

26/09/11

Note to the Secretary-General

Draft report of the Advisory Committee on Administrative and Budgetary Questions
(ACABQ) on the proposed programme budget for the biennium 2012-2013

1. The ACABQ held its consideration of the proposed programme budget for the biennium 2012-2013, from late May through late July 2011. In general, the Committee noted the Secretariat's assurance that mandates would be delivered in full, and accepted, by and large, the level proposed in the programme budget for the biennium 2012-2013. The overall reduction by the Committee is estimated at approximately \$1.9 million, including the non-recommendation of three regular budget posts (one P-2 in ICJ, one P-5 in ESCWA, and one P-4 in OCSS), two jointly financed security posts, and a few non-post proposals.
2. The major cross-cutting issues raised during the deliberations, and reflected in the report of the ACABQ, are summarized as follows:

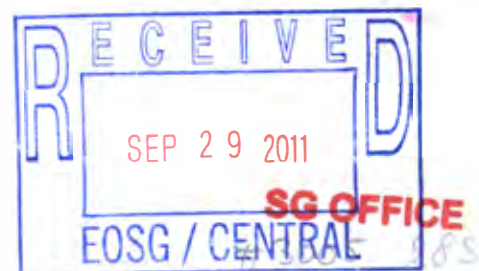
Timeline

- a. The Committee regrets that its consideration of the proposed programme budget was impacted by the late submission of the overview of the budget proposal, and of a number of the individual budget sections. The Committee reiterates the importance of ensuring that the budgetary process, including the timeliness, is fully respected.
- b. The Committee emphasized the importance of the ongoing review of programmes and business processes to ensure the most effective and efficient delivery of mandates, and welcomed the initiative of the Secretary-General in requesting such a review by Programme Managers.
- c. The Committee expressed the view, however, that the timeframe available to Programme Managers was insufficient to carry out such a review in a comprehensive manner, and considered that this shortcoming is reflected in the proposals. The Committee indicated its view that the overall proposed reductions are neither significant nor structural in nature. As such, it is considered unlikely that the proposed cuts, if approved, would be sustained in future budgets.

Reform and Change Management Initiative

- d. The Committee was of the view that future proposed programme budgets should include more information on the status and results of major reform initiatives, the demonstrable impact of efficiency measures being undertaken, and the conclusions drawn from monitoring and evaluation activities.
- e. The Committee underscored the importance of regular communication, both internally and also with Member States, on the activities of the Change Management Team, including with respect to its objectives, the timeline for its activities, and the initiatives being considered and undertaken.

11-08269



f. The Committee recognized that initiatives to increase efficiency and effectiveness are developed and implemented, on an ongoing basis, by Programme Managers, at all levels, in various Departments and Offices. However, the Committee was of the view that, to date, there has been insufficient focus on identifying those measures which are found to be most effective, and ensuring that they are effectively mainstreamed throughout the Organization as a whole. As such, the Committee sees merit in the creation of a temporary capacity focused on such Change Management Initiatives.

g. The Committee emphasized the importance of a thorough review of all previous initiatives and reforms, with a view to drawing lessons, particularly in instances where such initiatives have failed to have the desired impact.

h. The Committee noted that the Change Management Team is expected to complete its primary task by the end of 2011. The Committee expects that the implementation and impact of the initiatives themselves will thereafter be overseen by the existing mechanisms in place, notably the Steering Committee on the Implementation of Change Management Measures, chaired by the Deputy Secretary-General, and other senior management for a, such as the Management Committee, and, where appropriate, the UN System Chief Executives Board for Coordination.

Development pillar strengthening

i. The Committee was concerned by the extent of the reductions in staffing being proposed for certain Departments and Offices, especially those recently strengthened under resolution 63/260. The Committee was of the view that these reductions appear to call into question the basis on which elements of the original proposals for strengthening were made.

Special Political Missions (SPMs)

j. In view of past experience which indicates an inability to predict such missions, the Committee was of the view that the level of reduction reflected in the Secretary-General's projections for SPMs during the biennium 2012-2013 may prove optimistic and, therefore, does not necessarily amount to a resource saving. In this regard, the Committee considered it essential that the Secretary-General demonstrate restraint when presenting the budgetary proposals for SPMs.

