INTERNATIONAL LABOUR OFFICE

Governing Body

309th Session, Geneva, November 2010

GB.309/PFA/7

SEVENTH ITEM ON THE AGENDA

Report of the Information and Communications Technology Subcommittee

1. The Information and Communications Technology Subcommittee met on 9 November 2010. Mr F. Kazi (Bangladesh) chaired the meeting. Mr A. Moore (Employer) and Mr S. Nakajima (Worker) were the Vice-Chairpersons.

2. The Chairperson announced the following agenda items for discussion: information technology investment study; and the third progress report on the Integrated Resource Information System (IRIS) in the regions. The Subcommittee agreed to designate the Chairperson as its Reporter to present its report to the Programme, Financial and Administrative (PFA) Committee.

3. The Chairperson invited the Chief of Operations of the Information Technology and Communications Bureau (ITCOM) to present the first agenda item.

Information technology investment study

4. The Chief of Operations, ITCOM, introduced the paper [1] and provided an overview of key elements of the study. She noted the study was undertaken by an independent firm, and was provided for in the approved Information Technology (IT) Strategy 2010–15. [2] She highlighted several key findings from the study which included: poor connectivity in the regions; inadequate investment in hardware required to support email and other critical Office applications; and risks associated with retaining obsolete infrastructure. The study identified four scenarios for investing in IT: status quo, risk reduction, improvement and transformation. The Subcommittee was advised that a separate information note providing a more detailed breakdown of infrastructure investment costs was available in the room (see the appendix).

---

[1] GB.309/PFA/ICTS/1.

[2] GB.306/PFA/ICTS/1.

5. The Worker Vice-Chairperson noted alignment of the study with the IT Strategy and the formulation of four potential IT investment scenarios. He commented that the findings of the study had significant financial implications including additional funding for connectivity in the regions over a five-year period. He expressed concern about the low maturity level of IT delivery mentioned in paragraph 8 of the paper. He noted that the study reinforced similar concerns as those cited by the Chief Internal Auditor in the area of disaster recovery, IT security, IT planning and continuous IT improvement.

6. He stated that the members of the Subcommittee would need more cost details in order to do their work. He referred to requests made in March for detailed IT expenditures of previous biennia and made a number of new cost-related requests, which included: to see the cost of IT initiatives envisioned in the IT Strategy 2010–15; comparative tables across biennia; the cost of future investments necessary to address IT security and IRIS field rollout; and more detailed costs for the prioritization exercise in view of the Programme and Budget for 2012–13.

7. He raised questions on IT governance; consultation of IT staff in the development of the study; competitive bidding for software upgrades; sufficiency of IT budgets in the regions; implications of other budgets submitted in the Programme and Budget proposals for 2012–13; and the hosting location of the ILO's redundant data storage array.

8. He considered the transformation scenario as the most beneficial for the Office but further details were needed to clarify costing elements around this scenario, including costs for change management and staff training. In the context of potential outsourcing scenarios for IT infrastructure, he emphasized the importance of keeping knowledge and expertise in the Office.

9. The Employer Vice-Chairperson drew attention to the low maturity of IT delivery in paragraph 8 of the study and asked the Executive Director for Management and Administration to give an overview of the ITCOM's management structure.

10. The Executive Director for Management and Administration stated that the ILO's investment in IT had been less than the industry benchmark, noting that the infrastructure no longer responded to the needs of the Office. She pointed out the challenge of IT staff keeping pace with skills required in a modern IT organization, and highlighted the importance of balancing in-house skills and services with those that were more effectively provided by external providers.

11. She stated that the study provided a way to move forward noting that infrastructure investment could not be done in isolation without restructuring internal services and reorganizing the staff. She explained management arrangements in place until the new Chief of ITCOM was hired. She informed Subcommittee members that an electronic copy of the full IT Investment Study would be distributed after the meeting.

12. The Employer Vice-Chairperson questioned whether or not a restructuring of ITCOM should take place prior to any investment in IT infrastructure. He expressed concern regarding IT expenditure outside of ITCOM and emphasized the importance of centralizing IT expenditure within the Office. He indicated that the transformation scenario was a preferred approach to address IT deficiencies.

13. The Chairperson asked for clarification on the timeline for recruiting the new Chief of ITCOM.

14. The Executive Director gave an overview of the recruitment process and its current status. She clarified that the hiring decision was targeted for the end of 2010, noting that

recruitment was open to both internal and external candidates and widely advertised within the IT community.

15. The representative of the Government of China asked if the Office had explored the possibility of renting hardware. He also asked whether the Office had explored outsourcing or joint initiatives with other UN organizations as cost-saving measures.

