

**THIRD ITEM ON THE AGENDA****Information Technology Systems Fund**

1. In June 2000, the International Labour Conference established an Information Technology Systems Fund of Swiss francs 38,250,000 (US\$25 million) from the 1998-99 surplus, which was fully committed to upgrade the ILO's financial and human resources systems in project IRIS.¹ A further amount, equivalent to US\$5 million, was also approved for the Information Technology Systems Fund from the 2000-01 cash surplus, of which US\$3.4 million was subsequently allocated to project IRIS by the Governing Body in November 2003. The remaining funds are earmarked for the replacement of the electronic voting system (US\$600,000), the implementation of an electronic document management system (EDMS – US\$500,000) and improvements to the ILO's global data communications infrastructure (US\$500,000). This paper provides a progress report on these information technology initiatives.

Project IRIS

2. Project IRIS activities have gathered pace since the last report to the Committee, with the successful deployment, for the 2004-05 Joint Planning Workshop in November 2003, of the implementation planning module by headquarters and external offices. The next component of IRIS, to be released to users in May 2004, will be the programme and budget module. This will provide headquarters and external offices with the tools to prepare integrated and substantiated proposals for the Programme and Budget for 2006-07. The timely release of this functionality highlights the emphasis given to fully supporting the in-depth implementation of results-based planning and strategic financial management through IRIS.
3. The project has completed over half the software design and configuration of the numerous individual applications required to support streamlined processes, effective financial stewardship and improved decision-making, including financial accounting, payment and receipts, procurement, travel, human resources administration, payroll, etc. The outstanding software development is being closely monitored and is expected to be completed by June 2004.

¹ Integrated resources information systems.

4. In January 2004, the project entered a rigorous testing phase (comprising product, integration and user testing) that is expected to last some nine months, to provide assurance that the new systems will work as intended. Product testing, which covers individual business processes within the Oracle applications based on predetermined trial scenarios, is progressing on schedule with satisfactory results. This will be followed by integration testing of all the applications, which will test the full capability of IRIS, including the interfaces between the various modules and reports. The final phase will entail two months of testing by users who must formally certify that the requirements of the system are met before it is released to the user community.

Organizational readiness

5. Preparing fully for the introduction of an enterprise resource planning system is a major undertaking for every organization and the Committee highlighted the challenge at its November 2003 session. The Office must ensure that staff at all levels will be able to use the new systems effectively and with the minimum of disruption and user resistance. A project team has been established to address these issues, which have far-reaching implications. While the development of training material and training courses is under way, it is acknowledged that more time is required to address broader change management matters.
6. For example considerable preparatory activity is required, with full involvement of user departments, to define and communicate the new roles and responsibilities under IRIS and identify staff that will be responsible for execution of the functions. The impact of IRIS on organizational and staffing structures needs to be determined in detail, assessed and communicated to staff. Effective preparedness for the new systems and procedures is especially important in the external offices. This will require additional planning and training to ensure that on-site expertise and user support is readily available. More effort will be required to mobilize Organization-wide support, which will be achieved through enhanced communication to all staff.
7. Appropriate arrangements also need to be in place to ensure that the Office has the necessary skilled resources to maintain the applications once IRIS is implemented, and to support users during the period of transition to the new systems. The anticipated costs associated with the support and maintenance of the new systems are presently under review.

Project IRIS budget

8. The project has entered a phase of heightened activity, with some 100 staff and consultants currently engaged. At the end of January 2004, total project funds obligated amounted to US\$26 million, of which US\$15.6 million was expended for consulting costs (primarily the project implementation partner, Accenture), internal staff costs, computer software (Oracle) and equipment purchases.
9. While significant progress has been achieved, at this juncture, the level of organizational readiness for the new systems presents some inherent risks to the project budget and implementation schedule which must be scrupulously appraised. Some options have been formulated by the project management team and, at the request of the Director-General, an independent external review is being conducted on the IRIS project to assess progress to date, as well as the budget situation and the overall management and implementation plans. An update will be provided at the March 2004 Governing Body session.