Information and Communications Technology (ICT)

Implementation of the ICT Strategy

k. The Committee was of the opinion that the simultaneous proliferation of initiatives does not facilitate a clear understanding of the Secretary-General's overall approach to Change Management. The Committee recommended that the Secretary-General be requested to ensure that the activities envisaged will complement, and not duplicate, the work of other Departments and Offices engaged in similar initiatives, and that close cooperation be maintained between OICT and the Change Management Initiative.

l. The Committee noted that, at the time of its consideration of the proposed programme budget, it was provided with an advance copy of the Secretary-General's report on enterprise ICT initiatives, and was able to consider the totality of regular budget resources and activities proposed for the biennium under this section. The Committee will provide its comments and recommendations on the four initiatives separately.

Enterprise Resource Planning (ERP) project (Umoja)

m. The Committee considered that priority should be given to setting the project on the right track quickly, so as to avoid further slippage, cost overruns and unproductive use of the resources; and expects the Secretary-General will ensure that the project is delivered at its currently approved level of funding, through efficient utilization of the resources approved for the project, improved project management and prioritization, and phasing of activities.

n. While the Committee accepted the Secretary-General's focus on the implementation of IPSAS in the first phase, it emphasizes that the ERP system is the key enabler underpinning the Organization's management reform agenda, including results-based management, risk management, a strengthened internal control framework, and enhanced performance and accountability, as well as greater efficiency and effectiveness. These improvements remain essential organizational goals that should not be neglected in the Secretary-General's proposals for the future direction of the project. In this connection, the Committee pointed out that the consequential investment made by Member States was justified, in part, on the basis of the expected improvements to management practices and service delivery, as well as the enhanced efficiency and effectiveness in programme management that the system would allow. Pending its consideration of the Secretary-General's progress report on ERP, the Committee was not in a position to recommend commitment of the proposed resources for the ERP project, which are based on the project timetable approved by the General Assembly, in its resolution 63/262.

Posts and staffing

Senior level posts

o. Concerns were raised about vacant posts, particularly the post of Under-Secretary-General (USG) for NEPAD (vacant since 1 May 2007), and the impact of the continued vacancy on the role that it could play in advocating the needs of the continent. The Committee expects that detailed information on the vacancy will be included in the second performance report for the biennium 2010-2011.

p. The Committee reiterated its observation that the current arrangements, whereby the High Representative is given the responsibility of handling three separate functions, could adversely affect the work of the office.

q. Referencing the position of Assistant Secretary-General (ASG) for Policy Planning/Head of the Strategic Planning Unit, EOSG, the Committee expressed its concern regarding the continued use of general temporary assistance for a senior-level position, as neither the Committee nor the General Assembly have had the opportunity to review the need for the position, its level, or its functions. The Committee expressed the need for greater transparency of temporary positions, which are intended for the temporary replacement of staff on extended sick leave or maternity leave or additional staff required during periods of peak workload, and not to finance de facto regular budget posts of a continuing nature. The Committee expects the Secretary-General to clarify to the General Assembly, during its consideration of his proposals, how this position, and any other senior-level positions, in EOSG, that have existed for more than 12 months without intergovernmental approval, will be funded during the biennium 2012-2013.

r. The Committee did not support the proposed establishment of an ASG post under OIOS, but rather was recommended at the D-2 level.

s. Referring to the post of Deputy Controller, which was vacant for one month at the time of its consideration of the budget proposals, the Committee reiterated that vacancies are expected to be advertised six months prior to the anticipated retirement; and, in its view, the delay in filling the post of the Deputy Controller clearly indicates continuing weaknesses in the advance planning, recruitment, and staff placement processes. The Committee urges the Secretary-General to ensure that such situations are avoided in the future, through rigorous succession planning and the timely issuance of vacancy announcements.

Other staffing issues

t. In principle, the Committee welcomed the efforts of Programme Managers to reduce staffing requirements, through the review of staffing component, and modernization of processes and streamlining of functions, notably under Sections 2 (DGACM) and 28 (DPI).

u. However, the Committee was concerned with the proposed reduction in entry-level, P-2, posts, which contrasts with the increases in senior posts being put forward. The Committee is of the view that this situation should be kept under review by the Secretary-General, and that the provision of sufficient entry-level posts is a fundamental component of the effective human resources management of the Organization. The recruitment of new staff into such positions also contributes to the rejuvenation and revitalization of the Secretariat. In addition, the Committee is cognizant that P-2/1 posts are the primary avenue for the recruitment of staff through the Young Professionals Programme, and also allow for the advancement of General Service staff that are successful in the G-to-P examination.

