Report of the Secretary-General on
the Enterprise Resource Planning Project, Umoja (A/70/369, Corr.1, Corr.2)

FIFTH COMMITTEE

Statement by
Mr. Yukio Takasu,
Under-Secretary-General for Management
19 November 2015

Good morning, Mr. Chairman and Distinguished Members.

I have the honour to introduce the seventh progress report of the enterprise resource planning project, Umoja. This report provides an update since the issuance of the sixth progress report (A/69/385, Corr.1 and Corr.2). With me here today is Mr. Baca, ASG for the ERP project. I would like to take this opportunity to express my gratitude to the Chairman of the ACABQ and the Board of Auditors for their thorough consideration of this subject.

(Progress over the past year)

I am pleased to report that Umoja has completed the deployment of the Umoja Integration solution on schedule across the United Nations Secretariat before the end of 2015, as mandated by GA resolution 67/246. This is no small accomplishment.

Mr Chairman, please allow me to take this opportunity of expressing my deep appreciation to Member States for your strong support and trust in our ability to deliver. My gratitude also goes to my colleagues in the Secretariat for their tireless work. The Umoja team, the Process Owners and CITO, the deployment coordinators and administrators of all Cluster 3 and 4 entities all made tremendous collaborative efforts to this unprecedented team work happen.

Umoja is now the daily solution in the whole of the Secretariat: over 31 thousand staff members are end-users of Umoja.

2015 has seen the successful completion of the two biggest and most complex deployments yet: in June the Umoja Integration solution (Umoja Foundation and Extension 1) was deployed to ESCAP, OCHA the United Nations Assistance to the Khmer Rouge Trials, UNEP, UN-HABITAT and UNON. And just last week, on 9 November, we deployed Umoja Integration to 71 entities, including all of UNHQ here in New York, Offices in Geneva and Vienna and the clients offices that they support, including offices Headquartered in Bonn and the Tribunals in The Hague, the four remaining Regional Commissions, and brought Extension 1 to all Peacekeeping and Special Political Missions.

This is the kind of change which comes to an organization only once in a generation. After decades of working in functional and organizational silos, different entities have begun to work more closely together, as Umoja is a fully-integrated, enterprise-wide solution that requires common practices. Umoja is starting to bring significant improvements in terms of efficiency, transparency and better informed decision making.

I would like to elaborate on some of the important issues.

(Governance and project leadership)

Umoja continues to benefit from the strengthened governance model first described in the fifth progress report. The Umoja project leadership and monitoring mechanism has been reinforced under the proactive leadership of the Secretary-General. Process ownership has been fortified and Deployment Groups were organized to lead the Umoja roll-outs for their respective entities and field missions, and to stabilize the proper adoption of the common operating model. "Quality Gates", or milestones, and a Secretary-General's scorecard were instituted to control, monitor and measure the readiness of entities and Deployment Groups for the November roll-out.

As the Board of Auditors recommended, key stakeholders provided positive confirmation to the Management Committee before the June roll-out and again before the November roll-out to confirm that all enablers were in place for a successful deployment.

(Oversight bodies recommendations)

Mr. Chairman, the Umoja team continues to work with oversight bodies towards the implementation and closure of recommendations.

Over the past year, the Board of Auditors and the Office of Internal Oversight Services have both reviewed the project. In its fourth annual progress report (A/70/158), the Board observed that the project's management had made sustained and consistent improvement and noted the complexity and scale of the challenges posed by the roll-out of Umoja in 2015. In order to maximise the successful completion of the project and achievement of its aims, the BOA made seven additional recommendations. The Administration has accepted all recommendations and is actively addressing them.

During the reporting period, the Office of Internal Oversight Services (OIOS) conducted several Umoja-related audits. Of the total 22 open Umoja related recommendations as of June 2015, Umoja is responsible for 11. The Administration has accepted all recommendations and is actively addressing them.

(Challenges and preparations for future roll-outs)

The accomplishments of this year have been achieved through the dedicated team work of all staff involved.

Additional unforeseen activities had to be undertaken in 2015. These included:

(i) The volume of work regarding data cleansing, conversion, and validation proved to be particularly challenging: a significant and sustained number of staff resources were needed for tasks such as cleansing enormous amounts of data and user access mapping.

(ii) Post-deployment production support to Cluster 3 and 4 entities far exceeded our expectations; actions to ensure adequate post go-live support to entities drew heavily upon the Umoja team and Process Owners.