Headquarters/field data communications infrastructure improvements

10. At its 288th Session (November 2003), the Governing Body approved a revised amount of US\$500,000 to replace individual, local Internet service providers in the ILO's 50 offices with a secure, high-speed wide area network (WAN). Before committing to these one-time investment costs and the significant ongoing costs of a global WAN, the Office undertook to examine the case for an improved data communications infrastructure for each office. This will aim to fully define the individual technical requirements for uninterrupted access to email, the Intranet, the Internet and the increasing number of the ILO's global applications (including IRIS), and validate the requirements for, and benefits of, improved network connectivity in each location against the incremental recurring costs. A phased implementation approach is envisaged, starting with the most problematic locations, and the overall pace of implementation will be influenced by the extent to which the additional recurring costs of improved connectivity can be reasonably absorbed by the regular budget. Firewall technology is also being installed, which will enhance data security and guard against hacking and other Internet-borne disruptions.
11. A contract which provides considerable latitude to the Office as regards the final selection of the ILO offices to be upgraded, and the timing of implementation, is being negotiated with the vendor that was selected after the evaluation of all the bids that were received. Additional financial analysis has been undertaken to determine the incremental costs for every ILO field location and ascertain the overall cost of upgrading the connectivity infrastructure. Expenditure to end-January 2004 amounts to some US\$52,000 and the Office expects that the one-time start-up costs for implementing the upgrading of the worldwide data connectivity infrastructure will be within the approved amount of US\$500,000.
12. Technical contacts are in progress with the selected vendor to identify, through extensive testing of the data connectivity infrastructure presently supplied by local Internet providers, the specific ILO offices with the most deficient Internet connections and to refine the estimates of the one-time and incremental recurring costs of upgrading the problematic connections to those offered by the selected supplier. The full budgetary impact of the first implementation phase will be determined by the summer of 2004, after the results of the vendor tests become available.

Electronic document management system (EDMS)

13. At its 286th Session (March 2003), the Governing Body approved up to US\$500,000 to implement an EDMS that will entail standardizing the process for preparing and storing internal ILO text documents, working papers and publications, to facilitate their research and retrieval.
14. In December 2003, an enterprise content management software, offered by Stellent, was selected for the ILO EDMS system, following a request for proposal and a subsequent evaluation of several bids. This product will provide a foundation for the implementation of the global management of internal and external ILO documents, records and Web content. Since the software covers more than EDMS, the Information Technology Systems Fund contributed only part of the purchase price, with the balance being shared by ILO departments that have an interest in minimizing the cost of developing and maintaining ILO documents and Web content.

15. The selected software has been installed in a test system. The project structure is being finalized and includes a steering committee that comprises the major stakeholders of the document management, records management, Web content, and technology components of the project.
16. Expenditure to date amounts to US\$158,000 towards acquiring the Stellent software, hardware purchases and consultancy costs. The balance of the allocation will cover the development of an EDMS for use by a selection of ILO users by 2005.

Electronic voting system

17. In November 2002, the Governing Body approved up to US\$600,000 for the replacement of the electronic voting system and further development of information technology at the Conference.
18. The first version of the new electronic voting system was tested by members of the Programme, Financial and Administrative Committee at its 288th Session (November 2003). Following this exercise, an updated version, with minor modifications, was completed and is available for the International Labour Conference and for use in other meetings.
19. Conference committee voting processes are currently being analysed in order to have a vote controller interface developed for the June 2004 session of the International Labour Conference. The Office is also exploring modalities for the provision of personal identification numbers (PIN codes) to Conference delegates so as to integrate the new procedures with the registration module of the Conference Management System.
20. Following the June 2004 session of the Conference, functional requirements of the electronic voting system will continue to be developed. These will include the extension of the system's base technology to enable the interactive management of amendments to proposed decisions at ILO meetings.
21. The project is on budget, and at 31 January 2004, expenditure amounted to US\$289,000.

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Submitted for information.