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FINANCE COMMITTEE

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Information on projects funded by the Capital Expenditure Facility

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EXECUTIVE SUMMARY

- This document provides further information on the prioritization of 2012-13 capital expenditure projects. It lists projects which are included in the Capital Expenditure facility proposals in the PWB 2012-13, totalling USD 32.8 million, and provides further information on projects amounting to USD 12.6 million that have been deferred pending availability of additional resources.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Committee is requested to take note of the Secretariat's action to prioritize capital expenditure projects in preparing the PWB 2012-13.

Draft Advice

- **The Committee took note of the action taken to prioritise capital expenditure projects in the PWB 2012-13.**

1. Preliminary information on the capital expenditure proposals for 2012-13 was provided to the Finance Committee at its 137th session¹. The Finance Committee took note of the proposals and “*requested further information on how the other ... (non-R12/IPSAS) ... Capital Expenditure projects had been prioritised; and looked forward to reviewing the proposals for Capital Expenditure in the context of the MTP 2010-13 / PWB 2012-13*”². This paper provides the requested information.

2. The Secretariat took steps to prioritize the Capital Expenditure requests for 2012-13 in order to remain within the estimated resource availability. The estimated resource availability under Capital Expenditure in 2012-13 is USD 32.8 million, stemming from: the net appropriation (non-IPA) resources at the same level as in 2010-11 (USD 21.9 million); resources from the Immediate Plan of Action (USD 4.2 million) allocated to capital expenditure projects, and a forecasted capital expenditure resource carry-over from 2010-11 (USD 6.7 million).

3. The Secretariat evaluated and prioritized proposals for capital expenditure based on the following criteria:

- strategic importance for delivery of FAO’s substantive programmes;
- impact of not undertaking a particular project on other dependent projects;
- state of readiness for implementation, as judged by fully articulated work plans.

4. As a result of applying these criteria, top priority was given to the IPSAS / upgrade to Oracle Release 12 project, which is of critical importance to Organization’s technical and business operations. This project would require a significant portion of the estimated Capital Expenditure resources and implementation capacity in 2012-13. The estimated remaining resources were assigned to projects of strategic importance for the Organization which, if deferred, would have a significant impact on the organisation’s ability to deliver its 2012-13 programme of work: projects to enhance corporate technical application like FAOSTAT and critical infrastructure projects necessary for the daily functioning of the Organization.

5. The table below provides further information on the Capital Expenditure projects included in the PWB 2012-13, totalling USD 32.8 million, and projects which have been deferred until further resources are available, amounting to USD 12.6 million. Should additional funds become available during implementation, for example through extra-budgetary support, these projects will be considered for inclusion in the Capital Expenditure implementation during 2012-13.

| Category | Project |
|-------------------------------|---|
| P01 - Core ICT Infrastructure | <p><u>INCLUDED IN PWB 2012-13 (USD 1.7 million)</u></p> <p>Improve IT Security (USD 1 million): Requirement to ensure industry standard information security best-practices for infrastructure and information systems. It has been reduced from the original estimate of USD 2 million to phase implementation and explore synergies and linkages with substantive programmes.</p> <p>Enhance IT Services in HQ Meeting Rooms (USD 0.5 million): Replacement of the Audio/Visual/SIE equipment which can no longer be supported through maintenance contracts. The requirement has been reduced from the original estimate of USD 1 million.</p> <p>Client Computing Platform Evolution (USD 0.2 million): Cyclical</p> |

¹ FC 137/2.3 refers.

