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Review of the efficiency of the administrative and financial functioning of the United Nations

Shifting the management paradigm in the United Nations: review of progress in the implementation of management reform

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General entitled “Shifting the management paradigm in the United Nations: review of progress in the implementation of management reform” (A/75/201). During its consideration of the report, the Advisory Committee met with the Chef de Cabinet and other representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 2 October 2020.

2. The Advisory Committee also had before it, for information purposes, the report of the Board of Auditors on the financial statements of the United Nations for the year ended 31 December 2019 (A/75/5 (Vol. I), chap. II, sect. E) and the concise summary of its principal findings and conclusions (A/75/177, paras. 202–206). The Board indicates that it reviewed the implementation of management reforms as part of its audit of United Nations operations under financial regulation 7.5 (A/75/5 (Vol. I), chap. II, para. 7). The Advisory Committee discusses the findings and recommendations of the Board in the context of the relevant subject in the paragraphs below (see also A/75/539, forthcoming).

3. The Secretary-General indicates that his report, requested by the General Assembly in paragraph 28 of its resolution 72/266 B, provides an update on the implementation of management reform, including the progress made to date in achieving its expected benefits.



II. General observations

4. The Advisory Committee notes the progress made to date in implementing the management reform. The Committee also notes that some tools have been put into place for reporting on benefits, including an online benefits tracker. The Committee welcomes the efforts made to address the challenges arising from the coronavirus disease (COVID-19) pandemic and ensure business continuity, which have allowed the United Nations to continue its work largely uninterrupted.

5. The Advisory Committee further notes that, in its report on the financial statements of the United Nations for the year ended 31 December 2019, the Board of Auditors has provided detailed comments and observations and made recommendations on numerous aspects of the management reform, including on the reorganization of structures, the new system of delegation of authority, the accountability framework, results-based management, enterprise risk management and benefits management. The Committee stresses the importance of the full and expeditious implementation of the recommendations of the Board.

6. The Advisory Committee recalls that the General Assembly has requested the Secretary-General to track and monitor the status of the implementation of Assembly resolutions on administrative and budgetary matters and to include comprehensive information on the implementation of such resolutions in the performance reports on the programme budget. The Committee recommends that the Assembly reiterate the need for full and prompt implementation of its decisions and requests (see Assembly resolutions [71/283](#), [72/303](#), [73/289](#) and [74/271](#); see also paras. 44 and 45 below).

7. Upon enquiry as to the implications of the Secretary-General's request that the General Assembly take note of his report ([A/75/201](#), para. 64), the Advisory Committee was informed that the report had been issued in response to the request of the Assembly, in its resolution [72/266 B](#), that the Secretary-General provide an update of progress made in the implementation of the reform and that it did not contain any proposals for action by the Assembly. The Committee was further informed that, in accordance with its long-standing practice, when the Assembly "takes note" of a report of the Secretary-General, it neither agrees nor disagrees with the report.

8. Upon further enquiry, the Advisory Committee was informed that, as the report of the Secretary-General did not contain any proposals for approval, the recommendation to take note of the report had no financial implications.

III. Update on the implementation of management reform

A. Establishment of a new management architecture at Headquarters

9. Information on the establishment of the new management architecture is provided in paragraphs 7 to 9 of the report of the Secretary-General ([A/75/201](#)). The Secretary-General also indicates that the reorganization of structures proposed in his report entitled "Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability" ([A/72/492/Add.2](#)), and approved by the General Assembly in its resolution [72/266 B](#), came into effect on 1 January 2019. In place of the former Department of Field Support and the former Department of Management, two new departments were established: the Department of Management Strategy, Policy and Compliance, responsible for the policy framework of the Secretariat and monitoring compliance with that framework, and the Department of Operational

Support, responsible for delivering services providing guidance to entities across the Secretariat. The new departments were established on 1 January 2019 in a post-neutral manner through the redeployment of staff.

