



# General Assembly

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## Seventy-third session

Agenda items 126, 135, 136 and 150

### United Nations reform: measures and proposals

#### Review of the efficiency of the administrative and financial functioning of the United Nations

#### Programme budget for the biennium 2018–2019

#### Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

## Global service delivery model for the United Nations Secretariat

### Report of the Advisory Committee on Administrative and Budgetary Questions

#### I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the global service delivery model for the United Nations Secretariat ([A/73/706](#)). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses on 27 February 2019.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution [72/262 C](#), in which the General Assembly requested the Secretary-General to submit a new proposal for the global service delivery model which fully takes into account paragraph 5 of the report of the Advisory Committee ([A/72/7/Add.50](#)) and the comments, observations and recommendations of the Joint Inspection Unit, and to consult with Member States and relevant stakeholders and consider the views expressed by them.

3. In paragraph 5 of its report ([A/72/7/Add.50](#)), the Advisory Committee states that:

The Secretary-General indicates that the global service delivery model consolidates location-independent hub functions into Global Shared Service



Centres, consisting of transactional administrative processes such as human resources administration, accounts payable and payroll. In the proposal, it is stated that the criteria used in the assessment of potential locations for the centres was approved by the global service delivery model steering committee and included: security and stability; family duty station; health care, education and access; infrastructure; availability of a qualified local workforce; strong host Government relations; and staff and operational costs. Additional criteria included: (a) time zone coverage across the worldwide operations of the Secretariat using a 'follow-the-sun' support model which allows transactions to be processed and passed between shared service centres in different time zones; (b) business continuity in the event of a service disruption at one of the centres; (c) specific requirements of different parts of the Secretariat, including language requirements; and (d) possible future consolidation of shared service delivery across the United Nations system.

## II. Proposal of the Secretary-General

4. The Secretary-General indicates that the global service delivery model would support the Organization in realizing the full capacity of enterprise systems and free programme managers from transactional tasks by providing flexible, reliable and cost-effective administrative services to all clients. The model would consolidate location-independent functions into the Global Shared Service Centres, proposed to be established in the following four locations: Nairobi; Shenzhen, China; Budapest; and Montréal, Canada ([A/73/706](#), paras. 6 and 7).

### *Business case*

5. As part of the business case, it is stated in the report that once the Global Shared Service Centres are established, there is estimated to be a \$23.0 million annual cost reduction. This would result in an estimated cost reduction of \$49.0 million over the first five years of operations, breaking even at the end of the third year (*ibid.*, paras. 9 and 10). Upon enquiry, the Advisory Committee was informed that the largest single component of the business case is the staffing cost estimate that uses standard budget rates, and that the vast majority of savings in recurrent costs between the baseline and the proposed shared service centres arises from staff salaries. It is also stated that the average span of control (i.e., the number of individuals supervised by a manager) in service delivery and client support has been increased from 1:11 to 1:18, so as to obtain greater efficiencies and cost savings (*ibid.*, para. 49).

### *Location assessment*

6. In assessing the potential locations for the centres, the Secretary-General included the 45 existing locations of the United Nations that deliver administrative support services, as well as 11 headquarters and shared service centre locations of specialized agencies, related organizations and other entities that provide administrative support services. As requested by the General Assembly, the Secretariat also invited all 193 Member States to express their interest in hosting a Global Shared Service Centre, following which 19 Member States proposed a total of 22 locations. Of those, 15 locations had already been included; the remaining seven locations were included in the assessment, resulting in a total of 63 locations being assessed (*ibid.*, para. 14).

7. The Secretary-General indicates in his report that an independent consulting firm was engaged to conduct the assessment, in which all 63 locations were evaluated against the minimum requirements, including: (a) security and stability; (b) family

duty station; (c) health care, education and access; (d) infrastructure, including reliable, modern information and communications technology; (e) availability of a qualified local workforce with the requisite skill profiles; and (f) adequate time zone coverage. Of the 63 locations, 39 locations fully met the minimum requirements. The 39 locations were subsequently evaluated and ranked against the scoring criteria: cost (40 per cent), qualified local workforce (40 per cent) and location suitability (20 per cent). The assessment indicated that Nairobi, Shenzhen, Budapest and Montréal were the highest scoring in their respective geographic regions (i.e., Africa, Asia, Europe and the Americas) (ibid., paras. 15 and 16, and figure II).

