clarify our proposals and respond to the Committee's questions and comments.

Thank you.