10. In its report ([A/75/5 \(Vol. I\)](#), chap. II, paras. 200–211), the Board of Auditors noted that the Secretary-General's bulletins on the organization of the Secretariat of the United Nations following the reforms had not yet been promulgated and recommended that the Secretariat take expeditious action to amend and promulgate the bulletins on the organization of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, to specify and clarify their respective roles and responsibilities. The Board also indicated that, while the Secretary-General's management reform proposals provided a high-level division of work between the two new departments, it had noted a few instances of lack of clarity and/or possible overlap in their functioning in the areas, projects and processes related to information and communications technology (ICT), in the Strategic Talent Management Service of the Department of Management Strategy, Policy and Compliance and in the Administrative Law Division of the same Department. The Board also recommended that the Secretariat clearly define and document the roles and responsibilities of the two new departments, including decision-making authority, for all human resources processes and projects, to avoid any potential confusion among their common clients. The Advisory Committee recalls that, in its previous reports on the Secretary-General's proposals related to the human resources functions under the new management architecture ([A/72/7/Add.49](#), paras. 32–34, and [A/73/411](#); see also [A/72/492/Add.2](#) and [A/73/366](#)), it had noted that the distribution of functions among the two new departments lacked clarity, with some overlapping of functions and blurring of responsibilities in certain cases. **The Advisory Committee is concerned that the reorganization of the structures of the Secretariat implemented on 1 January 2019 has not yet been fully specified and clearly documented. The Committee recommends that the General Assembly request the Secretary-General to clarify the distribution of roles and responsibilities between the new departments and to amend and promulgate the relevant bulletins without further delay.**

B. Delegation of authority

11. In his report, the Secretary-General indicates that the new system of delegation of authority entered into effect on 1 January 2019 (see [ST/SGB/2019/2](#)), with the first six months of 2019 being designated as a transition period. In accordance with the framework, all previous delegations of authority were rescinded, and new delegations were assigned. The Secretary-General also indicates that the new system has been implemented in full throughout the more than 200 entities of the Secretariat and that the Business Transformation and Accountability Division of the Department of Management Strategy, Policy and Compliance monitors the subdelegation of authority recorded by each entity to ensure that there are no conflicts of interest and that any prerequisites have been met and to identify any issues affecting the exercise of the delegated authority. In addition, an accountability framework was put in place with key performance indicators for measuring how entities are exercising subdelegated authority. Those indicators are being enhanced and tailored to the needs of specific entities based on an analysis of the data gathered ([A/75/201](#), paras. 13–16).

12. In its report, the Board of Auditors provides extensive comments and observations and numerous recommendations regarding the implementation of the new system of delegation of authority and the related monitoring and accountability frameworks, including on: (a) the criteria for determining the entities that are covered under the new system and those that are excluded; (b) the assessment of the capacity

of the entities receiving delegated authorities; (c) the scope of the delegated authority; (d) the delegation of authority portal; (e) monitoring and oversight of the use of delegated authorities and criteria for the withdrawal of those authorities; (f) the key performance indicator framework used for monitoring delegated authorities; (g) delegation of authority and Umoja roles mapping; (h) the authorities delegated to the heads of entities, including the authority to make exceptions in the area of human resources; and (i) on the various elements of the accountability framework, including evaluation, results-based management and risk management (A/75/5 (Vol. I), chap. II, paras. 222–312).

13. With respect to the assessment of the capacity of the entities receiving delegated authorities, the Board recommended that the Secretariat review the changes in workload and responsibilities arising from the enhanced delegation of authority framework introduced in 2019 and the impact on policy and resource planning (ibid., para. 251). During its review of the proposed programme budget for 2021, the Advisory Committee also noted instances where entities specifically sought additional resources in order to be able to carry out their delegated authorities. Upon enquiry, the Committee was informed that the authorities delegated to the heads of entities were related to decision-making and, according to the Secretariat, required no additional resources. Those delegations were distinct from the transactional functions required in Umoja to execute the decisions taken under delegated authority. The Committee was also informed that, while the implementation of the delegation of authority framework had resulted in some additional workload within entities, such as those managing the delegation of authority portal, it had also led to workload reductions by shortening the decision-making cycle as a result of the lower frequency and volume of information to be provided to headquarters in support of requests for decisions, in particular in entities carrying out human resources management and procurement functions. The Secretariat further indicated that a review was currently planned to assess the net workload impact of the delegation of authority framework, but that it was not expected to result in significant changes in resource requirements for the entities receiving delegated authorities or for the service providers. **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide details on the outcome of the above-mentioned review and on any measures to be taken, including any potential administrative or financial implications, in the next progress report on the implementation of the management reform.**

