

**Sixty-ninth session**

Agenda items 132 and 148

Programme budget for the biennium 2014-2015**Administrative and budgetary aspects of the financing
of the United Nations peacekeeping operations****Sixth progress report on the enterprise resource
planning project****Report of the Advisory Committee on Administrative and
Budgetary Questions****I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the sixth progress report of the Secretary-General on the enterprise resource planning project (A/69/385) submitted pursuant to General Assembly resolution 64/243, in which the Assembly requested the Secretary-General to continue to ensure that the Assembly is kept informed, on an annual basis, of the progress regarding the enterprise resource planning project known as Umoja. The Committee also had before it the third annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (A/69/158), submitted pursuant to General Assembly resolution 66/246.

2. During its consideration of the above-mentioned reports, the Advisory Committee met with the Under-Secretary-General for Management, the Umoja Project Director and other representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 28 October 2014. The Committee also had an exchange with the members of the Audit Operations Committee.

3. The Secretary-General reports that Umoja Foundation was deployed in 14 peacekeeping operations, the United Nations Logistics Base at Brindisi, Italy, and the Regional Service Centre at Entebbe, Uganda (cluster 1) on 1 November 2013. Subsequently, Umoja Foundation was also deployed in 14 special political missions, the United Nations Truce Supervision Organization and the United Nations Military Observer Group in India and Pakistan (cluster 2) on 1 March 2014. In addition, the integration of Umoja Foundation and Extension 1 was deployed in pilot format in



the United Nations Stabilization Mission in Haiti on 1 July 2014. As indicated in paragraphs 27 to 29 of the progress report, as at 12 August 2014, the system was being used by some 5,000 transactional users, covering a total of 250 sites across 32 countries. The Advisory Committee was informed that the financial statements for peacekeeping operations had been issued on time, on 30 September 2014.

4. From the information provided in the reports of the Board of Auditors and the Secretary-General, the Advisory Committee notes that the Organization experienced significantly more problems than expected in adopting an integrated enterprise solution that imposes standardized business processes and a harmonized way of working. Moreover, the post-implementation stabilization of the system is necessitating more time and effort owing to the scale, range and complexity of the issues identified, resulting in delays and increased requirements for the implementation of the remaining phases of the project.

5. **The Advisory Committee notes that, with the deployment of Umoja Foundation in peacekeeping and special political missions (clusters 1 and 2), the system has become an operational reality at the United Nations. Notwithstanding the difficulties encountered in the adoption of the new solution, the Committee considers this first large-scale deployment of Umoja to be a significant milestone and recognizes the effort made towards this achievement. The Committee continues to consider the enterprise resource planning system to be an essential tool for modernizing the administrative processes of the United Nations and for improving the efficiency and effectiveness of United Nations operations, as well as for reducing the fragmentation in the business operations of the Secretariat.**

6. The Advisory Committee is concerned, however, by the extent and serious nature of the issues faced following deployment, the magnitude of the effort required to resolve the issues and the resulting delays and cost escalation projected for the remaining phases of the project. The Committee notes that major challenges and risks remain, which must be addressed proactively. It also emphasizes the need to adhere to the revised timeline approved by the General Assembly in its resolution 67/246 for complete implementation of the full scope of the project by December 2018, and to deliver the envisaged qualitative and quantitative benefits. It points out that this revised timeline reflects a delay of over six years compared with the original target of completing the design, build and deployment of the system by the end of 2012 (see [A/62/510/Rev.1](#), para. 40).

7. The Advisory Committee recommends that the General Assembly request the Secretary-General to closely monitor the design, build and deployment of the remaining phases of the project and ensure strict management of the implementation timetable and costs of the project. The Committee further recommends that the Assembly request the Secretary-General to keep under continuous review the adequacy of project governance, oversight and risk management, as well as of the level of cooperation and coordination throughout the Secretariat.

II. Third annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system

8. The report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (A/69/158) contains its findings and recommendations following its third annual audit. It sets out the status of the project as at 31 May 2014 and also reflects updates provided by the Secretariat as at 11 July 2014.

9. In its report, the Board of Auditors assesses the roll-out of Umoja Foundation in peacekeeping operations and special political missions and presents its findings in the following areas: (a) beginning of implementation; (b) managing the project to successful delivery, including applying the lessons learned from the roll-out of Umoja Foundation; and (c) governance, project management and managing benefits. **The Advisory Committee commends the Board for the continued high quality and comprehensiveness of its report on the implementation of the United Nations enterprise resource planning system. In the Committee's view, the Board's independent assessment of the key issues faced by the project and the actions taken by the Secretariat greatly facilitates decision-making by the General Assembly on this complex project.**

10. The observations of the Advisory Committee regarding specific findings of the Board of Auditors are provided in the relevant sections of the present report.

III. Sixth progress report of the Secretary-General on the enterprise resource planning project

A. Project governance and oversight

11. Governance and oversight issues are discussed in paragraphs 2 to 19 of the progress report. It is indicated that the Secretary-General continues his proactive leadership of the project and that the project has benefitted from the strengthened governance model described in the fifth progress report, which includes: (a) the United Nations Management Committee, chaired by the Chef de Cabinet, to ensure alignment of the project with other mandated reform initiatives across the Organization; (b) the Umoja Steering Committee, chaired by the Under-Secretary-General for Management and project owner, to oversee the strategic and operational management of the project; and (c) the senior managers' compacts with the Secretary-General, to ensure that departments and offices are committed to the successful implementation of Umoja and the realization of its promised benefits. It is also indicated that the process owner concept and the partnership of Umoja with heads of departments and offices were strengthened during the reporting period to include activities such as monitoring of stakeholders' progress with consolidated scorecards and the holding of periodic meetings between the process owners and the Chief Information Technology Officer.

12. The Board of Auditors notes that, while the Steering Committee took prompt and necessary decisions to establish a task force to tackle emerging problems and to reprofile the project implementation schedule, those decisions were taken without

good information on the consequences for cost. The Board continues to emphasize the need for improved information and assessments of risks to support decision-making by the Steering Committee (A/69/158, paras. 73-74).

13. The Advisory Committee emphasizes that close cooperation throughout the Secretariat will be necessary to ensure that the project fully achieves its business transformation objectives. In view of the potential impact of the lack of organizational readiness on the project timeline and costs, the Committee reiterates the need to assign clear ownership and accountability for business readiness activities. It stresses, in particular, the importance of the continued commitment of senior managers to the successful implementation of Umoja in their respective areas, including their responsibility and accountability for ensuring organizational readiness activities, adoption of standard business processes, implementation of any related central policy decisions and realization of benefits. In this regard, the Committee recalls that the senior managers' compacts with the Secretary-General include objectives, expected accomplishments and performance measures specifically related to Umoja implementation.

14. The Advisory Committee further recalls that in its resolution 67/246, the General Assembly requested the Secretary-General to closely monitor the adequacy and effectiveness of the project's governance, decision-making and risk management structures, as well as of the level of cooperation and coordination throughout the Secretariat, and to take corrective action promptly, as required. **The Committee recommends that the Assembly request the Secretary-General to take action, if necessary, to further strengthen ownership and accountability for the success of the project.**

Implementation of the recommendations of the oversight bodies

15. An update on the implementation of the recommendations of the oversight bodies is provided in paragraphs 11 to 18 of the progress report. As indicated, of the 13 recommendations made in the Board of Auditors' first report, 3 were implemented in 2012, a further 2 in 2013, 5 are under implementation, 1 has yet to be started and 2 have been closed by the Board. With regard to the 13 recommendations issued in the Board's second report, 6 are under implementation, 4 have yet to be started and 3 have been closed by the Board. The Board provides comments on the status of implementation of its recommendations in the annex to its report (*ibid.*, paras. 30-31 of the summary). It notes that action has been taken in response to its previous recommendations on benefits realization, project governance and risk management, integrated project planning and the commercial strategy of the project. In its current report, the Board reiterates 16 of its previous recommendations that have been partially implemented or not implemented, and makes 5 new and additional recommendations that relate to the project timetable and budget, readiness assessments, process owners, change management and benefits realization plans (*ibid.*, para. 29 of the summary).

