

Transforming United Nations Peacekeeping Operations into a Horizontal Supply Chain

A change management journey

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Abstract

United Nations peacekeeping has evolved, and has been transformed, over the past decades into a complex and multidimensional operation with countless strands, activities, and functions. Each one of those operations is complex in itself, is supported by a network of resources, and driven by intricate requirements. This often seemingly chaotic cluster of tasks was assessed, analysed, and moulded into a new framework aligned to standardized supply chain processes and practises over the past few years.

What is the United Nations?

The United Nations is a complex body. An organization with many organs, entities, units, and layers of bureaucracy, officialdom, and stakeholders. With a few exceptions, all countries of the world are members and, theoretically, have the same voting power in the General Assembly, which is the main deliberative, policymaking, and representative organ of the United Nations.

Due to the powers vested in its Charter and its unique international character, the United Nations can take action on the issues confronting humanity in the 21st century, such as peace and security, climate change, sustainable development, human rights, disarmament, terrorism, humanitarian and health emergencies, gender equality, governance, food production, and more.

The main organs of the UN are the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, the International Court of Justice, and the UN Secretariat. All were established in 1945 when the UN was founded.

The UN also provides a forum for its members to express their views in the General Assembly, the Security Council, the Economic and Social Council, and other bodies and committees. By enabling dialogue between its members, and by hosting negotiations, the Organization has become a mechanism for governments to find areas of agreement and solve problems together.

The UN system, also known unofficially as the "UN family", is made up of the UN itself a.k.a the UN Secretariat and many affiliated programmes, funds, and specialized agencies, all with their own membership, leadership, and budget. The programmes and funds are financed through voluntary rather than assessed contributions. The Specialized Agencies are independent international organizations funded by both voluntary and assessed contributions.

The United Nations came into being in 1945, following the devastation of the Second World War, with one central mission: the maintenance of international peace and security. The UN does this by working to prevent conflict; helping parties in conflict make peace; peacekeeping; and creating the conditions to allow peace to hold and flourish. These activities often overlap and should reinforce one another, to be effective. The UN Security Council has the primary responsibility for international peace and security. The General Assembly and the Secretary-General play major, important, and complementary roles, along with other UN offices and bodies.

The Security Council takes the lead in determining the existence of a threat to the peace or an act of aggression. It calls upon the parties to a dispute to settle it by peaceful means and recommends methods of adjustment or terms of settlement. Under Chapter VII of the Charter, the Security Council

can take enforcement measures to maintain or restore international peace and security. Such measures range from economic sanctions to international military action. The Council also establishes UN Peacekeeping Operations and Special Political Missions.

Peacekeeping has proven to be one of the most effective tools available to the UN to assist host countries navigate the difficult path from conflict to peace. Today's multidimensional peacekeeping operations are called upon not only to maintain peace and security, but also to facilitate political processes, protect civilians, assist in the disarmament, demobilization and reintegration of former combatants; support constitutional processes and the organization of elections, protect and promote human rights and assist in restoring the rule of law, extending legitimate state authority, or assisting during health care emergencies such as the Ebola crisis in 2014. Peacekeeping operations get their mandates from the UN Security Council; their troops and police are contributed by Member States; and they are managed by the Department of Peace Operations and supported by the Department of Operational Support at the UN Headquarters in New York. There are 14 UN peacekeeping operations currently deployed and there have been a total of 71 deployed since 1948.

Operational Support

The Department of Operational Support (DOS) helps peace operations succeed by providing support solutions that are rapid, effective, efficient and responsible. It works together with UN and non-UN partners to plan, mobilize and sustain 35 field missions (peacekeeping and political) in the world's most complex environments.

Today, DOS helps administer a combined annual budget of over \$7 billion, 131,000 authorized uniformed personnel and 24,000 authorized civilian staff in over 270 duty stations across more than 50 countries. The services it provides range from budget, finance, human resources and technology to the management of supply chains, facilities and assets. It also supports UN efforts in response to all forms of misconduct by mission personnel.