14. The Advisory Committee notes that the Secretariat did not accept the Board's recommendations that the Secretariat improve the existing mechanism to prevent the granting of Umoja roles without the required delegation of authority and strengthen the mechanism to identify and revoke subdelegations when there are justifications for such revocation. The issues and arguments presented on both sides are set out in paragraphs 265 to 274 of the Board's report (ibid.). The Board is of the view that the transactional roles in Umoja enable the relevant users to carry out certain functions and that the administrative authority for carrying out those functions is derived through the delegation of authority. For example, to approve a purchase requisition, the staff member should have both the job function and the administrative authority to approve the purchase requisition and should also have the related transactional role in Umoja to carry out the transaction. **The Advisory Committee shares the Board's concerns, expects the Secretariat to continue its discussions with the Board and to implement a solution that addresses the issues raised with respect to transparency and decision-making in the delegation of authority to the satisfaction of the Board and stresses the need to implement all the related recommendations of the Board of Auditors.**

C. Accountability framework

15. In his report (A/75/201, para. 15), the Secretary-General indicates that an accountability framework is in place on the basis of key performance indicators that measure how entities are exercising subdelegated authority. Analysis of those indicators in 2019 revealed that some indicators were meaningful across all types of entities, while others needed to be tailored to specific groups of entities to increase their relevance. The Secretary-General also indicates that enhancements to the indicators are being made (ibid., para. 16).

16. Upon enquiry, the Committee was informed that the key performance indicators, including the initial set of 16, were currently being revised and expanded. The Business Transformation and Accountability Division of the Department of Management Strategy, Policy and Compliance has engaged business owners in an exercise to review key performance indicators, drawing from the monitoring experience of the past 18 months and the feedback received from client entities. The proposal to revise existing indicators and add new ones is under consideration by the four business owners. Some of the proposed changes are aimed at enabling a better alignment of the key performance indicators with existing indicators in the senior manager's compacts. The revised or new indicators are expected to be finalized before the end of 2020, at which time they will be incorporated into the regular monitoring activities carried out by the Division. In addition, the management dashboard is being enriched to provide complementary data and alternative views to senior managers when they review their own key performance indicators.

17. In its report (A/75/5 (Vol. I), chap. II, paras. 278–312), the Board of Auditors noted several weaknesses in the implementation of various components of the accountability framework, including results-based management, risk management and evaluation. The Board also noted that an initial set of 16 key performance indicators had been defined in January 2019 but that some of them lacked targets and benchmarks against which performance could be measured. The Board further noted that heads of entities were to receive periodic reports from the Department of Management Strategy, Policy and Compliance on the exercise of the delegated authority containing summarized information on the 16 indicators, but that only one report had been distributed, covering the period from January to June 2019. Moreover, the management dashboards did not provide the data for all indicators by the end of June 2020, as planned. The Board made several recommendations, including the need to adhere to the implementation timelines and to follow a time-bound plan for embedding the three lines of defence model at all levels. **The Advisory Committee concurs with Board of Auditors' recommendations, notes that key performance indicators constitute the main instrument of accountability for the use of delegated authority and recommends that the General Assembly request the Secretary-General to present in his next report on accountability the completed, enhanced, relevant and comprehensive set of indicators for monitoring delegated authorities, including in the management dashboard.**

18. In its first report on the management reform (A/72/7/Add.24, paras. 30–34), the Advisory Committee had emphasized that the changes to the existing system of delegation of authority must be reflected in the accountability system. In paragraph 18 of its resolution 71/283, the General Assembly stressed the need for the promulgation of well-defined roles and responsibilities of individuals at all levels to whom authority was delegated, systemic reporting mechanisms on the monitoring and exercise of delegated authority and actions to be taken in cases of mismanagement or abuse of authority. In paragraph 16 of the same resolution, the Assembly reiterated that both the senior managers' compacts and the staff performance management system were important tools for the accountability system and requested the Secretary-General to

incorporate in those tools specific, measurable and time-bound performance goals so that they might become meaningful and powerful instruments of accountability.

