INFORMATION NOTES

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FINAL REPORT ON THE FINANCIAL MANAGEMENT IMPROVEMENT PROGRAMME (FMIP)

INTRODUCTION AND FMIP OBJECTIVES

1.   The Financial Management Improvement Programme (FMIP) was established in 1995 to address shortcomings in WFP's capacity to manage and report on the use of its resources. These weaknesses had been exacerbated by a rapid increase in Programme activity, significant changes in the characteristics of operations, and growing donor expectations.

2.   The goal then was to develop an information system that would enable the organization to integrate and manage *all* its resources—its staff, food aid and finances. More specifically, the aim of FMIP was to put in place a system that would guarantee financial accountability, cost-effectiveness, control, transparency and real-time reporting.

3.   Today, the stated objectives of FMIP have been generally achieved with the delivery of its new corporate information system—the WFP Information Network and Global System (WINGS). The Programme is now moving into the next phase—to "mainstream" this system into the everyday business processes of WFP in such a way as to achieve maximum benefits for all.

SCOPE AND CHRONOLOGY OF THE FMIP PLAN

4.   To achieve its objectives, FMIP was conceived as an integrated plan of shorter-term tactical projects and a longer-term strategy, which would combine to improve overall financial management both at Headquarters and in country offices. The FMIP plan was approved early in 1996, and full-scale implementation began late that year.

5.   The plan was structured as follows:

   ➢ short/medium-term developments, such as a series of low-cost, tactical information and operational support systems and applications, to provide immediate improvements until an integrated new corporate system could be introduced; and

   ➢ long-term developments to redesign key business processes and implement a fully integrated strategic information system to administer financial and human resources, control financial transactions, manage commodities and meet the majority of donor and corporate information needs.

Brief Chronology of FMIP Implementation

⇨ *1995*

   ➢ Two documents are prepared: Strengthening WFP's Financial Management Improvement Programme (a scope document), and New Vision (an information strategy plan that included business process re-design).

⇨ *1996*

   ➢ February: Executive Director approves plan.

   ➢ FMIP Steering Committee is established, with the Deputy Executive Director as Chairperson, the Directors of Operations, Finance (FS; also acting as FMIP Director), Strategy and Policy (SP) and Management Services (MS) as members, the Director of

the Office of Internal Audit (OEDA) as observer, and the FMIP Programme Manager as Secretary.

➢ September: WFP changes project management strategy by taking over full responsibility and terminating the services of a consultant for project implementation.

⇨ *1997*

➢ Work begins on the short-term objectives to improve legacy systems for continued operations and tactical, non-integrated and interim solutions to meet intermediate needs.

➢ At the same time, the long-term strategic objective of achieving an integrated exchange and processing capability is redirected into support services (covering procurement, finance and human resources) and core business (covering resource mobilization, project planning and maintenance system, programming and allocation of resources, logistics management and commodities tracking).

➢ All *short-term tactical projects* are completed, including the interim donor reporting project and the programming and resource allocation system project. *Short- and mid-term activities are completed. FMIP now focused 100 percent on longer-term solutions.*

➢ Two longer-term *strategic projects* are introduced for resource mobilization and commodity tracking systems, using Lotus Notes and Oracle software, respectively.

➢ October: a Request for Proposal (RFP) for the appropriate enterprise solution is released.

⇨ *1998*

➢ The Executive Director constitutes the FMIP Budget Oversight Committee, with the Deputy Executive Director as Chairperson, the Directors of the Office of Budget (OEDB) and SP as members, and the FMIP Programme Manager as Secretary.

➢ September: SAP R/3 is selected as the enterprise solution, and its proponent, IBM, is chosen as the implementing partner.

➢ October: Strategic Integrated Management Support Systems (SIMSS) is launched to bring all long-term strategic **support service** projects (including Human Resources, Travel, Finance and Procurement) online by January 2000.

⇨ *1999*

➢ Decision taken to consolidate all *long-term strategic operations projects*—including logistics management, programming of resources, and project planning and management—under one initiative, Operations and Strategic Integrated Systems (OASIS). *SIMSS and OASIS are now the full focus of FMIP design and implementation.*

➢ June: prototype for finance and procurement is delivered by implementing partner and approved in August.

➢ September: original strategy of keeping the payroll function with FAO is changed, requiring WFP to develop and take over management of its own payroll functionality within the enterprise system.