8. In paragraph 12 of the report of the Secretary-General (A/73/706), it is indicated that the proposal is developed on the basis of the six-part methodology outlined in the report of the Secretary-General on the framework for a global service delivery model of the United Nations Secretariat (A/70/323). Upon enquiry, the Advisory Committee was informed that the criteria used in the present proposal were the same as the criteria presented to the General Assembly in the previous report of the Secretary-General (A/72/801). The Committee was also informed that the scoring criteria were applied consistently to all 39 locations that met the minimum requirements, and the outcome of the assessment indicated that all four proposed locations were the highest scoring in their respective geographic regions.

9. It is stated that the proposed locations would fully address the requirements of the General Assembly as set out in resolution 72/262 C, including by providing: a “follow-the-sun” support model; adequate coverage for French-speaking staff; one shared service centre located in Africa; strong host Government relations (including recognition of United Nations privileges and immunities, as well as work permits for third-country nationals to work as locally recruited staff and work permits for spouses of international staff); full-time zone coverage across the worldwide operations of the Secretariat; and the possibility of facilitating future consolidation of shared service delivery for the United Nations system (A/73/706, paras. 16 and 17).

10. The Advisory Committee notes that in his previous report, the Secretary-General estimated the annual cost reduction at \$11.3 million, with estimated savings of \$10.3 million in five years and a break-even point at the start of the fifth year (A/72/801/Add.1/Rev.1, paras. 15 and 22). **The Committee notes that the present business case reflects higher estimated cost reductions of \$23.0 million and a shorter break-even period of three years as compared with the previous proposal of the Secretary-General. The Committee also notes the location assessment undertaken in accordance with the criteria set out in General Assembly resolution 72/262 C, including consultation with Member States. Taking into account the analysis presented by the Secretary-General, the Committee recommends that the General Assembly approve the establishment and the locations of the Global Shared Service Centres as proposed by the Secretary-General.**

11. With respect to the scope of services to be offered by the Global Shared Service Centres, the Secretary-General indicates that of the 387 administrative processes delivered within and outside of Umoja, 202 processes were categorized as hub (i.e., location-independent), with potential for consolidation into the shared service centres. Of those 202 processes, 80 are expected to be offered in the first year of operation (an increase of 33 per cent from the 60 processes identified in the previous report, A/72/801), comprising 35 human resources administration processes, 39 finance processes and 6 corporate service processes. The Secretary-General further explains that as part of the second phase, a review of all remaining processes will be undertaken, to present a robust plan to increase the future scope of the shared service centres (A/73/706, paras. 19 to 21). Upon enquiry, the Advisory Committee was informed that the present business case only covers the provision of these 80

processes; any expansion of services would incur additional costs which would need to be proposed by the Secretary-General and approved by the General Assembly. The Committee was also informed that 14 of the 80 processes are time-sensitive (comprising four human resources, two payroll, two accounts payable, two cashier and four travel booking processes).

12. **The Advisory Committee notes that the proposed centres would offer 80 processes in the first year, with the remaining processes to be reviewed in the second phase for inclusion. The Committee considers that the use of the Global Shared Service Centres should be maximized in order to achieve greater efficiencies and cost savings. Considering the large number of remaining processes, the Committee expects the Secretary-General, during the review of the remaining processes in the second phase, to consider all options, including increasing the scope of existing shared service centres or establishing another shared service centre, with a view to achieving greater efficiencies and cost savings.**

13. In relation to the French language capacity of the proposed centres, it is indicated in the report that the centre in Montréal, which would provide human resources and payroll administration services, would also provide French-speaking services to clients in Africa. The other service centres would have access to a French-speaking workforce to enable time-sensitive services to be provided in French to clients in Africa, Asia and Europe (A/73/706, paras. 16 and 46). Upon enquiry, the Advisory Committee was informed that human resources and payroll administration service delivery staff of the Montréal centre who work specifically for clients located in Africa may have earlier operating hours to address the time zone gap between Africa and Montréal. The Committee was also informed that the centre in Budapest will have similar operating hours to French-speaking countries in Africa and Europe, and that there would be French-speaking staff available in Budapest, although the Budapest centre is not the main processing hub for these clients. **Taking into account the significant number of French-speaking clients in the African region, the Committee notes with concern the time zone gap between the region and Montréal, the centre that would provide French-speaking services to clients in Africa. The Committee expects that the Secretary-General will provide more detailed information to the General Assembly on this matter at the time of its consideration of the present report.**

