**Report of the Secretary-General on
the Enterprise Resource Planning Project, Umoja (A/73/389)**

FIFTH COMMITTEE

Statement by
Ms. Jan Beagle,
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Madam Chair, Distinguished Delegates,

I am happy to be here with you again to introduce the annual progress report on Umoja, which is one of the most important reform initiatives for the Secretariat. Umoja continues to be a major priority for my Department as it is a key enabler of the Secretary-General's reform agenda. Building on its contribution to previous reform initiatives such as IPSAS and the ICT strategy, Umoja is poised to support the Secretary-General's reform initiatives related to the management, peace and security and development pillars from 1 January 2019.

The original business case for Umoja gave prominence to its overarching value as a catalyst for end-to-end business transformation. Umoja has confirmed its transformative role; it has delivered substantial administrative improvements, replaced over 300 legacy systems, streamlined fragmented processes and enabled greater visibility of global data by eliminating the silos of information caused by fragmented data from disparate systems. The Board of Auditors has noted in its latest report that end-to-end process management is a significant change triggered by Umoja and underscored the greater opportunities for realizing qualitative benefits in the future with the stabilization of Foundation/UE1 and the deployment of UE2.

Umoja provides an impetus for the review of existing administrative structures, policies and processes that hinder efficiency. Harmonized business processes, clear roles and responsibilities, and robust audit trails can enable a more nimble and agile Organization in which decision-making authority is brought closer to the point of delivery to support the Secretary-General's new delegation of authority framework, while centralized monitoring and compliance are enhanced under a strengthened accountability framework to avoid or mitigate financial, operational and reputational risks.

I have seen from my experience in other organizations introducing an ERP system, organizations much less complex than the United Nations, that ERP journeys are rarely smooth. As I said last year, the Umoja project had a difficult start but has been making steady progress. It is gratifying for me to see that Umoja has already become a part of the daily routine for a very large part of the Secretariat. It is being used globally in more than 420 locations by over 46,500 users. Since June 2018, the system is also serving more than 120,000 new personnel in peacekeeping and special political missions, including national staff, individual uniformed personnel and UN volunteers. Nearly 65% of in-mission, non-commercial travel requests by individual uniformed personnel have been raised using self-service, demonstrating very good user adoption.

We continue to work closely internally as well as with our partners globally throughout the Secretariat, as the Umoja user base begins to diversify significantly due to Umoja Extension 2 projects.

I am pleased to report that over the past year, since the issuance of the ninth progress report, Umoja has continued to make significant progress.

In September 2017, the Galileo Decommissioning Project marked the successful adoption of phase 1 of the supply chain solution, covering inventory management, warehouse management and asset management, across the entire Secretariat. This marked another milestone in complying with the General Assembly mandate to use Umoja as the backbone for IPSAS-compliance.

In January 2018, the final phase of the International Civil Service Commission compensation package changes was implemented. In June and September 2018, real estate space management functionality was also deployed to multiple offices.

In February, June and July 2018, at the request of the Departments of Public Information and Safety and Security, UNDP-administered personnel in UN Information Centers, and safety and security professional staff were migrated successfully to Umoja, marking an unplanned consolidation of operations.

In September 2018, the UE2 Fund raising functionality was successfully launched to the first cluster of seven entities. In October 2018, the strategic management component of the Strategic Planning, Budgeting & Performance Management application was deployed to 13 peacekeeping missions and two service centres.

Throughout the year, numerous hardware and software upgrades have also been implemented, including two very major software upgrades. relating to supplier relationship management and the employee self-service portal.

As we roll out Umoja Extension 2 (UE2), it is important to bear in mind that UE2 not only comprises 41% of all Umoja processes, (133 out of 321 processes), but it also includes significant addition of new functionality. The UE2 solutions are being rolled out in clusters and releases as shown in Annex-II of the report. Deployments will continue into 2019, to ensure sufficient business readiness and change management.

Given the transformational shift embodied in UE2 functionality which is now expanding beyond administrative functions, the focus of Umoja communications and change management is to connect the solution to the Secretary-General's reforms and the modernization of the United Nations. The UE2 communication campaign was also launched in October to provide a cohesive set of compelling messages. A new online learning platform - iLearn Umoja – was launched in September to provide training content and enable collaboration with communities of experts to share information through open online forums. This platform will be used for all UE2 projects.

In resolution 72/262, the General Assembly had requested the Board of Auditors, through the ACABQ, to undertake a detailed verification exercise with a view to validating a statement of quantifiable Umoja-related benefits and to report in its seventh annual progress report. The Board's findings in its report A/73/169, include an appreciation for the efforts made by process owners in building up a basis for the realization of quantitative benefits from year to year. Based on recommendations by the Board and following consultations on best practice for value realization among ERP customers, the Secretariat is developing a benefit realization plan which will capture the main milestones and benefit profiles to form a collective set of realized and anticipated benefits.

Despite considerable progress in many areas, the project has not been without surprises and challenges. Technical solutions have sometimes been difficult to determine, to meet the Organization's unique business requirements while concurrent development of multiple solutions increases challenges to integrate them properly. While most of the risks have been mitigated, an important part of supply chain management namely Demand and Supply Network Planning, now requires a cloud-based SAP solution that adds complexity.

Resource Requirements

The project had estimated its requirements for 2018-2019 in the eighth progress report (A/71/390) at around $77.8 million. Last year, the ACABQ recommended that only 80 percent of the resources requested for 2018-2019 be approved, pending the submission of the tenth progress report of the Secretary-General and the seventh progress report of the Board of Auditors. The General Assembly endorsed the ACABQ recommendation and approved $62.1 million. The report before you contains a request for the remaining resources of $15.5 million. I would like to emphasize that the project has maintained very strong fiscal discipline, cut its costs significantly, reduced dependence on contractors and stayed within its projections in the last three progress reports.

As repeatedly emphasized by the General Assembly, the project has invested heavily in building skills for self-sufficiency not only to maintain the solutions already deployed, but also proactively for the newer technologies being deployed for UE2. The

proposals in the tenth progress report also reflect the continuation of this 3-year effort to create a balanced grade structure for staff that is also carefully distributed amongst the different functional and technical areas depending on underlying complexity.

Finally, I would like to highlight that problems reported by users relating to Umoja have been declining steadily, with faster resolution at local levels and through the integrated service desks, even though we have been deploying new functionality and doing major software upgrades. For Foundation and Extension 1, attention has shifted to 'continuous improvements'. We have continued to build on analytical capabilities to detect, diagnose and resolve problems to improve processes and establish a good baseline for accurately measuring efficiencies in the future.

In conclusion, Madam Chair, the project has made steady progress during the last year and is carefully preparing for the challenging time ahead, as it deploys a vast range of new functionality. We are leveraging lessons learned to ensure sufficient business readiness and change management. Thank you.