DOS is built on five key pillars. It provides end-to-end service delivery and integration of operational support in:

- Human resources, health-care management and occupational safety services;
- Supply chain management including logistics, procurement and support for uniformed capabilities;
- Operational planning and support to start-up, surge, draw-down and liquidation in UN Secretariat entities;
- Administrative services and campus support in UN headquarters and regional HQs; and
- Operational information and communications technology (ICT)

The Department's role is designed to fully support managers and business partners in operating entities throughout the Secretariat to respond effectively and rapidly to the changing needs of those the Organization serves. In line with this approach, DOS will mostly focus on providing advisory and capacity-building support, so to say 'second tier' services, for more empowered entities across the Secretariat.

The Challenges

The budgets of peace operations are more than four times larger than the rest of the UN Secretariat's combined budget. 90 percent of UN Secretariat procurement is undertaken for its peace operations. 55 percent of UN Secretariat staff serve in field missions, more than 80 percent of whom serve in hardship duty stations. The scale of field mission activity, the difficult and changing operating

environments, the requirements for specialized personnel and activities not even contemplated at Headquarters, and the high rotation and turnover of personnel often overwhelm and even paralyze an administrative system designed for static and stable duty stations. And yet, UN field operations continue to be tied to and undermined by an administrative framework that simply does not enable effective and efficient field operations.

The growth of UN peace operations in recent years coincided with a period of sharp global economic contraction, particularly for some of the Organization's largest financial contributors. With the resulting concerns about the affordability of field operations, the Organization has responded to considerable pressure to cut costs. For instance, efficiency measures within operational budgets and staffing levels of peacekeeping have resulted in real and significant cost reductions of 17 per cent over the past 5 years, when measured against numbers of military and police personnel and adjusted for inflation. However, the overall budget envelope has risen in line with the establishment or expansion by the Security Council of new peace operations, often in challenging political, security and logistical environments.

In the past decade, some of the most significant systemic enhancements in UN peace operations have come from improvements to the resourcing of missions, and in particular for mission start-ups. Today, missions have access to expanded financial commitment authorities, allowing them to mobilize resources and begin procurement more quickly in support of troops and staff in the field. Missions can now also access equipment in the strategic deployment stocks available at the Global Support Center in Brindisi, Italy.

Real opportunities exist to continue to build on and support innovative approaches to field mission support particularly at the regional level such as through coordinated regional movement planning; regional supply chain solutions; shared administrative services; regionally-based advisors and experts, and standby aviation contracts. Although these have faced early hurdles, they present opportunities to improve operational effectiveness and efficiency across missions. Global and regional support systems present an opportunity to increase operational effectiveness and resource efficiency, including by reducing the footprint of staff in missions. In addition, the development of improved business analytics at field and Headquarters level started to enhance better resource planning within missions and across them and provide further information to help address Member States' concerns regarding efficient and accountable resource utilization under the Organization's financial regulations.

The departmental configuration prior to 2019 gave rise to, or exacerbates, significant problems affecting peace operations: assessment, strategy and planning are often de-linked from in-depth knowledge about the affected country and region; solutions were often designed by proponents of functional 'supply driven' perspectives on how the UN responds; peace operations were locked into a binary choice even as they struggle to adapt to shifting situations on the ground; planning across multiple departments to collectively stand up and then support one mission was hampered by difficult administrative transitions, different cultures and separate accountabilities; operational and administrative demands of large missions reduced the space for development of political strategy; specialist thematic and support services were not readily available to all types of peace operations; and institutional divides drive unnecessarily complicated decision-making requiring senior level interventions, which can resolve a particular problem but not the underlying dysfunctions. From a supply chain perspective, the separation of procurement from the logistics function under different leadership caused massive delays and internal conflict.

The United Nations operates a large complex supply chain network consisting of processes and activities to procure, produce and deliver material and services including fuel, rations, water, COE, modular camps and other items to field missions, which are deployed globally. These field missions have very different operational complexity factors that can be categorized by mission size, budget, maturity, and number of locations supported.

The provision of Goods and Services that make up the field support supply chains are a major cost centre for the United Nations – and their effective and efficient management must be a priority. The aggregate operational budget relevant to the field supply chain has more than tripled since 2003/04, and now amounts to US\$3.2b annually. Goods account for 42% (US\$1.3b) of this total, while services make up 58% (US\$1.8b). Over the last five years, the average expenditure on POL (Petrol, Oil, and Lubricants) and Food Rations combined, comprised approximately 72% of the PKMs goods budgets, while Aviation and Travel on rotation accounted for approximately 51% of the PKMs services budgets.