16. In response to the questions raised, the Chief of Operations, ITCOM, noted that stakeholders consulted during the study included participants from regional offices and IT staff outside of ITCOM. She confirmed that the redundant data storage array would be located at the International Computing Centre in Geneva. She pointed out that the evaluation of whether to rent or purchase hardware was based on technical feasibility as well as cost-effectiveness. She noted that, when considering outsourcing, service availability was also an important factor in the decision-making process. She pointed out that, where technologies were aligned, joint initiatives with other UN agencies were being considered. She also confirmed that costs including change management and training could be found in the study.

17. The Executive Director stated that detailed IT expenditure and comparative analysis of data from previous biennia were not available. She suggested that detailed expenditures for the current biennium would be used as a baseline going forward and that these details were available in the study.

18. She noted that the main issue was that of connectivity; there was a need to address what the study referred to as the "digital divide" between headquarters and offices in the regions. She noted that priorities highlighted during Subcommittee discussions would be reflected in the report presented to the Programme, Financial and Administrative Committee.

19. The Chairperson suggested that Subcommittee members review the electronic copy of the study and address any concerns in preparation for the informal sitting of the Subcommittee in March 2011.

20. The Employer Vice-Chairperson requested a summary of the study due to its length. While the transformation scenario was the ideal solution for the Office, this was not necessarily the position of the Employers' group. He commented on the high cost of connectivity but noted that these costs were spread over several years.

21. The Director of the Bureau of Programming and Management noted that Subcommittee discussions regarding proposed IT infrastructure investment would contribute to decisions made on spending priorities as presented in the preview of the Programme and Budget proposals for 2012–13 [3] as well as in the paper concerning the use of the Special Programme Account. He also confirmed that connectivity costs provided in the study were realistic and other UN agencies were spending much more than the ILO. He pointed out that centralization of budgets would not change overall costs. He cautioned that addressing fragmented IT spending at headquarters would be a major effort and would therefore require additional resources to implement.

22. The Executive Director clarified that the paper was for debate and guidance and no decision was required at this time. The discussion in the Subcommittee was for members to reflect on the findings of the study and give their view on preferred scenarios. The report of the Subcommittee would reflect the discussions that had taken place during this session.

---

[3] GB.309/PFA/2.

23. She also proposed that the consultants present the study to Subcommittee members in an informal information sitting before the end of the Governing Body session.

24. The Chairperson concluded that the report of the Subcommittee would reflect the discussions that had taken place during the session; that the Subcommittee would recommend to the PFA Committee that it give further guidance on the subject; that the members of the Subcommittee would consult the study to further identify the gaps in the information required, if any; and that the Office would explore the possibility of organizing a briefing session by the consultants of the study for the members of the Subcommittee at a convenient date and time, preferably in the second week of the current Governing Body session.

25. The Chairperson then introduced the second item on the agenda.

26. The Section Head of the IRIS Functional Team introduced the paper [4] and provided a high-level overview of its contents. He stated that all IRIS field deployment targets had been met and that Bangkok was on schedule to be implemented this month.

27. The Section Head of the IRIS Functional Team outlined key findings from the draft version of the independent evaluation of the rollout of IRIS to Budapest. Positive feedback was received on IRIS governance structures, improved change management processes and effectiveness of post go-live support. The evaluation presented several areas for improvement including applying project management techniques across other projects, optimizing IRIS segregation of duties to be less restrictive, and managing conflicting priorities of non-dedicated project staff.

28. The Employer Vice-Chairperson asked for clarification on the use of IRIS in the regions as stated in paragraph 8 of the paper and the role of the IRIS Governance Board and the IRIS Management Task Team.

29. The Worker Vice-Chairperson noted that rollout of IRIS to the field was on schedule but raised concerns about rollout to offices where connectivity, security and proximity were a challenge.

30. The representative of the Government of Bangladesh echoed concerns of the Worker Vice-Chairperson regarding connectivity and asked if contingency plans were in place for developing countries.

31. The Section Head of the IRIS Functional Team responded that connectivity was an issue not only for IRIS but also for other Office-wide applications. He stated that the current strategy was to first address regional offices where connectivity was adequate and to partner with them in addressing rollout of IRIS to other offices within their region. He confirmed that the rollout of IRIS to Addis Ababa was on schedule. He clarified the use of IRIS in the regions and explained the roles of the IRIS Governance Board and Management Task Team in governing IRIS and other projects.

32. The Executive Director noted that the regions were fully supporting the rollout of IRIS, noting enthusiasm, cooperation and involvement of field offices' staff in adopting IRIS. She emphasized the link between the first and second papers being discussed in the Subcommittee asserting that the rollout of IRIS was fundamentally dependent on adequate connectivity in the field.

---

[4] GB.309/PFA/ICTS/2.

33. The Worker Vice-Chairperson requested that the post-implementation evaluation of the rollout of IRIS to Budapest be made available to members of the Subcommittee. He raised concerns about ongoing costs to maintain the Financial Information System for External Offices (FISEXT); support of FISEXT after staff retirements; and future plans for offices using FISEXT where IRIS might not be deployed.