14. Upon enquiry as to host Government relations, the Advisory Committee was informed that the support offered by the interested host countries comprised free office space, facility management, one-time start-up costs, work permits for third-country nationals, funding for international staff relocation costs during start-up, and partial funding of local staff salary costs. **The Committee stresses the importance of ensuring the continuation of the support provided by host countries in order to retain the cost-benefit advantages of establishing the shared service centres. The Committee expects the Secretary-General to provide more detailed information, including financial details, to the General Assembly, at the time of its consideration of the present report, on the support offered, and the duration thereof, by the host countries of the four proposed locations.**

#### *Project governance and management*

15. In the report, it is indicated that the Under-Secretary-General for Management Strategy, Policy and Compliance is the project owner, while the steering committee provides strategic guidance and project oversight. The project team is responsible for the detailed planning and execution of the project, working in close collaboration with the Under-Secretary-General for Operational Support, to whom the shared service centres will report once they are established. Implementation will be coordinated

through the Business Transformation and Accountability Division of the Department of Management Strategy, Policy and Compliance (A/73/706, paras. 75, 95 and 96). Upon enquiry, the Advisory Committee was informed that following the establishment of the centres, the centres would be responsible for processing day-to-day transactions and report to the Department of Operational Support, while the project team under the Department of Management Strategy, Policy and Compliance would be responsible for project deployment. Project deployment activities would include evaluating the remaining processes to be included in the global service delivery model, reporting on implementation progress and tracking the benefits achieved, as well as submitting progress reports to the General Assembly.

16. The Secretary-General states that the project and the proposed Global Shared Service Centres will be subject to audits as necessary and appropriate. The project's risk assessment and management plan is guided by the methodology of the enterprise risk management framework of the Secretariat. Five major risk areas have been identified: stakeholder buy-in; impact on staff; operational risk; implementation risk; and inadequate institutional performance of shared service centre operations. Furthermore, the change management strategy includes a comprehensive communication plan to ensure appropriate buy-in to the new service delivery model. The benefits realization plan is set out in annex V to the report, with the following benefit categories: cost-effectiveness; high-quality and client-oriented administrative services; timely service delivery; operational efficiency; and standardization and consistency (A/73/706, paras. 93, 98 and 101 and annex V). **The Advisory Committee is of the view that the benefits realization plan is lacking quantitative and qualitative indicators, which are important for the measurement of progress. The Committee recommends that the General Assembly request the Secretary-General to develop a detailed benefits realization plan with quantitative and qualitative indicators, including cost savings and service improvement targets, and to provide a progress update in his next report on the global service delivery model.**

#### *Structure of the Global Shared Service Centres*

17. According to the report, the Director, Global Shared Services, will report to the Under-Secretary-General for Operational Support, who will maintain close coordination and consultation with the Under-Secretary-General for Management Strategy, Policy and Compliance. The Office of the Director would set direction and oversee shared service operations, and it is proposed that it be co-located with the Global Shared Service Centre in Nairobi, as that centre hosts all major service centre functions and is in the same time zone as the majority of clients. The chiefs of the individual shared service centres will report directly to the Director, Global Shared Services, and be responsible for day-to-day operations (ibid., paras. 22, 23 and 40). Upon enquiry, the Advisory Committee was informed that one of the main reasons for the four shared services centres having common management and monitoring of operational performance is to be able to balance the workload between the four locations, so that when one centre experiences high service demand, the work will be shifted to one or more locations.

