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

Shifting the management paradigm in the United Nations: review of progress in the implementation of management reform

Report of the Secretary-General

Summary

    My vision for management reform in the Secretariat – to decentralize decision-making, align responsibility with authority and simplify policies and processes in order to improve the ability of the United Nations to implement its mandates – became a reality on 1 January 2019 when a new and strengthened system for the delegation of authority entered into effect, supported by two new departments: the Department of Management Strategy, Policy and Compliance and the Department of Operational Support. Since then, implementation efforts have focused on consolidating reforms, including by simplifying policies, streamlining procedures, supporting empowered managers and strengthening operational support in the areas of information and communications technology (ICT), human resources management and supply chain management. The Management Client Board has been established as a forum in which various types of entities in the Secretariat provide feedback on policy and operational requirements to the two new departments. In addition, the first annual programme budget has been adopted for 2020, and improvements to the format have been reflected in the programme budget for 2021.

    The present report, requested by the General Assembly in its resolution 72/266 B, provides an update on the implementation status of management reform, describes the progress made to date in achieving the expected benefits of reform and enumerates some of the challenges that have affected implementation of the reform.

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I. Introduction

1.   In my remarks upon taking the oath of office in December 2016, I drew attention to the need to create consensus with regard to simplification, decentralization and flexibility and to the fact that the United Nations needs to be nimble, efficient and effective, focusing more on delivery and less on process. My vision for management reform – to decentralize decision-making, align responsibility with authority and simplify policies and procedures – was endorsed by the General Assembly in its resolution 72/266 A and became a reality on 1 January 2019, following the adoption of Assembly resolution 72/266 B, when a new system of delegation of authority entered into force and a new management architecture was established at Headquarters dedicated to assisting all entities in the Secretariat in implementing their mandates effectively and accountably.

2.   The present report, requested by the General Assembly in paragraph 28 of its resolution 72/266 B, provides an update on the implementation of management reform, including the progress made to date in achieving the expected benefits of reform.

Vision for reform

3.   The United Nations was established 75 years ago in the aftermath of the Second World War. Since then, the need for multilateral solutions to global challenges has not gone away, although the nature of the challenges faced has changed. The United Nations, the linchpin of the post-war multilateral system, must also adapt to meet the needs of the day. Member States have entrusted the Organization with a wide range of mandates related to the pillars of peace and security, development and human rights. It is imperative that those mandates are implemented effectively and accountably, especially at a time when the multilateral system is under threat, to demonstrate the continued relevance of the United Nations. The United Nations must therefore have a management system in place that is responsive to the needs of its full range of activities and operations.

4.   When I took office, the Secretariat was a highly centralized bureaucracy in which significant authority for decision-making was retained centrally at Headquarters, even though the responsibility for programme delivery nominally rested with managers throughout the global Secretariat. Despite the fact that the majority of staff served in duty stations other than Headquarters, administrative policies were designed primarily for Headquarters-based activities and were often not fit for purpose in more volatile field environments. My report entitled "Shifting the management paradigm in the United Nations: ensuring a better future for all" (A/72/492) included three major principles to guide the shift to a new management paradigm. First, responsibility for mandate implementation must be aligned with the authority to manage resources. Only through such alignment would managers be truly accountable for delivery. Second, decisions should be taken as close as possible to the point of delivery. That would help to ensure effective – and timely – delivery by all Secretariat entities. Third, policies must be simplified and made accessible to all staff and managers in order to facilitate both the alignment of authority with responsibility and the decentralization of decision-making.

5.   The implementation of management reform has already proved valuable by improving support for mandate implementation and compliance with new requirements, including with regard to the transfer of the strengthened resident coordinator system to the Secretariat and the transition and reconfiguration of the United Nations presence in Haiti. However, reform is a process, not an event, and involves cultural and behavioural changes. The new paradigm and structures to

support reform have been in place for only a year and a half and only now are the new processes and structures put in place as part of management reform maturing and cultural changes starting to take root. As such, while some of the expected benefits of reform have already begun to bear fruit, it is too early to have fully realized benefits in all areas. In a few cases, some adjustments may be required to ensure that the expected benefits can be achieved. Implementation efforts are now focused on the consolidation of the reforms.

6.   The Secretariat's response to the coronavirus disease (COVID-19) pandemic has proved to be both an important means of validating the concepts underpinning management reform and a useful stress test for the new structures established to support the new decentralized approach. The United Nations has been able to continue its work largely uninterrupted as a result of new processes put in place as a result of reform, underpinned by an improved division of labour among coordinated structures which developed new policies and delivered operational support rapidly. Investments in the area of information and communications technology (ICT), which is now managed in a coherent manner, have also ensured business continuity during a time of unprecedented challenges. At the same time, the COVID-19 pandemic has been an important catalyst, accelerating the review of outdated policies and processes initiated as part of the management reform. The changes that will result will help the Organization to nurture an agile workforce that is nimbler, more adaptable and better suited to the new way of working in the post-pandemic era.

Establishment of a new management architecture at Headquarters

7.   The management reform is primarily a shift in approach, but also requires the reorganization of structures to facilitate that shift. In place of the former Department of Field Support and the former Department of Management, I proposed in my report entitled "Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability" (A/72/492/Add.2), the establishment of two new departments: the Department of Management Strategy, Policy and Compliance, responsible for the policy framework of the Secretariat and monitoring compliance with that framework, and the Department of Operational Support, responsible for providing guidance to entities across the Secretariat and delivering services of global scope. The General Assembly approved the establishment of the new management architecture in its resolution 72/266 B and the new departments were established on 1 January 2019, the date on which the new approach to management came into effect.