34. The Section Head of the IRIS Functional Team stated that the Office had taken the necessary steps to support FISEXT in parallel with the rollout of IRIS.

35. The Chairperson thanked the participants and closed the session of the Subcommittee.

Geneva, 9 November 2010

Breakdown of costs per scenario

1. **Status quo scenario US$2.45 million (± 15 per cent)**

   ■ Minimal upgrade to data centre, $1.9 million.

   ■ Minimal upgrades for storage and backup (SAN and tape library), $650,000.

   Not included:

   ■ $1 million per year for field connectivity.

   ■ Upgrading of cabling in the building is not costed as this would be part of the building maintenance budget.

2. **Risk reduction scenario $4.4 million (± 15 per cent)**

   ■ Minimal upgrade to data centre, $1.9 million.

   ■ Minimal upgrades for storage and backup (SAN and tape library), $650,000.

   ■ Replicate data at ICC DR site, $1.4 million.

   ■ Upgrade to GroupWise 8 and OES (therefore remain with Novell technologies), almost $600,000.

   Not included:

   ■ $1 million per year for field connectivity.

   ■ Upgrading of cabling in the building is not costed as this would be part of the building maintenance budget.

3. **Improvement scenario $17.75 million (± 15 per cent)**

   ■ Upgrade Internet hosting infrastructure – isolation of insecure applications, $100,000.

   ■ Minimal upgrade to data centre, $1.9 million (to reduce unacceptable risk for next three/four years).

   ■ Rationalize and consolidate servers, $320,000.

   ■ Minimal upgrades for storage and backup (SAN and tape library), $650,000.

   ■ Upgrade Internet capacity at field offices (additional $2 million per year), $10.6 million.

■   Replicate data at ICC DR site, $1.4 million.

■   Migrate mail to Microsoft Exchange, $950,000.

■   Migrate Netware to Windows file and print, $450,000.

■   Year five – replace other data centre elements in line with industry practices, $1,550,000.

Not included:

■   Initial $1 million per year for field connectivity (this has been added to additional $2 million per annum).

■   Upgrading of cabling in the building is not costed as this would be part of the building maintenance budget.

4. Transformation scenario – $20.7 million (± 15 per cent)

■   Upgrade Internet hosting infrastructure – isolation of insecure applications, $100,000.

■   Minimal upgrade to data centre, $1.9 million (to reduce unacceptable risk for next three/four years).

■   Move production systems to an external hosting facility, $300,000.

■   Rationalize and consolidate servers, $320,000.

■   Minimal upgrades for storage and backup (SAN and tape library), $650,000.

■   Upgrade Internet capacity at field offices (additional 2 million per year), $10.6 million.

■   Replicate data at ICC DR site, $1.4 million.

■   Split infrastructure hosting between two sites, $1.5 million.

■   Migrate mail to Microsoft Exchange (as a service), $1.6 million.

■   Migrate Netware to Windows file and print, $450,000.

■   Consolidate Identity Management project (security), $1 million.

■   Full data centre hosting, $3.9 million.

Not included:

■   Initial $1 million per year for field connectivity (this has been added to additional $2 million per annum).

■   Upgrading of cabling in the building is not costed as this would be part of the building maintenance budget.

Costing structure analysis over five-year period

Scenario 1: Status quo

One time capital expenditure (US$)	Yearly ongoing connectivity costs (US$)	Yearly ongoing maintenance costs (US$)	Ongoing costs over five years (US$)	Total cost over five years (US$)
880 000	1 000 000	320 000	6 600 000	7 480 000
Amount already invested in connectivity				-5 000 000
Additional investment required for this scenario (± 15%)				2.4 million

Scenario 2: Risk reduction

One time capital expenditure (US$)	Yearly ongoing connectivity costs (US$)	Yearly ongoing maintenance costs (US$)	Ongoing costs over five years (US$)	Total cost over five years (US$)
2 150 000	1 000 000	500 000	7 500 000	9 650 000
Amount already invested in connectivity				-5 000 000
Additional investment required for this scenario (± 15%)				4.4 million

Scenario 3: Improvement

One time capital expenditure (US$)	Yearly ongoing connectivity costs (US$)	Yearly ongoing maintenance costs (US$)	Ongoing costs over five years (US$)	Total cost over five years (US$)
6 000 000	3 000 000	300 000	16 500 000	22 500 000
Amount already invested in connectivity				-5 000 000
Additional investment required for this scenario (± 15%)				17.5 million

Scenario 4: Transformation

One time capital expenditure (US$)	Yearly ongoing connectivity costs (US$)	Yearly ongoing maintenance costs (US$)	Ongoing costs over five years (US$)	Total cost over five years (US$)
5 500 000	3 000 000	1 040 000	20 200 000	25 700 000
Amount already invested in connectivity				-5 000 000
Additional investment required for this scenario (± 15%)				20.7 million