19. **The Advisory Committee is not fully convinced that the system of accountability and the monitoring framework are fully operational. The Committee considers that an effective, functioning system of accountability is a vital prerequisite for the decentralized system of delegation of authority that has been in effect since 1 January 2019, in order to provide assurances that delegated authorities are being exercised in a fully transparent and responsible manner. The Committee recommends that the General Assembly request the Secretary-General to ensure that the system of accountability and the monitoring framework are fully operationalized. The Advisory Committee further recommends that the General Assembly request the Secretary-General to provide updates in his next progress report on the accountability system.**

IV. Progress made in achieving the expected benefits of reform

20. In his report (A/75/201, paras. 7–9 and 59), the Secretary-General indicates that the Secretariat faced some challenges in implementing the reform, which affected the timelines for realizing many of the expected benefits of reform, including delays in achieving progress on a number of commitments in the area of accountability and transparency. Among these are, for instance: (a) the need to fill new functions through the redeployment of staff and the initial need to invest in and further expand the subject matter expertise of staff assigned to those functions, which include implementation of results-based management in the Secretariat, the strengthening of evaluation activities and the use of the resulting findings; (b) the need to redirect staff time and resources from the implementation of reform to ensuring the business continuity of the Organization during the COVID-19 crisis; and (c) the persistent liquidity challenges faced by the Organization.

21. In its report on the Secretary-General's management reform proposals (A/72/7/Add.49, para. 26), the Advisory Committee had emphasized the need to establish, at the start of the reform process, the expected benefits and baseline information, the methods for monitoring, measuring and reporting on progress and plans for the realization of benefits. In his report, the Secretary-General indicates that, in response to that recommendation, which had been endorsed by the General Assembly in its resolution 72/266 B, a benefits management framework was developed and finalized at the beginning of 2019. The framework tracks the benefits expected on the basis of specific outcomes and commitments made in the initial report of the Secretary-General on shifting the management paradigm in the United Nations (A/72/492). The Secretary-General also indicates that the framework includes qualitative or quantitative indicators for each expected benefit and enables an assessment of improvement or deterioration since the start of the reform and whether the change is due primarily to the implementation of the reform or to external factors. In addition, the framework has been supplemented by a benefits tracker that provides an overview of all ongoing benefits initiatives and their respective status (A/75/201, paras. 10 and 11). **The Advisory Committee considers that it is important to provide the General Assembly with a cost-benefit analysis based on an objective, verifiable and systematic approach to assessing the costs and benefits of the management reform. Such an analysis can also provide useful information to support future decision-making on investments or policy options.**

22. Upon enquiry, the Advisory Committee was provided with an overview of benefits initiatives, envisioned outcomes, progress or completion status and indicators. The expected benefits included, for instance: (a) the establishment of a

portal providing a single point of entry for policy and guidance (completed in 2019); (b) the enhancement and simplification of the onboarding process to reduce the number of days from the job offer to entry on duty (indicated as being on track for implementation in 2020); (c) the mainstreaming of risk management across the Secretariat to improve organizational performance (indicated as being on track for implementation in 2023); (d) the updating of the selection and mobility framework to flexibly meet the Organization's evolving staffing needs and to ensure a diverse and mobile workforce (indicated as being on track for implementation in 2025); and (e) improvements to the Organization's ability to forecast its future staffing requirements through strengthened strategic workforce planning in order to ensure that people with the right skills are in the right place at the right time (indicated as being on track for implementation in 2030).

23. **The Advisory Committee notes that many of the expected benefits correspond to perennial objectives of the Secretariat and initiatives that have been ongoing for some time. The Committee emphasizes the need for an evidence-based approach that can clearly demonstrate: (a) how the expected benefits are attributable to the key reform measures, including the reorganization of structures through the replacement of the Department of Management and the Department of Field Support with the Department of Management Strategy, Policy and Compliance and the Department of Operational Support and the introduction of a new system of delegation of authority; and (b) how the realization of the expected benefits contributes to achieving the main objectives of the management reform, namely, to support programme delivery and mandate implementation and to hold managers accountable for the programme and financial performance of their programmes (A/72/492, summary). The Committee recommends that the General Assembly request the Secretary-General to provide updated information in his next report on the implementation status of the management reform, including a comprehensive benefits realization plan with specific timeframes, taking into account the Committee's observations above.**

24. In its report (A/75/5 (Vol. I), chap. II, paras. 313–330), the Board of Auditors provides comments and observations on various aspects of benefits management, including on the documentation indicated in the benefits management framework; identifying benefits arising from the reform process; the current status of the indicators; baseline definition; and target definition. The Board also made some recommendations in that regard, including that the Secretariat clearly define a baseline in the identified benefits so that the progress achieved can be measured accurately.