8.   Critical gaps in the functions and capacities of the previous departments were filled through the redeployment of staff in new functions in the two new departments. In many cases, the shift in roles has been accompanied by steep learning curves that can only be addressed through a sustained commitment to skills renewal and enhancement in the years to come. Moreover, while the new approach allowed the creation of the new management architecture to be undertaken in a post-neutral manner, it also meant that posts and positions in the new departments funded through assessed contributions no longer necessarily maintained a logical connection to their funding source. As promised in my report on implementing a new management architecture (A/72/492/Add.2), I submitted a proposal (see A/74/761) during the second part of the seventy-fourth session of the General Assembly to establish a new funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, in order to provide a solid basis on which to fund the two departments through the programme budget and support account for peacekeeping operations and to simultaneously improve the intergovernmental consideration and internal management of budgets. That report remains before the Assembly for its consideration.

9.   The work required to establish the two new departments and much of the underlying change management work were done in a post-neutral manner, which in some instances meant that the time of certain staff and some resources were redirected from other functions within the departments. In some areas, staff needed time to adjust or additional training to perform new functions. Staff time and resources have also been redirected from the implementation of reform to ensuring the business continuity of the Organization during the COVID-19 crisis. Those factors have affected the timelines for realizing many of the expected benefits of reform. The challenges have been further exacerbated by the persistent liquidity challenges faced by the Organization.

II.   Progress in achieving the expected benefits of reform

A.   Methodology

10.   To ensure that the expected benefits of reform are captured properly, a benefits management framework covering all three tracks of reform was developed and finalized at the beginning of 2019. That framework responds to the recommendation made by the Advisory Committee on Administrative and Budgetary Questions, endorsed by the General Assembly in its resolution 72/262 B, to establish, at the start of the process, the expected benefits and baseline information, the methods for monitoring, measuring and reporting on progress and plans for the realization of benefits (see A/72/7/Add.49, para. 26). The framework was further supplemented by a benefits tracker which provides an overview of all ongoing benefits initiatives and their respective status.

11.   The benefits tracked under the benefits management framework are derived from the specific outcomes and commitments made in my initial report on shifting the management paradigm in the United Nations (A/72/492). For each expected benefit, qualitative or quantitative indicators were defined to determine whether the situation had improved or worsened since the start of reforms and whether the change in situation was primarily because of reform implementation or external factors. While benefits management pertains to reform and will specifically measure reform-related improvements, my goal is to transition benefits management into a continuous improvement effort by the end of the year. In that way, ongoing reform activities could be completed and new improvements taken forward on a continuous basis. I have previously elaborated on continuous improvement and the plan, do, check and act cycle in my progress reports on accountability (e.g. A/74/658).

12.   Before management reform, entities adopted different approaches to the implementation of various administrative policies. The resulting proliferation of processes precluded the development and application of a standard approach to costing pre-reform business processes. Adoption of standard approaches to costing, enabled by the harmonization of processes, has been one element of management reform, and will be an important aspect of the increased transparency of reporting, which is one of the major expected benefits of reform.

B.   Benefits of reform

Empowering managers

13.   The new decentralized system of delegation of authority (ST/SGB/2019/2) is a cornerstone of management reform. It entered into effect on 1 January 2019 alongside a set of amendments to the financial rules, issued by the Secretary-General in accordance with regulation 5.8 of the Financial Regulations and Rules of the United

Nations, which were designed to facilitate the transition from the formerly centralized system (ST/SGB/2013/4/Amend.1). The new system strengthens accountability insofar as it ensures that authority is vested in heads of Secretariat entities[1] and that such authority can be subdelegated to responsible managers in more complex entities instead of being concentrated in the administration or mission support components. An online portal was created in which to centrally record all authority delegated or subdelegated to each Secretariat entity. The first six months of 2019 were designated as a transition period in which to provide entities with sufficient time to assess and redesign the appropriate flow of subdelegated authority for the circumstances of each entity, taking into account the authority that would be newly vested in the head of entity. The new system has been implemented in full throughout the over 200 entities of the Secretariat and has been well received by heads of entities, who have reported that they can now make decisions faster in response to evolving operational requirements, while being able to draw upon the support and advice of Headquarters when needed.

14.   The delegation of authority system is supported by the Business Transformation and Accountability Division in the Department of Management Strategy, Policy and Compliance. The Division monitors the subdelegation of authority recorded by each entity to ensure that there are no conflicts of interest and that any prerequisites have been met by individuals to whom authority has been subdelegated and to identify any issues affecting the exercise of the delegated authority. In addition to maintaining and enhancing the delegation of authority portal, the Division issued a user guide for the portal upon its launch in January 2019 and has been updating a set of frequently asked questions on the new system ever since. As a result of feedback received from Secretariat entities, modifications to the delegation of authority system were reviewed by a working group of the Management Client Board in the first half of 2020 and an amended bulletin and associated delegation of authority instruments are being issued. One area that will be refined in the amended bulletin is the description of the service provider approach for entities without sufficient internal administrative capacity to execute the transactional functions required to implement decisions taken under delegated authority.