16. The Secretary-General further indicates that two main recommendations made by the Office of Internal Oversight Services remained outstanding at the end of June 2014.

17. The Advisory Committee emphasizes the importance of implementing the recommendations of the oversight bodies in order to address continuing

weaknesses and ensure successful completion of the project and achievement of its aims. It recommends that the General Assembly request the Secretary-General to implement the recommendations of the oversight bodies expeditiously.

B. Deployment of Umoja Foundation in peacekeeping operations and special political missions

Challenges and lessons learned

18. The Board of Auditors indicates that following the roll-out of Umoja Foundation in peacekeeping operations and special political missions, the Organization swiftly experienced significantly more problems than expected. A summary of the issues identified is provided in paragraphs 23 to 33 of the report of the Board. For example, staff did not adopt the new business processes and were using workarounds, in particular in critical financial processes, creating a backlog of open financial documents relating to bank reconciliation, accounts payable and payroll clearing. Upon enquiry, the Advisory Committee was informed that the workarounds had been used mainly for the creation of accounts payable and/or payment documents owing to difficulties arising from the centralized management of master data records for business partners that must be created in the system for every type of entity transacting business with the United Nations, including staff, contractors, vendors, Member States, local authorities and implementing partners. Because the decision to centralize the management of business partners was only made shortly before deployment, peacekeeping missions were not prepared for the use of the process for creating business partner records in Umoja. In addition, peacekeeping missions were not aware of the existence of accelerated processes for creating a large number of accounts payable documents using spreadsheet uploads rather than through individual transactions. They concluded, incorrectly, that the Umoja process would take too long to complete and stopped requesting the creation of business partner master records.

19. Further information on the challenges faced following the deployment of Umoja Foundation in peacekeeping operations and special political missions is provided in paragraphs 41 to 46 of the report of the Secretary-General. He states that the challenges related primarily to the ability of the Organization to easily adopt a common operating model. As an enterprise system, Umoja imposes a harmonized way of conducting business with standardized business processes. However, prior to the deployment of Umoja, there was no single operating model at the Secretariat, each entity having evolved differently over the years with disparate process flows and work patterns, variations in the application of policies, differences in the chart of accounts, local information technology solutions and differences in the quality of data. The assumption made by the Secretariat that peacekeeping missions were relatively homogenous and that the roll-out in peacekeeping missions would be less complex was found to be incorrect.

20. The Board of Auditors identifies four key lessons learned from the roll-out of Umoja Foundation in peacekeeping operations and special political missions: (a) the Organization gave insufficient emphasis and resources to high-quality training for staff in the standardized business processes and new ways of working; (b) the approach used to assess business readiness did not identify the scale of issues that

needed to be addressed before the roll-out began; (c) a collective effort throughout the Organization is a fundamental requirement for the successful implementation of the enterprise resource planning system; and (d) the full achievement of the project's objectives is being hampered by the lack of a clear target operating model for the United Nations (ibid., paras. 20-23 of the summary).

21. The Secretary-General indicates that two main initiatives were launched in early 2014 to address the difficulties encountered and take into account the lessons learned from the initial deployment of Umoja Foundation in peacekeeping operations and special political missions: (a) the establishment of a post-implementation review task force to review the adoption of Umoja Foundation, take necessary corrective actions and provide guidance on preventative measures to enhance the plan for future deployments; and (b) the establishment of an Umoja Academy to develop a greater degree of Umoja expertise across the Organization (see paras. 33-38 below). The Advisory Committee was further informed that the efforts of the task force were directed towards clearing the backlog of open items as well as identifying the root causes of the problems and providing a systemic response, with a view to preventing recurrence of the same issues.

22. Table 2 of the report of the Board of Auditors provides the task force's high-level assessment of 24 critical issues and rectification plans (see also paras. 23-29 of the Board's report), grouped under the following categories: accountability and ownership; policy; training and knowledge-sharing; technical; change management and communications; and process. The Board indicates that the issues identified and their implications were serious, and that the measures necessary to resolve the issues required a high level of effort in a short timespan. The remedial measures included clarifying policies, roles, operating procedures and reporting responsibilities; taking action to correct open support items; resolving interfaces with locally developed critical applications; and increasing the understanding of the staff and the management of the new operating model and business processes.

23. Upon enquiry, the Advisory Committee was informed that 18 of the 24 critical issues identified by the task force had been fully resolved. Work was ongoing on the remaining six issues, which included development of solutions to address gaps in reporting; training of local process experts in the field and process experts at Headquarters to take over support of the production system from the Umoja team; and the review of all user access mapping for compliance with segregation of duties and delegation of authority. In addition, more than 180 tasks related to the re-engineering of business processes had been identified.

24. The Advisory Committee remains concerned by the serious and systemic nature of the issues that emerged in the post-implementation phase. It notes, however, that the Secretariat has adopted a methodical approach to address the root problems, which should facilitate future Umoja deployments (see para. 29 below). The Committee recommends that the Secretary-General provide in his next progress report a detailed update on the status of the issues identified and the activities undertaken to resolve them.

25. Upon enquiry, the Advisory Committee was provided with further details on the results of the user satisfaction survey for peacekeeping operations conducted in March 2014 to gauge end users' experiences with the Umoja solution since its deployment on 1 November 2013 (see [A/69/385](#), para. 30), which are summarized in annex I to the present report.

C. Revised deployment schedule

26. The Advisory Committee was informed that, because of a serious shortage of trained process experts in many missions, the Umoja team and process owners were required to continue to support post-deployment stabilization in peacekeeping operations and special political missions rather than preparing for new deployments. In addition, several critical areas of functionality changes related to integration and organizational preparations by the business units had to be resolved before responsibly deploying the solution further. The Secretary-General indicates that in the light of the situation, the Umoja Steering Committee decided that in order to ensure a successful implementation it would be necessary to revise the deployment schedule in non-peacekeeping entities of the United Nations Secretariat.

27. The Secretary-General provides information on the proposed revised deployment schedule in paragraphs 53-57 of the progress report (see also table 1). In brief, the Umoja real estate module is to be rolled out in all offices and departments in November 2014; Umoja Foundation and Extension 1 are to be deployed jointly as Umoja Integration, initially in June 2015 in cluster 3 entities¹ and in November 2015 in cluster 4 entities;² and Umoja Extension 1 is to be deployed in peacekeeping operations/special political missions for national staff and uniformed personnel in April 2016. The Secretary-General also indicates that the revised deployment plan reflects postponement of the planned downsizing of the project team and has an impact on the resource requirements for 2015 and on the overall level of the approved budget (see paras. 80-82 below).

28. Upon enquiry, the Advisory Committee was provided with a chronology of cost projections by year for the Umoja project, which is included in annex III to the present report.

29. The Advisory Committee notes with concern that the project continues to report new delays in the project timetable and increased funding requirements on an annual basis, and stresses the need to prevent any further delay and cost escalation. The Committee points out the risk that any further slippage would result in a failure to meet the implementation timeline approved by the General Assembly in its resolution 67/246, of completing by December 2015 the design, build and deployment of Umoja Foundation and Umoja Extension 1. The Committee expects the Secretary-General to ensure that the lessons learned from the deployment of Umoja Foundation in peacekeeping operations and special political missions are fully applied during the preparations for the next deployments of Umoja in order to ensure, in particular, the organizational readiness of the implementing entities prior to the roll-out and that managers and staff have the requisite skills and training to adopt standardized business processes and adapt to harmonized ways of working. It also stresses the need to

¹ United Nations Office at Nairobi, the United Nations Environment Programme, the United Nations Human Settlements Programme, the Office for the Coordination of Humanitarian Affairs (including United Nations Headquarters and the United Nations Office at Geneva as its service providers) and the Economic and Social Commission for Asia and the Pacific.