25. In the paragraphs below, the Advisory Committee provides comments on some of the specific expected benefits outlined in the report of the Secretary-General.

A. Getting the right people

26. According to the report of the Secretary-General, a geographical diversity strategy has been launched to provide senior managers with a road map and resources to achieve greater diversity in their entities (A/75/201, para. 25). The Advisory Committee recalls that, in its report on the composition of the Secretariat (A/74/696), which will be before the General Assembly for consideration at the first resumed part of its seventy-fifth session, the Committee recommended that the General Assembly request the Secretary-General to include in his annual progress report on accountability, information on compliance of senior managers with the target in their compacts of appointing at least 50 per cent of staff from unrepresented and underrepresented Member States to posts subject to geographical distribution, as well

as on the accountability measures taken in cases of non-compliance. In the same report, the Committee also recommended that the Secretary-General be requested to develop a strategy with concrete measures and related actions to achieve equitable geographical representation in the Secretariat and to submit information on the progress made to the Assembly at its seventy-fifth session. **The Advisory Committee will revert to this matter in the context of its consideration of the forthcoming reports of the Secretary-General on human resources management.**

B. Learning and development

27. In his report, the Secretary-General indicates that the language and communications programme has been revamped to support the multilingualism mandate of the Organization and to provide, for the first time, an all-year programme of language and communications skills courses and to expand the online courses and activities available to staff members (A/75/201, para. 33). Furthermore, since the start of the COVID-19 pandemic, many language courses and all face-to-face classes have been made available online, tripling the number of courses offered online. Upon enquiry, the Advisory Committee was informed that, within a two-week period after the beginning of the pandemic, the Office of Human Resources organized with the Staff College an online instructor-led workshop targeted at all staff with supervisory or managerial functions to help teams to navigate uncertainty and adjust to the changes resulting from the pandemic, which was attended by over 700 staff. In his report, the Secretary-General further indicates that certification and professional development programmes are being implemented in the areas of human resources, finance and supply chain management to ensure that staff selected for positions in those areas meet professional qualification standards and can continue to develop their skills (ibid., para. 32). **The Advisory Committee encourages the Secretary-General to take advantage of the experience gained through the current ongoing pandemic situation to develop additional online courses and tools, following the example of the online language training programme. The Committee notes that online learning options in lieu of face-to-face training will have an impact on resource requirements, including savings in travel requirements. The Committee recommends that the General Assembly request the Secretary-General to provide further information on savings achieved through online training in his next report on progress in the implementation of the management reform.**

C. Strengthening supply chain management

28. In his report, the Secretary-General indicates that the overall trend in the achievement of the intended benefits of supply chain management is positive, and provides some details on activities under way, which include: (a) implementation of a supply chain performance management framework; (b) strengthening collaboration with funds, programmes and specialized agencies aimed at better delivering and responding to crises; and (c) integration of functions that are currently responsible for procurement policy and for asset management policy and seeking synergies in the functions, organization and mandates of the United Nations Logistics Base at Brindisi, Italy, and the Regional Service Centre in Entebbe, Uganda, within the overall supply chain management architecture of the Secretariat. He further indicates that during the COVID-19 pandemic, the supply chain of the Secretariat has proved to be resilient and has enabled the rapid deployment of unplanned aviation, health-care and ICT requirements to field locations. Furthermore, the United Nations Logistics Base and the Regional Service Centre in Entebbe have played a critical role

in helping Secretariat entities to maintain business operations throughout the pandemic (*ibid.*, paras. 38–43).