(iii) Remedial actions identified by the post deployment review task force, in light of experiences during deployment, including to support entities in the proper adoption of the Umoja operating model; to resolve high priority change requests resulting from the Pilot of Umoja Integration.

Further, given the tight timeline between the June and November 2015 roll-outs, and the 71 entities to roll-out in November, a new approach was put into place, by which responsibilities had to be borne by a broader base of stakeholders across the Organization.

In addition to the "quality gates", Deployment Groups in New York, Geneva, Vienna, and DFS for field missions played critical role by providing guidance and support to implementing entities, mobilized resources, organized data cleansing activities, led the user mapping exercise, established training programmes and facilities and fostered the cross-functional and cross-departmental teamwork required to successfully deploy the Umoja solution. It is expected that the Deployment Groups will continue providing such support until Umoja is stabilized and properly internalized by staff members.

Mr Chairman, our Umoja journey has now successfully passed its biggest milestone. However, the work does not end with a successful deployment. Before the new operating model is really stabilized and internalized, we still have to overcome considerable challenges until our journey is complete.

To sustain Umoja, we need to provide sufficient production support to entities; train staff, particularly more process experts and local process experts; and effectively address issues identified by post implementation review team.

We must address emerging demands and business reengineering; upgrade the system; and implement change requests and continuous improvement practices. In 2016 we must prepare and deploy Cluster 5, and reassess the precise functional content and timing of UE2 in the light of experiences, emerging needs, and other strategic priorities.

Currently the Umoja team is working with the Office of Information and Communications Technology and the Process Owners on a detailed assessment to identify the support model for mainstreaming which will be presented in the next progress report.

(Benefits realization)

Mr. Chairman, the Secretary-General is mindful of the significant financial and political investment of Member States in Umoja. Through the implementation of Umoja, the Organization is harmonizing business processes, redefining roles and responsibilities, and reducing unnecessary duplication of work. The Secretary-General and senior management remain committed to realizing the qualitative and quantitative cumulative benefits in the overall range of $140-$220 million by 2019.

In close cooperation with the International Public Sector Accounting Standards (IPSAS) Team, Umoja performance metrics have been aligned across the six categories of qualitative benefits. The drivers and indicators are planned to be presented to the Umoja governance bodies during the course of 2016.

The Umoja director, process owners and the Chief Information Technology Officer are actively working to re-assess how the benefits realization targets will be achieved, and to elaborate benefit realization plans. The results of this work will be reflected in subsequent progress reports.

(Resource Requirements)

The seventh annual Umoja progress report also provides an update of the resource requirements for the project until 31 December 2015.

The resource requirements for the biennium 2014-2015 were estimated in the sixth progress report (A/69/385) at $129.4 million. Based on actual expenditure since then and updated projections for 2015, the total direct project expenditure for the biennium 2014-2015 remain unchanged at the same amount. The projected direct resource requirements until 31 December 2015 remain unchanged at $385 million.

The resource requirements for the biennium 2016-2017 remain also unchanged at this stage at $54.3 million. However, as I explained earlier, there have been considerable challenges and additional unforeseen activities that had to be undertaken in 2015. The scope, complexity, and support required for the November roll-out were extremely challenging. As a consequence, the Umoja efforts related to Cluster 5 and design of Extension 2 have been delayed during 2015.

The Umoja team will be in a better position to make a more precise estimate of the resource requirements for 2016-17 by the end of the year, taking into account the planning implications of all these issues and cost of the remaining activities and staffing requirement of Umoja team. It is our intention to submit revised estimates for 2016-17 to the General Assembly for consideration at its first resumed seventieth session.

Mr. Chairman, distinguished delegates,

Great progress has been made this year with the completion of the roll out of Umoja across the Secretariat, but challenges are still ahead of us. Sustaining operations, ensuring the proper adoption of the solution and completion of the remaining works are the absolute priorities for the months ahead.

The effort required to complete our journey goes far beyond the dedicated work of the core project team, Process Owners and CITO, and staff around the world. Umoja can only succeed with the support and encouragement of our partners – Member States, senior management, staff at large. We count your continuous support and dedication to Umoja. We are calling on all senior management to ensure that we continue working collaboratively, to fully reap the benefits of the Umoja solution.

Thank you Mr. Chairman.