18. The human resources and payroll administration sections would be located in the Global Shared Service Centres in Montréal and Budapest, with an additional human resource section to be based in the Global Shared Service Centre in Nairobi, which would provide time zone coverage for more than 95 per cent of United Nations staff and individual uniformed personnel. Accounts payable and other finance transaction services would be provided from the Global Shared Service Centres in Nairobi and Shenzhen. The Special Global Operations Unit in Shenzhen would deliver expertise-based administrative services that are not time critical, benefit from

being carried out by a team located in one location and require special attention to ensure quality, such as bank reconciliation and the calculation of travel and shipping lump sum payments (*ibid.*, paras. 46 to 48).

19. From information provided to it, the Advisory Committee notes that the four centres would also manage seven local client support desks to provide local client support services in those seven locations. The centre in Nairobi would manage desks in Beirut and Addis Ababa; the centre in Budapest would manage desks in Geneva and Vienna; the centre in Shenzhen would manage a desk in Bangkok; and the centre in Montréal would manage desks in New York and Santiago. Upon enquiry, the Committee was informed that the desks represent a transitional measure to ensure that staff are supported while administrative processes move to the centres, by allowing them a period of time to get used to the new service and support methods, thereby reducing anxiety and resistance to the new model from staff who may prefer the status quo. **The Committee recommends that the General Assembly request the Secretary-General to review the local client support desks after one year of operation to determine if they are still required, and to provide an update in his next report on the global service delivery model.**

#### *Funding model and resource requirements*

20. Under the proposed funding model, the Secretary-General indicates that the centres would initially be jointly financed by the regular budget, the peacekeeping budget and extrabudgetary resources, with the distribution across the three funding sources being based on percentages derived from current workload indicators for the services provided by funding source. Subsequently, in order to respond to changes in client size and the complexity of tasks, a request for additional resources or the reporting of reduced resource requirements, based on the standard costs for each main category of services, would be included in relevant budget proposals or cost plans of entities being serviced by the Global Shared Service Centres (*ibid.*, paras. 54 and 55).

21. As regards budget presentation, in the report it is indicated that every year, the proposed programme budget fascicle for Section 29D, Global Shared Service Centres, will contain an overview of the overall resource requirements of the Global Shared Service Centres, as well as the proposed distribution by funding source, which will be based on the most recent available workload indicators. The General Assembly will be requested to approve, in the context of the proposed programme budget, the overall resource requirements of the Global Shared Service Centres, as well as the resources to be funded by the regular budget. The resources to be funded from other assessed sources of funding will be reflected in the respective budget proposals, for approval by the General Assembly in the context of the review of those proposals (*ibid.*, para. 56).

22. For 2019, resource requirements in the amount of \$9,522,700 would be required, comprising recurrent resources of \$6,543,900 and non-recurrent resources of \$2,978,800. In 2020, resource requirements would amount to \$50,948,500 (*ibid.*, paras. 104, 106 and 107). The distribution among the three funding sources: regular budget, peacekeeping budget and extrabudgetary, is set out in tables 8 and 9 of the report.

23. The breakdown of the proposed resource requirements of \$9,522,700 for 2019 is as follows: (a) \$4,382,200 for the Office of the Director, Global Shared Services; (b) \$3,624,900 for the Global Shared Service Centre in Nairobi; (c) \$1,507,900 for the Global Shared Service Centre in Budapest; (d) \$0 for the Global Shared Service Centre in Shenzhen; and (e) \$7,700 for the Global Shared Service Centre in Montréal (*ibid.*, annex IV, table 1, and paras. 10 and 11).