29. The Board of Auditors has provided detailed observations and made a number of recommendations on procurement issues ([A/75/5 \(Vol. I\)](#), chap. II, paras. 368–393), including:

(a) *Procurement capacity*. The Board noted that procurement authority was being subdelegated to entities without assessing their procurement capacity and possibly to entities with insufficient procurement capacity, and recommended that the Administration ensure that it has the information needed to monitor that only entities with sufficient procurement capacity and infrastructure subdelegate procurement authority;

(b) *Monitoring of delegation of procurement authority*. The Board noted weaknesses in the accountability framework and the indicators used to monitor the delegated procurement authority, which do not cover the procurement principles as defined in the financial regulation 5.12, such as best value for money or effective international competition. The Board recommended that the Administration review and expand the key performance indicators in the area of procurement to enable heads of entities to demonstrate that they are exercising their delegated authority in a transparent, responsible and accountable manner;

(c) *Procurement policy and guidance*. The Board noted that, while a revised Procurement Manual had been issued in September 2019 to serve as operational guidance on procurement processes and procedures, as at February 2020, the Department of Management Strategy, Policy and Compliance had not issued or updated any administrative instructions or Secretary-General’s bulletins in the area of procurement since the management reform. The Board recommended that the Administration make a distinction between operational guidance, to be applied by using professional judgment and expertise, and mandatory policies, and issue procurement guidance and policy accordingly.

30. The Advisory Committee recalls that, in its reports on the Secretary-General’s proposals on the management reform, it had highlighted a number of issues to be further clarified and developed, including governance arrangements, internal controls, segregation of functions, risk management and independence of the procurement function, as well as details on the efficiency gains, costs, benefits and risks expected by bringing the decision-making authority closer to the point of delivery (see [A/72/7/Add.24](#), paras. 22–25, and [A/72/7/Add.49](#), paras. 27–31).

31. The Advisory Committee stresses the need to implement the recommendations of the Board expeditiously and ensure that delegation of procurement authority is being granted and exercised in a fully compliant, transparent and accountable manner. The Committee recommends that the General Assembly request the Secretary-General to report comprehensively on progress made in his next progress report on the implementation of the management reform.

D. Information and communications technology

32. In his report, the Secretary-General indicates that the benefits achieved to date through the integration of the previously separate field and headquarters ICT architectures into a single entity include the standardization of technology across the Secretariat, the decrease in the number of separate platforms and systems that need to be maintained, a greater shift towards cloud computing and a strengthened capacity to counter cybersecurity threats. He also indicates that the strategic decisions and

investments made by the Secretariat, in particular with regard to the move to cloud computing and ICT platform choices, have been critical to enabling business continuity. This allowed the work of the Organization to continue uninterrupted during the COVID-19 pandemic when it became necessary to place the majority of Secretariat staff on mandatory telecommuting arrangements at short notice. In addition, following the transfer of the resident coordinator system to the Secretariat, the Office of Information and Communications Technology has focused on supporting greater interoperability between the Secretariat and agencies, funds and programmes of the United Nations system. Improvements include: implementation of technical solutions to enable business-to-business connections among entities; allowing personnel of United Nations system organizations to gain access to the information services and collaboration platforms of other United Nations system organizations; and supporting the Development Coordination Office in establishing country-specific collaboration teams to allow resident coordinators to facilitate inter-agency cooperation (A/75/201, paras. 49–51).

33. In this connection, the Advisory Committee recalls that, in its report on the Secretary-General's initial proposals for the management reform (A/72/7/Add.24, paras. 15–21), it had highlighted the need to ensure that any reform measures envisaged by the Secretary-General would continue to address the long-standing issues in the governance and management of ICT activities at the United Nations that were being addressed in the context of the implementation of the five-year ICT strategy adopted by the General Assembly in its resolution 69/262. These included the need to reduce the level of duplication and fragmentation of the ICT functions within the Secretariat at all duty stations and in field missions resulting from the lack of effective governance and leadership in the area of ICT, which had driven up the costs of operations and prevented the Organization from realizing economies of scale. The Committee has also long recommended the establishment of an integrated office to provide Secretariat-wide leadership for ICT functions (A/60/870, paras. 10–14). **The Advisory Committee continues to express serious concern about the fragmentation of ICT resources, as well as about the accountability and governance framework related to the implementation of the strategy (see A/74/588). The Committee makes further comments and recommendations on ICT in its forthcoming report on the fourth annual progress report of the Board of Auditors on the implementation of the ICT strategy (A/75/156).**