² United Nations Headquarters, United Nations Office at Geneva, United Nations Office at Vienna, Economic Commission for Africa, Economic and Social Commission for Western Asia, Economic Commission for Latin America and the Caribbean, Economic Commission for Europe, international tribunals, and (Extension 1) in peacekeeping operations/special political missions for international staff.

take into account the specific challenges inherent to Umoja deployment in cluster 3 and cluster 4 entities, which may be different from those faced in peacekeeping operations, and to adjust any remedial measures accordingly (see para. 24 above). The Committee recalls the Secretary-General's statement that no essential customizations of the core software code of the enterprise resource planning system had been identified ([A/65/389](#), para. 44) and recommends that the Assembly request the Secretary-General to continue to limit any customization of the core enterprise resource planning system (see General Assembly resolution 63/262, section II, paras. 12-15).³ The Secretary-General should also be requested to ensure that standardized business processes are applied by the implementing entities without recourse to any workaround solutions, as was the case following deployment of Umoja in peacekeeping operations (see para. 18 above).

30. The Advisory Committee further emphasizes the need to ensure that roles, responsibilities and delegations of authority are clearly defined, that the standardized business processes support the operational requirements of the implementing entities and that internal policies and standard operating procedures are properly aligned with the Umoja solution.

31. The Advisory Committee recommends that the General Assembly request the Secretary-General to closely monitor risks to the project timetable and costs in order to ensure that all issues are detected in a timely fashion, remedial action is taken promptly and further increases in project costs are avoided.

32. The Advisory Committee notes that under the revised deployment schedule, the completion date of the design phase of Umoja Extension 2, which comprises 133 processes, remains unchanged, at the end of 2015. The Committee recalls that Umoja Extension 2 comprises some of the more complex processes to be implemented, such as budget formulation functions, supply chain management and planning and programming, which will also be more challenging to implement in terms of change management, harmonization and business transformation (see [A/67/565](#), annex IV). In view of the above, and taking into account the difficulties and delays faced during the design of Umoja Foundation and Extension 1 (see para. 78 below), the Committee emphasizes that the design of Umoja Extension 2 must be delivered within the planned time frame in order to achieve the complete implementation of the full scope of the project by December 2018, as approved by the General Assembly in its resolution 67/246, as well as to avoid any further cost escalation. **The Committee therefore recommends that the Assembly request the Secretary-General to ensure that the design phase of Umoja Extension 2 is initiated on time and is based on a thorough analysis of the business processes to be re-engineered. He should also provide an update on progress made in his next progress report.**

³ In his second progress report, the Secretary-General indicated that the enterprise resource planning solution can be supplemented with external programmes, or "extensions", to provide additional functions to provide an optimal United Nations-compatible solution in areas where the functionality of the enterprise resource planning system does not meet United Nations requirements. Such extensions could be "plugged in" or "bolted on" to the enterprise resource planning system without changing the core software of the system and would not affect future software upgrades and would be less costly to maintain than customizations (see [A/65/389](#); [A/65/576](#)).

D. Umoja Academy

33. As indicated above, the Board of Auditors indicates that one of the key lessons to be learned from the roll-out of Umoja Foundation is that the Organization gave insufficient emphasis and resources to high-quality training for staff in the standardized business processes and new ways of working. It notes that the original estimate of training costs in April 2008 was \$37 million, but this was reduced in September 2011 to \$7.4 million (2 per cent of the overall project budget). The Umoja task force also identified four critical issues related to training and knowledge-sharing, noting that end users were not fully conversant with the functionality of Umoja.

34. The Secretary-General indicates that the Umoja Academy was established to address the weaknesses identified and develop a greater degree of Umoja expertise across the Organization. A comprehensive training strategy was established for the provision of customized training programmes for managers and process experts at different levels (see [A/69/385](#), paras. 51-52). In addition, it is proposed to increase the 2015 provision for training requirements under other staff costs by \$7,425,100, to cover the requirements for the participation of subject-matter experts in the training programme and \$3,570,000 for the participation of 20 additional process experts in the training programme.

35. Upon enquiry, the Advisory Committee was informed that the above-mentioned proposed increase of some \$11 million for awareness and training activities under other staff costs would bring the budget for training and Umoja Academy activities for the period up to the end of 2015 to \$26 million, which was deemed to be sufficient for the activities envisaged. In addition to the budget increase, the Umoja team was revising the training strategy to address the weaknesses identified during previous Umoja deployments, based on lessons learned. For instance, consideration was being given to reviewing the training delivery strategy to include more hands-on training and increasing opportunities for the participation of users and trainers in predeployment activities such as testing and data cleansing, which would allow greater familiarization with the Umoja solution. The Umoja team envisaged two rounds of training: the first before deployment and the second a few months after deployment, after end users became more familiar with the solution.

36. The Advisory Committee was further informed that the increase in the training budget would permit expansion of the training activities of the Umoja Academy and improvements in the training programmes by: (a) prioritizing training for training experts in the departments/offices of the process owners; (b) creating targeted learning programmes for managers, process experts and local process experts; (c) increasing training on end-to-end processes to foster greater understanding of the nature of an integrated solution and the linkages between functional areas; (d) strengthening investment in the training of local process experts by involving them in deployment activities (such as testing data readiness) before they are trained on how to train other users; and (e) establishment of a certification programme based on rigorous assessment tests.

37. With regard to the training programme for managers, the Advisory Committee was informed that it was aimed at building awareness and obtaining the buy-in of all managers for the adoption of a different operating model. One-week training

sessions had already been delivered at Entebbe to 38 managers on a pilot basis, and one-day sessions to 18 managers in New York, with further training sessions planned. In addition, the Umoja Project Director planned to hold bilateral Umoja Academy sessions with the head of each of the deploying entities.

38. The Advisory Committee emphasizes the importance of ensuring that relevant training is delivered to all users through the most appropriate delivery method in the most cost-effective manner possible. It notes with appreciation the efforts under way to learn lessons from previous Umoja deployments, improve the quality and effectiveness of training programmes and to expand the delivery of training to a wider audience. The Committee recommends that the General Assembly request the Secretary-General to report comprehensively on training activities in the next progress report, including by providing information on training needs, training strategy, training programmes and training delivered. The Secretary-General should also be requested to evaluate and report on the effectiveness of the training programmes, including their contribution towards addressing the weaknesses in organizational readiness and in adopting standardized business processes and new ways of working following the deployment of Umoja Foundation in peacekeeping missions.

E. Project management

39. The Secretary-General affirms that project management and integrated planning capability have been strengthened, and that the monitoring and reporting of project deliverables and milestones against expenditure and budget forecasts have matured. The Board of Auditors notes that some progress has been made in establishing a project plan that allows better monitoring of overall progress against expenditure (A/69/158, paras. 77-79). It notes, however, that the action taken to strengthen project management capability has not matched the increasing complexity and demands of the project.

40. The Advisory Committee welcomes the improvements reported. It emphasizes the importance of applying sound project management practices and principles in order to ensure effective and efficient use of resources. The Committee recommends that the General Assembly request the Secretary-General to continue to strengthen planning and management of the Umoja project, taking into account the observations and recommendations of the Board of Auditors (see paras. 67-70 below).

