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**Executive Board
Annual Session**

Rome, 8–12 June 2009

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 6

*For information**



Distribution: GENERAL
WFP/EB.A/2009/6-I/1
24 April 2009
ORIGINAL: ENGLISH

UPDATE 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.

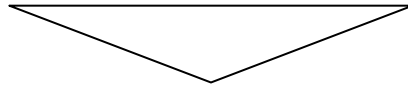
The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

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 “Update on the WINGS II Project” (WFP/EB.A/2009/6-I/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.



INTRODUCTION

1. This is the seventh progress report on the WFP Information Network and Global System II (WINGS II) Project submitted to the Board. It updates status report WFP/EB.2/2008/5-D/1, submitted in October 2008.¹

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 WFP Management Plan (2006–2007). 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; and
 - 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. WINGS II is scheduled to go live on 1 July 2009. On 30 June 2009, the current WINGS system will be switched off and WINGS II will be switched on. At the time of writing (early April), all affected business units are finalizing detailed plans for transitioning from the current WINGS system to WINGS II. A final round of testing of the new system, using real data migrated from legacy systems, is being completed. Production of the self-tutoring material (the e-Guide) is proceeding. Final preparations are underway for intensive training of about 200 employees drawn from WFP offices worldwide, who will form the first-level support network for all WINGS II users. All WINGS II stakeholders are being kept informed on progress. As 1 July approaches, the pace of communications with the WFP community will increase.
4. There will be two critical checkpoint dates. The first is 12 June, when the Secretariat will confirm whether data migration and other final cut-over activities can commence leading to the 1 July go-live. The second critical checkpoint date is 17 July, when the Secretariat will review the completeness of the cut-over activities and the results of the data migration to confirm that WINGS II is ready to be opened to the entire WFP community beyond the restricted user group that will have access from 1 July.
5. The Secretariat is committed to a 1 July go-live date. However, it will switch over to WINGS II only when it is confident that it will not subject WFP operations to unnecessary disruptions.

¹ Previous updates to the Executive Board were WFP/EB.A/2008/6-I/1, WFP/EB.1/2008/6-E/1, WFP/EB.2/2007/5-G/1, WFP/EB.A/2007/6-J/1 and WFP/EB.2/2006/5-F/1.



Work Streams

⇒ *Configuration and development*

6. Configuration and development of the system has been completed. A number of small problems that surfaced during user validation testing (UVT) – the final round of testing – are being resolved. At the end of April, the WINGS II system will be “frozen”: no more substantial changes to the system configuration will be made after that time. This will allow for setting up the production environment version of the system.

⇒ *Testing*

7. UVT was carried out during March and April. In this final round of testing it was verified that the WINGS II components still worked together seamlessly with data migrated from the current WINGS system and other legacy systems such as the Resource Mobilization System. Overall the testing has been successful. A few adjustments are being made to cut-over plans as a result of testing, including refinements to the interface between the Commodity Movement Processing and Analysis System (COMPAS) and the Enterprise Resource Planning (ERP) system for automatic stock valuation. The results obtained from the UVT have increased confidence that WINGS II will work as planned when switched on.

⇒ *Data migration and cut-over*

8. Because WINGS II will go live at the same time in all locations, it is crucial that the migration of real data from the current WINGS and legacy systems be executed smoothly and as quickly as possible at the time of cut-over. Therefore another dry run of data migration has been planned for May. This final mock migration of data aims to be a simulation of the real event, and should ensure that the actual data transfer proceeds smoothly.
9. The migration strategy remains the same as reported in the last update to the Board. All open items and all master data (such as employee data and staff positions) as at 30 June 2009 will be transferred into WINGS II.
10. For 2009, all transactions for the period 1 January to 30 June will be in the current WINGS system and all transactions from July 1 to 31 December will be in WINGS II.
11. Technical infrastructure preparations are also well underway. Production servers have been set up and will be hosted at the United Nations International Computing Centre (UNICC) in Geneva. Final checks and stress testing will be carried out following the last mock migration of data in May. Telecommunication capabilities have been augmented, with increased or optimized bandwidth for the very small aperture terminal (VSAT) network.