From a more detailed support functions perspective the challenges could be summarized as follows:

The Department of Operational Support (DOS) (formerly Department of Field Support – DFS) provides support in the areas of finance, logistics, human resources, information and communications technology, and general administration to field missions - peacekeeping operations, special political missions, and other field presences. Increasingly these field missions are deployed in volatile, insecure and remote locations and environments. The last two missions that were deployed prior 2014 (MINUSCA and MINUSMA) continued the trend of UN peacekeeping missions being deployed to large, remote and land-locked areas with poor infrastructure or local commercial markets, and with significant logistical implications. Other missions will continue to operate in some of the world's most insecure environments with associated security risks including the increased targeting of UN personnel and exposure to asymmetric security threats. Moreover, previous years had reemphasized that field support must factor into its work responses to rapidly changing situations and crisis, whether they be of a humanitarian, conflict or health nature.

Looking forward then, it was deemed essential for DFS (now DOS) to continue finding ways to strengthen field support that also balances the interests of its key partners. These key partners have diverging interests from faster and more flexible operations (Security Council, DPKO and DPA), to more consistent and higher quality services (Troop/Police Contributing Countries and UN personnel), to more cost efficient and effective delivery of services (5th Committee of the General Assembly). A balance needed to be struck between the faster, better and cheaper.

Given this environment there was a need for DFS (now DOS) to focus on and prioritize activities that i) enable operations in remote and dangerous environments, ii) show restraint with limited resources, and iii) support continuous improvement of services. One such activity was the management of the planning, sourcing, delivery, use, maintenance and disposal of goods and services. Simply put, DFS was looking for a holistic approach to its supply chains through implementation of a Supply Chain Management strategy to make it a strategic asset and address the challenges it was facing.

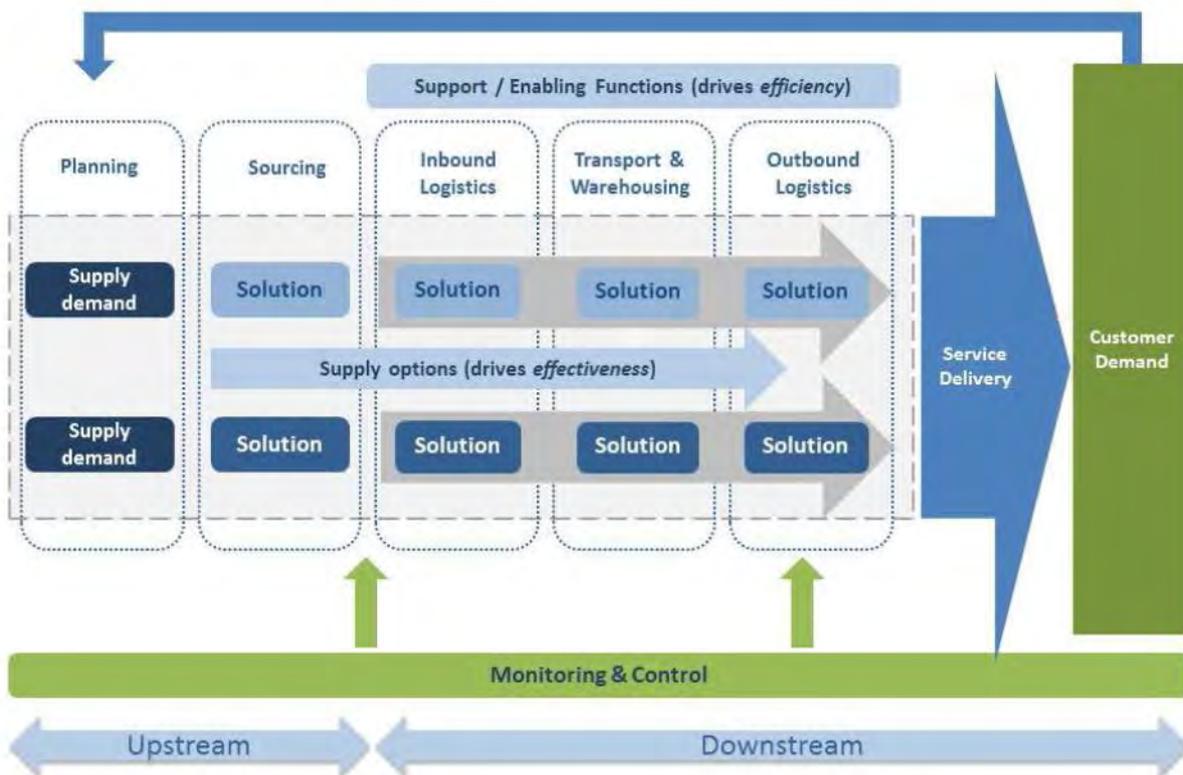
In 2014 The Supply Chain Management Vision for the Department of Field Support (DFS) was therefore identified as: *'A well-managed and agile supply chain to support UN Field Missions with effectiveness and efficiency'*. This represented the kick-off for the paradigm shift.

