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**Executive Board
Second Regular Session**

Rome, 22–26 October 2007

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

*For information**

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STATUS REPORT ON THE WINGS II PROJECT



* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for information.

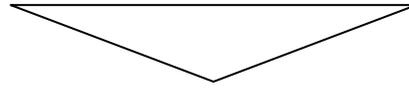
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Director, WINGS II Project: Mr C. Nikoi tel.: 066513-2518

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



DRAFT DECISION*



The Board takes note of “Status Report on the WINGS II Project” (WFP/EB.2/2007/5-G/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.2/2007/15) issued at the end of the session.



INTRODUCTION

1. This is the third progress report on the WFP Information Network and Global System II (WINGS II) Project submitted to the Board. It updates report WFP/EB.2/2006/5-F/1, submitted in November 2006, and information note WFP/EB.A/2007/6-J/1, submitted in June 2007.

WINGS II OBJECTIVES

2. On the recommendation of WFP's External Auditor (WFP/EB.A/2005/6-B/1/Rev.1), the Board approved a business-led upgrade of WFP's information systems and business processes in October 2005, as part of the 2006–2007 Management Plan. The upgrade project, WINGS II, aims to
 - introduce industry-standard information systems that are as free from customization as possible, enabling easier and cheaper future upgrades in response to WFP's evolving needs;
 - redesign WFP's business processes to permit: (a) use of industry-standard information systems; and (b) essential business reforms, such as the integration of supply chain processes, the New Business Model and the adoption of International Public Sector Accounting Standards (IPSAS).

CURRENT STATUS OF WINGS II

3. Information note WFP/EB.A/2007/6-J/1 reported the Secretariat's intention to conduct internal and external surveys of the WINGS II Project to assess WFP's preparedness to implement the changes proposed by each business process group. A more definitive timetable was to be drawn up for introducing the WINGS II changes, based on the surveys.

Internal Survey

4. In June 2007, WINGS II Steering Committee members and other senior WFP managers held a workshop to assess WFP's readiness for the changes WINGS II would introduce.
5. The workshop's recommendations were to:
 - i) scale back the depth of changes to be introduced in the first release of WINGS II to a more manageable and affordable level to ensure that WFP is able to absorb the changes smoothly, especially in the field;
 - ii) strengthen the project's governance structure;
 - iii) increase the involvement of country offices in the project.
6. In July, the WINGS II Steering Committee endorsed the workshop's conclusions. This has necessitated some redesign work and delayed the start of the realization phase in which the new information systems will be configured and built. Evaluation of supplier bids for this phase was put on hold, pending the redesign, which is expected to be completed by the end of October.



External Survey

7. Following the External Auditor's recommendations to the June 2005 Board Session (WFP/EB.A/2005/6-B/1/Rev.1) paragraph 51, a specialist in information technology undertook an independent implementation review of the project to assess WFP's capability and capacity to deliver the benefits envisaged in WINGS II, focusing on challenges and risks to be addressed to ensure the project's success.
8. In July 2007, the reviewer conducted remote and on-site interviews with more than 40 stakeholders, including WINGS II Project team members, business process owners, regional directors, WINGS II Steering Committee members, oversight personnel, members of the executive leadership team, and other senior executives. His preliminary findings and recommendations will be discussed with senior management in October, and a final advisory note will be issued.

SCOPE

9. In preparation for the realization phase, the eight process teams have now been organized into three work streams, each managed by a delivery leader:
 - operations – mobilize resources, manage projects and manage supply chain;
 - finance and administration – plan organizational budgets and costs, manage accounting to financial reporting and manage assets;
 - human resources (HR) – manage human resources and manage travel.
10. Design work for the HR work stream has been completed; realization of this stream commenced in September 2007.
11. Redesign work on the other two work streams will be completed by the end of October; the realization plans for these streams will be finalized then. Based on the surveys and redesign work, the revised timelines for remaining project phases will be broadly as follows:

Configuration and development	November 2007 to April 2008
Testing and preparation	April 2008 to September 2008
Go-live	fourth quarter 2008 ¹
12. The Board will be provided with more precise timelines and dates in the project status update at its February 2008 session.

BUDGET STATUS

13. An initial allocation of US\$15 million from the 2006–2007 Capital Asset Fund (CAF) budget was approved at the Board's Second Regular Session in 2005, as part of the 2006-2007 Management Plan. A special account was established for the project, and the Board approved a grant of US\$34 million at its Annual Session in 2007, bringing the total allocation to the project to US\$49 million.

¹ WINGS II is expected to be ready to "go-live" early in the fourth quarter of 2008. However, the actual go-live date may be January 2009 to achieve a smooth transition at the end of the 2008 financial period.



14. So far, US\$23 million has been spent, covering (i) analysis and re-engineering, (ii) design and redesign activities, (iii) the Customer Development Programme (CDP) with SAP for the “UN Layer” (PY-NPO) payroll system, and (iv) the realization contract for the HR work stream. The remaining US\$26 million will be used for realization of the remaining work streams and for rollout of the WINGS II changes in 2008.