



# United States Mission to the United Nations

700 United Nations Plaza

Ambassador Joseph M. Trebilcock

## Fifth Committee

Information and Communication Technology and Umoja

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Thank you Mr. Chairman

Let me begin by thanking Assistant Secretary-General Choi Soon-hong, the Chief Information Technology Officer, for introducing the Secretary General's report on Enterprise Information and Communication Technology Initiatives for the United Nations Secretariat (A/66/94), and for the third progress report on the enterprise resource planning project. I also thank the Chair of the Committee on Administrative and Budgetary Questions for introducing the Advisory Committee's report. The Advisory Committee's report is a very important document in deciding what actions to take on this important question.

Mr. Chairman,

Beginning with Umoja, the United States continues to support the Umoja project. However, the United States continues to be concerned about the project. In particular, we are concerned about the third progress report on the enterprise resource planning project (A/66/94) and the Advisory Committee's report. We are concerned about the corrective reactions to events and issues that should have been avoided with better project management. We are extremely concerned about the timeline, cost and scope of the product that will be delivered. We are concerned that the final product will be considerably lower in quality than what Member States were told to expect.

Industry statistics show that more than 60% of ERP implementation fails.<sup>1</sup> And according to McKinsey Consulting, only five percent of ERP projects are a complete success. The three major reasons most consistently cited as to why projects do not succeed are: 1) lack of the time and effort required.

In reading the Secretary General's report and ACARQ reports, those factors sound all too familiar, raising the question of whether Umoja is exhibiting warning signs.

Mr. Chairman, consider each factor:

First, the commitment by senior management to Umoja has thus far been inadequate. While we welcome the DSG as Chair of the Steering Committee -- her presence has produced a stabilizing effect -- it is an ad interim appointment. With the revised implementation approach

accountability and commitment. Management by committee seldom works.

It means a single executive sponsor who is personally responsible for ensuring the success of the project. The chair of the project should be knowledgeable, objective and above internal political differences. The executive sponsor should have experience and knowledge of the project, understand the needs of the UN in New York and the field, and must command the respect and confidence of all stakeholders. Most importantly, the new chair must be given broad executive authority. We agree with the ACABO that this is a matter of priority and should be resolved before the first resumed 66<sup>th</sup> Session next March.

Given the project's performance record thus far, we can only be cautiously optimistic. The Umoja Foundation is the third project iteration in three years and attempts to remain faithful to the original Pilot First approach. The plan is well-articulated, but neither addresses potential contingencies nor anticipates new challenges that are likely to arise.

There is virtually no revised financial analysis to support the Secretary-General's assertion that Umoja will be completed at a cost of \$700 million and will deliver the anticipated annual benefits that it promises. The absence of such analysis does little to lessen our doubts regarding future cost overruns and unmet expectations.

Mr. Chairman,

We request that the Secretary-General provide a complete analysis of all potential risks; revised projected quantitative benefits and; anticipated associated costs to be borne by UN departments and peace-keeping missions before the 2<sup>nd</sup> Resumed 66<sup>th</sup> Session.

Third, estimating the time and effort required: The revised timeline anticipates a completion by the end of 2015. In order to achieve this ambitious target, Umoja will rely on the synchronization of multiple activities on a strict timeline. However, the project's overall success is contingent on two critical priorities: the hiring and on boarding of a new project director, and the contracting of a system integrator. We ask the Secretary-General: How much longer will the process take?

We are concerned that the recruitment of qualified staff and subject matter experts remains a persistent problem. As we approach the project's fourth year it is still not fully staffed, particularly in the area of subject matter and SAP software experts. There is something fundamentally wrong when after four years the project has never reached full staffing. We are concerned that unless these critical staffing gaps and the procurement process for the Systems Integrator are addressed without further delay, the revised timelines in the Secretary-General's third progress report will again prove unachievable.

Mr. Chairman,

We continue to believe that Umoja is crucial to the future of the UN. However, going into Umoja's second year, we seriously question its prospects for completing the project.

Mr. Chairman,

Turning to Information and Communication Technology, the United States acknowledges that a resilient and harmonized information and communication technology (ICT) strategy is essential for supporting operational needs, the sharing of knowledge with the global community, and the delivery of vital programs to those who turn to the UN for improving the quality of their lives.

Report A/66/94 "Enterprise information and communication technology initiatives for the United Nations Secretariat" was presented to the General Assembly with an title solutions to several challenges confronting the organization. The most significant is the fragmentation of ICT resources and capacities. My delegation appreciates Mr. Guterres' energy and leadership in addressing these problems and his creativity in developing initiatives to address these problems. We agree that a common objective is to achieve a functional unity of ICT systems throughout the organization.

Mr. Chairman,

My delegation agrees that the issue of fragmentation of ICT applications and infrastructures throughout the Secretariat must be addressed. What we cannot agree with, however, is the approach that requires additional resources at a time when the UN, as well as member state governments around the globe, are successfully demonstrating that doing more with less is the order of the day. This is especially true when the program in question, ICT, is about efficiency and savings in the first place.

As my delegation emphasized in its statement delivered at the formal introduction of the 2012-2013 Program Budget, it does not have to be a new mandate that truly cannot be achieved within the budget. The ICT add-on does not respond to a new General Assembly mandate nor is it an unfeasible requirement since similar add-ons have been approved just a year ago. The proposed projects should have been considered in preparing the Secretary General's budget proposal.

The supplemental request of \$6.4 million represents an additional eight percent to the OIGT's 2012-13 budget of \$75.1 million, and as the ACABQ notes, it is a 13.1% increase over the 2010-11 appropriation. We find this difficult to accept coming at a time when other UN entities have cut their budgets by an average of 3-7%. We are confident in our savings. However, my delegation believes that savings should first be demonstrated from the more effective use of

It is my delegation's view that in his capacity as Chief Information and Technology Officer, Mr. Guterres should cooperate with all UN Secretariats to harmonize and provide consistent, improved and efficient ICT activities throughout the Secretariat.

In conclusion, Mr. Chairman,

The United States remains committed to improving the United Nations use of technology as the foundation for effectively and efficiently providing services in the human rights, development and peace and security pillars. We look forward to continuing to work with other delegations to achieve these goals.