Next steps

3. Given the issues that have emerged so far, it is critical that we agree on a set of key strategies, as we dialogue with Member States over the coming months. The Fifth Committee will begin its review of the budget in October. However, beginning in September, we will need to consistently reinforce the Organization's priorities in meetings with Heads of State and Permanent Representatives.

4. Our main message will need to find a balance in addressing (i) the view of some Member States that our mandates cannot be delivered in full with this reduced budget; and, on the other hand, (ii) the view of other Member States that the reductions are not sufficient, or will not prove to be sustainable. Accordingly, our message should focus on the following:

- The budget, as proposed, is the outcome of thorough review, and reflects the minimum required to deliver our mandates in 2012-2013.
- While the budget is significantly reduced, it was not a technical or mechanical process. Programme Managers were given discretion in identifying efficiencies. Consequently, mandates will be delivered in full.
- Investment in ICT and the implementation of an ERP will continue to be the vehicle for change and for future efficiencies.
- A Change Management process has been initiated to mobilize implementation of deliverables, and to bring focus to the dialogue with Member States for future reform.

5. Apart from the main message, there will need to be more focused outreach with Regional Groups and with individual Member States. This outreach strategy should be based on the following elements:

- **Development pillar strengthening:** Emphasis needs to be placed on the review that was undertaken by individual Programme Managers, and the assurance that mandates will be fully delivered.

- **Budget level:** We need to maintain that the budget reflects minimum requirements. Additional reports with resource implications, to be presented in the fall, will need to be carefully reviewed to ensure maximum restraint.

- **SPMs:** We would need to continue to exercise budgetary restraint in finalizing the SPM budgets for 2012. We need to point out that important proposals on the arrangements for funding and backstopping of SPMs will be before the Member States this fall for their consideration.

- **Umoja:** Progress report is currently being finalized. It will need to address the concerns of the ACABQ (need for cost containment, while assuring promised enhancements to deliver efficiency and effectiveness).

- **High-level positions:** On two positions, we will need to provide some indication as to the intended approach. The ASG for Policy Planning, EOSG, will need to be reviewed and regularized during the 2014-2015 biennium, if not before. Member States will also expect rationalization/indication of the way forward in relation to the vacant of USG for NEPAD.

6. Finally, the Secretary-General may wish to alert Programme Managers of some of the concerns raised by the ACABQ, and reiterate the importance of their availability to attend and address the sessions of the Fifth Committee on the proposed programme budget. At the same time, Programme Managers should be reminded to support, and adhere, to the proposals that have been put forth in the name of the Secretary-General, and not to lobby for resources not included in the proposed programme budget for 2012-2013.

DCDC	CDC	SG
Recommended Action:	For SG's approval <input type="checkbox"/>	Approved <input type="checkbox"/>
SG's attention	For SG's attention <input checked="" type="checkbox"/>	Noted <input checked="" type="checkbox"/>
Date: 22/Sept/11	For SG's information <input type="checkbox"/>	Seen <input type="checkbox"/>
Comment (if applicable):	For SG's signature <input type="checkbox"/>	Signed <input type="checkbox"/>
	Date: 22.09.11	Date: _____
	Comment (if applicable):	

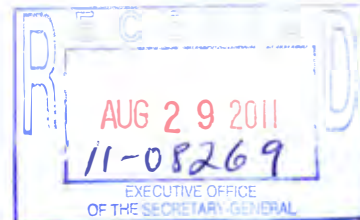
Asha-Rose Migiro
26 September 2011

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Central
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11-08269 – Draft ACABQ report on the proposed programme budget for the biennium 2012-13

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KWS

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Note to the Deputy Secretary-General

**Draft report of the ACABO on the Proposed Programme Budget for the
biennium 2012-2013**

Please find attached, for your approval, a draft note addressed to the Secretary-General on the above subject.

Angela Kane
26 August 2011