F. Benefits realization

41. The implementation of Umoja is expected to yield both qualitative and quantitative benefits, as discussed in earlier progress reports of the Secretary-General.⁴ Benefits are also expected from other management reform initiatives that are currently ongoing, such as the implementation of the International Public Sector Accounting Standards (IPSAS), or that have yet to be proposed, such as the global service delivery model.

⁴ See A/64/380, sect. II; A/65/389, sect. II; A/66/381, section IV.D.

Qualitative benefits

42. In paragraphs 39 and 40 of the progress report, the Secretary-General provides information on a number of improvements that have already been made following the first deployments of Umoja, as well as on progress made towards longer-term objectives. According to the Secretary-General, the improvements already observed relate, inter alia, to: (a) the establishment of a centralized, streamlined approach to cleanse, consolidate and standardize master data from legacy systems and databases across the Secretariat; (b) the implementation of a centralized catalogue of goods and services, which enables streamlining of procurement and supply chain operations; (c) the establishment of a comprehensive, centralized chart of accounts that will allow consistent analysis of programmes across the Organization; (d) early roll-out of the real estate module that facilitates IPSAS compliance; and (e) implementation of an enterprise-wide post-implementation support model for provision of support on functional and technical issues. The Secretary-General also cites progress made towards longer-term objectives such as enhanced transparency, standardized administrative processes, access to better information, availability of an up-to-date organizational structure that is kept fully aligned with the budget structure and includes all staff in the organization, and reduced requirements for training of staff changing jobs owing to standardized ways of working across the Secretariat.

43. The Advisory Committee notes with interest the information provided on the qualitative improvements observed following the deployment of Umoja. **It recommends that the General Assembly request the Secretary-General to include in the benefits realization plans comprehensive information on the qualitative benefits to be achieved, including on the use of data and information to enhance decision-making as well as on improvements to the operations of the Organization and in programme delivery.**

Quantitative benefits

44. Information on the realization of quantitative benefits is provided in paragraphs 58 to 62 of the progress report. The Secretary-General indicates that it has been determined that the revision of the deployment schedule will not have an impact on the value and timing of the quantitative benefit projections previously reported. The Secretary-General further indicates that the process owners and the Chief Information Technology Officer remain committed to overall quantitative benefits of \$140 million to \$220 million, to be realized incrementally over several years from 2017 to 2019. The Secretary-General indicates, in paragraph 61 of his progress report, that estimated benefits for 2017 of \$30 million will be reflected in the context of the proposed programme budget for the biennium 2016-2017, and that similarly, for 2017, the peacekeeping operations will reflect estimated benefits in the amount of \$51.4 million in their proposed budgets for the corresponding period.

45. The Advisory Committee recalls that estimates of quantitative benefits were initially formulated in 2009 and presented in the first progress report on the enterprise resource planning project (A/64/380). The Committee requested, for information purposes, updated estimates of the benefits adjusted to current prices. It was informed that the initial estimates of benefits had been estimated on the basis of a methodology presented in annex I to the first progress report (A/64/380) and that specific, achievable, time-bound benefits realization plans would be developed by

the process owners in partnership with each implementing entity on the basis of its specific business transformation plans (see para. 48 below).

46. In this connection, the Advisory Committee recalls that, in his fourth progress report (A/67/360), the Secretary-General presented a revised deployment strategy and strengthened governance structure, in which, inter alia, responsibility and accountability for benefits realization was assigned to the process owners. The Secretary-General indicated that the case for benefits was based on assumptions that would have to be validated over time because they were based on incomplete baseline data owing to the significant difference in the existing (“as-is”) operating models across Secretariat entities (see A/67/565, para. 60; A/67/360, para. 47). He further indicated that each entity preparing to implement the Umoja system would undertake an in-depth analysis of its specific business transformation as part of its organizational readiness plan six months prior to deployment, and refine and quantify its benefits estimates based on the guidance of the process owners. In its second audit of Umoja (A/68/151), the Board of Auditors recommended that the Secretariat adopt a consistent approach to benefits realization, which would include: (a) clear categories of qualitative and quantitative benefits; (b) how the different categories of benefits would be measured; (c) a plan to realize the different benefits; and (d) a process to monitor and sign off when the benefits had been realized. In its resolution 67/246, the General Assembly requested the Secretary-General to reassess the benefits model and elaborate clear benefit realization plans at the start of the implementation process and to report thereon in his next annual progress report.

47. In its most recent report (A/69/158), the Board of Auditors notes that the Secretariat has not yet completed its statements of benefits and benefits realization plans, nor established baselines against which to measure improvements. It continues to emphasize the need for a consistent approach and robust methodology for estimating benefits. The Board also notes that the Office of Human Resources Management has progressed furthest in developing a practical methodology to estimate the impact of the enterprise resource planning system on an individual entity, which will be used to calculate the benefits at all entities based in New York.

48. The Advisory Committee is concerned that insufficient progress has been made in the development of benefits realization plans and that the information requested by the General Assembly has not yet been provided (see para. 46 above). It is of the view that specific information on the benefits expected in each area should have been presented to the Assembly in advance of its consideration of the budgetary impact of benefits realization, in order to allow sufficient time for its deliberations and to support informed decision-making in this regard. The Committee recommends that the Assembly request the Secretary-General to accelerate the development of the benefits realization plans and submit for its consideration objective and specific information on the expected quantified benefits in each area, including details on how the benefits are expected to be achieved as well as on the methodology used to estimate those benefits. The information to be provided should clearly demonstrate that the benefits are to be derived directly from the implementation of Umoja (see para. 41 above). The Committee further recommends that the Assembly request the Secretary-General to provide estimates of the benefits calculated on the basis of actual expenditures at current prices (see para. 45 above).

49. With respect to the proposed decrease of \$30 million related to Umoja benefits realization to be apportioned across the various budget parts presented in the proposed programme budget outline for the biennium 2016-2017 (A/69/416), the Advisory Committee comments further on this matter in its related report.

G. Internal controls and risk management

50. The Board of Auditors notes improvement in the risk management process, including regular review and update of the risk register, an increased pace of response and a significant reduction in the number of open entries on the risk register. It indicates that, while the Steering Committee is presented with monthly heat maps and information about the most pressing risks, it receives no information regarding the potential cost impacts of the risks. The Board further indicates that with the project in deployment, more risks are emerging that relate to business area readiness, which can be mitigated only by sharing responsibility and accountability for risk management with the business areas (A/69/158, paras. 75-76).

51. The Advisory Committee welcomes the efforts made to improve risk management. It recommends that the General Assembly request the Secretary-General to continue the strengthening of the risk management processes, including provision of improved information to support decision-making by the Steering Committee. The Committee also emphasizes the need to ensure proper assignment of ownership and accountability for the management and mitigation of risks in order to avoid further delays and cost escalation should the risks materialize.

H. Global service delivery model

52. The Advisory Committee recalls that in his second progress report (A/65/389), the Secretary-General indicated that the preliminary findings of an initial service delivery opportunity assessment suggested that the United Nations could benefit substantially from grouping services in shared service centres and from consolidating decision-making and policymaking in centres of excellence. The Committee has encouraged the Secretary-General to pursue those efforts and to further explore the feasibility of a Secretariat-wide approach to common service delivery, emphasizing that any changes to the current service delivery model must be approved by the General Assembly. The Board of Auditors has also highlighted that the implementation of an enterprise resource planning system presents a good opportunity to redesign the service delivery model, emphasizing the need to design such a model in advance of the enterprise resource planning project in order to avoid the risk of expensive post-implementation retrofitting of the enterprise resource planning system to the service delivery model.

