



# General Assembly

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Agenda items 52 and 148

### **Comprehensive review of the whole question of peacekeeping operations in all their aspects**

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

## **Fifth annual progress report on the implementation of the global field support strategy**

### **Report of the Secretary-General**

#### *Summary*

The global field support strategy, launched in 2010, has provided a five-year strategic agenda to reshape and strengthen support to United Nations field missions. The strategy has served as a framework for delivering sustained and significant change during a period of intensive growth in the scale and complexity of United Nations field missions. Since 2010, the Secretariat has developed a stronger service delivery model while also deploying multiple new field missions annually.

In 2014/15, United Nations field support provides services to more authorized personnel in more challenging environments, with more diverse mandates than ever before, while also under significant budgetary pressure. Nearly 175,000 authorized personnel require support at 37 field missions across four continents. Since 2010, 12 new field missions (peacekeeping operations, special political missions and other field offices) have been established. New types of field missions have been designed and deployed, with field support serving as a key enabler.

Against this operational backdrop, the global field support strategy has provided a sound framework for strengthening United Nations field support for contemporary challenges. The tools and approaches that underpin the model are being deployed to support new missions and to help overcome support challenges, often in extreme settings, and to improve efficiency and effectiveness.

Beyond June 2015, the Secretariat will mainstream the strategic approach of the support strategy in order to ensure continuous performance improvement as an integral part of United Nations field support. The present report outlines the



proposed way forward for shared services and supply chain management. The report proposes that a second shared services centre be established, to operate along with the Regional Service Centre at Entebbe, Uganda, and outlines a proposed approach and criteria for determining its location. The report also proposes a shift in the financing model for the Service Centre to support increased transparency, scalability, resource management and performance oversight. These proposals, which are aligned with the Secretariat-wide approach to the development of a global service delivery model, will be integrated as part of that model. The supply chain management strategy and implementation plan are also outlined, including four priority projects to be implemented in the coming two to three years.

United Nations field support has evolved into an enormous undertaking. The continuing challenges can be met only if its service delivery model is continuously developed and improved, in close consultation with Member States and client missions, and aligned with the Secretariat's wider global service delivery objectives. Beyond June 2015, the strengthening of United Nations field support will be sustained and coordinated across all field support entities, including Headquarters, service centres and missions. In this way, the approach will be mainstreamed into the future working of each of these entities. The Secretariat remains committed to maintaining the strategic dialogue developed with Member States under the global field support strategy to ensure that a balanced set of priorities guides further improvements in United Nations field support for the future.

## I. Introduction

1. The General Assembly, in its resolution 64/269, requested that the Secretary-General submit an annual progress report on the implementation of the global field support strategy. As the strategy reaches its fifth year of implementation, the present report assesses achievements and lessons learned and outlines the future approach for the continuous strengthening of United Nations field support beyond 2015.

2. As in the reporting in previous years, and in response to the request of the Advisory Committee on Administrative and Budgetary Questions that the Secretariat consider alternative arrangements to improve reporting on the strategy (A/66/718, para. 189), the report presents high-level overall progress and future directions. More detailed benefits and performance reporting on the implementation pillars will be contained in the forthcoming report on the overview of the financing of United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016. Performance reporting and a summary of the consolidated resources for the Regional Service Centre at Entebbe, Uganda, will also be contained in that report.

## II. Goals and objectives of the global field support strategy

3. When the global field support strategy was presented to the General Assembly in January 2010 (A/64/660), the Department of Field Support had been established for just 30 months. The strategy articulated important support demands that it would need to contend with in future:

- (a) The need for mission mandates to be informed by a realistic assessment of support needs and capabilities;
- (b) The early availability of sufficient financial resources for rapid initial mission deployment;
- (c) Expediting the delivery of material resources and enabling capacities for the establishment of mission camps and other infrastructure for new and expanding missions, and to overcome delays in procurement;
- (d) The adequacy of support for military and police deployments and the need to overcome force generation challenges for missions to achieve their mandated strength, including reviewing entitlements for troop contributions, and the need for quality accommodation solutions that would support more flexible deployments;
- (e) Supporting missions in transition, including through specialized field support;
- (f) Lowering the high vacancy rates and staff turnover rates of civilian personnel;
- (g) Managing increased risk to safety and security of staff;
- (h) The importance of improved coordination with regional organizations;
- (i) The need to optimize the use of global field support resources across missions, especially when needing to start or expand missions simultaneously, and to maximize economies of scale.

4. The overall goal of the strategy was to adapt service delivery to better support a global portfolio of field operations in order to provide effective, efficient services throughout missions' life cycles, and particularly for new missions. The planned service delivery model was based on a vision for an integrated global field support architecture spanning Headquarters, service centres and mission support components in field operations.

5. The strategy set out several major objectives:

(a) To expedite and improve support to peacekeeping and special political missions;

(b) To strengthen resource stewardship and accountability, while achieving efficiencies and economies of scale;

(c) To improve the safety and quality of life of field staff;

(d) To utilize regional and local capacity and reduce adverse environmental impacts of field missions.

6. Four implementation pillars were identified to deliver key components of the strategy:

(a) A strategic resourcing and financing pillar to strengthen the tools for the early financing of missions and to ensure the efficient and effective stewardship of resources;

(b) A human resources pillar to address the challenges of recruiting, retaining and managing personnel in the field, to provide the right talent to carry out mandates and to improve conditions of service for field staff;

(c) A shared services pillar for the provision of remote support to missions, including from the Global Service Centre and the Regional Service Centre at Entebbe established under the strategy;

(d) A modularization and supply chain management pillar to improve the tools available for deploying mission camps and other infrastructure and to improve the management and oversight of asset sourcing, distribution and management globally.

### **III. Meeting the challenges of modern field operations**

7. The strategy's objectives and implementation pillars have helped prepare the Secretariat to meet the significant challenges of contemporary field operations. The demands identified in early 2010 proved largely accurate, although the scale and complexity of the challenges of the following four years has been daunting.

8. In the current financial year, including support provided to the African Union Mission in Somalia (AMISOM), the Secretariat is mandated to support nearly 175,000 authorized civilian and uniformed personnel in the field, a 14 per cent increase from 2009/10 levels. A dozen field missions have been established since 2010 and the peacekeeping operations in the Democratic Republic of the Congo, Haiti and South Sudan were extensively reconfigured following crises.