> ➢ Peak design phase is under way for both OASIS and SIMSS (except for HR and Payroll, which needed more work and therefore is excluded from the SIMMS "go-live" strategy). Interim solution for travel functionality also begins.

➪ 2000

> ➢ Configuration, testing and data conversion activities are completed for all OASIS and revised SIMSS components.

> ➢ March: HR/Payroll price is confirmed.

> ➢ Preparation is under way for migration of all financial and operational data from legacy system to new system and for go-live at Headquarters and in the Cairo and Managua bureaux; more than 600 staff members are trained.

> ➢ December: cut-off date of 31 December is respected and transition to new system begins.

➪ 2001

> ➢ 17 January: The new system—officially named the WFP Information Network and Global System, or WINGS—goes live in Rome, Cairo and Managua.

> ➢ Competence Centre is established to provide support and assistance for WINGS users and follow-up on the completion of functionalities that were non-critical for the go-live strategy.

> ➢ September: a further 50 people from regional offices are trained for full roll-out of WINGS in the remaining four outposted bureaux.

> ➢ Interim solutions are introduced for travel, payroll posting and contracting, using SAP modules pending the complete integration of the HR module.

> ➢ December: FMIP Unit and Steering Committee are officially dissolved, marking the completion of FMIP and the beginning of a new phase—the "mainstreaming" of WINGS into all aspects of WFP's business.

➪ 2002

> ➢ January: successful go-live occurs for HR/Payroll module, coinciding with the launch of the single currency in the "euro zone".

> ➢ By the end of January: a total of 12 country offices handling 60–70 percent of WFP's resources have gone live in WINGS; roll-out to remaining country offices continues.

> ➢ March: marking a significant milestone and indicating that the system is functioning, WFP closes its accounts for the 2000–2001 biennium, and the Executive Director signs the financial statements on 2 April.

THE CORPORATE INFORMATION SYSTEM—WINGS

6.   The culmination of FMIP was the successful implementation of WINGS, WFP's new integrated corporate information system. For the first time, project information, financial data, and human resource systems are integrated into a single online, real-time worldwide system. This is not just an achievement for WFP, but it also represents the first time an enterprise-wide solution has been implemented in the United Nations system.

7. WINGS is an end-to-end system for project management (from idea planning, through actual implementation, to closure). It provides up-to-date accounting capacity; ensures consistency between fund management and project costs; enables human resource management from recruitment to termination; and offers extensive reporting and analysis capabilities.

8. WINGS depends on the integration of many different system modules or activities, as shown in the annex. The following is a brief description of the major modules and activities:

Modules or Activities within the Enterprise System

⇨ *Programming*

9. This activity matches donor contributions to approved projects within WINGS and requests from country offices, and assigns funds to specific projects.

⇨ *Procurement*

10. This module covers all types of procurement activities (landside transport and related services, food, non-food, other forms of services, etc.) and the entire procurement process (from requisition, through ordering, to receipt of goods and authorization of actual payment). All supporting documentation, such as requests for quotation (RFQs) and purchase orders (POs) are recorded in WINGS as part of the procurement process.

⇨ *External Transport*

11. This module tracks details in the progress of transportation, such as intermediate delivery stages and bills of lading, as well as records contracts with shippers for liners and charters in the form of transport purchase orders (TPOs) and related payments.

⇨ *HR/Payroll/Travel*

12. An extensive *human resources* functionality suite (including travel activities) provides all managers with the information needed for human resource management, as well as a complete system for entitlements generation, personnel administration and staff cost postings in WINGS. This has enabled WFP to manage and run its own payroll system for the first time.

Other Strategic Modules or Activities Linked to the Enterprise System

⇨ *System for Project Approval (SPA)*

13. SPA manages project preparation and the approval process. Essential information—such as standard milestones, tonnages and planning costs to be used in monitoring and evaluating project implementation—are linked with the enterprise system.

⇨ *Resource Mobilization System (RMS)*

14. RMS is used to record all contact information correspondence and negotiations with donors. Once a contribution has been confirmed in RMS, this information flows into WINGS, creating a fund and providing information on fund conditions and accounts receivable.

⇨ *Commodity Movement Processing and Analysis System (COMPAS)*

15.   This is the tracking system that records commodities from the port or point of delivery to the final distribution. The interface with WINGS starts with the exchange of pre-arrival information (i.e. resource requests, purchase requisitions and purchase order details) in order to advise country offices of shipments destined for their ports.

