

Statement of the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Fifth Committee

Financing of the support account for peacekeeping operations

ACABQ report: A/66/779;

Reports of the Secretary-General: A/66/610 and Add.1, and A/66/721

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report (A/66/779) on the budget performance for 2010/11 and proposed budget for 2012/13 for the support account for peacekeeping operations.

The recommendations of the Advisory Committee would entail a net increase of \$1,036,300 to the proposed budget for the support account for the period 2012/13, representing (a) a net reduction of \$212,100, under the proposed non-post resources and (b) an increase of \$1,248,400 under the post requirements, based on the Committee's recommendation against the proposed abolishment of 11 posts funded under the support account and the establishment of the corresponding posts in the budget of the United Nations Logistics Base for 2012/13. The Committee's recommendations are explained in section V of its report on the support account. A summary of the Committee's recommendations under post and non-post resources proposed for 2012/13 is provided in section VI of its report.

The Secretary-General's proposed total resource requirements for the support account for the period 2012/13 (A/66/721) amounts to \$320,456,700 (gross), including a provision of \$37.3 million for enterprise resource planning project pursuant to General Assembly resolution 66/246. The proposed resources for 2012/13 would provide for 1,259 posts, compared with 1,295 posts approved for 2011/12, representing a reduction of 36 posts. The Advisory Committee notes that of the proposed reduction of 36 posts in the support account, 34 posts that are related to functions proposed for transfer to the Logistics Base at Brindisi and the secondary active telecommunications facility at Valencia, are proposed to be established concurrently in the proposed budget of the Logistics Base. The Committee was informed, upon enquiry, that financial requirements associated with the proposed transfer of functions amounted to some \$7.6 million.

The Advisory Committee notes from the information provided to it that the combined resources proposed for 2012/13 for the support account and the United Nations Logistics Base amount to \$390.9 million. As a percentage, the proposed combined resources of \$390.9 million represent 5.6 per cent of the proposed resources for peacekeeping missions and UNSOA for 2012/13, the second highest level in comparison

with the appropriations for the past five budget cycles. The Committee further notes that the civilian personnel supporting peacekeeping missions have increased from 1,421 for the period 2007/08 to the projected 1,860 for 2012/13.

In this connection, the Advisory Committee reiterates its previous position that there should be a determination of what constitutes a core or basic capacity necessary to effectively manage and backstop peacekeeping operations and what constitutes a scalable capacity that responds to changes in the level of peacekeeping activity. The Committee continues to believe that the consolidation in the scale of peacekeeping activity should lead to a further discernible downward trend in the proposed post and non-post resources for backstopping field operations, considering that increased capacity had been provided in preceding budget periods when peacekeeping operations were trending upwards. In the context of its review of the support account budget for 2011/12, the Committee had expressed its expectation that the results of the reviews of the existing resources and streamlining of the backstopping of peacekeeping operations would be reflected in the overall level of resources requested for peacekeeping operations in the forthcoming periods, and it is disappointed that the budget proposal for 2012/13 for the support account reflects a net reduction of only 2 posts.

Concerning the ERP project, or Umoja, the Advisory Committee notes that an interim Director of the Umoja project was appointed on 27 February 2012. It was informed that Umoja project development activities would commence in the second quarter of 2012 following acquisition of the systems integration services for the build phase of the project and that a detailed plan for the deployment of the solution was being developed. It was also informed that a study of the total costs of the implementation of Umoja was being carried out, distinguishing between the costs to be funded centrally from the Umoja project budget and those that would have to be borne by other departments/offices. The Advisory Committee is concerned at the lack of progress towards meeting the targets of the Umoja recruitment plan for filling posts. It expects that the Secretary-General will provide, in his next progress report on the implementation of Umoja, full explanation of the activities undertaken and the progress made; a comprehensive and detailed implementation plan for the development and deployment of the system; as well as a detailed analysis of the cost of the project.