9. The operating environment for field support has become more difficult over these years, and security conditions have deteriorated. In December 2011, the

Department of Safety and Security assessed 25 per cent of the area of deployment for United Nations peacekeeping operations as substantially, highly or extremely dangerous. By 31 July 2014, this had grown to 42 per cent. Security conditions for special political missions are also extremely challenging, particularly in locations such as Afghanistan, Iraq, Libya, Somalia and Yemen.

10. Further complicating the challenge, more supported personnel are now in more remote environments. Four of the five most recently deployed peacekeeping missions have logistical supply lines stretching at least 1,500 kilometres from their mission headquarters to the nearest seaport, as well as challenging internal supply routes. Within Mali, for example, the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) supply lines stretch an additional 1,700 kilometres, over half of which are over unpaved roads and under frequent threat of attack.

11. Against this backdrop for United Nations field support, the Secretariat has at times struggled to manage the competing demands of responding swiftly to urgent operational requirements while simultaneously seeking to make strategic improvements in its field support model and managing the pressures placed on the financial and other resources at a time of global economic strain.

#### **IV. Progress under the global field support strategy**

12. Highlights of field support achievements since 2009/10, which are in part attributable to a sustained focus by the Secretariat on the key objectives laid out under the strategy in early 2010, include:

(a) More realistic start-up budgets and better budget delivery: for the three peacekeeping missions set up between 2010/11 and 2013/14, the United Nations Interim Security Force in Abyei (UNISFA), the United Nations Mission in South Sudan (UNMISS) and MINUSMA, only 1.6 per cent of funds apportioned during the first two years of deployment went unspent, or \$42 million. In the previous cluster of start-ups,<sup>1</sup> nearly 7.3 per cent of apportioned funds (about \$275 million) were left unused. Improved budgeting as well as the use of the standard funding model, a tool which the Secretariat seeks to use more extensively in future, contributed to this improvement;

(b) New missions can now draw immediately on resources of materiel under the strategic deployment stocks, and infrastructure works can be accelerated through modular camp designs, including for insecure environments, and mission support teams deployed from the United Nations Global Service Centre. There are still, however, significant constraints in enabling capacities for mission start-up;

(c) Field support is leaner: In 2010/11, peacekeeping missions on average fielded 136 support and security staff for every 1,000 mission personnel. By 2013/14, this number had fallen by 11 per cent, to less than 122 for every 1,000 mission personnel. Including support to AMISOM, the ratio dropped 16 per cent over the same period, from 130 to less than 110 for every 1,000 mission personnel;

<sup>1</sup> United Nations Mission in Chad and the Central African Republic (MINURCAT), the African Union-United Nations Hybrid Operation in Darfur (UNAMID) and the United Nations Support Office for the African Union Mission in Somalia (UNSOA).

(d) Field support operations are more cost-effective: In 2009/10, the budgeted annual operational costs of United Nations peacekeeping amounted to \$2.52 billion, in support of 113,600 authorized uniformed personnel. By 2013/14, budgeted operational costs were 10 per cent, or \$250 million lower than 2009/10, while supporting the same number of United Nations personnel, many of whom were deployed in extremely challenging environments;

(e) Civilian vacancy and turnover rates have fallen: Since January 2010, the vacancy rate among international and national personnel in all field missions has fallen by a quarter, from more than 20 per cent to 15 per cent as of August 2014. Excluding the recent start-ups of MINUSMA and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), the vacancy rate was closer to 12 per cent. Similarly, turnover rates among international staff have fallen by a third, from 11 per cent in 2009/10 to 7.7 per cent in 2013/14;

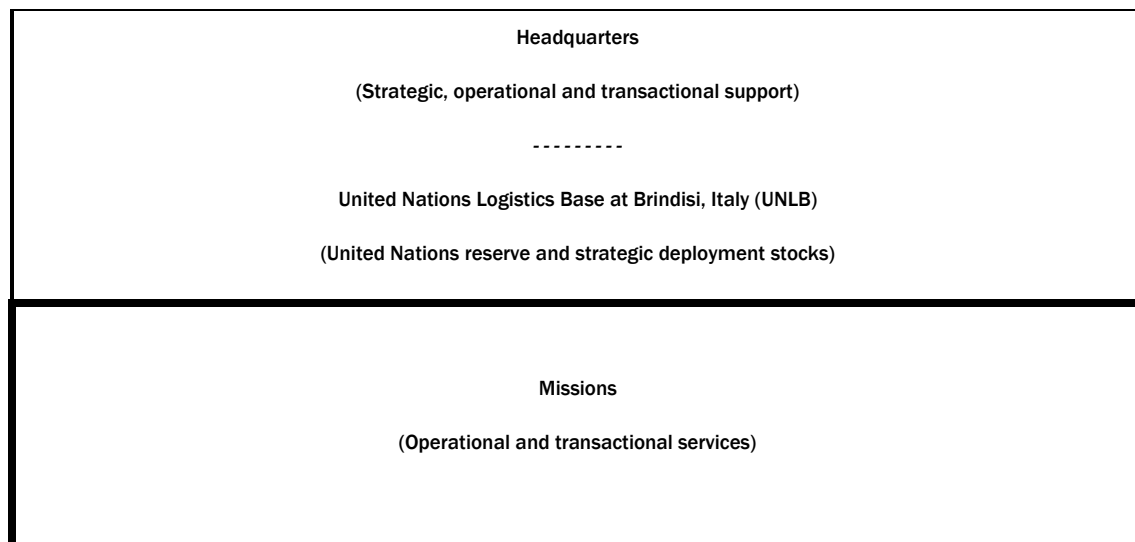
(f) Shared services are creating economies of scale: In 2014/15, more than 70 per cent of authorized mission personnel will receive support from a remote service provider. This creates economies of scale that non-participating missions are unable to realize. In addition, as seen with MINUSCA, new missions joining an established shared service centre are able to leverage existing capacity for start-up and resourcing for the mission;

(g) Client satisfaction is being measured more systematically: under the new service delivery model, the Department of Field Support more systematically measures customer satisfaction. As at August 2014, 61 per cent of all personnel and 68 per cent of uniformed personnel surveyed were satisfied with the quality of service provision, whereas only 21 per cent of all personnel surveyed reported dissatisfaction, with concerns primarily being raised about recruitment and claims processing. The Global Service Centre and the Regional Service Centre at Entebbe are also routinely surveying customer satisfaction to help target improvements.

