

APRIL 2018

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE BIENNIUM 2016 | 2017



DIRECTOR'S REPORT



ICC

international
computing
centre

IT SOLUTIONS
FOR THE
UN FAMILY

By Doug Greene

Chief Information Officer, United Nations High Commissioner for Refugees
Chairman of the ICC Management Committee and the Advisory Group to
the ICC Management Committee

Doug Greene, Chief Information Officer, UNHCR



I am pleased to introduce the ICC Director's Report for the 2016-2017 biennium, which includes the Statement of Accounts and the Management Letter of ICC's external auditors.

As I enter my last year of Chairmanship of the Management Committee, I wish to highlight the excellent collaboration with ICC and the remarkable work accomplished by the organization over the biennium. This report also reflects the last two years under the former Director, Mr. Simon Jones, who played a key role in driving the Centre towards continuous commitment to excellence, embracing change and seizing opportunities as the ICT landscape faces new challenges.

As the report shows, the main highlights in the past biennium are based around ICC assuming a major role in an era of transformation and change and consolidating its trusted reputation with Partner Organizations and other Clients. While ICC achieved a major milestone in

December 2017 in the field of operational excellence, with the extension of the scope of the ISO 20000 service management standard to all ICC services, projects management also remained central for the Centre as the growing Project Management Office (PMO) gained in maturity.

On the operational security front, ICC remained committed to maintaining appropriate levels of ICC infrastructure security. Continual service improvement being at the core of ICC's mission and vision, the organization remained focused on its learning services and skills development programme, with an emphasis on innovation and teamwork.

I wish to thank the members of the Management Committee for their strong collaboration in ensuring the Centre delivered on its commitments. Their active participation for the continuous improvement of ICC has been crucial in ensuring the organization is responsive and more agile in best supporting upcoming technology shifts.

Finally, I wish to thank and congratulate the Director and all the staff of the Centre for their professionalism, dedication and friendship, and for the support provided to me in my capacity as Chairman of the Management Committee.

By Ray Compton

Officer in Charge of the International Computing Centre (ICC)

Ray Compton, Officer in Charge, ICC



Simon Jones, Former Director, ICC



I am pleased to introduce the ICC Director's Report 2016-2017. It is designed to share ICC's vision, context, history and work environment, as well as to present highlights from our achievements in this last biennium. I am extremely grateful for the hard work and dedication of the ICC staff who have helped to make this happen.

In November 2017, Simon Jones, Director of ICC, retired from the organization. Simon's tenure at ICC was a period of true partnerships, steady growth and increased maturity of the organization as ICC renewed its commitment to a culture of reflection and continuous improvement. Among the many achievements of the last biennium, ICC's ISO 20000 certification stands out as evidence that ICC will evolve to meet the needs of our Clients.

We at ICC value greatly the close relationship with our Clients. These include our Partner Organizations (those with membership or representation in ICC's Management Committee) and other United Nations programmes, funds or entities, as well as related not-for-profit organizations.

We have taken great strides together over the past two years in pursuing the strategic positioning of ICC, to ensure that we continue to meet the needs of our Clients and the entire United Nations system. ICC strives to be the preferred global one-stop shop for everything Information and Communications Technology (ICT) related that can be shared between members of the United Nations family, offering superior services at competitive prices to our Partner Organizations.

ICC's management focus will continue to deliver on this vision as the organization pursues its transformation from an infrastructure-centric IT service provider to become a cloud-centric professional services organization.

ICC has experienced transformation and built its trust with Clients. The business continues to grow, in terms of income, staff numbers and project and service delivery. While ICC's influence may be indirect, it has been a core contributor to the delivery of the Sustainable Development Goals, supporting the UN family with information systems, collaboration platforms, service management, data warehouses and business intelligence, email, telephony, infrastructure, networking, information security and strategic advisory services.

ICC has a strong base of operational performance, as evidenced in the newly achieved ISO 20000 certification for all of ICC's services. In a time when information security is ever more challenging, ICC has its information security services programme fivefold, and recently increased the scope of its ISO 27001 certification to cover all office locations and enterprise data centres.

In all the work ICC does, I'm thankful for the support of ICC's Management Committee and its Advisory Group. I would like to thank Simon Jones, ICC's Director who guided us through most of 2016-2017 and Doug Greene, the Chair of the Management Committee, who provided first-rate direction to ICC as well as good advice and guidance to me and to Simon over the biennium.

I hope you will find that this report provides a good overview of ICC, and whatever your interest in ICC, I hope we have a fruitful time ahead working together.

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THE ICC STORY

1.1 ICC HISTORY

The International Computing Centre (ICC) was established by a Memorandum of Agreement concluded by the United Nations (UN), the United Nations Development Programme (UNDP) and the World Health Organization (WHO) in 1971. In line with General Assembly resolution 2741 (XXV) of 17 December 1970, ICC was created as an inter-organizational body to provide a common electronic data processing (EDP) facility.



The initial Memorandum of Agreement signed by the United Nations, UNDP and WHO in 1971 was the first formal agreement signed by the three founding organizations. The initial Memorandum of Understanding signed by WHO and ICC in 1971 set out the terms of the initial hosting agreement of ICC by WHO.

ICC was initially established on the premises of WHO. In 1992, the data centre located in a basement at WHO was in need of major refurbishment and more space was required. In 1993, ICC relocated the data centre from there to its state-of-the-art data centre located in Grand-Saconnex, on the edge of Geneva, Switzerland.