53. The Secretary-General provides some information on his vision for a new service delivery model in paragraphs 80 to 82 of his 2014 progress report. He indicates that detailed proposals for a new global service delivery model will be submitted to the General Assembly at its seventieth session for its consideration and approval. Upon enquiry, the Advisory Committee was informed that a working group on the global service delivery model had been established, led by the Under-Secretary-General for Management and comprising representatives of the Umoja

process owners, the Chief Information Technology Officer and the Department of Field Support. The working group was considering options for the integration and consolidation of certain transactional administrative processes under a shared services model to be proposed for consideration by the Assembly.

54. Regarding the Secretary-General's intention to submit for consideration by the General Assembly at its seventieth session a proposal for a global service delivery model for the United Nations, the Advisory Committee recalls its earlier recommendations on the need for the early submission of proposals for a global service delivery model,⁵ which were endorsed by the Assembly in its resolutions 67/246, 67/254 and 68/284. **The Committee once again reiterates its previous recommendations that the Assembly request the Secretary-General to submit proposals for a global service delivery model for consideration by the Assembly as soon as possible in order to ensure that Umoja is fully aligned in a timely manner with any new service delivery model that the Assembly may decide to adopt.**

I. Umoja operating, maintenance and support costs

55. As indicated in paragraphs 66 to 74 of the progress report, global operating costs for Umoja operating, maintenance and support activities are estimated at \$54.4 million for the biennium 2016-2017, comprising: (a) \$29.6 million for recurrent direct operating, maintenance and support costs; and (b) \$24.8 million for central information and telecommunications infrastructure for enterprise systems. The Advisory Committee was informed that the first category reflected direct costs of operating Umoja, which are included in the Umoja project budget prior to the deployment of the system, but become recurrent operating costs for the Organization once the system has been deployed. Such costs included, for instance, the maintenance costs of the software licences for the enterprise resource planning system and the cost of hosting, storage and managing the Umoja system by the Department of Field Support at the enterprise data centre of the United Nations Support Base in Valencia. The Committee was informed that the second category of costs (central information and telecommunications infrastructure) had never formed part of the Umoja project budget because such costs were not directly related to the development of Umoja or its operations, but rather concerned infrastructure costs that enabled functioning of Umoja as well as of other United Nations enterprise systems. Such costs comprised both one-time costs for periodic infrastructure enhancements as well as recurrent costs for services such as remote access to the enterprise data centres using landlines or satellite communications.

56. The Advisory Committee was informed that the operating, maintenance and support costs of Umoja would be apportioned under the regular budget, the budgets of peacekeeping operations and extrabudgetary sources of funding on the basis of the cost-sharing formula of the enterprise resource planning project, approved by the General Assembly in its resolution 63/262. The estimated amounts reflected the best estimates of costs based on currently available information, and did not reflect any cost avoidance that might concurrently arise as legacy systems replaced by Umoja are decommissioned.

⁵ See [A/67/565](#), [A/67/770](#) and [A/68/782/Add.8](#).

57. The Secretary-General also indicates that resources are required during the transition period to run the Integrated Management Information System and other legacy systems in parallel until the enterprise resource planning system is fully implemented and the legacy systems are archived and decommissioned.

58. **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide in his next progress report a detailed breakdown of the costs of Umoja operating, maintenance and support activities and of the providers of services, as well as information on cost-recovery arrangements. He should also provide estimates of the resources expected to be released as a result of the retirement of legacy systems that can be redirected to offset Umoja support costs, as well as a time frame for the archiving and decommissioning of those systems.**

J. Umoja mainstreaming plan

59. Information on the mainstreaming of Umoja into the Organization is presented in paragraphs 75 to 79 of the progress report. As indicated, the mainstreaming plan involves: (a) progressive downsizing of the Umoja project team from 90 to 74 posts at the end of 2015, most of which are related to administrative and support functions; (b) further downsizing of the project team from 74 to 50 posts in early 2017, with the 24 posts consisting mainly of process experts to be transferred to business units; and (c) in January 2007, the transfer of responsibility for Umoja to the Chief Information Technology Officer, who will take over the management and execution of activities related to information and communications technology (ICT). As indicated, those ICT-related activities include: (a) ongoing system support and maintenance capacity to manage, maintain and enhance the Umoja production environment; (b) yearly building and testing programmes of work to integrate new functionality into the production environment, including the releases of Umoja Extension 2 functionality; and (c) periodic releases of new functionality and/or maintenance packages within the Secretariat. The Advisory Committee notes that the envisaged transfer of responsibility to the Chief Information Technology Officer under the mainstreaming plan covers not only purely ICT-related activities, but also responsibility for the deployment of Umoja Extension 2.

60. The Advisory Committee was informed that the remaining 50 temporary posts will be funded by the Umoja project until the end of 2017, when in accordance with the direction of the General Assembly, the project posts will cease to exist. In this connection, the Committee recalls that the 90 Umoja posts approved by the Assembly in its resolution 65/259 are temporary regular budget posts limited to the duration of the project.

61. The Secretary-General further indicates that efforts will be made to retain the technical and substantive expertise acquired by the Umoja team within the United Nations after 2017, in particular that of business analysts, software configuration experts and of specialists with both technical knowledge and an understanding of United Nations operations. **The Advisory Committee emphasizes the importance of rigorous planning and preparation for the future downsizing of the project team. It stresses, in particular, the need to build institutional knowledge and internal capacity for managing and supporting the Umoja solution and to reduce the Organization's reliance on consultants. Given the time and effort**

necessary to build such capacity, the Committee emphasizes that the Umoja project team and the Office of Information and Communications Technology should continue working closely together in order to ensure that in-house expertise is developed in time for the transfer of responsibility for the support of the system to the Office.

62. The Advisory Committee requested further information on the timing of the proposed downsizing and transfer of responsibilities under the mainstreaming plan, in particular the possible impact on the implementation of Umoja Extension 2, which envisages completion of the design phase by the end of 2015 and of the build and test phases by the end of 2016, with phased deployment during 2017. The Committee was informed that the Secretary-General considered it essential to properly set a time frame for the mainstreaming of Umoja in order to ensure continuity and a seamless transition, and avoid risks to the project: on the one hand, project progress could be negatively impacted if the mainstreaming occurred too early in the implementation phase of the project when it is necessary to maintain all areas of expertise under a single chain of command; conversely, if the mainstreaming occurred too late after the solution became operational following deployment of Umoja Foundation and Extension I, there were risks that accountability would be diluted and that a parallel team with Umoja expertise would be established in the Office of Information and Communications Technology to support Umoja Foundation and Extension I functions and respond to business needs.

63. The Advisory Committee recognizes the importance of mainstreaming Umoja support and has consistently stressed the need to put in place mechanisms for strengthening in-house capacity for supporting the core activities and needs of the Organization and for transferring knowledge from consultants to programme and project staff in order to prepare for the institutionalization of Umoja support. It considers that such efforts should continue and has no objection to the transfer of responsibilities to the Chief Information Technology Officer for technical support and ICT-related activities, nor to the downsizing of the related Umoja project posts.

64. Notwithstanding the above, the Advisory Committee continues to question the rationale for the proposed timing of the transfer of responsibility for the project at the beginning of 2017, before full deployment of the system. As indicated in its previous reports ([A/67/565](#) and [A/68/7/Add.7](#)), the Committee strongly believes that the authority and leadership of the project's governance and management structures will be necessary to deliver a complex business transformation such as Umoja Extension 2, which encompasses some of the more strategic functions such as budget formulation and supply chain management. The Committee continues to be concerned that the dismantling of the project team prematurely may pose a risk to the successful implementation of the project and holds the view that the project structure should be maintained until completion of the full deployment of Extension 2. The Committee also reiterates that the above-mentioned concerns do not preclude the need to make adjustments to the size and composition of the project team, or to provide most of the required expertise in-house.

