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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989

Revised estimates under section 28E, Management Services Division

Report of the Secretary-General

INTRODUCTION

1. The Secretary-General herewith submits revisions to the proposed programme budget for the biennium 1988-1989, involving a request for an additional appropriation of \$3.5 million for the purpose of modernizing the underlying administrative procedures and processes in the United Nations and developing and implementing an Integrated Management Information System (IMIS).
2. The in-depth evaluation of the programme of electronic data-processing and information systems services (E/AC.51/1987/11) noted the absence of integrated systems development in the Organization and the problems resulting therefrom. In addition, the question of suitable computer equipment for the regional commissions has long been a matter of concern, so much so that the Advisory Committee on Administrative and Budgetary Questions, in its first report on the proposed programme budget for the biennium 1986-1987, requested a comprehensive review for the purpose of formulating guidelines on the matter. 1/ A critical part of the development of an IMIS would be the formulation of an overall architecture that would apply equally to the configuration of hardware and software at Headquarters as well as to the regional commissions.
3. In his progress report (A/42/234) on the implementation of General Assembly resolution 41/213, the Secretary-General proposed to undertake a comprehensive review of the Department of Administration and Management and of the executive offices of other departments at Headquarters and the division of administration at other duty stations. The purpose of such a review is not only to pay particular attention to the structure of the department, but also to address the

simplification of procedures so as to shorten lines of communication, reduce processing delays and delegate authority appropriately while at the same time strengthening responsibility and ensuring adequate accountability and control.

4. A subsequent phase in the implementation of the Secretary-General's proposal as contained in his report (A/42/234) to the General Assembly would address the development of an organization-wide IMIS which is needed to ensure that accurate, timely and consistent administrative and financial information is available to decision makers, that key operations and functions are properly supported and that available technology is used in the most effective manner.

I. EXPECTED BENEFITS FROM AN IMIS

5. Information systems development has not kept pace with the needs of the Organization. Over the past 20 years, as computer technology has developed and become more accessible, the demand for computer services has increased dramatically. In the absence of an overall organizational strategy in this area, information systems were developed in isolation and addressed only the immediate needs of a particular unit or a specific function.

6. The lack of integrated systems development, as was extensively documented in the in-depth evaluation of the programme of electronic data-processing and information systems services (E/AC.51/1987/11), has particularly affected the United Nations in the area of administration and management. The consequences have been such that few systems in the financial, human resources and related programmes capture and utilize common information efficiently; there is much duplication of clerical effort relating to the same information elements; many operations which should be automated continue to be performed manually; multiple or geographically dispersed implementation efforts for similar systems, facilitated by the availability of easy-to-use, low-cost hardware and software, have resulted in further fragmentation of information; and the expected impact of productivity gains from automation efforts has been reduced.

7. The benefits from an IMIS fall into two major categories: operations and decision-making. The planned IMIS would result in a system in which all of the sub-systems (i.e. budget, accounts, payroll/human resources) would be compatible, in which common data would be entered only once, at their points of origin, and in which each sub-system could draw upon information entered or generated by another. The planned IMIS would help reduce existing bureaucratic overlay of functions and administrative costs. Those labour-intensive procedures now in effect in the Organization must be redesigned if the Organization's administrative functions are to be carried out with fewer staff members.

8. The successful implementation of an information system capable of responding in a timely fashion to management queries would facilitate decisions relating to the reallocation of scarce resources. The planned IMIS would permit the realization of a centralized but consultative management policy-making process with decentralized implementation of and accountability for approved programmes. The system would incorporate a forward-looking analytical capability which would allow

various levels of management to examine, within their respective areas of responsibility, the potential consequences of alternative decisions under consideration.

II. COMPONENTS OF THE IMIS PROJECT

9. For the 1988-1989 biennium, the goals are first to design an overall system architecture and strategy and, based on this, to establish the infrastructure upon which all the operating sub-systems can be built. Without these essential initial steps, it would be difficult to avoid the continuation of a fragmented approach to systems development. The infrastructure includes not only hardware and software, e.g. a modern data-base management package, but also the enhancement of the data communications capabilities and the development of the necessary skills within the Secretariat. As regards the latter, the in-depth evaluation report on electronic data-processing and information systems noted that in some external facilities, 20 per cent of the time of the systems programming staff was devoted to training (E/AC.51/1987/11, para. 69).

10. Once the architecture has been established and the infrastructure components are in place, development of at least two of the major functional sub-systems - financial (including accounting, treasury and cash management) and human resources (including human resources data, payroll, recruitment information, training and career development) - could proceed. The intention would be to have the major components of the financial sub-system operational by the start of the 1990-1991 biennium. Further, it is also intended to design a complete human resources management sub-system and to implement the first segment thereof during the 1988-1989 biennium. At the same time, it is expected that IMIS would begin to develop into a source of decision-making information throughout the Organization.