² CL 141/6 paragraph 21

| Category | Project |
|---|--|
| | <p>requirement to upgrade versions of desk-top operating system and office tools reduced from 0.4 million to 0.2 million to phase implementation and explore synergies with substantive programmes.</p> <p><u>EXCLUDED FROM PWB 2012-13 (USD 5 million)</u></p> <p>Shared virtualized infrastructure (USD 1 million): To replace aging hardware and move to a more flexible collaborative enabled infrastructure, supporting cloud computing.</p> <p>IT infrastructure in Decentralized Offices (USD 4 million): USD 1.4 million for progressive replacement of obsolete email servers in order to provide reliable desk-to-desk email facility. USD 2.6 million for progressive replacement of obsolete PBXs and cabling in 21 Decentralized Offices with VoIP compliant devices. The Secretariat is reviewing these requirements for synergies with initiative funded by the IPA project 11b-Information Technology.</p> |
| P02 - Corporate Administrative Applications | <p><u>INCLUDED IN PWB 2012-13 (USD 1.0 million)</u></p> <p>Continuous Process Improvement (USD 1.0 million): The allocation refers to application development and maintenance required for ERP systems stabilization in 2013 after the implementation of IPSAS/R12 at the end of 2012.</p> |
| P03 - Corporate Technical Applications | <p><u>INCLUDED IN PWB 2012-13 (USD 5.2 million)</u></p> <p>Corporate Data Repository for Technical Information (USD 2 million): Provides unified and consistent technical environment for the Organization's technical data and information systems. It underpins the Statistical Data Warehouse and Statistical working system projects. Contributes to IEE and RBR recommendations by consolidating storage and dissemination of Organizational technical data.</p> <p>FAO Statistical Data Warehouse IT Strategy and Implementation (USD 1 million): Within the framework of the Technical Corporate Data Repository, provides a repository and access point for the Organization's statistical data. Affirmed by the Independent Evaluation of FAO's Role and Work in Statistics and the Management Response, the RBR and the IEE.</p> <p>Time Series Statistical Working System (USD 1.6 million): Implements corporate statistical standards and a conformant statistical working system. Mandated by the Independent Evaluation of FAO's Role and Work in Statistics and Management Response.</p> <p>Upgrade and enhancement of corporate application for managing country-based information in FAO Country Profiles (0.6 million): In conjunction with Corporate Data Repository for Technical Information and other Corporate repositories provides country level profile data in relevant and accessible forms to member countries and all FAO stakeholders.</p> |

| Category | Project |
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| | <p><u>EXCLUDED FROM PWB 2012-13 (USD 3.2 million)</u></p> <p>Mobile applications capability (USD 0.3 million): Exploring and implementing technology and infrastructure for improving the capture and dissemination of FAO's information and knowledge to member countries. The proposal was deferred as less critical for delivery of FAO's programmes in 2012-13 than other projects.</p> <p>Geospatial Data Warehouse (USD 1.5 million): To reduce fragmentation and duplication of geo-spatial data as part of RBR objective. This project was deferred, ancillary to the <i>Corporate Data Repository for Technical Information</i> project (above) included in the PWB 2012-13.</p> <p>FAO Knowledge Forum (USD 0.4 million): To enhance existing knowledge forum; deferred until technical requirements are determined and funding provided.</p> <p>Virtual collaborative platform (USD 1 million): To support the work of Strategy Teams; deferred until strategy is in place, technical requirements are determined and funding provided.</p> |
| P04 - Electronic Content and Document Management Systems | <p><u>EXCLUDED FROM PWB 2012-13 (USD 1.3 million)</u></p> <p>Electronic Document Processing Request System (0.8 million): The system is central to the management of documentation for meetings, publications technical and administrative papers. It addresses RBR recommendations and incorporates FC/CL recommendations (central outsourcing, editing service, etc.) on language services as well as enables archiving of printing files for on-demand printing and reduction of print-runs and long-term storage of printed matters. The project was started in 2010 and the Secretariat is currently reviewing proposals for synergies with FAO's substantive programmes in 2011 and 2012-13.</p> <p>Automatic translation engines (0.5 million): In the context of measures to increase the efficiency of governing bodies, this project would facilitate the preparations for Governing Body sessions with the creation of restricted online fora/environment for the presentation of background documents and topics related to agenda items. The proposal was deferred as less critical for delivery of 2012-13 programmes and alternative sources of funding will be sought.</p> |
| P05 – IPSAS (including FAS)/Upgrade to Oracle 12 | <p><u>INCLUDED IN PWB 2012-13 (USD 23.9 million)</u></p> <p>Of this total amount, USD 3.16 million is funded through IPA Project 11a (Action 7.25). Top priority, see document FC 138/11</p> |
| P06 - Management Information Systems | <p><u>INCLUDED IN PWB 2012-13 (USD 1.0 million)</u></p> <p>Funded under IPA action 7.26, see FC 137/2.1, Table 7 and para 41. This activity extends work done in 2010-11 to develop advanced management information tools in support of FAO's strategic framework.</p> |

| Category | Project |
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| P07 - Support Human Resources Management Framework | <p data-bbox="493 260 1101 289"><u>EXCLUDED FROM PWB 2012-13 (USD 3.1 million)</u></p> <p data-bbox="493 306 1360 430">Workforce Performance Management Phase 2 (USD 2.8 million): the project foresees a complete re-design of the PEMS system to align with the new RBM and competency frameworks. It will be considered in the context of 2014-15 proposals.</p> <p data-bbox="493 447 1360 571">HR Business Solutions Analysis & Improvements (USD 0.3 million): the project refers to the continued support to HR reform initiatives including the i-Roster to allow the alignment of the HR systems to new policies and procedures. Alternative sources of funding will be sought.</p> |