65. In view of the foregoing, the Advisory Committee recommends that the General Assembly request the Secretary-General to submit a revised proposal

for the maintenance of the project structure until the completion of the full deployment of Umoja Extension 2.

66. The Advisory Committee comments further on this matter in the context of its report on the revised information and communications technology strategy.

K. Request to upgrade the post of Deputy Project Director

67. The Secretary-General is resubmitting a request made in the fifth progress report (A/68/375), for the reclassification of the post of the Deputy Director of the Umoja project from the D-1 to D-2 level. The Advisory Committee recalls that it had recommended against approval of the proposed upgrade, owing, inter alia, to the envisaged downsizing of the Umoja project team (A/68/7/Add.7, paras. 43-44). In its resolution 68/246, the General Assembly, having considered the second report of the Board of Auditors on the enterprise resource planning system (A/68/151), the fifth progress report of the Secretary-General (A/68/375) and the related report of the Advisory Committee (A/68/7/Add.7), did not provide any further guidance.

68. The Secretary-General's arguments in support of his request are set out in paragraphs 88 to 94 of the progress report. He indicates that, as it becomes increasingly evident that the level of transformation associated with the implementation of Umoja poses more challenges than expected, the Project Director (at the level of Assistant Secretary-General), with the assistance of the proposed Deputy Project Director at the D-2 level, will play a significant role in developing a clear understanding of and support for organizational change management with the senior leadership and throughout the Organization. At the same time, the project must continue deployment of Umoja Foundation and Extension 1 in clusters 3 and 5, prepare for Extension 2 and manage change requests from the entities having already deployed Umoja. The Secretary-General further states that the proposed Deputy Project Director at the D-2 level would have the required level of seniority and experience to properly assist the Project Director in managing the team resources, oversee the day-to-day operation of the project, manage the interaction with the systems integrator and keep the project on track, thereby allowing the Project Director to engage with stakeholders and senior managers in conducting the top-down change management effort (A/69/385, para. 93).

69. Upon enquiry, the Advisory Committee was provided with further information on the division of responsibilities between the Project Director (Assistant Secretary-General) and the proposed Deputy Project Director (D-2), which is included in annex II to the present report. The Committee was also informed that, during the remaining duration of the project until 2017, a further 60 different departments and offices will have to achieve readiness for Umoja implementation, deploy the new system, adopt standardized business processes and adjust to new ways of working. It is expected that key adoption issues will emerge during the initial post-implementation stages that will have to be resolved rapidly. During these critical project phases, the Umoja team will have to continue working on the design and build of Extension 2. Given the scale, scope and complexity of the implementation tasks ahead, the Secretary-General considered the proposed reclassification of the post to be a necessary investment to keep the project plan on track and within budget.

70. The Advisory Committee notes the difficulties encountered and lessons learned following the deployment of Umoja Foundation in peacekeeping operations and special political missions, as well as the increased complexity in managing multiple-phased, concurrent deployments in multiple entities across the Secretariat while supporting Umoja Foundation in peacekeeping operations and special political missions. **In view of the new information provided, the Committee recognizes that the Umoja project leadership must intensify its efforts to garner greater support for organizational change management with the senior leadership throughout the Organization and recommends that the General Assembly approve the Secretary-General's proposal for the reclassification of the Deputy Project Director post to the D-2 level. The Committee further recommends that the respective job descriptions of the Project Director and the Deputy Project Director positions be adjusted to reflect any changes in their respective roles and responsibilities.**

71. During its deliberations, the Advisory Committee was informed that the Secretary-General had appointed on 12 September 2014 an Umoja Senior Deployment Coordinator, for Headquarters, at the Assistant Secretary-General level. The Committee notes that no mention of this position is made in the progress report, and requested further information on the functions of the Senior Deployment Coordinator as well as an explanation of the modalities of the appointment and the reason why the position had not been proposed for approval by the General Assembly in the context of the sixth progress report.

72. The Advisory Committee was informed that a deployment coordinator had been assigned in each of the entities deploying Umoja, to serve as an interlocutor between the business side of the Organization and the Umoja project team for the duration of Umoja realization and deployment activities. The role of deployment coordinator at the United Nations Offices at Geneva, Nairobi and Vienna had been assigned to the respective directors of administrative services, in addition to their official duties. In the light of the absence of a director of administrative services position at Headquarters, a temporary full-time Senior Deployment Coordinator, reporting to the Under-Secretary-General for Management, had been appointed to ensure coordination among the 18 offices and departments headquartered in New York.

73. The Advisory Committee was further informed that the position of Umoja Senior Deployment Coordinator, New York, was of a temporary nature and was being funded through vacant regular budget posts at the Assistant Secretary-General level. It recalls that in its first report on the proposed programme budget for the biennium 2012-2013 ([A/66/7](#), para. 92), it expressed the view that vacant posts should not be utilized to establish positions on a long-term basis to carry out functions for which no approval has been given. The Committee also expressed concerns about the continued use of general temporary assistance funds to finance senior-level positions because such arrangements did not provide the Committee or the General Assembly with an opportunity to review the need for the positions in question or their respective levels or functions. The Committee's observations and recommendations were endorsed by the Assembly in its resolution 66/246. Subsequently, in its first report on the proposed programme budget for the biennium 2014-2015, the Committee reiterated that vacant posts should not be used for purposes other than those for which they were intended ([A/68/7](#), para. I.39).

74. In view of the concerns expressed by the General Assembly on the management of vacant posts, the Advisory Committee is of the view that the requirement for a temporary position for an Umoja Senior Deployment Coordinator for Headquarters at the Assistant Secretary-General level should have been submitted for consideration by the Assembly in the context of the sixth progress report. It is of the view that, if the Secretary-General believes that there is a requirement for a full-time Umoja Senior Deployment Coordinator position at Headquarters at the Assistant Secretary-General level, he should submit a proposal for consideration by the Assembly at the earliest opportunity. The Committee emphasizes that the above recommendation does not prejudice the position it may take on the Secretary-General's request, should he decide to submit a proposal.

L. Contractual services/systems integrator

75. The Secretary-General indicates that the long-term support requirements of Umoja will be provided by a single systems integrator (A/69/385, para. 119). Upon enquiry, the Advisory Committee was informed that the services to be provided under a fixed price for a period of five years included: (a) application management support for ongoing maintenance of the Umoja solution; and (b) modification and enrichments of Umoja for implemented functions. Furthermore, under the terms of the same contract, the single systems integrator will also provide services on a time and materials basis using a pre-established rate for: (a) the design, build, test and deployment of new requirements and functionality under Umoja Extension 2; and (b) development of additional training materials and management reports, or related enhancements. In this regard, the Board of Auditors indicates that it had previously recommended that the Secretariat prepare an overarching commercial strategy for the project to optimize the value from major suppliers, balancing costs and risks to delivery. While noting that an overall commercial strategy has yet to be developed, the Board notes that the Secretariat has demonstrated evidence of a considered commercial approach to the remaining procurement required.

76. The Advisory Committee was also informed that additional services had been procured through other vendors for the following services: (a) specialist professional services for the design and build of certain highly specialized elements of budget formulation and functionality related to mission planning; (b) technical training for Umoja staff and subject-matter experts in the enterprise resource planning software; (c) hosting services, comprising ongoing support and maintenance services for the Umoja solution; (d) quality assurance and advisory services in the areas of project management and systems integration; and (e) conference facilities for Umoja workshop sessions.

77. The Advisory Committee recommends that the General Assembly request the Secretary-General to continue to refine the Organization's commercial approach with a view to optimizing the value from its major suppliers.