15.   An accountability framework is in place on the basis of key performance indicators that measure how entities are exercising subdelegated authority. Analysis of those indicators in 2019 revealed that some indicators were meaningful across all types of entities, while others needed to be tailored to specific groups of entities to increase their relevance. In the area of human resources, attention by managers to the key performance indicators helped to reduce the length of the recruitment timeline and increased compliance with mandatory conduct and discipline training among staff. Compliance with the rule on the advance purchase of tickets for air travel slightly improved, as well as the overall use of formal methods of solicitation in procurement matters. In the area of finance, the number of payments made in time to vendors and service providers decreased in the first quarter of 2020, primarily as a result of the ongoing liquidity challenges with regard to the programme budget. As part of the delegation of authority framework, managers were given discretionary authority to approve exceptions to human resources policies when required. In 2019, most such exceptions related to reductions in the length of the mandatory break in service for staff contracts and the granting of special post allowance. More recently, some entities have decided to grant salary advances to national staff in situations where access to funds could be difficult during a period of lockdown as a result of COVID-19.

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[1] Major Secretariat organizational units, peace operations and subsidiary bodies subject to the Staff Regulations and Rules of the United Nations and/or the Financial Regulations and Rules.

16.   The information collected to date has proved useful for identifying policies whose review may need to be prioritized to ensure that they remain relevant to contemporary requirements and minimize the number of exceptions that may be required. The trends identified both in exceptions made to human resources policies and requests to the Department of Operational Support for advice also informed the development and issuance of the Department's human resources guidance. In addition, enhancements of the key performance indicators are being made, along with tools to provide managers with additional data analytics capabilities in enhanced management dashboards, to enable data-driven decisions and ongoing monitoring of performance.

17.   Such a radical shift in the management paradigm must be underpinned by a policy framework that is simple and flexible enough to hold managers to account. In 2018, I requested a comprehensive review of the existing policy framework in order to review unclear, obsolete and duplicate policies; create new, clear and simplified policies and guidance over the course of 2018; and establish an easily searchable online policy compendium. Those efforts are ongoing, in large part because of the complexity and size of the existing policy framework. To provide context, 689 administrative issuances were in place before the reform. As at 30 June 2020, 170 new or revised policies have been issued and 156 obsolete policies have been abolished as part of the policy review. Furthermore, a new edition of the United Nations Procurement Manual was issued in September 2019 and further revised in June 2020. The first version of a publicly accessible policy portal (policy.un.org) was launched in July 2019 and is integrated with an internal knowledge management tool.

18.   One major gap addressed by the management reform was the absence of a senior-level management policy consultation forum covering the full range of entities and activities of the Secretariat. The Management Client Board, chaired by the Under-Secretaries-General of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, was established to meet that urgent requirement. It includes the use of rotating representatives appointed by the Secretary-General from each of the different types of entities across the Secretariat. The Board makes sure that the requirements of all the types of entities are properly captured and reflected through the preparation of Secretariat proposals to intergovernmental bodies, the finalization of Secretariat positions before inter-agency mechanisms and the development of Secretariat-wide administrative policies and procedures. In 2019, the Board primarily served as a valuable feedback mechanism for the roll-out of the delegation of authority framework and the implementation of other aspects of management reform. Beginning in early 2020, the Board has embraced its role of prioritizing policies for review and providing input for the development or review of key policies. So far, feedback received from entities has generally indicated increasing satisfaction with the more consultative process and with the capacity of all entities, particularly field-based entities not previously represented in management governance mechanisms, to bring topics to the attention of the Board and directly introduce agenda items. A recent satisfaction survey on the work of the working group of the Board on the revision of the delegation of authority policy and instruments indicated a high degree of satisfaction with the new policy consultation process (4.6 out of 5).

Enabling managers

19.   A second set of benefits being tracked is whether the reforms have provided managers with the tools and resources necessary to measure performance and manage risk in their respective entities. A Secretariat-wide evaluation policy is being finalized. All Secretariat programme budgets for 2021 include standardized information on planned evaluation activities. A roster of external evaluation experts

has been established to provide capacity which can be drawn upon by entities without a strong self-evaluation function. Evaluation information for programmes and subprogrammes is now included in part II of the annual programme budget.

20. Consistent and comparable reporting of data across the United Nations will enhance transparency and improve decision-making. To that end, the automation of four reports compliant with newly developed system-wide data standards has been completed. Efforts are ongoing to finalize the requirements for public reporting under the International Aid Transparency Initiative standards, with a pilot project launched in June 2020.

21. Progress is being made in the development of a statement of internal control for the Secretariat – to be signed in the first quarter of 2021 – to provide reasonable assurance to Member States of the effective and efficient implementation of mandated activities, the reliability of financial reporting and compliance with the regulatory framework. The finalization of entity-level controls was completed in June 2020 and pilot projects have been launched with the Department of Economic and Social Affairs, the Economic and Social Commission for Western Asia, the United Nations Interim Force in Lebanon and the Office of the United Nations Special Coordinator for Lebanon to review the associated process flow charts and risk control matrices. Progress in achieving that benefit will be measured by the number of entity-level controls finalized, the feedback received by entities on both the controls themselves and the development of remediation plans to address weaknesses, and the reduction in the number of related observations by oversight bodies.

22. Progress has also been made in the adoption of a more robust risk management approach with a focus on the impact on mandate delivery. The corporate risk register, which provides a detailed assessment of risks, has been revised and is being further reviewed to reflect risks identified as a result of the COVID-19 pandemic. Capacity-building in each entity has been strengthened through the training of focal points. On the basis of the increasing number of Secretariat entities which have updated risk registers and/or developed mitigation measures for high risks, progress has clearly been made.

23. In addition, the Division for Special Activities of the Department of Operational Support, established in large part to prepare for and help respond to surge requirements and transition situations, is in operation and has supported the transition in Haiti, the ongoing drawdown in Guinea-Bissau and the establishment of a new integrated mission in the Sudan. Efforts are also being made to establish partnerships that allow the United Nations to leverage the comparative advantage of other organizations, in particular in areas in which the United Nations does not have dedicated expertise.