## **A. Service delivery model and tools**

13. In line with the strategy's overall goal, a new field support service delivery model has been defined and developed. The service delivery model has shifted away from one which saw a binary relationship between each field mission established as a stand-alone entity and a Headquarters increasingly struggling to respond to competing operational demands. See figure I below.

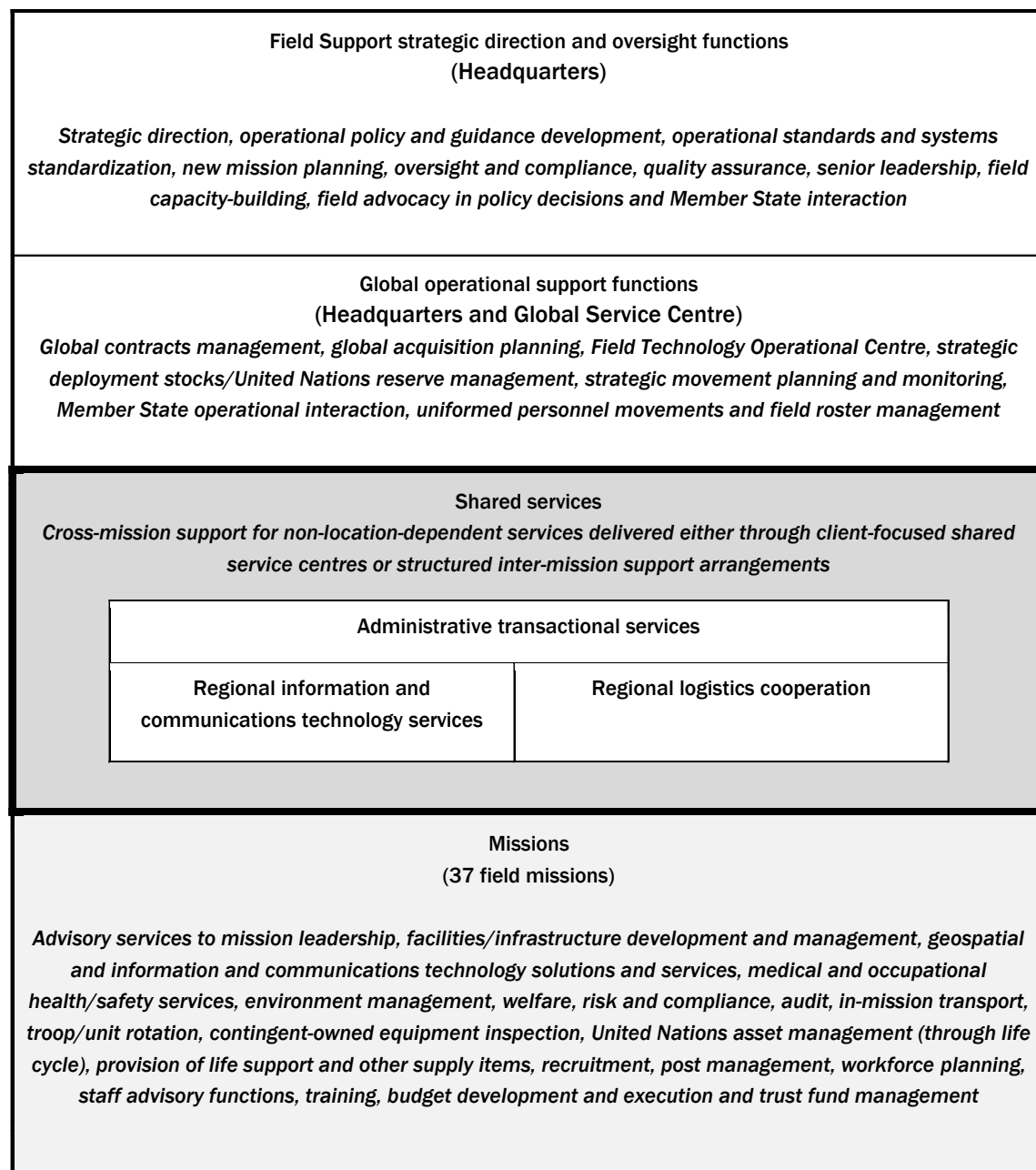
Figure I  
Previous field support model



14. The new Field Support Service delivery model (see figure II) prioritizes functional specialization at each level of the Organization, with different entities operating as a part of a single field support system, thus allowing for greater concentration of expertise and consistency of services:

- (a) Strategic oversight, planning and partnership functions performed by Headquarters;
- (b) Global operational support functions performed by the Global Service Centre and at Headquarters (for functions requiring close interaction with Member States);
- (c) Shared services functions are discussed in more detail in section VI below, but include:
  - (i) Administrative transactional services provided by remote service provider;
  - (ii) Regional logistics cooperation arrangements;
  - (iii) Regional information and communications technology;
- (d) In-mission location specific functions delivered by mission support components in the field.






Figure II  
New Field Support Service delivery model



15. The above service delivery model has ushered in new and improved tools and ways of working to support the launch of future missions, and to support them throughout their life cycle. Figure III summarizes tools and working methods that have been developed and are being refined in the implementation of the support strategy to meet the identified challenges.



Figure III  
Global field support strategy service delivery model tools and approaches

	<b>Access to expanded, early financing and start-up resources</b>	<ul style="list-style-type: none"> <li>• Commitment authority funding expanded to \$100 million</li> <li>• Immediate access (deferred financing) to strategic deployment stocks up to \$50 million</li> <li>• Refined start-up budgeting model (standard funding model)</li> </ul>
	<b>Centralized and shared services support to missions</b>	<ul style="list-style-type: none"> <li>• Administrative transactional support from shared service providers</li> <li>• Coordinated regional movement and transport among East Africa missions through shared air assets, coordinated troop rotations and regional commercial contracts</li> <li>• Remote geospatial and information and communications technology services to all field missions</li> <li>• Lighter in-mission support footprints in insecure and high-cost operating environments supported by shared service providers</li> </ul>
	<b>Human resources improvements</b>	<ul style="list-style-type: none"> <li>• Regular workforce planning exercises (9 civilian staffing reviews in 2 years)</li> <li>• 90 per cent of recruitment from rosters</li> <li>• Revised in-mission human resources functions and structure</li> <li>• Shared services providers provide more family duty station locations.</li> <li>• Occupational health and safety policy and processes in place to improve workplace safety</li> </ul>
	<b>Modular packages</b>	<ul style="list-style-type: none"> <li>• Standardized modular designs for mission camps</li> <li>• Advanced designs for fortified structures, including perimeters, entrance protection and hardened shelters</li> <li>• Engineering design team at the Global Service Centre provides tailored mission infrastructure designs and scope of work, drawing on standardized modular designs</li> <li>• Diversified accommodation solutions (new prefabricated buildings, sea container modifications and tented camp packages)</li> </ul>
	<b>Access to early enabling capacity</b>	<ul style="list-style-type: none"> <li>• Mission support teams deployed 63 times in the past four years for small-scale engineering works, information and communications technology start-up, module installation, liquidation etc.</li> <li>• New delegated authority to use United Nations Office for Project Services for enabling services</li> <li>• Piloted initiatives with Member States and commercial enablers for turnkey rapidly deployable camp infrastructure</li> </ul>