⇒ *Training and support*

12. The WINGS II electronic self-tutoring material – the e-Guide – is being finalized and will be available to all users from early June. The e-Guide will enable staff to learn on their own and at their own pace how to process transactions in WINGS II.
13. This method of self-tutoring is the first deployment on such a large scale of electronic self-paced tutoring in WFP. In order to support the self-tutoring, on 25 May about 200 employees selected from WFP’s offices around the world will attend an intensive



two-week training in Rome on the WINGS II processes. These employees will become a first-level support team for other users.

Organizational Readiness

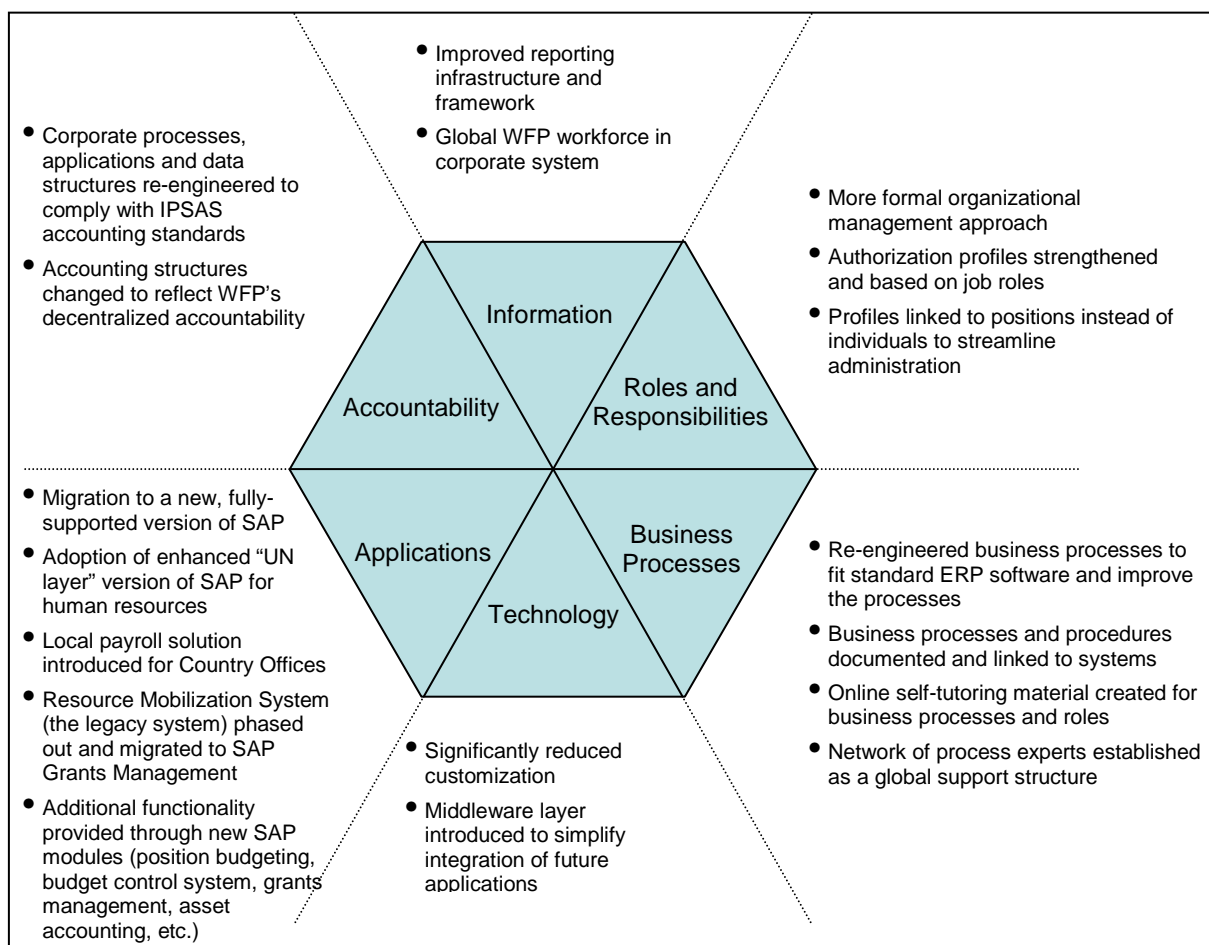
14. Detailed instructions and information for stakeholders – managers, country directors, staff members, etc. – continue to be made available through periodic WINGS II Bulletins.
15. Senior management continues to demonstrate its commitment and support to the introduction of WINGS II. In April and May, the Executive Director will issue messages encouraging all WFP managers and staff to be fully ready for the change-over.
16. Some units are being reorganized and functions redistributed between divisions to better support some of the changes introduced by WINGS II.

