



SEVENTH ITEM ON THE AGENDA

Other financial questions**Information Systems Technology Fund**

1. The Committee will recall that in June 2000 the Conference decided,¹ upon the recommendation of the Governing Body, to approve the establishment of an Information Technology Systems Fund with an initial capital of \$25 million to be financed from the 1998-99 surplus. It will be further recalled that this amount was allocated for the upgrade of the ILO's financial, procurement and human resources computer systems.
2. Since the last session of the Governing Body, in March 2001, the project to upgrade these systems has made significant progress. As a result of extensive consultations undertaken by the Office, an accelerated project plan has been developed which merges the business process redesign phase into the implementation phase.² Whilst elements of the establishment phase are still ongoing, the solutions' evaluation phase has now commenced.
3. Since March 2001, accomplishments have been as follows:
 - The project management team is in place following the appointment of the project director, the project implementation manager and two group leaders (finance and human resources).
 - Other project recruitment is continuing with officials from both headquarters and external offices being detached to the project. Software evaluation teams ("task forces") have been established for finance, human resources, and procurement, with the participation of both headquarters and field staff. These task forces are now developing and documenting user requirements and will ultimately make a recommendation for the selection of the software.
 - A task force has also been established to evaluate existing telecommunications structures at headquarters and in the regions and to develop a strategy that will meet the future requirements of the Office with a particular focus on the demands of ERP applications.

¹ International Labour Conference, 88th Session (June 2000), *Provisional Record* No. 18.

² Five distinct phases were foreseen in the project plan contained in GB.277/PFA/2/2.

- A software evaluation and selection methodology has been developed which will accelerate this phase of the project.
 - To ensure that all potential software vendors were given an opportunity to express their interest in the project, an announcement was posted on the Inter-Agency Procurement Services Office (IAPSO) website. In addition, a direct mailing to 49 known vendors was undertaken. A total of 19 vendors expressed interest in the project and were provided with a request for information (RFI) designed to enable the Office to make an initial evaluation of their products. Ten responses have been received and these are currently being evaluated in accordance with the agreed software selection methodology.
 - A decision support tool has been acquired from a leading consultancy firm to help evaluate the myriad features offered by different vendors.
 - As part of the software evaluation, “scripted scenario” workshops are now being conducted with shortlisted vendors. Leading consultancy firms have recommended this approach as a supplement to the traditional request for proposal (RFP) in the evaluation and selection of ERP software.
4. Over the next few months, software selection will be completed and the implementation phase will commence. Due to the short period of time between the November and March sessions of the Committee, it is unlikely that software selection will be completed prior to the next session. The Office will therefore submit a further progress report to the Committee at its November 2002 session.

Geneva, 31 October 2001.