Getting the right people

24. Inordinately complex human resources policies and centralized processes not only contribute to delays in taking action to identify, deploy, administer and manage the Organization's workforce, but also serve to stymie transparency and dilute accountability in human resources management decisions. The first step in addressing the challenge was to establish a clear division of responsibilities for policy and operational functions in the area of human resources between the Global Strategy and Policy Division in the Department of Management Strategy, Policy and Compliance and the Human Resources Services Division in the Department of Operational Support, respectively (A/73/366). The division of responsibilities has been particularly valuable during the COVID-19 pandemic in ensuring that staff members responsible for policy development are not also responsible for operational issues, because otherwise, those responsible for operational issues would monopolize time,

resources and managerial attention. In fact, new and revised policies related to administrative arrangements applicable during the COVID-19 pandemic were issued within one week. Such a rapid turnaround would not have been possible in the pre-reform architecture. The division of responsibilities has also yielded benefits for client entities in terms of the operational support and advice provided by the Human Resources Services Division, which, as at June 2020 had provided tailored advice in response to 3,000 queries, including over 700 queries related to COVID-19. Satisfaction surveys show that 76 per cent of staff and managers across supported client entities are satisfied with the quality of the advice and support provided by the new one-stop shop for advice related to human resources in the Department of Operational Support and 86 per cent of clients are satisfied with the cross-cutting guidance materials issued. As a result, further guidance is being developed, including in the areas of administration of justice and performance management. A key factor in the high degree of client satisfaction has been the ability of the Human Resources Services Division to acknowledge requests for service on average within one business day and to resolve requests on average within four business days.

25.   Effective workforce planning allows entities, and by extension the Secretariat as a whole, to anticipate future workforce requirements, respond to emerging or ad hoc workforce requirements and ensure that mandate delivery is underpinned by diversity in the composition of the Secretariat. The 2018 evaluation of the former Office of Human Resources Management (E/AC.51/2019/3) indicated, inter alia, that the Organization had developed the tools to implement workforce planning but that workforce planning had not gained traction in the Secretariat. The new structures have been effective in providing responsive and proactive support in that regard. Clients have access to effective guidance and advice on the development of their individual workforce plans, as well as a staffing review toolkit issued by the Human Resources Services Division in May 2020. A plan of action has been developed to address capacity gaps in critical areas, such as cybersecurity, and generic job openings are being launched in a targeted manner. A geographical diversity strategy has been launched, which provides senior managers with a road map and resources to achieve greater diversity in their entities, so as to ensure a more inclusive workforce that better exhibits the core values of the Organization.

26.   A perennial challenge faced by the Organization has been the long lead time associated with the filling of vacancies. Although peace operations have been able to meet the 120-day target set by the General Assembly through the use of roster-based recruitment, more work is required to bring position-specific job openings within target. Since January 2019, the Human Resources Services Division has focused on process improvement initiatives to address the key bottlenecks identified in recruitment and onboarding and has contributed to reducing the average number of days between posting and selection from 147 days in 2018 to 134 days in 2019, by using technology and Secretariat-wide consultations. Efforts focused on the creation of rosters allowed the Development Coordination Office to ensure the quick and efficient establishment of global field offices.

27.   A streamlined onboarding process is also being put in place and a baseline survey of candidate satisfaction has been developed, against which the new process will be assessed. The administration of examinations has also been improved: the implementation of online examinations, including for the language proficiency exam, has reduced not only the time required to obtain results but also the overall carbon footprint of the examination process by eliminating the need for candidates and proctors to travel to designated testing locations. It has also increased the geographical diversity of the Spanish, French, and English language services. Work to develop a revised staff mobility framework, issue a downsizing policy and finalize an assessment and selection policy for resident coordinators is ongoing.

28.   Lastly, a surge capacity pool, through which highly skilled staff members in critical administrative and logistical functions can be deployed at short notice for up to 90 days in response to crises or other surge requirements, was launched in July 2019 and became operational in March 2020.

Learning and development

29.   Effective management of human resources also entails providing staff members with the means and opportunities for career growth, while ensuring that they develop the skills required by the Organization to meet changing requirements and mandates. One of the primary goals of reform is to transform the United Nations into a results- and learning-oriented organization that maintains high levels of innovation, to remain competitive and to improve the organizational culture and branding by becoming more people-oriented. A review of the learning needs of the Organization related to the delivery of the Sustainable Development Goals will be finalized by the Office of Human Resources in the Department of Management Strategy, Policy and Compliance in 2020. That review, together with a mapping of the learning landscape, will enable the Organization to determine and address gaps.

30.   The decentralization of the Secretariat and the empowerment of managers also requires the development of leadership and management to enhance risk management, promote innovation and enable managers to tolerate honest mistakes and create enabling work environments. As a strategic priority, the Department of Management Strategy, Policy and Compliance continues to invest in programmes to more systematically support senior leaders, particularly those who join from outside the Organization, and to enable them to successfully exercise leadership during their tenures. Significant progress was made in 2019 in delivering key programmes to support senior leadership in that area, including the introduction of 360-degree feedback for senior managers, the development of a training programme for United Nations leaders and the introduction of a United Nations System Executive Management Programme.

