

***** CHECK AGAINST DELIVERY *****

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Agenda item 136

FIFTH COMMITTEE

**Global service delivery model for the United Nations Secretariat
(A/73/706)**

Statement by
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Madam Chair,

Distinguished delegates,

Thank you for the opportunity to brief you on the report of the Secretary-General on the global service delivery model for the United Nations Secretariat, which was submitted pursuant to General Assembly resolution 72/262 C.

The global service delivery model is an important component of the Secretary-General's reform agenda. The project is a natural extension of the transformation envisaged by Umoja and the automation of business processes. The global service delivery model will consolidate our fragmented administrative structures within and across duty stations, with the goal of improving the responsiveness, efficiency, transparency and accountability of service delivery. This is a change that is urgently

needed, as the Secretariat is now the last of the major United Nations operational entities to move to global shared services.

The proposal before you benefitted from the direction set by the General Assembly, insights from Member States, and the observations and recommendations of the Joint Inspection Unit and the Advisory Committee contained in A/72/7/Add.50. The Secretary-General would like to thank the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for its positive endorsement of the current proposal, as contained in their advance report.

In the resolution 72/262 C, the General Assembly requested further consultation with Member States and relevant stakeholders on the development of the proposal. In order to facilitate this, all Member States were invited to express their interest in hosting a shared service centre and provide other inputs and guidance.

The independent consulting firm that had previously assisted with the location assessment study was further engaged, to ensure a consistent, independent and expert analysis. The study utilized the same evaluation criteria that was applied previously, and which had been approved by the global service delivery model Steering Committee.

The addition of 18 new locations to the assessment, as well as the consideration of offers of support from Member States, resulted in a number of new

locations being proposed. The assessment resulted in Nairobi, Shenzhen, Budapest and Montréal being the recommended location in their respective geographical regions.

This proposed combination of locations fully addresses the requirements of the General Assembly in resolution 72/262 C, including ensuring one shared service centre is located in Africa, providing coverage for French-speaking staff, and maintaining a “follow-the-sun” support model.

The Secretariat very much understands the importance of ensuring the shared service centres have the necessary language capacities to properly serve all clients. When the location assessment was conducted, language capability was included as one of the key scoring criteria. All recommended locations will support multilingualism through service provision in the key languages.

While this is not the only driving factor, this proposal does offer an attractive cost profile. It is estimated that the shared service centres will result in a cost reduction of approximately \$49 million over the first five years of operations. Once the centres are established, there is estimated to be a recurring \$23 million annual cost reduction.

In order to achieve these increased cost savings, 20 additional processes have been added to the phase 1 scope, which is an increase of 33% compared to the

previous proposal. These additional processes have been absorbed without any increase in headcount.

The proposal has also re-evaluated the organization structure of the shared service centres, in order to obtain greater efficiencies. Total staffing across the four centres is 780 for the first two years of operation, reducing to 684 from the third year onwards, as efficiency gains and process improvements are realized.

The lean management structure of the Global Shared Service Centres represents just 7.6% of the total headcount in year 1. This compares to an average of 14-15% in other United Nations system shared service centres.

Subject to the decisions of the General Assembly, a phased implementation will begin in 2020 and with an incremental integration of clients which would ensure that this proposal is fully implemented by mid-2021.

This is a significant change to the way services are traditionally delivered in the Secretariat, and it will affect staff to varying degrees. The Organization is committed to proceeding with the utmost consideration for those affected by this initiative. Management is also committed to being engaged in a continuous and proactive dialogue with affected staff throughout the transition period.

Madam Chair and distinguished delegates

In closing, we would like to thank the Fifth Committee for its support and its positive consideration of this important initiative. With administrative services

delivered where, when, and how they are needed, the United Nations Secretariat can work more efficiently and effectively to deliver on its mandates. We believe in the long-term benefits of this proposal and with your support we are confident it will be successful.

Thank you, Madam Chair.