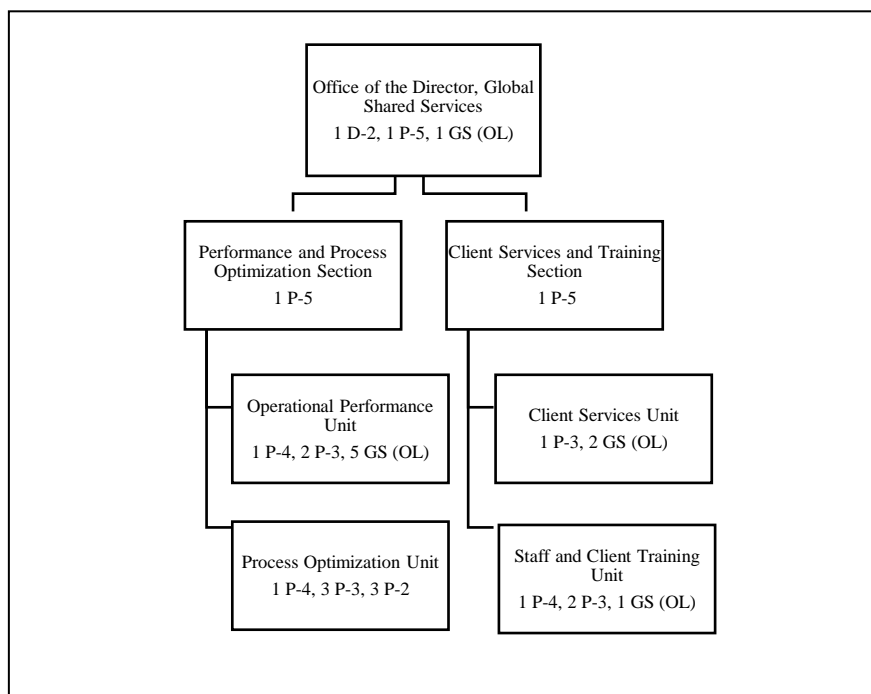
24. In the report, the Secretary-General indicates that for 2019, resource requirements for posts would amount to \$4,894,700 and non-post costs would amount to \$4,628,000 (A/73/706, tables 6 and 7). The Advisory Committee makes detailed recommendations on post and non-post resources in the paragraphs below.

#### *Proposed posts and positions*

25. As set out in annex IV to the report, in table 3, 684 posts are proposed for establishment, comprising: (a) 27 posts for the Office of the Director, Global Shared Services; (b) 254 posts for the Global Shared Service Centre in Nairobi; (c) 123 posts for the Global Shared Service Centre in Budapest; (d) 173 posts for the Global Shared Service Centre in Shenzhen; and (e) 107 posts for the Global Shared Service Centre in Montréal.

26. Proposed staffing for the Office of the Director, Global Shared Services, would consist of the Director (D-2) supported by two staff (one P-5 and one General Service (Other level)). The Office would include a Performance and Process Optimization Section (one P-5), comprising an Operational Performance Unit (one P-4, two P-3 and five General Service (Other level)) and a Process Optimization Unit (one P-4, three P-3 and three P-2). The Office would also include a Client Services and Training Section (one P-5), comprising a Staff and Client Training Unit (one P-4, two P-3 and one General Service (Other level)) and a Client Services Unit (one P-3 and two General Service (Other level)). In the report, it is indicated that the Performance and Process Optimization Section would manage operational reporting and drive process optimization, while the Client Services and Training Section would ensure consistent approaches to client support, staff and client training and documentation across the global shared service structure (*ibid.*, paras. 25, 26, 29, 32, 33, 35 and 38, and figure V; see also figure below).

#### **Proposed organizational chart for the Office of the Director, Global Shared Services**



*Abbreviation:* GS (OL), General Service (Other level).



27. Taking into account the overall staffing of the Office of the Director, Global Shared Services, and the responsibilities of the two sections, the Advisory Committee recommends against: (a) one P-3 and one General Service (Other level) in the Operational Performance Unit; (b) one P-3 and one P-2 in the Process Optimization Unit; and (c) one P-3 in the Staff and Client Training Unit. The Committee further recommends that the Client Services and Training Section be headed at the P-4 level, and not the P-5 level as proposed. Any related non-post resources should be adjusted accordingly.

28. The Advisory Committee recommends the approval of the remaining posts proposed for establishment in the Office of the Director, Global Shared Services, and the four Global Shared Service Centres. The Committee further recommends that the General Assembly request the Secretary-General to conduct a staffing review to determine the appropriate level of staffing at a stage when operations have stabilized, and no later than at the start of the third year of operations.