31.   Certification and professional development programmes are being implemented in the areas of human resources, finance and supply chain management to ensure that staff selected for positions in those areas meet professional qualification standards and can continue to develop their skills. In the area of supply chain management, for example, 209 staff members are in the process of being certified by the Chartered Institute of Procurement and Supply, in addition to 130 staff members who have already been certified to at least level 4 or equivalent standards. In the past year, 39 staff members received certification under the Supply Chain Operations Reference model, bringing the total number of staff members certified under that model to 263. Approval by the General Assembly of additional training funding in the 2020 programme budget allowed the Department of Operational Support to allocate resources to operational certification and skills enhancement in nine separate functional areas.

32.   Similarly, the former Senior Mission Administration and Resource Training Programme, a joint initiative of the former Departments of Peacekeeping Operations and of Field Support, is being replaced with a new Secretariat-wide programme, the Enhanced Training for High-Level Operational Support programme, to promote an integrated approach to strategic planning and operational responsibilities for staff members at the P-4 and P-5 levels. Last, targeted training has been developed by the Department of Operational Support to meet emerging requirements, including a new online training course on resource management for certifying officers.

33.   Multilingualism remains a key competency for United Nations staff. To support that mandate, work is ongoing to revamp the language and communications

programme to provide, for the first time, an all-year programme of language and communications skills courses and to expand the online courses and activities available to staff members. The language proficiency examination has been converted into an online format, reducing both the resources required to administer the examination and the time required for grading it. The first online tests, held towards the end of 2019, proved very successful, with 76 per cent of respondents expressing their satisfaction with the new format. The Secretariat increased the amount of customized language training by 50 per cent in 2019, compared with 2018. The Capacity Development and Operational Training Service in the Department of Operational Support, which assumed responsibility for language and communications training in 2020, quickly put many language courses online and has made all face-to-face classes available remotely since the start of the COVID-19 pandemic. As a result, the number of online courses offered has tripled compared with the number available before reform.

Addressing misconduct

34. Elements of management reform were also designed to support the objective of maintaining the highest standards of integrity in the Organization. The consolidation of the conduct and discipline and the administrative law functions, which were previously in separate departments, as well as additional critical incident response capacity, has significantly increased the ability of the Secretariat to prevent, manage and respond to misconduct. A single global platform for misconduct management, which is being developed and is on track to be rolled out in 2021, will provide greater oversight and consistency in the approach to handling misconduct cases throughout the Secretariat. Other efforts to ensure that managers have the tools required to prevent and address misconduct include the establishment of a Secretariat-wide network of conduct and discipline focal points. Although all peace operations already had conduct and discipline teams or focal points prior to the implementation of the management reform, progress is being made in identifying and training staff to serve as focal points in all other entities, with the goal of ensuring that all Secretariat entities have a designated focal point, if not a dedicated conduct and discipline officer or team. All focal points have received training on new risk management tools that are designed to help heads of entities to anticipate and mitigate risks associated with all types of misconduct; those tools are a deliverable of the Action for Peacekeeping initiative. The new structures have also helped strengthen efforts to prevent and address harassment, including by facilitating the issuance of a revised policy on addressing discrimination, harassment, including sexual harassment, and abuse of authority (ST/SGB/2019/8).

35. In addition, key processes related to the timely response to cases of misconduct have been reviewed. By way of example, the process of placing staff on administrative leave without pay has been streamlined. Owing to the sensitive nature of this type of leave, I have subdelegated the authority to place staff on administrative leave without pay only to the Under-Secretary-General for Management Strategy, Policy and Compliance. The number of departmental handover points required for the process has been reduced from five to three, thereby expediting the approval process. This development is particularly important because, prior to reform, the difficulty of placing staff on administrative leave without pay led to a perception that perpetrators of misconduct were able to act with impunity, in particular in peace operations, which in turn undermined the safeguards put in place to deter and protect against misconduct.

Occupational safety and health

36. The incorporation of the field occupational safety and risk management programme into the new Health-Care Management and Occupational Safety and

Health Division in the Department of Operational Support allows, for the first time, a better understanding of the linkage between workplace conditions, staff well-being and organizational performance. In 2019, a desk review of available data sources paved the way for the establishment, in February of that year, of a methodology to track and quantify the costs of workplace incidents, as reflected in indicators such as days of sick leave, medical evacuation flights and the impact of such incidents on programmatic activities. The results of that ongoing analysis will drive the development and refinement of guidance, training and tailored interventions to raise awareness of occupational safety and health, reduce the occurrence of workplace incidents and mitigate their impact on programme delivery.

Strengthening supply chain management

37.   The introduction of a single entity to manage the integrated end-to-end supply chain in the Secretariat through the integration of procurement and logistics capacities previously spread among separate departments was intended to ensure delivery of the right goods and services in the right place, at the right time and at the right cost. The aim was to provide a more agile, responsive, efficient and effective client-oriented service, improve lead times between the identification of a requirement and the delivery of goods and services and strengthen the Secretariat's ability to measure total costs of ownership. The new framework leverages the supply chain functions of the United Nations Logistics Base at Brindisi, Italy, as well as the capacities of the Global Procurement Support Section and the Transportation and Movements Integrated Control Centre in Entebbe, Uganda.

38.   The overall trend in the achievement of the intended benefits of supply chain management is positive. The integrated planning framework, from which the global supply chain plan is derived, is maturing. The plan, which is developed for each financial period, identifies goods and services requirements and determines optimal sourcing options to satisfy those requirements. The framework also entails a trend analysis for measuring performance and supporting the planning of future requirements.