34. The Advisory Committee further recalls that the proposed programme budget for 2021 includes the amount of \$7.0 million to strengthen ICT infrastructure, comprising \$2.0 million under section 29C, Office of Information and Communications Technology, to strengthen business continuity and operational resilience of ICT infrastructure, and for broadcasting and conferencing enhancements; and \$5.0 million under section 33, Construction, alteration, improvement and major maintenance, for capital expenditures to strengthen the United Nations enterprise network and arrangements for videoconferencing, so as to enhance the support provided for complex multiparty conferences while current conditions prevail. The Committee has recommended a reduction of 10 per cent to the proposed increase of \$2.0 million under section 29C. **The Advisory Committee recalls that it recommended that the General Assembly request the Secretary-General to include in the next budget submission the consolidated ICT budget and proposed initiatives, along with detailed justifications (A/75/7, chap. I, para. 67).**

E. Support architecture

35. In his report, the Secretary-General indicates that, in 2019, the Department of Operational Support launched a multi-year initiative to harmonize business processes

throughout the Secretariat in a number of key areas to facilitate the delivery of consistent operational support, regardless of the entity delivering or receiving the support; provide comprehensive in situ support to all Secretariat entities while reducing duplicated capacity; leverage economies of scale through a decentralized approach to management; and build a unified approach to partnership arrangements to provide services to locations where there is no operational Secretariat presence. In addition, the Division for Special Activities in the Department, in partnership with the United Nations Office at Nairobi and the Development Coordination Office, began in 2019 to shift location-independent transactional support services for resident coordinator offices from the United Nations Development Programme to the Secretariat (A/75/201, paras. 53 and 55).

36. The Advisory Committee recalls that it underlined the need for consolidated efficiency gains and improved coordination, including cost recovery and cost-sharing arrangements (A/75/7, chap. I, para. 77), and recommended to the General Assembly that it request the Secretary-General to present comprehensive information on the implementation of the inter-agency common consolidated business initiatives and an implementation timeline in the next budget submission for the resident coordinator system (ibid., chap. II, paras. I.39).

F. Other observations

Global service delivery model

37. In his report, the Secretary-General indicates that the design and resourcing of the new management architecture at Headquarters was based on the assumption that the global service delivery model would be approved and that the four proposed service centres would be operational as of January 2019 (see A/72/801 and A/72/801/Add.1/Rev.1). It is stated that early adoption of the global service delivery model would have enabled the realization of the full magnitude of the expected benefits because of the consolidation of transactional non-location-dependent human resources and finance functions in shared service centres. The Secretary-General also indicates that, as a new management architecture is now in place, it may be opportune to examine the type of service delivery architecture that would be most appropriate for the Secretariat under the new delegation of authority system, taking into account also the remote working arrangements in place since the start of the COVID-19 pandemic (A/75/201, para. 62).

Centralized treasury investment management function for the United Nations system

38. The General Assembly, in paragraph 2 of its resolution 74/249 A, endorsed the conclusions and recommendations contained in the report of the Advisory Committee on the financial reports and audited financial statements, and reports of the Board of Auditors for the period ended 31 December 2018 (A/74/528).

39. In paragraph 14 of that report, the Advisory Committee reiterated its prior recommendation, endorsed by the General Assembly in its resolution 73/268 A, that the Secretary-General, in his role as Chair of the United Nations System Chief Executives Board for Coordination (CEB), present viable options for a centralized treasury investment management function of the United Nations system. The Committee also requested that action thereon be reported to the Assembly in the appropriate context during the main part of its seventy-fifth session (see also A/73/430, para. 18).

40. Upon enquiry as to the action taken by the Secretary-General in response to the above recommendation, the Advisory Committee was informed that the CEB secretariat, through the Finance and Budget Network of the High-level Committee on

Management and its Working Group on Common Treasury Services, had discussed the matter in November 2019. Upon request by the Network, the Working Group had conducted a detailed survey on the matter during the first quarter of 2020, the results of which were to be discussed in a dedicated session of the Network in March 2020, which had been postponed owing to the COVID-19 pandemic. This item is scheduled to be discussed with the full Working Group at its annual meeting scheduled for the end of October 2020. Accordingly, the issue has been added to the agenda of the Network and the Working Group, and further analysis of the feasibility of centralized treasury functions is being considered.

Operational reserve

41. In paragraph 16 of the above-mentioned report (A/74/528), the Advisory Committee concurred with the recommendations of the Board of Auditors and reiterated its recommendation, endorsed by the General Assembly in its resolution 73/268 A, that the Secretary-General, in his role as Chair of CEB and in consultation with the other members of CEB, facilitate the development of reasonable benchmarks for minimum and maximum reserve levels for use by United Nations system organizations. The Committee also requested a status update thereon to be provided in the next financial statements (see also A/73/430, para. 16, and A/72/537, para. 11).