29. With respect to the total staffing complement of 684 posts, the Secretary-General indicates in the report that total staffing across the four centres would be 780 staff in the first two years of operation, reducing to 684 staff from the third year as efficiency gains and process improvements are realized. Upon enquiry, the Advisory Committee was informed that in the first two years of shared service centre operations, 96 general temporary assistance positions would be required to address the stabilization of services, staff capacity development and other transitional work. In addition, in the report of the Secretary-General it is stated that, in order to ensure adequate capacity development in the centres, teams of experienced transactional staff will be assigned in each location for a period of 12 to 24 months to provide training and on-the-job coaching to new staff (A/73/706, paras. 39 and 68). Upon enquiry, the Committee was informed that the teams are comprised of 55 general temporary assistance positions. **The Committee is of the view that the proposed period of transition of up to two years may be unduly long. The Committee recommends that the General Assembly request the Secretary-General to review these general temporary assistance positions after one year to determine if they are still required, and to provide an update in his next report on the global service delivery model.**

*Proposed non-post costs*

30. The non-post costs for the Office of the Director and the four Global Shared Services Centres are set out in tables 6 and 7 of the report (see para. 24 above). From information provided to it, the Advisory Committee notes that, for 2019, the amount of \$210,000 is proposed under consultants for the Office of the Director, for non-recurrent requirements to provide for a consultant to design and build an external website for the centres. **The Committee recalls that the General Assembly has previously reaffirmed that the use of external consultants should be kept to an absolute minimum and their services be used only when necessary, and has stressed the need for using in-house capacity of the Organization to perform core activities (resolution 70/247, para. 45). The Committee is of the view that there should be some available in-house capacity for website design and development, and therefore recommends a 10 per cent reduction, amounting to \$21,000, in the proposed resources for consultants.**

31. Under travel of staff, the Advisory Committee notes from information provided to it that, for 2019, the amount of \$317,300 is proposed for the Office of the Director, for non-recurrent requirements related to trips to the shared service centre locations to conduct host country negotiations and office start-up activities, as well as trips from the shared service centre locations to other offices for client engagement. **The**



**Committee is not convinced by the justifications provided for the travel of staff, considering that the host country negotiations would have largely been conducted by that stage. Therefore, the Committee recommends a reduction of 10 per cent, amounting to \$31,700, in the proposed resources for travel of staff.**

32. From information provided to it, the Advisory Committee notes that, for 2019, resources for contractual services are proposed for the Office of the Director (\$600,100) for training of new staff at the centres (\$281,100) and for the engagement of Office of Information and Communications Technology resources to develop and roll out the new iNeed functionality (\$319,000). In addition, resources for contractual services are also proposed for the centre in Nairobi (\$36,000) and the centre in Budapest (\$36,000), for engaging individual contractors to support the recruitment exercise for the two service centres. **The Committee is of the view that there should be some available in-house capacity to support staff training, the development and roll-out of the new iNeed functionality, and recruitment. Therefore, the Committee recommends a reduction of 10 per cent, amounting to \$67,200, in the proposed resources for contractual services.**

#### *Implementation plan*

33. In the report, it is indicated that the Global Shared Service Centre implementation plan has been developed in line with the following principles: (a) a phased approach with incremental integration of functions and client groups; (b) a roll-out sequence that minimizes the risk of disruption, while moving to the establishment of the centres as quickly as possible; (c) a minimum of one month between each client group transition, with lessons learned captured after each transition; (d) the sequencing of client transitions using a collaborative approach and based on the relative size of the client and complexity of the processes and services; and (e) an overlap period between existing service provider staff and shared service centre staff (A/73/706, para. 64).

34. It is stated that the Global Shared Service Centres will begin implementation in early 2020 (ibid., para. 65). Upon enquiry, the Advisory Committee was informed that it is anticipated that the Global Shared Service Centres in Nairobi and Budapest would go live in the first quarter of 2020. The Global Shared Service Centre in Shenzhen would also open with a small staff presence to provide additional capacity support to Nairobi. In the third quarter of 2020, the Global Shared Service Centres in Shenzhen and Montréal would be fully established. All clients would be transitioned to shared service arrangements by mid-2021. **The Committee expects that the Secretary-General will ensure that the implementation of the Global Shared Service Centres is completed in accordance with the timeline by mid-2021.**

