



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MR. ABDELHAKIM MIHOUBI, COUNSELLOR, PERMANENT MISSION
OF ALGERIA TO THE UNITED NATIONS, ON AGENDA ITEM 130:
PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2012-2013 -
ENTERPRISE RESOURCE PLANNING/ UMOJA AND INTERNATIONAL
PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS),
IN THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 67TH
SESSION OF THE GENERAL ASSEMBLY
(New York, 16 November 2012)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 130: Proposed Programme Budget for the Biennium 2012-2013 – Enterprise Resource Planning (ERP)/ UMOJA and International Public Sector Accounting Standards (IPSAS).

2. We thank the Under-Secretary-General for Management, Mr. Yukio Takasu, for introducing the Secretary General's Reports on the Fourth progress report on ERP/UMOJA (A/67/360); the Fifth progress report on the adoption of the International Public Sector Accounting Standards by the United Nations (A/67/344); and the Proposed revisions to the Financial Regulations of the United Nations for the adoption of International Public Sector Accounting Standards (A/67/345).

3. We also thank the Director of External Audit (United Kingdom of Great Britain and Northern Ireland), Audit Operations Committee, Board of Auditors, Mr. Hugh O'Farrell, for introducing the First annual progress report of the Board of Auditors on the implementation of the Enterprise Resource Planning System- UMOJA (A/67/164) and the second progress report of the Board of Auditors on the implementation of the International Public Sector Accounting Standards (IPSAS) (A/67/168), as well as the Chairman of the ACABQ, Mr. Collen V. Kelapile, for introducing the related report of that Committee regarding the Fifth progress report on the adoption of IPSAS by the United Nations and proposed revision to the Financial Regulation of the United Nations for the adoption of IPSAS (A/67/564) and the ACABQ Report on Enterprise Resource Planning Project (A/67/565).

Mr. Chairman,

4. The Group of 77 and China has always been supportive of management reform initiatives aimed at increasing the efficiency and capacity of the Secretariat in delivering better results for the Organization.

5. The Group of 77 and China has also always been supportive of measures aimed at enhancing the efficiency, effectiveness, transparency and accountability of the United Nations through improved financial reporting on assets, liabilities, revenues and expenses, as well as improved controls and processes.

Mr. Chairman,

6. In July 2006, the General Assembly in its Resolution 60/283 endorsed the Secretary General's proposal to implement an Enterprise Resource Planning (ERP) - The UMOJA project across the United Nations, in recognition of the fact that the UN has multiple bespoke information and communications technology systems that cannot easily interact, are costly to maintain and have not kept pace with technological advancements. The aim of the project was to simplify a wide range of administrative practices and to provide the UN with updated and accurate data that will enable quicker decision making and better service delivery through improved planning of programmes and measurements of results.

7. Likewise, in its resolution 60/283, the General Assembly approved the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS), as well as the resources requested to begin the process of implementing IPSAS and the enterprise resource planning system (ERP).

Mr. Chairman,

8. The Group notes with deep concern the conclusions of the Board of Auditors Report regarding the ERP project and IPSAS, especially their assertion that they noted the absence of any holistic assessment by senior management of the sequencing and capacity needed to deliver multiple transformation programmes; and the fact that no due account was taken of the wider interdependencies with other major transformation projects, such as the implementation of IPSAS, Global Field Support Strategy (GFSS) and even Capital Master Plan. The Group intends to receive more information from the Secretariat during the informal sessions regarding these issues raised with a view to avoiding any reoccurrence of such shortcomings in the future.

9. The Group, however, welcomes the fact that the administration has accepted all the recommendations of the BOA and has already started taking action on some of them. We look forward to seeing all the recommendations of the BOA on both Umoja and IPSAS implemented immediately and looks forward to hearing more from the administration on how far they have gone in this regard.

Mr. Chairman,

10. The Group concurs with ACABQ and notes that this is the third time in a period of four years that the Secretary-General is proposing a revised implementation strategy and

timetable for the ERP project, entailing delays and cost escalation. You may recall that the Committee dealt with such similar situation during the 66th session on agenda item related to OICT. The Group will scrutinize all the root causes of the delays in the implementation of the project and request further information on the associated costs already forecasted by the Secretariat in order to ensure that the project reaches its goals in a timely manner and without additional costs.

In this regard, the Group agrees with the ACABQ and reiterates that a strong leadership is key to restore confidence in the ability of the Secretariat to successfully manage and deliver such a complex organization-wide business transformation.

Mr. Chairman,

11. Taking stock of the lessons learned or being learned from the recent tropical storm Sandy, the Group will seek from the Secretariat detailed information on the business continuity and even organizational resilience management components of the ERP project as it is now and how it could be improved to anticipate, when the system will go-live, any disruption of the United Nations world-wide activities at all headquarters and duty stations.

Mr. Chairman,

12. The Group re-emphasizes the importance of ensuring that all UN staff is fully trained in IPSAS in advance of its implementation and adequately prepared to maintain Umoja upon its completion.

Mr. Chairman

13. The Group of 77 and China will constructively participate in the discussion of this very important agenda item in the coming days.

Thank you.