39.   The governance of category management – the approach used by the Secretariat to optimize the supply chains for the eight priority business areas of aviation and transportation, facilities and infrastructure, food, fuel, corporate support, security, health care and ICT – has also been strengthened. At its core, category management involves a collaborative effort, bringing together technical experts with procurement experts to guide decision makers about the most suitable sourcing solutions for a given category of goods and services. Strategies for categories are being finalized and implemented in a phased manner, with feedback provided by the Management Client Board. Operational guidance is being rolled out to provide practical step-by-step guidance to the full spectrum of supply chain stakeholders.

40.   Progress made in achieving the expected benefits of supply chain management will be measured by a supply chain performance management framework, which is currently being rolled out and for which quarterly reports have been issued to Secretariat entities since January 2019. The framework includes the measurement of performance indicators, such as the following:

- The order fulfilment cycle time (i.e. the time required to fulfil client orders)

- Perfect order fulfilment (i.e. the percentage of orders that meet requirements related to the specified time and quality and complete and accurate documentation)

- Agility (i.e. the ability to respond to external influences and marketplace changes in order to gain or maintain competitive advantage)

- Total supply chain management costs (i.e. the cost of operating supply chain processes, including labour, material, management and transportation costs)

- Asset management efficiency (i.e. the ability to efficiently utilize assets, including through inventory reduction)

41. The endorsement by the General Assembly, in its resolution 71/243, of the mutual recognition of best practices in policies and procedures has led to efforts to strengthen collaboration with funds, programmes and specialized agencies in the area of supply chain management, with the aim of better delivering and responding to crises. As a result, peace operations are now making use of the global freight forwarding contract of the United Nations Children's Fund (UNICEF), while collaboration with the World Food Programme (WFP) on aviation support and fleet management initiatives is ongoing. Other areas of potential cooperation are also being explored.

42. The response to the COVID-19 pandemic has been an important test of the supply chain approach. The Secretariat supply chain has proved to be resilient and has enabled the rapid deployment of unplanned aviation, health care and ICT requirements to field locations. The United Nations Logistics Base was instrumental in ensuring that critical supplies were effectively and efficiently prepared and shipped to operations supported by the Department of Operational Support in a timely manner. The category management approach demonstrated its effectiveness in the response to the pandemic, as it allowed the United Nations to obtain necessary supplies, including ventilators and personal protective equipment, at competitive prices. More broadly, the situation has shown that an effective response to a global crisis requires a coordinated global supply chain response, which the Department was able to provide. However, the pandemic has also highlighted challenges to the global supply chain, with demand significantly exceeding supply in critical categories, and these are lessons that will be taken into consideration in future planning.

43. Looking ahead, work is planned on integrating the functions that are currently responsible for procurement policy and for asset management policy more closely in order to support a more cohesive supply chain policy framework for the Secretariat. I also intend to seek further synergies in the functions, organization and mandates of the United Nations Logistics Base and the Regional Service Centre in Entebbe within the overall supply chain management architecture of the Secretariat. I note with appreciation the critical role played by those service centres in helping Secretariat entities to maintain business operations throughout the COVID-19 pandemic.

44. Last, the establishment of the Uniformed Capabilities Support Division in the Office of Supply Chain Management has consolidated the reimbursement and memorandum of understanding management functions that were previously fragmented across numerous departments. The creation of a single point of contact for troop- and police-contributing countries on all administrative and logistical issues related to deployment and reimbursement has been very positively received by Member States. The new Division made considerable progress in reducing the number of unsigned memorandums of understanding from 30 pending ones in December 2018 to 11 in December 2019, and in significantly reducing the amount of time required to sign a memorandum of understanding, from an average of over 180 days to approximately 50 days. Although as at May 2020, the Division has efficiently processed approximately $2 billion in reimbursement claims for uniformed personnel and contingent-owned equipment, the payment of claims has been significantly hindered by the unavailability of cash as a result of the late payment and withholding of assessed contributions by certain Member States.

Enhancing the budget process

45.   To improve the management and delivery of programmes and better facilitate results-based management across the Secretariat, I have proposed improvements to the programme planning and budgeting process, including the annualization of the programme budget, starting in 2019 with the proposed programme budget for 2020.[2] The General Assembly, in its resolution 72/266 A, approved the shift on a trial basis to an annual programme budget, presented and considered in three parts. Workshops were held with regular budget-funded entities throughout 2019 to help the transition to the new format, with the active engagement of some 1,500 programme managers in results-oriented programme planning discussions. Feedback from programme managers on the changes to the process and the presentation of the budget as a result of the new approach has been positive.

46.   Realization of the expected benefits also requires the support of the General Assembly for the new approach. In line with resolution 72/266 A following the completion of the full 2020 budget cycle, a review of the programme budget process will be conducted in 2022, which will inform the decision of the Assembly on the implementation of the annual budget during its seventy-seventh session. In the interim period, a number of adjustments have been made to the programme planning and budget process in line with resolution 74/251. The approach and format used to prepare the proposed programme budget for 2021 has been validated, through engagement with Member States, and, as a result, the proposed programme budget now includes additional results and performance measures, as well as an improved presentation of financial information. The proposed programme budget also provides a comprehensive account of the broad scope of the Organization's work and more concrete information about its contribution to the 2030 Agenda for Sustainable Development and the achievement of the Sustainable Development Goals.

47.   In parallel, the Organization has made significant progress in advancing my commitment to transparency and accountability through the Umoja Extension 2 project. Programme managers can now capture planned programme plans, including planned results and deliverables, and record implementation progress against related performance measures, all within Umoja. A performance dashboard has also been developed, which combines information on strategic plans and programme performance with data on budget consumption and post incumbency in a user-friendly interface. The dashboard provides a holistic view of the programme plan and links resources to results and deliverables. It helps managers to align resource consumption with the implementation progress of programmes and leverages enterprise-wide data standards to ensure easy visualization of the link between an entity's work and its resource consumption.