M. Indirect costs

78. In his fourth progress report (A/67/360), the Secretary-General indicated that preparatory activities and related resource requirements such as the collection,

cleansing and enrichment of data and costs associated with the necessary upgrading of network infrastructure had been categorized as indirect costs. Such costs were, in principle, part of the operational responsibilities of implementing departments/offices and would be performed within their existing base budgets through the reprioritization of their administrative and support activities in a manner that did not have a negative impact on the implementation of their core mandates. In its related report, the Advisory Committee, while noting the pragmatic approach taken to address the question of indirect costs, reiterated its earlier recommendation that the Secretary-General be requested to capture information and report on the level and nature of the indirect costs of preparatory activities borne by the implementing departments/offices. The Committee's report was endorsed by the General Assembly in its resolution 67/246.

79. The Advisory Committee notes that the sixth progress report does not provide any information on the indirect costs incurred by the implementing entities and that the level of such costs remains unknown. **The Committee reiterates its earlier recommendations that the General Assembly request the Secretary-General to maintain a detailed accounting of the indirect costs of preparatory activities to be borne by the implementing offices, departments and other entities and those to be covered under the Umoja project budget, and to provide fully transparent information on those costs to the Assembly in the Secretary-General's future progress reports on Umoja.**

N. Project expenditures and resource requirements

Expenditures for the period from 2008 to the end of 2013

80. Information on expenditures for the period from 2008 to the end of 2013 is provided in table 8 and paragraphs 110 to 111 of the progress report. As indicated, cumulative expenditure to the end of 2013 amounted to over \$255 million, comprising approximately \$18 million in respect of the biennium 2008-2009, \$101 million for the biennium 2010-2011 and \$137 million for the biennium 2012-2013.

81. In its previous report, the Board of Auditors presented the findings of a review conducted at the request of the Advisory Committee on the execution of the design phase (see [A/68/151](#), para. 55 and table 2). It indicated that \$208.8 million (approximately 55 per cent of the initial project budget of \$315.8 million) had been spent as at 31 March 2013, primarily on the system design (including costs for design vendor and staff input to the design), software licences and the build of Umoja Foundation. As noted in its previous report ([A/68/7/Add.7](#)), the Committee had been informed that by June 2013, the completion rates of the design of Umoja Foundation, Umoja Extension 1 and Umoja Extension 2 were 95, 86 and 40 per cent, respectively. In comparison, the Board indicated that the original budget approved for the project in the amount of \$315.8 million anticipated a total amount of \$63.8 million for the preparation and design phase, \$131.5 million for the build phase and \$120.4 million for the deployment phase.

Revised resource requirements for 2014 and 2015

82. Details on the revised requirements for 2014 and 2015 are provided in paragraphs 112 to 133 of the progress report. As shown in table 11 of the progress

report, the revised requirements amount to \$129.4 million, reflecting an increase of 24.3 per cent compared with the projected requirements of \$104 million.

83. For 2014, actual requirements are estimated at \$76.5 million, compared with the projected amount of \$58.6 million. The increase is mainly due to additional requirements for contractual services that would almost double from a projected amount of \$22 million to estimated actual requirements of \$42 million, largely owing to the change in the deployment schedule and additional scope of Umoja Foundation (see A/69/385, table 9 and paras. 113-121). For 2015, the estimated requirements amount to \$52.9 million, reflecting an increase of \$7.4 million, or 16.4 per cent over the projected amount of \$45.5 million. The difference is mainly due to increases under posts owing to the deferral of the downsizing of the project team, and under other staff costs to cover requirements for additional subject-matter experts (*ibid.*, table 10 and paras. 122-126).

84. Total project expenditures until the end of 2015 would amount to \$385 million, reflecting an increase of \$36.9 million or 10.6 per cent over the approved budget of \$348.1 million. The increase would be distributed across the different sources of funding as follows: \$5.5 million under the regular budget for the biennium 2014-2015, as a charge against the contingency fund; \$22.9 million under the peacekeeping support account budget for the 2015/16 period; and \$8.5 million to be funded from extrabudgetary sources for the 2015 period.

Projected resource requirements for 2016-2017

85. The requirements for the build, test and deployment phases of Umoja Extension 2 during the 2016-2017 period are estimated at \$54.3 million. As indicated, the estimate is based on the assumptions that the number of Umoja project posts will be downsized to 74 at the end of 2015 and to 50 at the end of 2016, and that the total requirements for contractual services will amount to \$8.3 million in 2016 and \$7.3 million in 2017. As indicated in paragraph 60 above, the Umoja project posts will cease to exist at the end of 2017 (see also para. 65 above).

IV. Conclusions and recommendations

86. **The actions requested of the General Assembly are set out in paragraph 154 of the sixth progress report of the Secretary-General on the enterprise resource planning project. Subject to its comments and recommendations in the paragraphs above, the Advisory Committee recommends that the Assembly:**

- (a) **Take note of the progress made on the implementation of Umoja since the issuance of the fifth progress report;**
- (b) **Approve the revised resource requirements of the project until 31 December 2015, as presented in table 14 of the progress report;**
- (c) **Approve the reclassification of the post of Deputy Project Director as a post at the D-2 level;**

Programme budget

(d) **Appropriate an amount of \$5,538,200 under the programme budget for the biennium 2014-2015 under section 29A, Office of the Under-Secretary-General for Management, representing the regular budget share for the additional Umoja project costs until 31 December 2015, which would represent a charge against the contingency fund for the biennium 2014-2015;**

Support account for peacekeeping operations

(e) **Note that resource requirements in the amount of \$22,891,500 will be included in the subsequent requirements for the support account for peacekeeping operations for the financial period from 1 July 2015 to 30 June 2016;**

Extrabudgetary resources

(f) **Note that requirements in the amount of \$8,492,100 will be funded from extrabudgetary resources in the financial period from 1 January 2015 to 31 December 2015.**

Annex I

Summary of the results of the user satisfaction survey

- Four Umoja end user satisfaction surveys have been conducted. Surveys are conducted two and six months, respectively, after deployment in pilot sites and cluster entities. The Umoja team continually monitors results from end user surveys to assess the successes and challenges of each deployment and to assist in developing lessons learned and best practices moving forward for future deployments.
- Overall, the assessments of surveyed users show mixed views about their experiences using Umoja. There is general recognition that while the new solution presents change management challenges with a steep learning curve, Umoja is a useful and necessary tool for the United Nations and there is appreciation for the improvements the Umoja solution has brought to users' functional areas of work. Improvements cited include increased transparency, accessibility and streamlining. The employee self-service module was positively received as it facilitates access to information such as leave, attendance and travel.
- Although training has yielded positive results in many locations, and many users express appreciation for the effort and time spent by trainers at each site, the survey reflects that staff believe that Umoja training should emphasize live practice in the production system. Users also pointed out the importance of extending the training to managers, so that they would better understand the Umoja functionality and workflows.
- However, responses on training delivery methods have improved over time: for example, Umoja Integration pilot users have praised the hands-on training that they have received and the Umoja "kiosk" concept, which has been key to supporting the transition.
- Even though the overall result on production support is satisfactory, the lengthy response time and the need for more clarity of production support procedures remain the main challenges throughout each progressive deployment, as expressed by the end users.

Survey of users at the United Nations Interim Force in Lebanon and the Office of the United Nations Special Coordinator for Lebanon (Foundation pilot) — two months after the deployment of Foundation

- The 2013 Umoja pilot user satisfaction survey conducted at the United Nations Interim Force in Lebanon and the Office of the United Nations Special Coordinator for Lebanon found that a majority of users (62 per cent) viewed their missions as adequately prepared for deployment. Similarly, 62 per cent also found that the training and support process and structures were successfully conducted and communicated. Overall, 51 per cent of respondents agreed that they were satisfied with Umoja implementation in their mission.