In this connection, the Advisory Committee recalls that the timely implementation of Umoja will be a critical determining factor in the Organization's ability to successfully implement the International Public Sector Accounting Standards (IPSAS). The Committee recognizes the progress made thus far towards implementation of IPSAS in peacekeeping operations but notes that considerable work remains to be done during the 2012/13 period to ensure that the timelines approved by the General Assembly will be met.

As for Inspira, the new talent management system, updated information on its implementation status, as well as an indication of total resources approved to date, is contained in paragraphs 121 to 126 of the Advisory Committee's report. In particular, the Committee emphasizes the importance of the effective integration of Inspira and Umoja

and urges the Secretary-General to take all necessary steps to ensure that the remaining components of the system are implemented without further delay.

With regard to the performance reports for the period 2010/11 (A/66/610 and Add.1), the Advisory Committee's comments on the information contained in the performance reports are reflected, where relevant, under individual departments and offices in section V of its report.

Comprehensive report on pilot project designated by the General Assembly in resolution 63/287

ACABQ report: A/66/779/Add.1;

Report of the Office of Internal Oversight Services: A/66/755

Mr. Chairman,

The Advisory Committee also considered the report of OIOS on the pilot project designated by the General Assembly in resolution 63/287. The total budget during the pilot project amounts to \$26.84 million. Noting that the pilot project remains effective until 30 June 2012, and that therefore the report submitted by OIOS does not benefit from a comprehensive assessment of the entire period of the pilot project and full consultations with all relevant stakeholders, the Committee recommends that the Assembly request OIOS to submit a final report on the pilot project in the context of the proposed support account budget for the 2013/14 period.

In its report, the Committee also notes the high vacancy rate in OIOS and urges the Office to ensure that all the remaining vacant posts are filled as soon as possible.

Thank you.

**Financing of the United Nations Logistics Base at Brindisi (UNLB)
Statement of the Chairman of the ACABQ**

*ACABQ report A/66/718/Add.15
Related reports of the Secretary-General: A/66/603 and 724*

Mr Chairman,

The Advisory Committee's recommendation against transfer of the functions of the Field Personnel Division in the Department of Field Support to the Global Service Centre would entail a reduction of \$1.8 million to the 2012/13 proposed budget of UNLB. These functions would continue to be provided from Headquarters, resulting in a corresponding increase under the support account for peacekeeping operations.

The proposed budget for UNLB sets out a number of proposals for the second phase of the reprofiling of UNLB, which corresponds to the 2012/13 period. Related proposals are also found in the Secretary-General's reports on progress in the implementation of the global field support strategy (A/66/591) and the proposed budget for the support account. The Committee's report on UNLB should be therefore read in conjunction with its reports on cross-cutting issues and on the proposed support account budget.

The Advisory Committee reiterates its earlier recommendations on the need for a comprehensive plan with an end-state vision for the Global Service Centre, as well as clarification of the division of roles between the Department of Field Support at Headquarters, the Global Service Centre, the Regional Service Centre and the field missions. The Committee also reiterates the need for clear criteria for determining the optimal location from which functions and services could be provided, with details on expected improvements in the efficiency and effectiveness of service delivery through the relocation of functions. It emphasizes the need to provide an assessment of the functions already transferred from Headquarters to Brindisi, and to include cost-benefit analyses in new proposals for the transfer of functions.

The Advisory Committee is recommending approval of the proposed restructuring of the Logistics Service to consolidate and centralize the processes and functions of UNLB into three main components, consisting of a Central Warehousing and Distribution Section, a Central Maintenance and Repair Section and a Programme Management Unit. Recognizing the merits of integrating the logistics functions and providing centralized services to field missions in areas such as strategic deployment of stocks, the Committee also recommends approval of the proposed transfer of four

functions with 23 related posts from the Logistics Support Division to the Global Service Centre in Brindisi.

The Advisory Committee notes the Secretary-General's statement that the Base Support Service, which was established to be responsible for the self-sustainment of UNLB operations, is increasingly evolving as a global service provider by providing expertise and administrative support and guidance to field missions. In this connection he proposes to restructure the Base Support Service to focus on service delivery and staff development in order to meet the administrative and back-office support needs of field missions. Given the preponderance of national staff in the staffing component of UNLB, the Advisory Committee recommends that the Secretary-General should be requested, in the context of the comprehensive plan, to provide details on the role of national staff in the provision of technical expertise to field missions.

