

Statement of the Chairman

Advisory Committee on Administrative and Budgetary Questions

15 March 2019

Global service delivery model for the United Nations Secretariat

(ACABQ report: A/73/791; related Secretary-General's report: A/73/706)

Madam Chair,

I am pleased to introduce the Advisory Committee's report on the global service delivery model for the United Nations Secretariat.

The Secretary-General states that the global service delivery model would provide flexible, reliable and cost-effective administrative services to clients by consolidating location-independent functions into Global Shared Service Centres. Following an independent location assessment, the Secretary-General proposes to establish four Global Shared Service Centres in Nairobi, Kenya; Shenzhen, China; Budapest, Hungary; and Montréal, Canada, which were the highest scoring locations in their respective geographic regions (*i.e.*, Africa, Asia, Europe and the Americas).

The Advisory Committee notes that the proposal reflects higher estimated cost reductions of \$23 million annually and a shorter break-even period of three years as compared with the previous proposal of the Secretary-General. The Advisory Committee also notes that the location assessment was undertaken in accordance with the criteria set out in General Assembly resolution 72/262 C, including consultation with Member States. Taking the Secretary-General's analysis into account, the Advisory Committee recommends the approval of the proposed establishment and locations of the Global Shared Service Centres.

The Secretary-General proposes to include 80 administrative processes in the first year of operations of the centres, while the remaining processes would be reviewed in the second phase to present a plan to increase the future scope of administrative processes delivered by the centres. The Advisory Committee expects the Secretary-General to consider all options during this review, in order to achieve greater efficiencies and cost savings.

Regarding French language capacity, the Advisory Committee notes with concern the time zone gap between the African region, which has a significant number of French-speaking clients, and the centre that would provide French-speaking services to these clients. The Committee expects the Secretary-General to provide more detailed information to the General Assembly on this matter.

Noting the importance of ensuring the continuation of the support provided by host countries of the centres, the Advisory Committee expects the Secretary-General to provide more

detailed information to the General Assembly on the support offered by host countries, and its duration.

Regarding the benefits realization plan, the Advisory Committee is of the view that the plan lacks quantitative and qualitative indicators which are important for the measurement of progress, and recommends that the Secretary-General develop a detailed benefits realization plan with such indicators, including cost savings and service improvement targets.

Madam Chair,

In respect of resource requirements, the Secretary-General requests resources in the amount of \$9,522,700 for 2019 for post and non-post costs, to be distributed among the regular budget, peacekeeping budget and extrabudgetary resources. On proposed posts, the Advisory Committee recommends against 5 posts, and also recommends the downgrading of one post from the P-5 to the P-4 level. The Committee further recommends a staffing review by the third year of operations to determine the appropriate level of staffing when operations have stabilized. The Advisory Committee also recommends a review of general temporary assistance positions for transitional functions after one year of operations. The Committee further recommends reductions to non-post costs under consultants, travel of staff and contractual services.

Finally, the Secretary-General indicates that the global service delivery model would have an impact on existing support functions, with 747 post abolishments being proposed. Noting with concern the potential impact of the proposed abolishments on staff and the

Organization, the Advisory Committee expects the Secretary-General to make every effort to mitigate the impact of the global service delivery model on affected staff. In particular, the Advisory Committee notes the potential impact on the Regional Service Centre in Entebbe, Uganda (RSCE), and trusts that the Secretary-General will ensure the optimal use of RSCE's capacity and the implementation of mitigation measures for its affected staff.

Thank you, Madam Chair.