### **Supply chain improvements**

- A central clearing house facility at the Global Service Centre to improve asset utilization, with growing utilization expected in 2014/15
- Supply chain management strategy and road map developed with four implementation projects



### **Efficiency measures**

- Right-sizing of strategic deployment stocks holdings and composition review to support a \$50 million cost reduction
- Resource efficiency reviews, resulting in sustained cost-reductions, cost-avoidance and savings, including, for example: infrastructure and construction requirements; light passenger vehicles; and spare parts



### **Innovative contracting methodologies**

- New turnkey rations and fuel contracts in place to reduce risk and losses to the Organization
- Wide-body aircraft contracted long-term for troop rotations to improve rotations and generate efficiencies
- Regional systems contracts for commercial logistical services in East Africa to improve support



### **Business intelligence and client feedback**

- Strengthened business intelligence tools in support of field support services, with standardized key performance indicators to improve oversight
- Client surveying by the Department of Field Support at Headquarters, the Regional Service Centre at Entebbe and the Global Service Centre and client board meetings to review quality of service

16. These tools and working methods will be mainstreamed for use outside the implementation of the global field support strategy, both in the planning for future missions, in internal systems development and in alignment with wider Secretariat improvements in service delivery. Beyond these tools developed under the strategy, sustained efforts are also being made to deliver qualitative benefits in the field against the strategy's main objectives, as will be reported in the forthcoming overview report for 2015/16, demonstrating a cohesive global effort to respond to centrally identified field support objectives.

## **B. Delivery in the field**

17. The true test of these tools is whether they have a positive impact in the field, particularly for new missions. In 2014, the Secretariat has employed the new field service delivery model and its tools to support the start-up of MINUSCA, including:

- (a) Expanded financial commitment authority of \$59.5 million was sought and authorized in April 2014 for the initial start-up period;
- (b) MINUSCA had immediate access to and drew upon strategic deployment stocks valued at more than \$34 million;

(c) Modular camp and base designs were produced at UNLB for MINUSCA mission camps and 11 types of modules were deployed;

(d) Innovative approaches were adopted for engineering enabling capability, including the parallel use of military engineers and a combination of commercial and turnkey camp solutions provided by Member States and United Nations Office for Project Services (UNOPS);

(e) The Regional Service Centre at Entebbe supported MINUSCA from day one with essential administrative services. This avoided the in-country costs and delays that otherwise arise from recruiting administrative personnel;

(f) The integrated regional flight schedule was adjusted to incorporate Bangui, avoiding the need to position additional aircraft at the outset. The Regional Service Centre at Entebbe coordinated multiple troop rotations and provided movement control and aviation experts for airfield surveys and other services;

(g) The Global Service Centre deployed 12 mission support teams to assist the MINUSCA start-up, including support for communications, engineering, warehousing, property management, receipt and inspection;

(h) A Global Service Centre team supported the liquidation of the inventory of the United Nations Integrated Peacebuilding Office in the Central African Republic (BINUCA), working with the mission in reconciling data, ensuring proper physical verification and transferring equipment from BINUCA to MINUSCA;

(i) Surplus assets were sourced and deployed from regional missions, including, for example, prefabricated accommodation, vehicles and information and communications technology equipment from UNAMID, reducing cost and accelerating deployment time;

(j) Geospatial and information and communications technology services, including remote support and on-demand direct support, were provided from the Regional Service Centre at Entebbe and the Global Service Centre;

(k) Nearby missions and the regional procurement office enabled MINUSCA to draw on contracts in the region to rapidly begin service provision, including leveraging existing rations and fuel contracts;

(l) The long-term charter wide-body aircraft was used to deploy troops, police and enablers, including an aviation unit and level II hospital.

18. This support to MINUSCA demonstrates that the tools of the global field support strategy are being utilized in support of new, challenging mission start-ups. By contrast, a year before, a number of these tools were only partially developed and not available to be fully leveraged in support of the launch of MINUSMA. MINUSMA did, however, draw on several tools, such as the expanded commitment authority, early access to strategic deployment stocks, the standard funding model and the deployment of a number of modular components, as well as partial solutions, such as using the United Nations Operation in Côte d'Ivoire (UNOCI) to provide remote administrative support.

## V. Implementation challenges and lessons

19. Along with the achievements, a number of challenges have arisen and lessons have been learned in the implementation of the strategy, which have required course corrections:

(a) Establishing remote and shared services provision has generated considerable lessons learned following a long and challenging start-up period for the Regional Service Centre at Entebbe, which also coincided with the roll-out of other major reforms. The future shared services proposal in section VI of this report draws on the following lessons learned to improve scalability, transparency and accountability and the consistency of performance of shared services providers:

(i) Staff resources from client missions helped to quickly establish the Regional Service Centre at Entebbe, but transferring personnel and posts was slower than first anticipated and led to performance shortfalls, slowed the development of a cohesive culture in the centre and was cumbersome to manage. The current resourcing approach may also constrain the Centre's capacity to quickly scale up and down without affecting its overall functioning;

(ii) Reliance on resources contributed from within mission funding also affected the visibility and oversight of resourcing, leading to the need to create consolidated financial reporting on the Centre for Member States as an annex to the annual overview report on peacekeeping financing, in addition to presenting resources in the budgets of participating missions;

(iii) In response to performance challenges, streamlining and standardizing of the Centre's processes and strong quality assurance and performance monitoring became a priority. At the same time, significant additional work is still required, in line with the continued implementation of Umoja, to better standardize and realign residual administrative functions in client missions;