42. As indicated in paragraph 38 above, the recommendation in paragraph 16 of the report of the Advisory Committee was also endorsed by the General Assembly in its resolution 74/249 A.

43. The Advisory Committee requested but did not receive information on the action taken by the Secretary-General in response to that recommendation approved by the General Assembly.

44. The Advisory Committee is concerned that Secretary-General did not implement the decisions taken by the General Assembly in its resolutions 73/268 A and 74/249 A relating to the above-mentioned centralized treasury investment management function and benchmarks for minimum and maximum levels of the operational reserves for the United Nations system (see para. 6 above). The Committee will elaborate further on this issue in its forthcoming report on the financial reports and audited financial statements, and reports of the Board of Auditors for the period ended 31 December 2019 (A/75/5 (Vol. I)).

Umoja

45. The Advisory Committee recalls that, in section XVII of its resolution 74/263, the General Assembly endorsed the conclusions and recommendations contained in the report of the Committee (A/74/7/Add.17). In its report, the Committee recommended, inter alia, that the Assembly decide that the Umoja project be closed by the end of December 2020 and request that a final project report be submitted for its consideration during the main part of its seventy-fifth session (ibid., para. 13). The Committee also recommended that the Assembly request the Secretary-General to include in the proposed programme budget for 2021 a detailed proposal on the methodology to be applied for the estimation of Umoja costs in the maintenance period following the closure of the project, as well as a detailed plan for the mainstreaming of the Umoja team into the Secretariat to ensure a sustainable business model of the Umoja solution (see General Assembly resolution 73/279, sect. XVII, para. 16) (A/74/7/Add.17, para. 20). At the time of its consideration of the proposed programme budget for 2021, the Committee was informed that that the completion of the deployment of Umoja Extension 2 was expected by the end of 2020 and that the plan for the mainstreaming of Umoja would be provided in the twelfth project progress report (A/75/7, chap II, para. VIII.19). **The Advisory Committee is**

concerned by the lack of progress and will revert to these issues in the context of its consideration of the twelfth progress report on the implementation of Umoja (see para. 6 above).

Liquidity situation and cash management

46. In his report, the Secretary-General highlights the challenges faced in establishing new departments and new ways of working in a decentralized framework, in particular in the context of the persistent liquidity challenges faced by the Secretariat throughout 2018 and 2019 (A/75/201, para. 58; see also para. 17 above). In the context of its consideration of the Secretary-General's proposals for the transfer of funds between budget sections for the financial period 2018–2019, the Advisory Committee was informed, upon enquiry, that total commitments at the end of December 2019 had amounted to \$172.4 million, of which \$59.4 million had been liquidated as at 30 April 2020, leaving unliquidated obligations of \$112.9 million, and that, as at 30 June 2020, the unliquidated commitments for the 2018–2019 budget period had further declined to \$96.5 million. In a letter to the Secretary-General, the Committee expressed its view that the decreasing level of commitments for the 2018–2019 period during the first half of 2020 might reflect both the impact of the measures taken to mitigate the liquidity crisis and the scaling-down, postponement or cancellation of some of the activities of the Organization owing to the COVID-19 pandemic. In its report, the Board of Auditors noted that a total of \$209.425 million was lying as open commitments as at 31 December 2019, which comprised open purchase order commitments of \$126.92 million, open fund commitments of \$74.22 million and open travel commitments of \$8.28 million. (A/75/5 (Vol. I), chap. II, para. 107). **The Advisory Committee notes the need for the harmonization of figures and trusts that further clarifications and the latest figures on liabilities will be provided to the General Assembly during its consideration of the present report.**

V. Conclusion

47. In view of the multiple outstanding activities, the Advisory Committee is of the view that the implementation of the management reform remains a work in progress. **Accordingly, the Advisory Committee recommends that the General Assembly request the Secretary-General to submit for consideration at the main part of its seventy-sixth session a report on progress in the implementation of the management reform.**

48. The action requested of the General Assembly is set out in paragraph 64 of the report of the Secretary-General (A/75/201). **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General, subject to its observations and recommendations above.**