#### *Mitigation measures*

35. As the implementation of the global service delivery model would affect existing staff, the mitigation measures to be considered are described in the report and include: (a) strengthening workforce planning; (b) freezing external recruitment for staff in the General Service category; (c) giving priority consideration to internal candidates who are affected staff members; (d) offering the possibility of temporary assignment for affected staff for up to six months; and (e) offering transfers to the shared service centres to internationally recruited staff and those locally-recruited staff who are serving at those duty stations. In addition, the Secretariat would consider the following actions: (a) not to retain staff members beyond the mandatory age of separation; (b) not to extend secondments and temporary assignments from other entities; (c) not to renew the contracts of temporary appointees and fixed-term appointees with service limitations; (d) to allow for the placement of affected staff on special leave without pay for a period of up to two years. Finally, the Secretary-

General would also consider offering a separation package to affected staff to avoid involuntary separations and limit the risk of potential litigation (*ibid.*, paras. 84 to 88). As indicated in annex IV to the report, tables 8 and 9, there would be 633 abolishments in 2020 and 114 abolishments in 2021.

36. Upon enquiry, the Advisory Committee was informed that after all staff mitigation measures have been implemented, there may be a number of involuntary separations, resulting in the potential payment of termination indemnities. A preliminary computation has been undertaken based on average termination indemnity amounts and dates of separation and those estimates have been included in the budget proposal and the cost-benefit analysis. From information provided to it, the Committee notes that an estimated amount of \$4,454,400 would be required in 2020 to cover the expenses of termination indemnity. **The Committee notes with concern the potential impact of the proposed abolishments on staff and the Organization. The Committee expects the Secretary-General to make every effort to mitigate the impact of the global service delivery model on affected staff, and to retain their skills, knowledge and experience as much as possible.**

### III. Other matters

#### *Impact on existing support functions*

37. With respect to the impact of the global service delivery model on existing support functions, in the report it is indicated that the duty stations most affected include New York, Entebbe, Kuwait, offices away from Headquarters and the regional commissions. Of the total 747 proposed abolishments, 82 posts are proposed for abolishment in relation to the Kuwait Joint Support Office.<sup>1</sup> The Advisory Committee was informed upon enquiry that as the services provided by the Kuwait Joint Support Office would be included within the global service delivery model, the Office would no longer exist in its current form, which would result in the abolishment of the related posts. **The Committee recalls that the Kuwait Joint Support Office was not a shared service centre approved by the General Assembly, and that any changes to the existing and future service delivery model must be approved by the Assembly (A/73/498, paras. 54 and 55).**

38. In particular, the Advisory Committee notes that in the Regional Service Centre in Entebbe, Uganda, 349 posts are proposed for abolishment, representing almost half of the total number of 747 proposed abolishments. The Secretary-General indicates that the Regional Service Centre will continue to perform functions not within the scope of the global service delivery model, including regional information and communications technology services, regional training and conference services and transport and movement services, as well as regional procurement and other functions through the Entebbe Support Base logistics hub for the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo. It is stated that 545 staff and contractors would remain in Entebbe to perform such functions (A/73/706, paras. 70 and 71, table 8 of annex IV).

39. The Advisory Committee was informed that the Regional Service Centre in Entebbe remains a key regional hub and will continue to play an important role in the delivery of the United Nations mandate. The Committee recalls that in its resolution

<sup>1</sup> 39 posts in the United Nations Assistance Mission in Afghanistan; 33 posts in the United Nations Assistance Mission for Iraq; 3 posts in the United Nations Interim Force in Lebanon; 2 posts each in the United Nations Interim Administration Mission in Kosovo and the Global Service Centre; and 1 post each in the United Nations Mission for Justice Support in Haiti, the United Nations Disengagement Observer Force and the United Nations Peacekeeping Force in Cyprus.