(iv) Implementation of the International Public Sector Accounting Standards (IPSAS) and the Umoja Foundation in 2013/14 absorbed considerable staff resources as initial challenges were addressed in the deployments. On the other hand, Umoja and IPSAS are both powerful tools that, in time, will considerably improve the functioning of shared service providers;

(v) The emergence of different remote service provider arrangements over the past 3 to 4 years has not yet enabled a single standardized approach in delivering shared services,<sup>2</sup> highlighting the need for a consistent service delivery model for all missions, particularly for the provision of administrative transactional services;

(b) Continuous adaptation to changing demands has been required throughout the implementation of the strategy. New developments and changing requirements at Headquarters and in the field required the Department of Field Support to adapt and evolve the strategy. This has been evident in almost all aspects of the strategy, including modularization, supply chain management and shared

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<sup>2</sup> Including the Kuwait Joint Support Office; UNOCI administrative support to MINUSMA; the Santo Domingo Support Office for MINUSTAH; the Global Service Centre for UNSMIL; and UNIFIL for Middle East missions.

services, and should be anticipated in future strategic initiatives in the complex field support environment;

(c) Use of the Standard Funding Model has not yet been authorized on a standing basis and therefore it was not used in support of the launch of MINUSCA. In the third progress report on the global field support strategy ([A/67/633](#)), the Secretariat presented a review of the Model, as well as adjustments to improve its responsiveness to mission start-up requirements, and sought General Assembly endorsement of the proposed improvements to the revised Model in order to use it as a standing tool. No decision was taken at that time. The General Assembly's endorsement of the tool, with its refinements, is sought again in the present report;

(d) Implementation of parallel corporate reforms impacted the available capacity within the Department of Field Support to implement the strategy in a more concerted manner, particularly in 2012/13 and 2013/14. With the deployment of IPSAS and the Umoja Foundation at field missions, and with Umoja "extension one" forthcoming, significant opportunities will arise to extend the benefits of shared services for field missions in future and to enable the future global service delivery model;

(e) Impact of sustained high operational tempo: the surge in field operations affected the available capacity for the implementation of the strategy while also managing burgeoning operational demands. At times, in the face of competing operational demands, departmental resources available for planning, implementation and coordination of these elements were insufficient. This slowed design and implementation at times, particularly for supply chain management and shared services;

(f) Implementation management tools: prior to 2010, performance measurements were not collected systematically across missions. Key performance indicators were introduced progressively under the strategy. These indicators were reported again annually and will continue to need to be refined, as will the analytical tools to measure progress. This has highlighted the continuing need for enhanced performance monitoring and business intelligence tools in future. Benefits reporting also proved challenging due to the absence of the identification of strong baselines and/or benchmarks at the initial implementation of the strategy, as well as fluctuating operational demands year-on-year; efficiency and effectiveness measurement has been difficult with existing tools. As a result, many benefits realized under the strategy have been described qualitatively but have been harder to quantify financially. Nonetheless, best efforts have been made to identify and to try to quantify financial benefits, including cost reduction, cost avoidance, economies of scale and efficiency dividends. In this regard, more than \$400 million in net financial benefits estimated for the period between 2010/11 and 2013/14 will be detailed in the forthcoming overview report for 2015/16.

20. Lessons learned from implementation will continue to be monitored and will inform the remaining implementation period, and also future strategic enhancements in addition to the strategy.

## VI. Shared services

21. Two initiatives launched under the global field support strategy will continue to shape service delivery for United Nations field missions beyond 2015. The first is the extension of shared services to all field missions. The second is supply chain management.

22. Shared services have been a key feature of the strategy's service delivery model. The approach helps to support standardized service delivery across missions, provides for business continuity, improves performance oversight and reduces the number of personnel in insecure environments. While it also reduces staffing requirements through economies of scale, the shared services model conversely establishes a staffing capacity of sufficient size and flexibility to allow for a rapid response to emerging priorities, including new missions or crises.

23. Under the model, shared services for field missions are delivered in three ways, in accordance with existing financial rules and regulations:

(a) Regional information and communications technology in support of missions in the Middle East and East Africa has shown that groups of missions can share infrastructure, exchange technological best practices and ensure consistency in the development and implementation of standards and service delivery. Such arrangements for peacekeeping operations will complement the regional technology centres proposed in the Secretariat information communications and technology strategy (see [A/69/517](#)). Regional information and communications technology arrangements for field missions will continue to support three groupings of missions:

- (i) Middle East missions;
- (ii) Central and East Africa missions (from the Regional Service Centre at Entebbe);
- (iii) Other missions (from the Field Technology Operations Centre in the United Nations Global Service Centre);

(b) Regional logistics cooperation arrangements currently exist across groupings of missions in response to opportunities for efficiencies and effectiveness arising from co-location within a particular geographic region. Owing to the concentration of missions and volume of logistical support to missions in East Africa, the regional transport solutions provided by the Regional Service Centre at Entebbe, such as regional air asset sharing, troop-rotation coordination and regional movement contracts will continue. Regional logistics cooperation among missions in other regions will continue through existing arrangements, financed through cost sharing and recovery mechanisms, in accordance with the Financial Rules and Regulations. Over time, standardized regional logistics cooperation tools may be developed based on lessons learned and good practices, for example, in the use of regional standby contracts for services such as freight forwarding or specialist services such as regional air ambulances. These arrangements will be kept under review by the Secretariat through future supply chain management analyses, such as described in paragraph 43 below;

(c) Administrative transactional services will remain at the core of shared services for field support. Administrative transactional functions<sup>3</sup> will continue to be standardized and expanded to ensure that all missions will be supported with consistent and good quality services from off-site locations, in line with the future global service delivery model. As noted in paragraphs 19 and 20 above, much has been learned from the challenges of establishing and stabilizing the Regional Service Centre at Entebbe, in particular regarding the processes and management and technology tools that are required for delivering transactional administrative services remotely. Beyond its application as part of the strategy, the shared services approach for administrative transactional services for the field is also aligned with the direction of the Secretariat-wide global service delivery model, and it will be integrated into the development of that model.

