STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. WALEED AL-SHAHARI OF THE PERMANENT MISSION OF YEMEN TO THE UNITED NATIONS, ON AGENDA ITEM 129: PROGRAMME BUDGET FOR THE BIENNIUM 2010-2011 - INFORMATION AND COMMUNICATION TECHNOLOGY, ENTERPRISE RESOURCE PLANNING SYSTEM (UMOJA) AND INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS), IN THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 65TH SESSION OF THE GENERAL ASSEMBLY (New York, 29 November 2010)

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 129: Programme Budget for the Biennium 2008-2009 - Information and Communication Technology (ICT), Enterprise Resource Planning System (Umoja) and International Public Sector Accounting Standards (IPSAS).

2. We thank the Controller, Mr Jun Yamazaki, for introducing the Secretary-General's reports under this agenda item. We also thank the Chairperson of ACABQ, Ms. Susan McLurg, for the introduction of the Committee's related reports.

Mr. Chairman,

3. The Group of 77 and China has been always supportive of management reform initiatives aimed at increasing the efficiency and capacity of the Secretariat in delivering better results for the Organization. We fully recognize the need for a sound ICT infrastructure in the United Nations to cope with the challenges as well as to better promote efficiency, effectiveness, transparency and accountability in the Organization.

4. In its resolution 60/283, the General Assembly decided to replace the Integrated Management Information System (IMIS) with a next-generation enterprise resource planning system (ERP) and approved the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS). In resolution 63/262, the General Assembly approved resources for the implementation of the ERP. It also endorsed the new ICT strategy for the United Nations Secretariat, including the establishment of the Office of Information and Communication Technology.

Mr. Chairman,

5. The Group of 77 and China welcomes the provision of a more detailed timeline for the Enterprise Resource Planning (ERP) system, also known as the Umoja project, and the progress made thus far towards completion of its design phase. Given the comprehensive and cross-cutting nature of this project, which requires the involvement of all departments of the Secretariat, we stress the need for the Secretary-General to be directly involved in the execution of the project and to exert his leadership in this regard.

6. The Group recognizes that the implementation of the ERP system is a complex endeavor. However, we emphasize that Member States have already provided resources and strong political backing for the ERP project, as reflected in resolutions 63/262 and 64/243. Provided that resources

continue to be approved in subsequent budget submissions, the effective realization of the benefits of the Umoja project rests solely on the responsibility of management and, more specifically, of the Secretary-General, as Chief Administrative Officer.

7. In this regard, the Group of 77 and China notes with concern that only 46 of the 80 positions/posts approved for the project were filled at the end of August 2010. We concur with the Advisory Committee, that the inability to fully staff the project team is a serious problem, since the delays in filling vacancies entail risks that project activities may not be accomplished on time. We expect the Secretary-General to fill the ERP team vacancies as a matter of urgency, with due respect to existing recruitment rules.

Mr. Chairman,

8. The Group of 77 and China welcomes the comprehensive structural review of the ICT capacities of the United Nations Secretariat conducted by the OICT. The findings of the structural review provide, for the first time, a sense of the scale of organization-wide ICT resources and staffing, as well as their functional and geographic distribution across the Organization.

9. However, the Group notes that the Secretary-General reports' on the implementation of the ERP and the status of implementation of the ICT strategy seem to have been prepared in an uncoordinated fashion. For instance, the report on the Umoja project points out that some 690 systems could be replaced by the ERP system. However, it is not clear how this was taken into account in the proposed project 3 ("rationalization of the ICT organization"). In fact, the four proposed projects in the report of the ICT strategy are presented as completely unrelated and independent from the ERP.

10. The Group notes that the annual ICT expenditure of the United Nations is estimated at $774 million, and the total ICT staff count is 4,219, including international staff, volunteers and contractual staff. The Group further notes that, in addition to the $316 million required for the implementation of ERP system, the Secretary-General is requesting an additional $140 million for additional ICT initiatives.

11. In this context, the Group of 77 and China expresses its serious concern that many of the substantive areas of the Organization are chronically underfunded, which has often resulted in lack of implementation of mandates. The Group further recalls the provision of resolution 54/15, in which the General Assembly decided that savings to be achieved as a result of the efficiency measures shall be transferred to the Development Account. In this regard, we are concerned with the statement of the Secretary-General that the excess capacity released as a result of efficiency gains from the implementation of the ICT strategy projects can be redirected to higher-value ICT functions.

12. The Group of 77 and China notes that the Secretary-General has not provided a solid rationale to justify the current placement of the OICT in the structure of the Organization. The Office, which was established as an independent unit in 2009, reporting directly to the Executive Office of the Secretary-General, was supposed to integrate the resources from the Information Technology Services Division of the DM and part of the Information and Communications Technology Division of the DFS, based on a budget- and staff-neutral approach. The request for additional resources under structural review project 4, called strengthening of the OICT, proves that the original proposal of the Secretary-General, as approved by the General Assembly in the 63rd session, is not viable and need to be reexamined.

13. The Group of 77 and China would also like to seek further clarification on the information provided by the OICT to the ACABQ that only structural review projects 4 ("strengthen the OICT") and 3 ("rationalize ICT organization") were of first priority. The Group regrets that the Secretary-General seems to have a presented a "maximalist" report containing proposals on projects that are not considered of first priority as a bargaining position to "negotiate" with Member States. This undermines the trust that the membership has on future proposals of the Secretary-General.

14. The Group stresses the need to take into account the specificities of ICT requirements in field missions and cautions against preparing a strategy that would lead to excessive centralization. The Group notes that the DFS considers a hybrid approach necessary to provide the requisite level of flexibility necessary in field missions.

15. On the other hand, the Group encourages the Secretary-General to seek further opportunities for synergies and for the adoption of common solutions procedures and standards across the United Nations system, as mandated by the General Assembly in resolution 64/289 on system-wide coherence.

Mr. Chairman,

16. The Group of 77 and China continues to believe that the implementation of IPSAS should be used by the Organization as an opportunity to overcome some of the existing problems of its current accounting system. For instance, the new system must ensure that the financial statements of different entities of the United Nations system are consistent and comparable. In this regard, it is important to guarantee uniformity in the application of the IPSAS standards within the United Nations system. As Chairman of the CEB, the Secretary-General should continue coordinate all aspects related to the transition from the United Nations System Accounting Standards to IPSAS.

17. The Group emphasizes the importance of ensuring that staff is fully trained in IPSAS in advance of its implementation. The Secretary-General should carry out a comprehensive training strategy, in order to minimize the considerable risks involved in the transition process.

18. The Group of 77 and China recognizes that a timetable for implementation of IPSAS should be realistic and synchronized with the introduction of the new ERP. We note that delays in the implementation of the ERP would have a direct impact on IPSAS. In this regard, the Group stresses the need for the Secretary-General to make all efforts to ensure that the ERP project follows the proposed timetable.

I thank you, Mr. Chairman.