



# General Assembly

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## Seventy-second session

Agenda items 124, 134, 136 and 149

### United Nations reform: measures and proposals

Review of the efficiency of the administrative and  
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## Global service delivery model for the United Nations Secretariat

### Report of the Secretary-General

#### Addendum

### Assessment for the location of the Global Shared Service Centres

## I. Introduction

1. The assessment for the location of the Global Shared Service Centres under the global service delivery model was conducted in 2017 to support the selection of an optimal combination of complementary locations for the shared service centres. To ensure that an independent and expert analysis was conducted, an independent consulting firm was engaged to assist with the assessment, which included developing the assessment framework, conducting the initial assessment in accordance with the pre-established criteria approved by the global service delivery model steering committee and recommending a shortlist of locations for consideration by the United Nations Secretariat.

## II. Assessment criteria

2. The assessment built on the criteria set out in the reports of the Secretary-General contained in documents [A/70/323](#) and [A/71/417](#), taking into account the related resolutions of the General Assembly and recommendations of the Advisory



Committee on Administrative and Budgetary Questions. The criteria included the following:

- (a) Security and stability;
- (b) Family duty station;
- (c) Health care, education and access, including reliable medical facilities, educational facilities and a nearby international airport;
- (d) Infrastructure, including reliable, modern information and communication technology and a capacity to expand the location quickly to accommodate staff without significant new infrastructure investment by the United Nations;
- (e) Availability of a qualified local workforce with the requisite skill profiles;
- (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;
- (g) Staff and operational costs.

3. Additional considerations were included in the assessment, based on lessons learned from the experiences of other United Nations entities that have implemented shared services and from the report of the Joint Inspection Unit ([JIU/REP/2016/11](#)), including:

- (a) The need to ensure time zone coverage across the worldwide operations of the Secretariat and to facilitate a “follow-the-sun” support model, aimed at increasing service responsiveness and reducing delays;
- (b) The need to ensure business continuity in the event of a service disruption at one of the centres, so as to ensure that volume transaction processing can continue to be carried out;
- (c) The specific requirements of different parts of the Secretariat, including language requirements;
- (d) The possibility of facilitating future consolidation of shared service delivery for the United Nations system, where appropriate, thereby contributing to the “delivering as one” approach.

### III. Assessment approach

4. The location assessment was conducted on the basis of the following four-step approach:

- (a) **Developing an evaluation framework.** In this step, the evaluation framework was established including:
  - (i) Identifying the minimum requirements<sup>1</sup> for locations that would be further assessed;
  - (ii) Developing the scoring criteria that would be used to conduct the assessment;
  - (iii) Identifying sources of data available (including both public and internal data sources owned by the consulting firm) to assess each criterion;

<sup>1</sup> Based on criteria proposed to the General Assembly in documents [A/70/323](#) and [A/71/417](#).

(b) **Conducting an initial assessment against minimum requirements.** In this step, all locations considered for assessment were evaluated against the minimum requirements identified as part of the evaluation framework. Those locations that did not meet the minimum requirements were not considered further;

(c) **Evaluation against scoring criteria.** In this step, locations that fully met the minimum requirements were evaluated against the scoring criteria approved by the global service delivery model steering committee as follows: cost (40 per cent), qualified local workforce (40 per cent) and location suitability (20 per cent) (see figure). It is interesting to note that the United Nations Children's Fund used the same scoring criteria and weighting;

(d) **Compilation of a short list of recommended locations.** In this step, locations were ranked and a shortlist was identified based on the outcome of the evaluation against the scoring criteria, including qualitative and quantitative assessment on cost, quality of local workforce and location suitability. A further review of the comparative advantages of each location, including cost factors, time zone coverage and available language skills, was conducted by the global service delivery model project team to identify the optimal combinations of complementary locations.

Figure

**Location assessment scoring criteria**

<b>Cost (40 per cent)</b>	<b>Qualified local workforce (40 per cent)</b>	<b>Location suitability (20 per cent)</b>
<ul style="list-style-type: none"> <li>• Staff cost</li> <li>• Operational cost</li> <li>• One-time set up cost</li> </ul>	<ul style="list-style-type: none"> <li>• Availability</li> <li>• Quality</li> <li>• Language skills</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of life</li> <li>• Country risks</li> <li>• Infrastructure</li> </ul>

## IV. Assessment process and outcome

5. The General Assembly, in paragraph 6 of section XVII of its resolution [71/272 A](#), reiterated that the proposal for the global service delivery model should take into account the use of all existing United Nations infrastructure, including away from Headquarters. Accordingly, 45 existing locations of the United Nations system, including its funds and programmes, that deliver administrative support services were included in the location assessment.<sup>2</sup>

6. The results of the detailed assessment indicated that Budapest (location A), Nairobi (location B), Kuala Lumpur (location C) and Mexico City (location D)<sup>3</sup> were the highest scoring in their respective regions (i.e. Europe, Africa, Asia and the Americas). Hungary, Mexico and Kenya have all offered to host the shared service centres should the General Assembly endorse the proposed locations. Confirmation of Kuala Lumpur as a site for a shared service centre is pending the outcome of

<sup>2</sup> The 45 locations were Abidjan, Addis Ababa, Almaty, Amman, Apia, Bangkok, Beirut, Bonn, Brindisi, Budapest, Cairo, Copenhagen, Dakar, Dubai, Entebbe, Fukuoka, Geneva, Incheon, Istanbul, Johannesburg, Kathmandu, Kigali, Kingston, Kuala Lumpur, Kuwait City, Lusaka, Manama, Mexico City, Montevideo, Nairobi, New Delhi, New York, Niamey, Panama City, Port of Spain, Rabat, Rio de Janeiro, Rome, Santiago, Suva, Tashkent, Valencia, Vienna, Washington D.C. and Yaoundé.

<sup>3</sup> The other city codes used in the supplementary information are as follows: City E (Geneva), City F (Vienna), City G (Beirut), City H (Addis Ababa), City I (Bangkok), City J (New York) and City K (Santiago).

consultations with the host Government. A more in-depth scenario analysis of two, three and four shared service centres based on the different combinations of the four locations was conducted, taking into account estimated costs and strengths and weaknesses of each combination. Based on the outcome of this analysis and considering all criteria relevant to the location assessment, it was proposed that all four locations be selected. This combination would not incur a material cost increase compared with the previously proposed models with two or three centres. More importantly, it would offer the following advantages:

- (a) Full time zone coverage and proximity to clients to offer a stronger client focus and effective services to clients in different locations;
  - (b) One additional centre to share the heavy workload in Africa and Europe, enhancing business continuity planning in these regions;
  - (c) Sufficient language capacity to serve global clients;
  - (d) Co-location with existing United Nations system shared service centres to leverage existing knowledge, best practices and cooperation.
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