#### **A. Proposed approach for optimizing shared service centres**

24. As reported in the fourth annual progress report on the strategy (A/68/637 and Corr.1, paras. 19-21), the Secretariat had decided not to propose two additional regional service centres as initially envisioned under the strategy. The shared services approach has subsequently been reviewed to propose an optimized configuration for shared services and improved implementation arrangements for service centres delivering administrative transactional support to client missions. The present report proposes to refine the shared services model in two main ways: revisiting the financing model for the Regional Service Centre at Entebbe so as to improve oversight, accountability, management and effectiveness; and proposing a two-service-centre model as the optimal configuration for delivering administrative services across all missions. Rather than the three regional centres, the current proposal would serve to rationalize and standardize the varying remote support providers operating different models currently to support client missions. This report also proposes an approach and criteria for choosing the location of a second service centre.

25. These proposals remain fully in line with the decisions of the General Assembly in its resolution 64/269, in which it emphasized that the resources and volume of activities at service centres should be scalable and respect the principle of separate financial arrangements for missions, and that any proposal for the location of a new service centre should present more than one option for the consideration and approval by the Assembly. The proposed approach is also aligned with the Secretariat's future global service delivery objectives that are under development to follow the deployment of Umoja, and which will be reported upon at the seventieth session of the Assembly.

#### **B. Financing of the Regional Service Centre at Entebbe**

26. The current resourcing arrangement for the Regional Service Centre at Entebbe, based on the assignment of mission posts and funding contributed from individual mission budgets, helped establish the Service Centre quickly. As noted in paragraph 19, however, this is increasingly proving a complex, burdensome and

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<sup>3</sup> The term administrative transactional functions relates to the processing of administrative services, including for travel, claims, education grant, onboarding and separation, reassignment, benefits and allowances, contracts processing, salary administration, payments of daily and mission subsistence allowances, payroll, vendors invoice processing and treasury.

potentially unsustainable arrangement, which may affect the scaling of operations in future. A new approach to the financing of the Service Centre is proposed, whereby a budget would be presented, based on an appropriation to its own special account, to cover staffing, investment and operational costs. In line with established practice for the United Nations Logistics Base, the approved appropriation to the Centre would be apportioned to the assessment of contributions for client peacekeeping missions. The proportional costs for missions funded under the regular budget would be added to and recovered directly from the budgets of each such mission. The proportional distribution of the costs of the Centre to all client missions would be based on the amount of services required by each mission.

27. Under this approach, the budget and performance reports of the Service Centre would be presented for consideration by the General Assembly in order to improve visibility and oversight of the Centre's resources. To adapt management accountability and performance oversight to this approach, the Centre would report directly to the Department of Field Support. The existing steering committee of the Centre, which is made up of heads of mission support of the client missions, would be replaced by a client board, which would include substantive clients and would review performance on a monthly basis and through regular meetings, would engage the Department of Field Support and the Service Centre on required service improvements.

28. In putting forward this proposal, the Secretariat is committed to strengthening the approach to timely and responsible scaling of the resources of the missions and shared service centres based on client mission requirements. The 2016/17 budget proposal and the apportionment of its costs would be based on a clear methodology linking the costs for the Service Centre to each mission based on the number of supported personnel and other measures of projected service delivery for each mission. Whereas the majority of the staff resources of the Centre would scale up and down directly based on the volume of supported personnel and projected transactions, some core requirements, including management and administration posts, would be less elastic and would scale down whenever the workforce of the Centre diminishes significantly, based on overall client mission requirements. A scaling model will be developed based on workload analysis from experiences with shared service provision to date, and will be presented in detail as the basis for the 2016/17 budget proposal for the Centre.

### **C. Proposal for a second shared service centre**

29. In order to extend shared service provision, particularly administrative transactional services, to all field missions, the Secretariat proposes that a second shared service centre should be established as a parallel entity to the Regional Service Centre at Entebbe. Two similar entities capable of high volume transaction processing and mirroring one another in structure, management and governance arrangements and working methods, would minimize the challenges to achieving standardized service delivery across multiple service entities. While economies of scale might be marginally less than supporting needs of all missions through a single service centre, a second shared service centre creates an important "redundancy", providing for business continuity in the event of a disruption to one or another of the two service centres. Administrative transactional services<sup>3</sup> would be delivered in both locations using the integrated "service lines" approach



developed at the Service Centre. The other non-administrative shared services functions currently performed by the Centre for its current client missions, such as regional information and communications technology coordination, regional transport and movement coordination, regional check-in/check-out and regional conference and training functions, would be implemented at the second centre only if merited by a business case analysis of the efficiency and effectiveness dividends for client missions.

30. In order to cover all missions, the existing client base of the Service Centre would expand progressively over time and the proposed second shared service centre would grow progressively to cover the remaining field missions. Any new missions would be supported from the beginning from one of the service centres. Existing field missions would be aligned to one of the two service centres over two to three years, based on criteria determining the readiness of the service centre for a new client and an analysis of the resource requirements for supporting the new client mission. The precise distribution of client missions to each of the two shared service centres would be determined in large part by the location of the second service centre.

31. Each service centre would be headed by a service centre chief, reporting to the Department of Field Support in order to ensure clear oversight and accountability. Client boards would be instituted for each service centre to ensure regular stakeholder feedback from clients. Both service centres would use the same managerial frameworks, including standardized key performance indicators, client reporting and customer feedback tools, and agreed service targets.

32. The proposal for a model based on two shared service centres would result in several important benefits:

(a) Balancing of transactional workload and ensuring business continuity: a second location provides an alternative high volume processing entity for transactional support to client missions, thereby enabling workload balancing across 37 supported field missions and offices at present. Importantly, it provides a business continuity solution in the event of service disruption at one of the centres to ensure that volume transaction processing can continue;

(b) Improved standardization, consistency and quality control in remote administrative service provision for all missions. Two entities of similar size would more easily enable harmonized approaches to service delivery than would additional service centres or the current multiplicity of differing support arrangements;

(c) Further realization of economies of scale, particularly for new missions, can be achieved through two larger locations owing to the critical mass of service centre personnel, which would not be as feasible from multiple smaller entities;

(d) Rapid support for establishment of new missions can be achieved through leveraging the existing staffing, processes and systems and the service culture of an existing service centre in a suitable location;

(e) Leveraging previous experience and investments from the establishment of the Regional Service Centre at Entebbe and its service lines, systems and new quality management approaches would be adopted more easily in a future service centre using the same operating model;

(f) Support to the future global service delivery model through lessons learned and experiences to inform its development and roll-out. The two service centres would provide consolidated hubs to support further Umoja testing as well as efficient deployment and optimization supported from just two, rather than many individual field locations.