⇨ *Country Office Accounting Guide–SAP Interface (COAG-SAPInt)*

16.   While WINGS is progressively rolled out to field offices, country offices not yet online use an interim application called COAG-SAPInt to record their cash receipts and expenditures. Transactions are sent in monthly batches to Rome and automatically uploaded into WINGS.

BUDGET STATUS AS AT APRIL 2002

17.   As mentioned in Information Note WFP/EB.1/2002/INF/14, Status Report on the Financial Management Improvement Programme, submitted to the Executive Board in February 2002, and as shown in the following table, the extended time frames and added complexity of the new information system have had an effect on the FMIP budget. In addition, new functionalities such as the payroll and treasury solutions were not in the original plan, and decisions on these were taken in midstream.

18.   Additional costs have been kept to a minimum through negotiations with the implementing partner to identify the most cost-effective way of completing the corporate information system in accordance with the FMIP plan.

19.   Notwithstanding the additional costs, we believe the implementation of WINGS has achieved a level of success at a cost that compares favourably with both the private sector and other United Nations system organizations. At the present time, total costs are as follows:
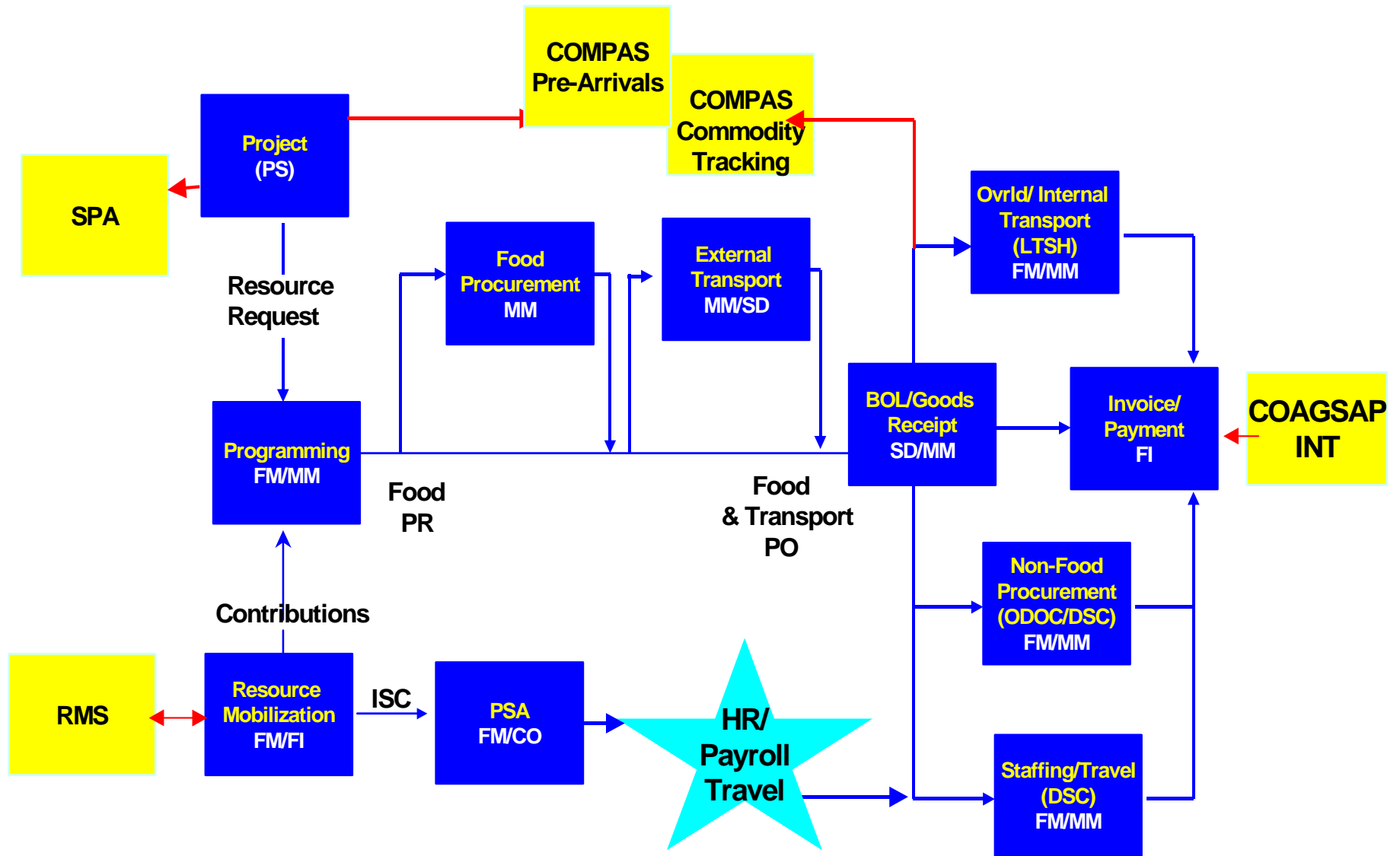
SUMMARY OF FMIP PROJECT COSTS AS AT APRIL 2002	
Major activities	**Total (US$ million)**
WINGS (including software, implementing partner costs and back-up staff)	32.58
Infrastructure (including connectivity and workstations)	6.10
Data Warehouse and Document Management	0.80
Legacy operations	1.00
Other application development (including COMPAS, RMS and COAG-SAPInt)	2.00
Operational improvement	1.00
Subtotal	**43.48**
In addition:	
SAP transition project (support, migration, etc.)	2.80
Total	**46.28**