48.   With regard to budgets for peace operations, budget estimates, which in the past were submitted to the Controller through other departments at Headquarters, are now submitted by heads of mission directly to the Controller, in line with the direct delegation of authority system. Peace operations are generally satisfied with the more streamlined process and the increased ownership of their budgets, which is also reflected in the direct engagement of heads of mission in presenting and defending budget proposals before the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee of the General Assembly. The resulting decrease in the overall duration of the budget process also facilitated the timely submission of parliamentary documents for consideration by the Fifth Committee during the second part of its resumed seventy-fourth session.

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[2] A/72/492/Add.1.

Information and communications technology

49. The establishment of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support represented an opportunity to integrate the previously separate field and headquarters ICT architectures into a single entity, the Office of Information and Communications Technology, to better support the entire Secretariat, promote interoperability and reduce cybersecurity risks. Benefits achieved to date include the standardization of technology across the Secretariat, the decrease in the number of separate platforms and systems that need to be maintained, a greater shift towards cloud computing and a strengthened capacity to counter cybersecurity threats. Furthermore, a streamlined ICT governance architecture was established in 2019 to address weaknesses previously identified by oversight bodies and to reflect the new management architecture at Headquarters. A new ICT steering committee, jointly chaired by the Under-Secretaries-General of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, now provides strategic direction for ICT operations globally.

50. Following the transfer of the resident coordinator system to the Secretariat, the Office of Information and Communications Technology has focused on supporting greater interoperability between the Secretariat and agencies, funds and programmes of the United Nations system. Technical solutions are being implemented in a phased manner to enable business-to-business connections among entities, allowing personnel of United Nations system organizations to gain access to the information services and collaboration platforms of other United Nations system organizations. To date, approximately 92,000 staff members and affiliates, primarily from the United Nations Development Programme (UNDP), UNICEF, WFP, the Office of the United Nations High Commissioner for Refugees, the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), have been provided access to Secretariat collaboration and file-sharing platforms and some 54,000 Secretariat personnel have access to those entities' platforms. Access is progressively being provided to other United Nations system organizations. In parallel, the Office of Information and Communications Technology has been supporting the Development Coordination Office to establish country-specific collaboration teams to allow resident coordinators to facilitate inter-agency cooperation.

51. The COVID-19 pandemic has represented a major test for the new integrated approach to ICT. The strategic decisions and investments made by the Secretariat, in particular with regard to the move to cloud computing and ICT platform choices, have been critical to enabling business continuity during this period, as has been the strengthened capacity of OICT to deliver enterprise projects Secretariat-wide since the introduction of management reforms. The deployment in September 2019 of a new integrated software suite that supports productivity, communication and collaboration from any location and addresses a number of complex issues related to interoperability, information security and information management has proven instrumental in enabling the work of the Organization to continue uninterrupted, even when it became necessary to place the majority of Secretariat staff on mandatory telecommuting arrangements at short notice.

Support architecture

52. At the time of the implementation of management reform, the Secretariat suffered from a fragmented support landscape in which different entities, aligned in various ways with the two former management support departments at Headquarters, often had very different approaches to business processes and standards. This has been further complicated by the progressive transfer of responsibility for supporting

the resident coordinator system to the Secretariat, in line with my development system reforms.

53. In 2019, the Department of Operational Support launched a multi-year initiative to harmonize business processes throughout the Secretariat in a number of key areas to facilitate the delivery of consistent operational support, regardless of the entity delivering or receiving the support; provide comprehensive in situ support to all Secretariat entities while reducing duplicated capacity; leverage economies of scale through a decentralized approach to management; and build a unified approach to partnership arrangements to provide services to locations where there is no operational Secretariat presence. The initiative remains work in progress, reflecting the level of fragmentation throughout the Secretariat. Nevertheless, the principles of the initiative remain the foundations of possible gains and tangible progress has been made in a number of areas to leverage existing support capacities.

54. A key aspect of my new approach to the delegation of authority is the role played by the Department of Operational Support in designating service providers in the Secretariat to execute decisions that have been taken under delegated authority in entities without the requisite internal capacity. On the basis of a comprehensive survey of existing support arrangements across the Secretariat, the Department has ensured that well-established providers of operational services have been assigned to support all entities in the Secretariat without the need to build expertise and support capacities.

55. To further promote more effective and efficient resourcing of operational support processes, the Division for Special Activities in the Department of Operational Support, in partnership with the United Nations Office at Nairobi and the Development Coordination Office, began in 2019 to shift location-independent transactional support services for resident coordinator offices from UNDP to the Secretariat. The types of location-independent transactional services provided by the United Nations Office at Nairobi, as the single service provider for the resident coordinator system, have been expanded over the course of 2020. In addition, a full range of location-dependent, or in situ, support services are being rolled out to an initial tranche of 17 resident coordinator offices, leveraging existing support capacities from offices and missions across the global Secretariat.

56. The Secretariat also intends to expand its cooperation with relevant agencies, funds and programmes to develop a single collaborative network of support arrangements that would better support smaller and more remote Secretariat operations and that would be better supported by United Nations country teams, in the absence of Secretariat operational support capacity nearby.