The Supply Chain Management Strategy described what the organization was going to do to achieve the vision. The strategy was organized along the following four building blocks:

1. Define a framework of integrated 'End-to-end' Supply Chain Management processes with clearly defined functions, roles and responsibilities;
2. Offer different supply chain solutions for different situations, customer needs and challenges;
3. Provide solutions for Infrastructure, Technology and Resources (incl. human resources) to support and enable the Supply Chain Management Processes;
4. Introduce a Performance Management Framework to measure, monitor and manage the Supply Chain to ensure effectiveness and efficiency.

The expectations towards this mammoth project, or program really were enormous from within as well as external stakeholders such as Troop Contributing Countries, Police Contributing Countries, and member states overall. DFS expected to derive significant improvements in the effectiveness, responsiveness and efficiency of its supply chain from the implementation of this strategy, contributing to more effective implementation of the organization's mandates and improved customer satisfaction. DFS also expected to derive substantial improvements in the use of our resources through enhanced supply chain planning processes, global inventory management and strengthened resource acquisition processes.

In May 2015, the DFS Supply Chain Management (SCM) approach was formally approved and initiated by the Under-Secretary General (USG) DFS.



The DFS Supply Chain is client driven; see the right side of the diagram above. The Client and Service Delivery work together to define a client's requirement, which is inserted into the supply chain planning process. Options are developed and discussed with the client until a solution is agreed. The planning process is aggregated upwards in parallel, from the missions through regional and global service centres to UNHQ/DFS, where a supply chain plan is developed to balance requirements with resources. Items are sourced from within the supply chain, using contractual instruments such as commercial contracts, or through Letters of Assist/Memorandum of Understanding with Member States and then delivered to the mission where they are stored for later use or moved forward to the required location. Mission Service Delivery elements work with the client until the agreed solution is completed and handed over. All supply chain processes are monitored and tracked to ensure accurate information is available throughout the process. Within the DFS Supply Chain global planning, sourcing and upstream delivery are used to achieve economies of scale and ensure missions receive the right goods and services at the right time, place and cost. Upstream activities include all supply chain activities to source and deliver goods to a field mission's designated air or sea delivery point. The field missions must plan internal to mission source and deliver requirements to allow them to meet the

agreed mission solution timelines; downstream activities are controlled and managed by mission resources.

The entire approach was mainly driven at headquarters level with some involvement of individual stakeholders in field offices. However, the support office in Somalia was a key implementing partner, supplier of hands-on field experience, and pilot in many of the individual initiatives. Simultaneously, UNSOS initiated a lengthy and thorough assessment of its own operations, performed analysis of its performance against available indicators, and developed its field level supply chain end-to-end processes. A Lean-6-Sigma approach was used for process mapping, value stream analysis, and improvement initiatives.

Alignment to Industry Standards

A typical commercial supply chain focuses on physical efficiencies that emphasize on low operating costs, inventory minimization, etc. The United Nations supply chain needs to focus on reliability, agility and responsiveness capabilities to support field missions' clients who are carrying out high risk operations in volatile, austere environments. The DFS Supply Chain is "mission critical" meaning that lives may be lost if rations, fuel, water and other services such as medical evacuation are not provided to TCC/PCCs. Therefore, the consequences for failure, if the DFS Supply Chain fails, are much higher than for a typical commercial company.

The "mission critical" requirement dictated that the previous DFS Supply Chain had built in redundancies, overseen by complex rules and regulations, which cultivated a general attitude of self-reliance in field missions. There was little incentive at the mission level to align interests across the organization's supply chain for achieving organizational goals. The DFS Supply Chain had significant inventories located in each mission area, poor visibility of resource utilization, poor end-to-end reporting resulting in inefficiency. During a crisis situation, in a specific mission, it took UNHQ a significant amount of time to coordinate an effective response. As a result, TCC/PCCs absorbed additional hardships and risks.