#### **D. Locating a second shared service centre**

33. Should the General Assembly endorse the proposal to establish a second shared service centre, the Secretariat has identified two broad options for determining an appropriate location for the new service centre. The first option is to build upon an already approved and existing United Nations field support infrastructure to establish a service centre. The second option is to conduct a wider analysis of possible alternatives over the coming year.

34. Under the first option, should the General Assembly determine that a second service centre should be established expeditiously, the Secretariat would be in a position to propose a budget for a second shared service centre for the consideration and approval of the Assembly at its seventieth session. During the review of its shared services approach, the Department of Field Support assessed the existing field support entities to determine whether and which existing field support locations had potential to serve as a foundation for a second shared service centre.

35. Existing field support locations were assessed against the following criteria for a shared service provider: (a) security and stability was an essential consideration; (b) a family duty station is essential; (c) health and access issues, including reliable medical facilities and a nearby international airport, was considered essential; (d) infrastructure, including reliable, modern communications, was deemed essential; (e) capacity to expand the location quickly to accommodate staff, without significant new infrastructure investment, was considered important, as was the availability of a qualified local workforce; and (f) strong host government relations to ensure recognition of United Nations privileges and immunities and access to visas for United Nations staff, including their spouses and dependants, was deemed essential.

36. On the basis of the above criteria, peacekeeping missions were not considered appropriate entities for service centre locations, and liquidating or downsizing offices were also eliminated. Three existing field support locations emerged as viable options:

- (a) United Nations Office for West Africa (UNOWA);
- (b) Kuwait Joint Support Office (KJSO);
- (c) United Nations Logistics Base at Brindisi.

37. These three locations differ in their state of readiness for expansion into a shared service centre. The small UNOWA administrative team would provide only a very small staff base to build from and the existing office infrastructure would need to be revisited. As a result, investment would likely be required before a service centre could be established to support more than a small number of client missions. At present, the Kuwait Joint Support Office supports four missions with remote administrative services and could provide a sound platform to build upon, although

in order to accommodate staffing to support additional client missions, the Office's infrastructure would require rehabilitation and expansion. Through prior investment in the United Nations Global Service Centre, UNLB is now an established remote service provider with good infrastructure and resources and a strong field support management structure and workforce, although some renovation of existing infrastructure would likely be required. More detailed analysis of each of the three locations has been undertaken, and a budget proposal could be developed for a second shared service centre for the consideration of the General Assembly at its seventieth session.

38. Alternatively, the Secretariat would use the coming year to explore and review additional options, beyond existing field support locations. The Secretariat would conduct a wider review of possible alternatives, which would include a cost and benefit analysis and expected timelines for implementation, as well as any guidance received from the General Assembly, including guidance relating to the global service delivery model. The results of this review would then be reported on during the seventieth session of the Assembly and a proposal for a second service centre would then be prepared after the approval by the Assembly.

## **VII. Supply chain management**

39. The logistical constraints facing modern field missions demand a flexible and robust supply chain management approach. United Nations field support currently operates multiple supply chains for the delivery of goods and services to missions across four continents, including in insecure and infrastructure poor environments. Audits have repeatedly identified challenges in managing several aspects of these supply chains, including: acquisition planning; requisitioning; in-mission storage and distribution; and the use and disposal of goods and services. In order to make significant, sustained improvements in these areas, the overall supply chain approach for field support needs to be addressed systematically, including with other Secretariat partners.

40. In late 2012 the need was identified for a common approach to supply chain management across United Nations field support. This would help embed good practices in how field support supply chains are planned, executed and monitored across the multiple commodity and service supply chains. Accordingly, a vision and strategy for supply chain management in field support has now been produced, along with an implementation road map.

41. Four interlinked priorities have been defined to deliver the strategy:

(a) "End-to-end" supply chain management processes are required with clearly defined functions, roles and responsibilities. The supply chain management strategy defines three main functions: planning; execution; and monitoring and control. Planning and execution functions contribute to the effectiveness of the supply chain, while monitoring and control functions support resource efficiency and quality assurance (see figure IV below);

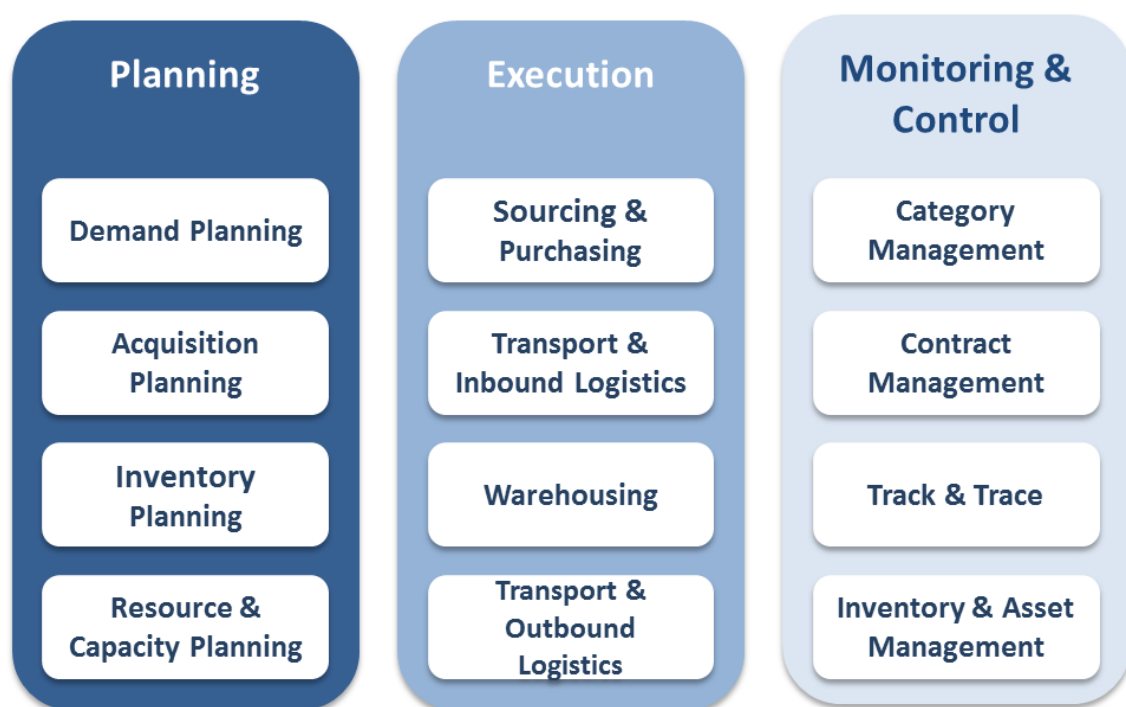
(b) Differing supply chain solutions are required for different situations, challenges and needs, and they must be proactively managed. Supply chain management decision-making is driven primarily by client requirements and the infrastructure available to reach those clients;