Survey of peacekeeping operations users (cluster 1) — six months after deployment of Foundation

- The user satisfaction survey of cluster 1 missions conducted in March 2014 found that, in general, respondents had a positive view about the concepts and goals of Umoja and how it intended to improve the way the United Nations works. A majority, 60 per cent, believed that they understood the significance of Umoja for their mission, while 30 per cent expressed satisfaction about how Umoja improved their functional area of work.

Survey of users at the United Nations Stabilization Mission in Haiti (Integration pilot) — two months after the deployment of Integration (Foundation and Extension 1)

- The 2014 Umoja Integration pilot showed that satisfaction levels with various aspects of the Umoja Integration process were mixed. Respondents were very satisfied with the communications received about the project (43 per cent), while 39 per cent expressed similar satisfaction with the overall implementation of the pilot and 36 per cent had similar views about the overall management of the Umoja project.

Survey of special political mission users (cluster 2) — six months after the deployment of Foundation

- Currently open.

Annex II

Proposed division of responsibilities between the Project Director and the Deputy Project Director

The Assistant Secretary-General for Umoja would play a significant role in developing a clear understanding of and support for organizational change management with the senior leadership and throughout the Organization. This would include the following activities:

- Retain the overall accountability for all aspects related to the project, including of course those managerial responsibilities delegated to the Deputy Director.
- Bring awareness to senior management and heads of departments and offices on the changes brought by the new operating model, highlighting the potential impact and providing advice on how to deal with the changes.
- Mobilize and equip managers to champion those changes.
- Assist in resolving organizational interdependencies across different offices, in an operating model that depends on harmonization and collaboration among offices.
- Facilitate resolution in a timely and effective manner of high-level interdependencies across the Secretariat (among heads of departments and offices, process owners, the Chief Information Technology Officer, etc.).
- Recommend changes to the governance structure and ways to define and monitor the interdepartmental relation between service providers and client organizations.
- Help to ensure the realization of benefits to be committed by every office and department.
- Alert capacity, pacing, resourcing and any other urgent issues requiring leadership attention.

The Umoja Deputy Director at the D-2 level would have the required level of seniority and experience to ensure the successful delivery of the Umoja project. This would include the following activities:

- Ensure deployment of Umoja Integration to clusters 3, 4 and 5.
- Drive the functionality enhancement in accordance with the scope of Extension 2.
- Manage change requests generated by the experience of entities who have already implemented the solution.
- Oversee the day-to-day operation of the project.
- Manage the Umoja team resources.
- Manage the interaction with the systems integrator.
- Keep the project on track and alert urgent issues requiring leadership attention.

Annex III

Chronology of cost projections by year for the Umoja project^a

The General Assembly decided to replace the Integrated Management Information System with a next-generation enterprise resource planning system or other comparable system in its resolution 60/283.

(Thousands of United States dollars)

Year	Implementation approach (Reports of the Secretary-General)	Project timeline and costs	Project costs
2008	Implementation in two waves: the first for IPSAS-related processes; and the second for the remaining functions. (A/62/510/Rev.1)	Implementation of Wave 1 by the end of 2010 and Wave 2 by the end of 2012. The total estimated costs of \$285,560,600 comprised project costs of \$248,313,600 and a contingency provision of \$37,247,000.	285 560 600
2009	“Pilot first” option, involving a small-scale initial deployment of the complete enterprise resource planning system in a fully operational but contained environment (such as a regional commission), followed by deployment in the rest of the Organization in two phases, after the system has been tested and stabilized. (A/64/380)	Completion of the design of the full solution by the second quarter of 2010; completion of the build phase for the full solution by the end of 2011; deployment of the full solution in three major phases by the end of 2013. The increase in total estimated project costs of \$30,231,700 was attributable to additional requirements for: (a) an additional 36 project posts; (b) additional hardware and associated services required for the design and development effort; (c) start-up operating costs; (d) additional subject-matter experts to train and support Umoja during the phased deployments; and (e) additional travel to support instructor-led training as opposed to the train-the-trainer approach originally proposed.	315 792 300
2010	No change in the implementation approach. (A/65/389)	No change in the estimated timeline or costs	315 792 300
2011	Implementation in two phases: Umoja Foundation for functions required to support the transition to IPSAS and Umoja Extension for the remaining functions. (A/66/381)	Pilot implementation of Umoja Foundation in January 2013 and deployment in five successive clusters across the Organization by December 2014; start of the build and test phases of Umoja Extension in 2014; and completion of the deployment by the end of 2015.	315 792 300
2012	Implementation in three phases: Umoja Foundation (unchanged) for functions required to support the transition to IPSAS; Umoja Extension 1 for human resources and travel management; Umoja Extension 2 for the remaining functions. (A/67/360)	Completion of the design and build phases of Umoja Foundation by mid-2013; pilot implementation of Umoja Foundation in UNIFIL and UNSCOL and deployment in four successive clusters by the end of 2015; completion of the design phase of Umoja Extension 2 by the end of 2015; and completion of the build and test phases of Umoja Extension 2 by the end of 2016 and deployment across the Organization during 2017 The estimated increase in total project costs comprised: (a) An increase of \$32,346,200 until the end of 2015, bringing the overall estimated project costs to \$348,138,500. The increase was mostly attributable to higher requirements under posts and other staff costs owing to the extension of the project beyond 2014 (the formerly scheduled completion date), and under contractual services for the build systems integrator and advisory services;	348 138 500 ^b

Year	<i>Implementation approach (Reports of the Secretary-General)</i>	<i>Project timeline and costs</i>	<i>Project costs</i>
		(b) The requirements for 2016 and beyond for the build, test and deployment of Umoja Extension 2 are estimated, on a very preliminary basis, at approximately \$30 million in contractual services based on historical expenditure (see A/67/360, paras. 24 and 93).	378 138 500 ^c
2013	No change in the implementation approach. (A/68/375)	No change in the project timeline. On the basis of the estimates of planned activities at the time, an increase of \$12,718,300 was projected in the overall requirements until the end of 2015, bringing the overall estimated project costs to \$360,856,800. Funding for the additional amount was not sought owing to the expectation that efforts would be made to contain costs during 2014. Estimates for 2016 and beyond for the build, test and deployment of Umoja Extension 2 were not provided.	360 856 800
2014	No change in the implementation approach. (A/69/385)	Implementation of the Umoja real estate module in all offices and departments in November 2014; and implementation of Umoja Foundation and Extension 1 together as Umoja Integration by the end of 2015 in the remaining clusters in June and November 2015 (initially planned to be deployed separately, with full deployment of Umoja Foundation by the end of 2014 and Umoja Extension 1 by the end of 2015). No change in the timeline of Umoja Extension 2. The estimated increase in total project costs comprises: (a) An additional \$24,203,500 to cover estimated project costs until the end of 2015 for the complete deployment of Umoja Foundation and Umoja Extension 1. The increase is mainly due to increases under posts due to the deferral of the downsizing of the project team, and under other staff costs to cover requirements for additional subject matter experts; (b) An additional \$54,291,700 to cover estimated project requirements for the 2016-2017 period for the build, test and deployment of Umoja Extension 2.	–
			385 060 300 ^d
			439 352 000 ^e

Abbreviations: IPSAS, International Public Sector Accounting Standards; UNIFIL, United Nations Interim Force in Lebanon; UNSCOL, Office of the United Nations Special Coordinator for Lebanon.

^a As reflected in the Secretary-General's progress reports on the implementation of the enterprise resource planning project.

^b Estimated project costs until the end of 2015 for the completion of Umoja Foundation and Extension 1 and the design of Umoja Extension 2.

^c Estimated project costs, on a preliminary basis for the requirements for 2016 and beyond for the completion of the project.

^d Estimated project costs until the end of 2015 for the completion of Umoja Foundation and Extension 1 and the design of Umoja Extension 2.

^e Estimated project costs until the end of 2017 for the completion of the project.