57. Partnerships are a key element of the Secretariat's strategy to ensure the availability of unique, specialized, temporary or surge operational support requirements. Standing arrangements that can be readily reactivated, as well as interoperability and shared skills development remain key objectives of such efforts. The consolidation of support operations in the Department of Operational Support has provided a more holistic basis for pursuing necessary solutions in these areas. One key area, on which focus has been maintained since the implementation of my new management paradigm, is the strengthening of partnerships with regional organizations and with troop- and police-contributing countries. New and dedicated support partnership capacity in the Division for Special Activities has allowed the Secretariat to improve its support to other organizations, in particular the African Union. In 2019, the Division facilitated the holding of a workshop for subject matter experts from the Secretariat and the African Union Commission, with the aim of building mutual understanding between the two organizations. The workshop included a joint planning exercise on building coordination models and improving

cooperation and interoperability in support-focused partnerships between the United Nations and the African Union. The Division also played a lead role in a table-top exercise with the European Commission to promote interoperability and cooperation, including the potential transition of logistical support to a possible peace operation. The triangular partnership project, launched under the former Department of Field Support and now managed by the Division, has been able to expand its scope to cover additional functional areas, including medical training, as a result of the reorganization of the management architecture at Headquarters. The project focuses on cultivating specialized and high-demand support capacities for peace operations that are most effectively sourced from troop- and police-contributing countries. Since 1 January 2019, the project has been delivered through regional hubs, including in West Africa and South-East Asia, and in situ in participating countries.

III. Observations

58. Significant progress has been made on nearly all the issues that I highlighted in my initial report on shifting the management paradigm (A/72/492). The work done so far has been acknowledged by the Board of Auditors in its recent audit of the implementation of management reform (A/75/5 (Vol. I), sect. II.E). This achievement should not overshadow the fact that it has not been easy to establish new departments and new ways of working in a decentralized framework, in particular in the light of the persistent liquidity challenges faced by the Secretariat throughout 2018 and 2019. Any change management initiative of this nature is a complex and demanding endeavour that requires time in order for the new structures, new ways of working and, most importantly, a change in culture, to mature. With the dust having settled from the reorganization and with staff having had sufficient time to internalize the new approach, work has begun in earnest on the remaining critical areas of reform, in particular human resources management. These efforts are all critical to maintaining a professional, adaptable and motivated workforce, supporting staff operating under challenging circumstances and, ultimately, ensuring that the United Nations is able to implement its mandates effectively and deliver for those who depend on the work of the Organization. In addition, proposals on a range of human resources management issues have been submitted to Member States on issues such as equitable geographical distribution, as well as amendments to the Staff Regulations and Staff Rules, for which General Assembly action is still pending.

59. The establishment of the Business Transformation and Accountability Division has also allowed new or strengthened functions to be introduced in the management architecture at Headquarters. Because of the novelty of those functions in the Secretariat and the need to build the Division from the ground up, progress on a number of commitments in the area of accountability and transparency have been delayed. The Board of Auditors has made some related recommendations, which the Secretariat has accepted and is in the process of addressing. I will continue to report to the Assembly on progress in this area in the context of my annual progress report on accountability.

60. A major limitation in the provision of advisory and operational support has been the lack of a fit-for-purpose customer relations management solution to ensure the effective case management of client requests – a challenge also recognized by the Board of Auditors. Work to identify a suitable solution that will allow the systematic tracking of support requests, monitor timelines and proactively analyse patterns of issues, in order to better target the development of operational guidance and deliver tailored support, is ongoing.

61. In 2020, the response to the COVID-19 pandemic affected timelines for the realization of many benefits, but the pandemic has also proved to be a timely test of the management reform. Various measures, such as the enhanced delegation of authority, the introduction of supply chain management, integrated ICT and other elements of management reform, have allowed the Secretariat to continue to deliver on its mandates seamlessly despite restrictions imposed by host Governments in their local and national responses. At the same time, the challenges of operating remotely during the pandemic have made it imperative to further streamline processes, eliminate requirements for physical signatures for numerous administrative processes and sustain commitment to the continuous training and skills enhancement of staff.

62. It must also be recalled that designing and resourcing the new management architecture at Headquarters, including with regard to the division of responsibilities and the allocation of resources to the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, was predicated on the assumption that the global service delivery model would be approved and that the four proposed service centres would be operational as of January 2019 (see A/72/801 and A/72/801/Add.1/Rev.1). The General Assembly, however, deferred action on that proposal during its seventy-second, seventy-third and seventy-fourth sessions. Early adoption of the global service delivery model would have enabled the realization of the full magnitude of the expected benefits because of the consolidation of transactional non-location-dependent human resources and finance functions in shared service centres. The continued uncertainty over the future of the global service delivery model represents the worst of all possible worlds, as it prevents the Secretariat from being able to establish the proposed service centres, while also making it impossible to effectively design alternative means through which to properly deliver the transactional support that was originally supposed to be the responsibility of the service centres. As a new management architecture is now in place, a return to the drawing board may be required to examine what type of service delivery architecture would be most appropriate for the Secretariat under the new delegation of authority system, particularly given the new working arrangements put in place since the start of the COVID-19 pandemic.

63. Despite the challenges and growing pains experienced in 2019 and 2020, the majority of indicators in the benefits management framework demonstrate that tangible progress has been made in the realization of the expected benefits. The progress achieved so far despite the challenging environment validates the logic and design of the two new departments as presented in my original report on shifting the management paradigm in the United Nations (A/72/492). I thank the General Assembly for its continued support and commend the efforts of the staff and management of the Department of Management Strategy, Policy and Compliance and the Department of Operational Support for their hard work and dedication over the past two years to prepare for and implement management reform.

IV. Actions to be taken by the General Assembly

64. **The General Assembly is requested to take note of the present report.**

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