Both commercial and DFS supply chains, especially the "upstream" portions, must address issues such as planning, procuring, delivering and returning from an organizational perspective. Adopting business best practices that fit the United Nations circumstances and using a commercial supply chain model to improve effectiveness was a key factor to allow the USG DFS to achieve his goals as well as ensure the field missions accomplish their mandated tasks more effectively and efficiently.

Some UN agencies, departments of defence, public sector medical services, etc. already used the Supply Chain Operations Reference (SCOR) model as a basic framework for professionalizing their supply chain management. Consequently, the UN identified the SCOR model as most suitable as it allows organizations to examine their supply chain configuration and processes. In fact, the model was designed to help organizations learn from others within and outside their industry. It helps identify, define, and measure metrics across the entire supply chain. It also helps to identify poorly performing links in the supply chain by comparing them to business best practices.

To direct, deliver and oversee the implementation of the DFS Supply Chain, a Supply Chain Management (SCM) Programme had been initiated. The programme was managed using the MSP (Managing Successful Programmes) methodology, a professional multi-year programme management methodology that has evolved from the Prince 2 project management approach. A programme approach was taken versus a project approach because of the need to: coordinate complex activities across the complete supply chain; organize scarce resources; harmonise design interfaces amongst a range of projects; promote economies of scale among projects; and manage multiple diverse stakeholder groups.

In addition to SCOR and MSP, DFS also implemented an Enterprise Resource Planning tool called UMOJA (A modified or customized SAP product), which is compatible with the SCOR and MSP processes. This ensures all SCM business processes are sharing the same information and data globally.

The Implementation

The vision, strategy, and implementation roadmap for supply chain management (SCM) in field support signed off by the Under-Secretary-General of the Department of Field Support (DFS) offered a proven business approach for optimizing the chain of all activities that help bring the right goods, at the right time, to the right place and at the right cost.

The Strategic Vision

The SCM strategy was guided by a clear vision: to implement and maintain an agile and well-managed supply chain that supports clients in field missions effectively and efficiently. An agile supply chain can offer flexible, rapid and tailored solutions for different situations, customer needs and challenges. Agility is increasingly needed in less predictable environments where demand is volatile and the need for adaptability is high.

The SCM strategy was expected to deliver improvements in efficiency, responsiveness, effectiveness and client satisfaction along the field support supply chain. It will also help optimize resources through enhanced supply planning, global inventory management and optimized acquisition processes. Ultimately, better supply chain management will contribute to better mandate implementation for peacekeeping, special political and other field missions.

- A supply chain is well managed when it integrates the multiplicity of functions along the chain to deliver end-to-end solutions and establishes clear roles and responsibilities.
- Visibility and information management are key elements in this process.
- A supply chain is effective when goods and services are provided at the right time, at the right place, in the right quantities and quality to meet the requirements of customers.
- A supply chain is efficient when it ensures that resources are used in an optimal way and not wasted on non-value added activities.

What does the transition to SCM entail?

A structural shift from “business as usual” to an integrated, end-to-end process.

Current Situation:

- Focused on **local interest** at mission level
- Operating in support function **silos**
- **Fragmented** planning & ad hoc decision-making
- **Reactive** and emergency driven
- **Limited visibility** of supply chain status and costs

Future:

- Focused on **global optimization** while sustaining effective mission-level services
- **Integrated** end-to-end processes & management
- **Dedicated** planning capacity & decision-making processes
- Driven by planning and **anticipation**

- **Real time visibility** of supply chain status, performance and cost.

External challenges

The vision and strategy as developed by a considerably large team from within the UN headquarters as well as at the local levels in mainly field missions was to be challenged by several factors that brought the implementation onto a path of obstacles. While upstream activities of planning and sourcing seemed straight forward and almost routine on paper following the newly developed SC Blueprint, the downstream activities of delivery, warehousing, and logistics were confronted by mere external factors that management had little control over.