11. The 1990-1991 biennium would see the completion of those sub-systems begun during the previous biennium, with appropriate linkages established between the major sub-systems. Other existing sub-systems or modules, to the extent practicable and feasible, would be linked into the architecture. In addition, modules addressing inventory control, shipment, traffic, garage, insurance and project management functions would be implemented. It is expected that all sub-systems would be operational during 1992, and that 1993 would be a consolidation period, with all modules operational, integrated and fine-tuned.

III. RESOURCE REQUIREMENTS FOR 1988-1989

12. It is estimated that the project will take approximately six years to complete (from 1988 to 1993), at an estimated total cost of some 12 million United States dollars. The experience of other international agencies that have undertaken similar projects is indicative of the order of magnitude of the total costs. However, there is reason to believe that the costs projected for the United Nations may be somewhat lower due to the fact that the systems development tools now available, especially packages, will allow for more efficient project development.

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13. The major expense items for 1988-1989 and the proposed sources of funding are summarized in the table below:

Estimated 1988-1989 resource requirements for IMIS

	Source of funding			Total \$
	Extrabudgetary		Regular	
	Source A a/ \$	Source B b/ \$	budget \$	
(a) Overall design of system strategy	200 000	300 000	-	500 000
(b) Acquisition of key infrastructural elements	-	-	500 000	500 000
(c) Financial management sub-system	-	-	2 500 000	2 500 000
(d) Personnel management sub-system	-	-	500 000	500 000
Total resources	200 000	300 000	3 500 000	4 000 000

a/ Trust Fund for Management Improvements and Systems Development.

b/ Income in support of extrabudgetary administrative structures.

a. Overall design of system strategy

14. Along with the involvement of internal staff, external consultants would conduct a review of the Secretariat's inventory of management information systems and flows among the various decision makers, including intergovernmental organs, and of the interfaces between existing systems. The review would include a critical examination of the administrative processes, procedures and arrangements within the Secretariat. The outcome of this review would be (a) the emergence of detailed and clearly defined objectives for the implementation of the IMIS project; (b) the design of a conceptual systems architecture; and (c) a master plan for the design and development of IMIS.

15. It is estimated that the overall design of a system's strategy would cost some \$500,000 in external consultancy costs, to be financed from extrabudgetary sources.

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b. Acquisition of key infrastructural elements

16. The project would require, for technical development and implementation, the acquisition of key infrastructural elements during the 1988-1989 biennium. Such elements would include computer hardware, data communication facilities, essential software packages, such as the most up-to-date data-base management system, and in-house skills development.

17. Expenses under this category would result in immediate addition to or medium-term investment in the envisioned IMIS. It is therefore proposed that the expenses associated with the acquisition of infrastructural elements, estimated at \$500,000, be financed under the 1988-1989 regular programme budget. An appropriation in that amount is therefore requested under "Data Processing Services" within section 28E (Management Services Division).

c. Implementation of at least two complete sub-systems of IMIS

18. As indicated in paragraph 10 above, it is envisioned that the financial sub-system would be operational at the start of the 1990-1991 biennium, and would include the following modules: accounting, treasury, and cash management. During the 1988-1989 biennium, it is also expected that the design of a complete personnel management sub-system, and implementation of the first segment thereof would be accomplished.

19. Considering the central role played by these two major sub-systems (finance and personnel) in executive direction and management of all the programme activities of the Organization, it is proposed that the expenses (\$3,000,000) estimated for implementing this part of the IMIS project also be borne under the 1988-1989 regular programme budget. An appropriation in that amount is therefore requested under "Data Processing Services" within section 28E (Management Services Division).

IV. SUMMARY

20. Should the General Assembly adopt the proposals for implementing an Integrated Management Information System (IMIS) as outlined above:

(a) The entire IMIS project would be implemented over a period of three bienniums beginning in 1988, and would be completed by the end of 1993 at an estimated total cost of some \$12 million;

(b) Additional resources amounting to \$3,500,000 would be required under section 28E (Management Services Division) of the 1988-1989 proposed programme budget in order to cover the requirements of the IMIS project during the first two years of its six-year implementation period as indicated in paragraphs 17 and 19 above;

(c) A further amount of \$500,000 in additional resources to meet the 1988-1989 requirements of the proposed IMIS project would be financed from extrabudgetary resources.

Notes

1/ Official Records of the General Assembly, Fortieth Session, Supplement
No. 7 (A/40/7), para. 32.
