



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MOHAMED FOUAD, COUNSELLOR AT THE PERMANENT MISSION OF THE ARAB REPUBLIC OF EGYPT ON AGENDA ITEM 136: PROGRAMME BUDGET FOR THE BIENNIUM 2018-2019: ENTERPRISE RESOURCE PLANNING PROJECT, UMOJA, AT THE FIFTH COMMITTEE, DURING THE MAIN PART OF THE 73RD SESSION OF THE UN GENERAL ASSEMBLY (New York, 6 December 2018)

Madam Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 136: Programme budget for the biennium 2018-2019, in relation to the Enterprise Resource Planning Project, Umoja.

2. The Group thanks Ms Jan Beagle, Under-Secretary-General for Management; Mr Nawal Vemulakonda, of the United Nations Board of Auditors; and Mr Babou Sene, Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions for introducing their respective reports.

Madam Chair,

3. The Group commends the report by the Board of Auditors as well as the audit by the Office of Internal Oversight Services on the Umoja project. Oversight is crucial in a project of this magnitude and complexity. We urge the Secretary-General to ensure that the recommendations of the Board of Auditors and OIOS are implemented in full and without delay.

4. Over the past year, the General Assembly has heard much about Umoja and its role as a key pillar of the Secretary-General's reform efforts. We have been promised that Umoja will enable greater efficiency and effectiveness in the implementation of mandates. We have been told that Umoja will enable greater transparency and accountability across the system and to Member States, especially in the stewardship of resources and giving a real-time picture of resource allocation and deployment.

5. To this end, we are encouraged that the Umoja user base has been expanding steadily, reaching 46,500 users across 420 locations, while the number of Umoja-related incidents has been declining. We note that Umoja Extension 2 is in the process of being developed and deployed, and that it will facilitate, among many things, management of donor relations, resource mobilisation efforts, integration of end-to-end processes for payment to troop- and police-contributing countries, and enabling better supply chain capabilities. In the process, the Group urges the Secretary-General to ensure that lessons learned from the implementation of Umoja Foundation and Umoja Extension 1 should be proactively applied to ensure success in the deployment of UE2. The Secretariat should also continue to closely monitor implementation, to ensure usability and stability. It is imperative that business units take full and active ownership of Umoja, and work with process owners and the Umoja team to deliver solutions. It is also important to ensure that users are adequately trained to utilise Umoja, in an effective and cost-efficient way.

Madam Chair,

6. The Group is concerned however, that while we have expended a significant amount of financial resources on Umoja, we have yet to realise the full benefits from this project. The Group reiterates once again that a robust business case must be made for this project, which remains one of the largest and most expensive business transformation initiatives ever undertaken by the Organisation. The business case must also reflect actual efficiencies, rather than artificial budget reduction targets. There remains an urgent need to develop a benefits realisation plan, and to establish a clear and transparent record of the quantitative and qualitative Umoja benefits realised. Only in doing so can we ensure that post and non-post reductions attributed to or justified by "Umoja benefits" will not have an adverse impact on mandate delivery.

Madam Chair,

7. The Group also remains deeply concerned about the repeated delays in the timeline for completion, and the significant cost escalation of the Umoja project. This project was originally proposed to be implemented over four years and completed in 2012. It is now expected yet again to be delayed. If this project meets its revised completion deadline of end-2019, the entire endeavour would have taken over 11 years to complete, almost three times the original timeline.

8. Alongside repeated delays, Member States have also witnessed the ballooning of costs associated with this project. Expenditure for Umoja was originally projected at \$248 million. This amount has now more than doubled to \$544 million. The expected total cost of ownership from 2008 to 2030 is now expected to hit \$1.4 billion.

Madam Chair,

9. There is clearly an urgent need to take corrective action. The Group of 77 and China calls on the Secretary-General to ensure that the Umoja project is completely implemented without further delay by the end of 2019. In terms of project objectives, the Group looks forward to detailed updates on plans for the deployment of UE2, including on supply chain management, and reimbursements and payments to troop- and police-contributing countries. We also look forward to an update on the forecasted risks to the project schedule and scope, and corresponding risk mitigation measures.

10. On the financial front, the Group is of the view that in a time of fiscal austerity and uncertainty across the Organisation, we should also take a hard look at Umoja, and apply a consistent standard of fiscal discipline to this project. The Group is ready to work with the Secretariat and all stakeholders to find greater efficiencies in the Umoja project.

11. In conclusion, let me assure you of the commitment of the Group of 77 and China to work constructively with all delegations towards the timely conclusion of this important agenda item.

I thank you, Madam Chair.