SCOPE

17. When WINGS II goes live in July 2009 it will have all the functionality of the current WINGS system, plus several improvements. WFP will have:
 - i) a new version of the SAP public-sector Enterprise Resource Planning (ERP) software;
 - ii) an ERP system that is significantly less customized than the current system across all business areas, meaning that it can be more easily upgraded and can more easily incorporate new or different processes;
 - iii) an ERP system that has been extended to cover more business processes such as resource mobilization and management of donations, management of the organizational structure, budgeting and control of staff positions, and accounting for assets;
 - iv) an ERP system that is better integrated with some of the organization's tailor-made applications such as COMPAS to support inventory accounting;
 - v) a payroll system for locally recruited employees (PASport) which is also integrated with the ERP system;
 - vi) an ERP system extended to cover personnel administration for the entire global WFP workforce, not only internationally recruited and Rome-based employees;
 - vii) a single travel management system for the entire WFP workforce;
 - viii) IPSAS-compliant processes across all business areas embedded in WINGS II; and
 - ix) an e-learning system for self-tutoring on all major business processes.



18. The figure below depicts some of the improvements that WINGS II will bring.



19. The October 2008 update to the Board reported that the fully integrated project planning tool (PPT) had been reinstated into the scope of the 2009 Edition for gradual release to country offices. However, additional work indicated that it was more prudent to defer this functionality to a future edition after all, thus enabling more precise definition of requirements and functionality of the PPT before undertaking further development work on it.

20. The Annex shows the WINGS II scope and release strategy for the 2009 Edition.

ASSESSMENT OF BENEFITS

21. The benefits resulting from WINGS II implementation will be assessed. Before the go-live date, the Secretariat will define a set of indicators based on: i) expected changes and benefits for each business area; and ii) expected benefits for the technology stream (maintenance, security profiles, infrastructure, etc). In 2010, after the system has stabilized and users have become fully adapted to it, an assessment will be made against the indicators. The framework and indicators established, along with the results of the assessment, will be reported to the Board.

BUDGET STATUS

22. At the end of March 2009, US\$41 million of the allocated US\$56.5 million had been spent. All of the contingency funds approved by the Board in June 2008 had been allocated; the Secretariat expects that the WINGS II 2009 Edition will use the full US\$56.5 million budget available.