(c) A coherent supply chain organization and enablers are required, including infrastructure, technology and resources to support supply chain management processes. Taking a more global perspective offers an opportunity to simplify systems, avoid duplication, ensure consistency, prioritize efforts of critical importance and achieve economies of scale;

(d) Performance management frameworks are essential to identify and track key indicators and provide business intelligence. These frameworks will require better forecasts and plans, collaboration with suppliers and customers and improved supply chain visibility. This will involve close collaboration with the logistics and supply chain process owners for Umoja.

Figure IV

**Supply chain management function**



42. Full implementation of the supply chain management strategy will take place over several years. It will be delivered through a series of short-term priority improvement activities in support of a longer-term transformation. In the first phase, four short-term activities will be undertaken. These will build on the work carried out in 2013/14 to establish a clearing-house function within the Global Service Centre. The first two activities below are ongoing, while the latter two will begin during 2015.

### **Analysis of the East Africa corridor**

43. This activity will identify opportunities to improve the movement of supplies in the East Africa region where the port of Mombasa is the main port of entry for sea-freight en route to missions in the region and where the United Nations Service Centre at Entebbe continues to serve as a regional logistics hub. The analysis will identify opportunities to reduce costs through the consolidation of goods, reduction of lead times and simplified and streamlined processes. Further regional supply chain analyses will be conducted in future to inform optimized regional logistics cooperation arrangements in other regions.

### **Acquisition planning**

44. An improved acquisition planning process for field support will be established in line with the observations of the Board of Auditors (see [A/68/5 \(Vol. II\)](#)) and will be conducted in close cooperation with the Procurement Division and the Umoja development team. The project will contribute to all four strategic priorities of the supply chain management strategy and will achieve benefits in timely decision-making and sourcing, adequate and relevant systems contracts for supply chain solutions and identifying opportunities for achieving economies of scale through the consolidation and standardization of requirements.

### **International Chamber of Commerce rules for the use of domestic and international trade terms**

45. This activity will establish internal guidance on the choice of international trade terms (INCOTERMS 2010) that specify the responsibilities between the buyer and seller in relation to tasks, costs and risks associated for delivery of goods to field missions. Optimizing the use of INCOTERMS will provide benefits in improved cost effectiveness of shipping, increased visibility in drivers related to INCOTERMS, improved quality, timely decisions, reduced lead time and improved responsiveness of the supply chain.

### **Centralized warehousing**

46. Centralized warehousing focuses on in-mission supply chain activities through guidance and best practices so as to consolidate the different equipment categories in each mission under one management structure. A number of missions have already successfully implemented the centralized warehouse and integrated inventory management approach, and these experiences will be standardized into good practice guidance. This activity will achieve the following benefits: (a) a harmonized end-to-end methodology for centralized warehousing management based on best practices; (b) improved quality and timeliness of recording of warehousing transactions; (c) higher level of inventory record accuracy; (d) increased product availability and customer satisfaction; (e) enhanced resources utilization; and (f) effective capacity management.

47. Together, these activities form the initial foundations for strategy implementation in pursuit of a longer-term vision of a well-managed and agile supply chain to support United Nations field missions with effectiveness and efficiency.

## VIII. Beyond the global field support strategy

48. Beyond the global field support strategy, there remains the need for a strategic and global approach to the continuous enhancement of field support. The Secretariat remains committed to the strategic dialogue that has been established with the General Assembly on strengthening field support. The Secretariat also remains committed to the longer-term goal of ensuring that United Nations field support efficiently and effectively enables mandates in the field and is highly responsive to Member States, as well as field missions and other partners.

49. Looking to the future, United Nations field support must respond to the expectations of Member States and client missions who expect field support to be: (a) fast and flexible; (b) consistent and of high quality; (c) cost efficient and effective; and (d) accountable and transparent. Beyond the current strategy, future improvements to field support must balance and respond concretely to this set of expectations.

50. Working with partners in the Secretariat, the Department of Field Support will engage Member States and client missions to define priorities for future improvements. It is clear from today's challenges that field support practitioners will need to continue to: (a) enable operations in remote, dangerous environments; (b) strengthen collaboration with troop- and police-contributors to deploy fully equipped and capable units more rapidly; (c) continue to improve the quality of service delivery across all United Nations field support actors; (d) exercise caution with limited resources; and (e) help ensure that Secretariat-wide reforms (from mobility to the implementation of Umoja and the future global service delivery model) will work successfully in, and for, the field.

51. In the short term, the Secretariat intends to pursue improvements that follow naturally from the activities launched under the strategy. Coordination and oversight of continuous improvements across all United Nations field support entities will continue to be led by the Office of the Under-Secretary-General of Field Support. In 2015/16, priorities will include:

- (a) Expansion of shared services, in alignment with the Secretariat's global service delivery model;
- (b) Implementing the supply chain management strategy;
- (c) Capability development, including working with the Department of Peacekeeping Operations on enabling capabilities for engineering, new solutions for camp accommodation, including in partnership with Member States and improving medical capabilities, including aeromedical evacuation;
- (d) Strengthening performance measurement and business intelligence tools to strengthen oversight and accountability and the timeliness of service provision;
- (e) Further integration of Secretariat-wide initiatives in the field, in particular maximizing the benefits of IPSAS, Umoja and mobility.

52. As this is the fifth and final progress report on the global field support strategy, I propose that future reporting on strategic improvements in field support be presented in my annual report on the overview of the financing of United Nations peacekeeping operations.

## **IX. Actions to be taken by the General Assembly**

**53. The General Assembly is requested to:**

- (a) Take note of the present report;**
- (b) Approve the establishment of a special account in support of the Regional Service Centre at Entebbe and agree that a separate budget be presented for the Centre.**

**54. Recalling paragraph 78 of the third annual progress report on the global field support strategy ([A/67/633](#)), the General Assembly is requested to endorse the refinements to the standard funding model for its future use in the start-up of new peacekeeping operations.**

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