Such were related to the very environment the UN supply chains are to operate in. War-thorn countries, harsh climates, underdeveloped economies, remote locations, and more. Similarly, the political forces and the global economic climate with little to no appetite for investments and international or global initiatives and overall drive for downsizing of UN engagement and field missions rather than a thrive and push. Other factors include the vast diversity within the UN, which is equally a challenge and an opportunity. With a workforce of 24,000 civilian staff and over 130,000 uniformed personnel from very much every corner of the world it is not difficult to imagine the real challenge the Organization is exposed to in terms of cultures, backgrounds, languages, routines, and approaches. However, it must be highlighted that such diversity, which is a corner stone of the Organization's integrity allows for perspectives that a single person irrelevant of origin, or a small group of people would never be able to enjoy if it wasn't for that very element of diversity.

Internal challenges

Overcoming internal challenges often seemed even more problematic than external ones due to the element of human minds that are often unpredictable and simply based on seemingly irrational emotions. It took great effort at all levels of the Organisation of overcome the resistance and rejections from within to implement the vision and strategy and to move to the next stage of the program. Communication and data were the key ingredients for the change managers to overcome and master all such internal challenges throughout the process and in fact continues to this day. The tool box of managerial tools and techniques was used at all levels and simple "What-If" and "Why" exercises and open discussions were necessary to push and pull the majority over the hump of belief into the new world of standardized end-to-end supply chain processes. This fundamental change of approach in supporting field operations represented a clear paradigm shift that was not for all to comprehend immediately with many voices questioning the move from something that has served us quite successfully for nearly 70 years.

Target Areas & Conclusion

While the journey of change is not completed, and it will likely never conclude should we continue to follow the SCOR approach and the philosophy of continuous improvement – there are a few key areas that we could highlight as either target areas for further improvement and change, or equally as conclusions of the work so far.

The ultimate guiding principle for all past, ongoing, and future initiatives and projects will be to strengthen processes from a Lean perspective and to reduce waste – following the 3 M's of Lean.

Naturally, we focus on the 7 wastes covered under MUDA, which is any activity or process that does not add value; a physical waste of time, resources, and ultimately funds or money. These are the waste

types that are the easy ones to tackle really and do in fact drive most of our initiatives. However, we are also trying to pay more attention to the other M's.

Firstly, MURA waste of unevenness or inconsistency. Mura creates many of the seven wastes that we observe, Mura drives Muda. By failing to smoothen our demand we put unfair demands on our processes and people and cause the creation of inventory and other wastes. An area that is highly visible in the UN supply chain throughout the financial year, less so regarding demand and supply, but consumption of funds and inventory in order to present positive financial reports to member states. And lastly, MURI which causes overburden, meaning to give unnecessary stress to our staff and our processes. This is caused by Mura and a host of other failures in our system such as lack of training, unclear or no defined ways of working, the wrong tools, and ill thought out measures of performance.

Finally, we conclude and focus on three key areas:

Our performance management systems and many of our tools including forecasting techniques and algorithms like to use the paradigm of the past being our best bet when determining the future. Which we fully agree to, in some respect or to some extent. Yet, peacekeeping will never have a smooth demand and variances can never be eliminated as there are simply too many unknowns and factors that drive and influence our demand and hence supply chains. The only way to investigate the future is additionally, and in fact predominantly find any sort of indication of potential demand that can be used to steer our machine into the right direction. The UN, as we often say, is a big monster and doesn't move too quickly, but when it moves it does. Our processes must support this characteristic and ensure that the qualitative forecasting of future demand aligns all the downstream activities accordingly. **Trends and indicators** are the key tools for managers to apply this approach and conventional tools may often not be suitable.

A second focus area is continuous improvement itself. As many organisations and companies, the UN has undergone continuous change. Change fatigue is visible anywhere in the organisation and we must ensure that we make it before we break it. Our recent studies and observations confirm the analysis of the great analyst late W. Edward Deming (1900-1993) who stated that *"Only 5% of change introduced by management bring real improvement, the remaining 95% are at best an illusion of progress."* It is hence important that we **focus of those vital few, rather than on the trivial many**.

Third and last is our internal capability to communicate and express what the real issues are and how they can be resolved. Change management begins with the expression of what the problems are and an agreement amongst stakeholders to recognize these as such. In an Organization as complex and diverse as the UN this by itself represents a massive challenge that we must tackle before we should dare to implement any other initiatives and changes. We need to start **speaking the same supply chain language** before we can even understand what the various stakeholders and entities need and what areas require improvements. This is where with the adoption of SCOR and some of the related great training and development initiatives of APICS and its regional partners and branches is helping us tremendously.



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