The Secretary-General proposes to deploy the Global Service Centre in two geographically distinct locations, centralizing in Brindisi expertise and service delivery in the areas of logistics, ICT and supply chain management functions, and in Valencia, service expertise in the areas of field personnel management and field budget and finance. In this connection, he proposes to establish a Human Resources Management Section in Valencia comprising the Field Central Review Board, Reference Verification and Education Grant units currently located in Brindisi with a total of 13 posts, as well as a Roster Management Unit and a Capacity Building Team, and to transfer from the Field Personnel Division at Headquarters an additional 27 posts and positions.

The Advisory Committee remains unconvinced as to the operational requirement or benefits of such an arrangement and is of the view that the deployment of the Global Service Centre in two geographically distinct locations constitutes a major change from the initial proposals for the strategy, with potentially significant organizational and financial implications. The Committee also notes that, to date, the General Assembly has approved utilization of the facilities at Valencia as a secondary active telecommunications facility only. It is therefore recommending that the Secretary-General be requested to submit, for consideration by the General Assembly, a comprehensive study clarifying the rationale for deploying the Global Service Centre in two locations, and an analysis of potential alternative solutions and their related comparative costs and benefits. The Advisory Committee therefore recommends against establishment of the Field Human Resources Management Section in Valencia and the relocation of the Field Central Review Board Unit, the Reference Verification Unit, and the Education Grant Unit, currently situated in Brindisi, to Valencia with 13 related posts.

Concerning the transfer of the roster management function from Headquarters to Brindisi, the Advisory Committee is of the view that further analysis is required to determine whether the function fully meets the Secretary-General's criteria for the relocation of functions to the Global Service Centre, namely that they should be of a transactional rather than a strategic nature, and that they do not require interaction with Member States. Pending further analysis, the Advisory Committee is also recommending against transfer of the functions of the Field Personnel Division in the Department of Field Support to the Global Service Centre.

Upon enquiry as to the implementation status of the four functions approved for transfer from Headquarters to Brindisi by the General Assembly in its resolution 65/291, the Advisory Committee was informed that: (a) the Global Education Grant Processing Unit and Field Contracts Management Unit had been fully operational since January 2012; (b) the ICT assets management function was being provided from headquarters pending recruitment of one Administrative Officer (P-4) and one Administrative Assistant (national General Service); and (c) the financial systems technical support was also being provided from Headquarters but was planned to be handed over to the Global Service Centre by 1 May 2012, after the expected arrival on 27 April 2012 of the Programme Officer (P-3).

The Advisory Committee was also provided with a table showing the status of implementation of the transfers and recruitment of the related 5 Professional and 3 General Service posts, which is shown in annex IV to the Committee's report. It notes that the 8 posts were abolished at Headquarters and concurrently established at Brindisi as of 1 July 2011. The abolished General Service posts were established as National General Service posts and recruited locally. The Committee further notes that, of the five Professional posts proposed for transfer, two were encumbered, and that both staff members expressed a preference not to relocate to Brindisi for personal/family reasons. The Committee was informed that a staff support task force of relevant Secretariat partners had been created to support staff that may be affected by the abolishment of posts. Details on the composition and role of the task force are provided in annex V to the Committee's report.

In its report, the Committee emphasizes the need for an assessment of the transfer of initial functions to the Centre, with an analysis of the costs and overheads of providing services from the Centre, weighed against potential benefits, including savings and productivity and other qualitative gains. It notes that, for some time, UNLB has been providing services such as reference checking and education grant processing for some time, and is disappointed that the Secretary-General has not responded to its earlier requests for such an assessment. The Committee stresses that further development of the Centre should take into account the outcome of such an analysis and urges the Secretary-General to provide the details requested in the context of his next progress report on the global field support strategy.