ANNEX

SCOPE OF WINGS II AND RELEASE APPROACH FOR 2009 EDITION			
Area	Improvements	Scope in October 2008	Go-live scope/ release strategy
Contribution management			
Mobilize resources	Resource Mobilization System replaced by integrated SAP solution for grants management	Retained	Release at go-live
	Contribution forecasting refined	Retained	Release at go-live
	Donor data maintenance and forecasting decentralized (pilot basis)	Deferred	Deferred
Operations			
Manage projects	Standardized WFP activities and beneficiary model	Retained	Gradual release after go-live
	Integrated application for project output monitoring	Retained	Pilot after go-live and then gradual release
	Advance financing mechanism for all projects	Retained	Release at go-live
	Flexible management of associated costs – project cash account	Retained	Release at go-live
	Integrated project budget planning functionality	Deferred	Deferred
	Improved budget revision processes	Retained	Release at go-live
	Simplified and improved project planning tool (PPT)	No longer required; scope has been extended to include fully integrated PPT	No longer required
	Fully integrated PPT	Deferred	Deferred
Manage the supply chain	Inventory stock accounting to meet IPSAS requirements: an interim, custom-developed solution combining SAP and COMPAS to determine inventory level and value	Retained	Release at go-live
	Replacement of COMPAS with SAP logistics execution system	Pilot to be tested in some countries after the interim solution has stabilized.	Pilot to be tested in some countries after the interim solution has stabilized.
	Integrated sales, procurement and warehouse management processes and tools for United Nations Humanitarian Response Depots (UNHRDs)	Retained	Release to UNHRD Brindisi at go-live Gradual release to other UNHRDs after go-live
	Introduction of e-tendering for applicable procurement processes and subsequent extension to some country offices	Deferred	Deferred

SCOPE OF WINGS II AND RELEASE APPROACH FOR 2009 EDITION			
Area	Improvements	Scope in October 2008	Go-live scope/ release strategy
Human resources management			
Human resources administration	Adoption of payroll–non-profit organization solution (SAP “UN layer”)	Retained	Release at go-live
	Processing of payments and advances in the same system as payroll	Retained	Release at go-live
	Introduction of master data for all categories of WFP employees into corporate system	Retained	Release at go-live
	New processes and tools for establishing and managing organizational units and positions	Retained	Release at go-live
	Introduction of self-service for managers	Retained	Release at go-live
	Introduction of self-service (as pilot) for selected staff members and subsequent extension to entire payroll population	Deferred	Deferred
	Use of a single travel management system for all employee categories in WFP	Retained to scope	Release at go-live
	Introduction of a local payroll system for country offices (PASport)	Added to scope	Already rolled out to some country offices; roll-out after go-live
Finance and administration management (including accounting procedures)			
Manage finance and treasury	Improved financial accountability at office level: provide office managers with a clear view of assets and liabilities under their responsibility	Retained	Release at go-live
	Changes introduced to support IPSAS compliance	Retained	Release at go-live
	Management of financial master records centralized	Retained	Release at go-live
	Roles and responsibilities for financial processes streamlined	Retained	Release at go-live
	Improved tools for preparation of donor reports	Retained	Release after core system has stabilized
	Active contribution management in finance (billing and reminder procedures) introduced	Deferred	Deferred
	Use of electronic banking in field offices and Headquarters extended; subsequent roll-out to additional field offices	Deferred	Deferred
	Improved cash management tools	Deferred	Deferred
	Improved financial risk management	Deferred (procedural changes retained)	Release (procedural changes) at go-live



SCOPE OF WINGS II AND RELEASE APPROACH FOR 2009 EDITION			
Area	Improvements	Scope in October 2008	Go-live scope/ release strategy
Budget and costs	Implemented SAP new budget control system	Retained	Release at go-live
	Implemented concept of responsibility centres	Retained	Release at go-live
	Improved management of staff cost budgeting	Retained	Release at go-live
	Common budget management process for special accounts	Retained	Release at go-live
	Extra budgetary resource management	Retained	Release at go-live
	On-line detailed budget planning and reporting	Deferred	Deferred
Manage assets	Fixed asset accounting – IPSAS	Retained	Release at go-live
	Introduction of SAP asset module for asset accounting	Retained	Release at go-live
	Introduction of SAP asset module for asset tracking	Deferred	Deferred

ACRONYMS USED IN THE DOCUMENT

COMPAS	Commodity Movement Processing and Analysis System
ERP	Enterprise Resource Planning
IPSAS	International Public Sector Accounting Standards
LPE	local process expert
PASport	Personal Action System portal
PPT	project planning tool
PSA	Programme Support and Administrative
UNHRD	United Nations Humanitarian Response Depot
UVT	user validation testing
VSAT	very small aperture terminal
WINGS II	WFP Information Network and Global System II