72/266 B, the General Assembly had requested the Secretary-General to submit proposals on strengthening the role of regional procurement hubs, in particular the Regional Procurement Office in Entebbe, Uganda, in the context of his next report on procurement. Upon enquiry, the Committee was informed that since the inception of the Regional Service Centre, approximately \$7.71 million has been invested in office space, in addition to \$9.77 million invested in training and technology facilities that are not related to the scope of the global service delivery model. **The Committee expects the Secretary-General to provide further information to the General Assembly, at the time of its consideration of the present report, on the investments made in the Regional Service Centre in Entebbe. Considering the significant number of proposed abolishments, the investments made in the Regional Service Centre to date, the request of the Assembly in its resolution 72/266 B, and its key regional role, the Committee trusts that the Secretary-General will ensure the optimal use of the Regional Service Centre's capacity and the implementation of mitigation measures for its affected staff. The Committee recommends that the Assembly request the Secretary-General to provide more information on this matter in his next report on the global service delivery model.**

*Administrative services provided to the United Nations by the United Nations Development Programme*

40. Upon enquiry as to administrative services provided by other United Nations system entities, the Advisory Committee was informed that the Secretariat plans to utilize the services of the United Nations Development Programme (UNDP) until the end of 2019 to provide administrative support services to the Resident Coordinator system in 131 Resident Coordinator offices and 3 regional offices of the Development Operations Coordination Office. For those services, UNDP will charge the Secretariat \$19.6 million as a global lump sum direct cost, as well as a 4 per cent fee on post costs and an 8 per cent fee on non-staff costs for general management support. The arrangement is expected to change in 2020 should the global service delivery model proposal be approved by the General Assembly. **The Committee welcomes the intention of the Secretary-General to integrate these administrative services into the global service delivery model, noting that this should result in further efficiency gains.**

41. The Advisory Committee was also informed upon enquiry that other Secretariat entities also utilize UNDP for the provision of services, including: (a) the Department of Safety and Security, which receives administrative support services from UNDP for their field offices that do not have an administrative structure or staff, at a fee of 8 per cent of the total expenditure; and (b) the Office for the Coordination of Humanitarian Affairs, where UNDP provides administrative services for the field offices. **The Committee trusts that the Secretary-General will provide updated information thereon in his next report on the global service delivery model.**

## IV. Conclusion

42. The actions requested by the Secretary-General to be taken by the General Assembly are set out in paragraph 113 of the report of the Secretary-General (A/73/706). **Subject to its observations and recommendations above, the Advisory Committee recommends that the General Assembly:**

- (a) **Take note of the report of the Secretary-General;**
- (b) **Approve the establishment and the locations of the Global Shared Service Centres effective 1 January 2020;**

(c) Approve the total budget of the Global Shared Service Centres in the amount of \$9,157,400 for 2019 inclusive of 679 posts (as presented in [A/73/706](#), annex IV, and taking into account para. 27 above);

(d) Endorse the funding model as presented in section III.F of the report of the Secretary-General;

(e) Invite the Secretary-General to provide a progress report on the global service delivery model at the main part of the seventy-fifth session of the General Assembly;

#### **Programme budget**

(f) Appropriate an amount of \$2,106,200 under the programme budget for the biennium 2018–2019 under section 29D, Global Shared Service Centres, representing the regular budget share until 31 December 2019;

(g) Note that the amount of \$750,600 would be required under section 36, Staff assessment, of the programme budget for the biennium 2018–2019, and that an additional appropriation would be required to be offset by a corresponding amount under income section 1, Income from staff assessment;

(h) Note that the resource requirements for 2020 for section 29D, Global Shared Service Centres, as well as the related abolishment of 160 posts and reduction in resources in the sections and special political missions affected by the transfer of functions to the Global Shared Service Centres, will be reflected in the context of the proposed programme budgets for 2020;

#### **Peacekeeping operations**

(i) Note that 391 posts will be proposed for abolishment in the respective budget proposals of the Regional Service Centre in Entebbe and other peacekeeping operations for the financial period from 1 July 2020 to 30 June 2021;

(j) Note that 24 posts funded under the support account for peacekeeping operations will be proposed for abolishment by 30 June 2021 in the context of the proposed budget for the support account for peacekeeping operations for the financial period from 1 July 2020 to 30 June 2021;

(k) Note that resource requirements in the amount of \$19,585,100 for the costs of start-up and operationalization of the Global Shared Service Centres are to be included in the proposed budget for the support account for peacekeeping operations for the financial period from 1 July 2019 to 30 June 2020;

#### **Extrabudgetary resources**

(l) Note that requirements in the amount of \$1,831,500 would be funded from extrabudgetary resources in the period from 1 July to 31 December 2019 to support the non-recurrent and recurrent resource requirements for the Global Shared Service Centres.