BEYOND FMIP: MAINSTREAMING WINGS

20. With the successful implementation and go-live and roll-out of the corporate information system, the short- and long-term objectives of the FMIP have been met and the programme has been effectively completed.

21. WFP now enters a new, and equally critical, phase—that of mainstreaming WINGS into all aspects of WFP's activities, and ensuring immediate use and ownership of WINGS by all business users. Indeed, this is the beginning of a new era of information management in WFP.

22. Complementary to the introduction of a new and complex system such as WINGS is the challenge of establishing a rapid yet cost-effective maintenance and support system and of introducing further system stabilization, enhancement, upgrading and other post-implementation measures.

23. However, in this new phase, rather than the ad hoc strategy of management set up for FMIP, these activities will now be driven by the business users themselves and with the extensive support from the newly formed Information and Communications Technology (ICT) division.

24. Mainstreaming is of crucial importance. In an integrated system such as WINGS, in which all business processes are linked and interdependent, the long-term success of the system depends upon the business users themselves, not just on technical experts.

25. Mainstreaming activities include:

   ➢ A focus on change management, which has several components, including:

   ● strengthened training of field and HQ staff and transfer of knowledge to WFP staff members from consultants and from those who have already received training;

   ● immediate roll-out to country offices, including the development of a strategy for field offices with no direct access to WINGS;

   ● ensuring that core staff of business units use WINGS in their daily work and that they drive system enhancement and change; and, perhaps most important;

   ● the introduction of WINGS-focused management practices at all levels—for monitoring and evaluation operations, analysing funding availability and actual expenditure, programming resources to operations, and all other WFP activities.

   ➢ maintenance and support of WINGS, with WFP phasing out reliance on the implementing partner for maintenance and support, and transferring the required skills to the Competence Centre and key business users in the field;

   ➢ completion of the remaining tasks in the HR/Payroll module, which were deemed non-critical for the payroll go-live.

26. As noted above, the FMIP Steering Committee was dissolved in December 2001. As part of the mainstreaming of WINGS, the Committee on Administration and Management Matters has also been mandated to function as the Information and Communications Technology Board, to provide corporate direction and oversight for all related activities and initiatives (see ED2002/002).

LIST OF ACRONYMS USED IN THE DOCUMENT

BOL	Bill of lading
CO	Country office
COAG-SAPInt	Country office accounting guide—SAP Interface
COMPAS	Commodity Movement Processing and Analysis System
FAO	Food and Agriculture Organization of the United Nations
FI	Finance
FM	Funds management
FMIP	Financial Management Improvement Programme
FS	Finance
HR	Human Resources
ICT	Information and Communications Technology
ISC	Indirect support cost
LTSH	Landside transport, storage and handling
MM	Materials management
MS	Management Services
OASIS	Operations and Strategic Integrated Systems
ODOC	Other direct operational cost
OEDA	Office of Internal Audit
OEDB	Office of Budget
Ovrld	Overland
PO	Purchase order
PR	Purchase requisition
PS	Project systems
PSA	Programme support and administrative
RFP	Request for proposal
RFQ	Request for quotation
RMS	Resource Mobilization System
SD	Sales and distribution
SIMSS	Strategic Integrated Management Support Systems
SP	Strategy and Policy
SPA	System for project approval
TPO	Transport purchase order
WINGS	WFP Information Network and Global System