In 1994, ICC rented office space adjacent to its data centre and relocated its entire staff to the new and current location, as ICC offices also expanded to Brindisi and Rome, Italy; Valencia, Spain and New York, U.S.A.



ICC has been the go-to service provider for United Nations programmes, funds and entities since its inception. ICC, a United Nations entity itself, provides services to its Partner Organizations, defined as the voting members of its Management Committee that provides oversight and governance of ICC's strategic programme. ICC also provides services to other United Nations and related not-for-profit entities, who are governance observers or non-voting participants in ICC's service offerings.



During this biennium, the number of ICC Clients climbed to nearly 50, including 39 Partner Organizations. The welcoming of the Asian Development Bank and the Global Green Growth Institute meant ICC's first Clients based in Asia.

1.2 ICC'S RAISON D'ÊTRE

In the late 1960s, United Nations programmes, funds, and other entities started relying increasingly on costly electronic data processing (EDP) equipment. The three founders of ICC, the United Nations, UNDP and WHO, anticipating major economies of scale, joined forces to put in place a shared EDP solution.

Owing to the sensitivity of the information they managed, the three founders opted for the creation of a shared facility within the United Nations family rather than relying on a private EDP service, also ensuring the Privileges and Immunities of UN data and information.

Although they decided to share equipment, the founding organizations asked ICC to make sure that each of them would only be given access to its own data. The initial agreement between the three founding organizations explicitly encouraged other UN Agencies and entities to join the newly-born inter-Agency setup.



Photo: ITU/Mills

ICC's Mandate, last updated in 2003, reflects ICC's raison d'être, stating that ICC should provide ICT services to Clients by maximising the sharing of computing and communications infrastructure, associated systems and software and specialist skills to best create economies of scale. ICC continues to ensure that its service portfolio reflects the needs of its growing circle of Partner Organizations.

1.3 ICC SERVICES

ICC's specialised business environment has required a workforce that is versatile, adaptable and skilled in supporting diverse technologies across the ICT spectrum. This includes Client advisory services, Software-as-a-Service, Platform-as-a-Service, Infrastructure-as-a-Service, and, increasingly, information security, public cloud integration and project management services.



Photo: UN

ICC offers a full range of digital business solutions for its Partner Organizations and other Clients, which can focus on core business activities by leveraging ICC's services. These services are built upon industry best practices and standards-based, documented business processes subject to a Continual Process Improvement cycle.

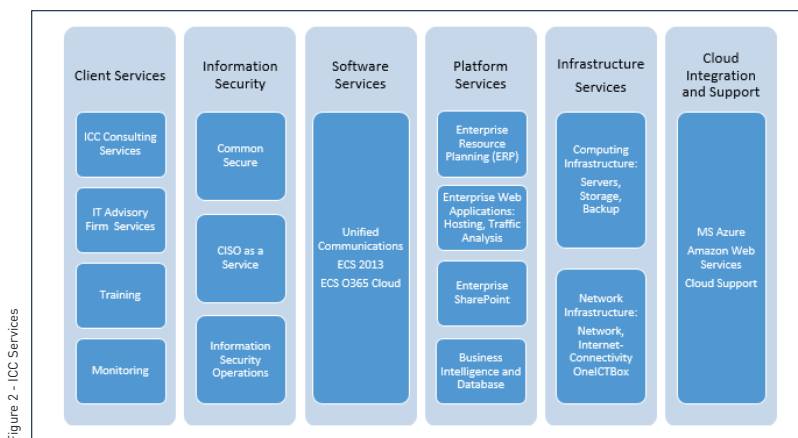
ICC offers cost savings, business efficiencies and volume discounts based on the scale of its engagements. ICC operates on a full cost recovery basis, with surplus funds being refunded at the end of projects or initiatives.

ICC places a lot of importance on operational excellence with particular emphasis on the performance and availability of its services and the level of security associated with them.

1.3 ICC SERVICES

Key ICC services include:

- Client Advisory Services
 - ICC Consulting Services
 - Access to IT Advisory Services
 - Training
 - Monitoring
- Information Security Services
 - Common Secure
 - CISO-as-a-Service
 - Information Security Operations
- Software as a Service
 - Unified Communications (ECS 2013 and ECS 0365 Cloud)
- Platform as a Service
 - Enterprise Resource Planning (ERP)
 - Enterprise Web Applications (Hosting and Traffic Analysis)
 - Business Intelligence and Database
 - Enterprise SharePoint
- Infrastructure as a Service
 - Computing Infrastructure (Servers, Storage, Backup)
 - Network Infrastructure (Network, Connectivity, Country Office Appliances)
- Cloud Integration Services
 - MS Azure
 - Amazon Web Services.



ICC places a lot of importance on operational excellence with particular emphasis on the performance and availability of its services and the level of security associated with them.

1.3.1 LOOKING BACK

The first piece of equipment installed in the ICC data centre in 1971 was an IBM Mainframe System/360 model 65. From its inception until the late 1980s, ICC primarily provided mainframe services to its growing number of Partner Organizations. Low speed lines between ICC and Partner Organizations' premises were mostly used as dedicated links for accessing ICC's mainframe system.

In the late 1980s and early 1990s, many of ICC's Partner Organizations also deployed Local Area Networks (LANs). During the early 1990s, low speed lines between ICC and Client premises were gradually replaced by higher speed multi-protocol trunks. At the same time, Partner Organizations replaced their dedicated mainframe terminals with PCs emulating those terminals.

Faster and multi-purpose network connectivity opened new avenues for ICC to provide additional services, from data processing and storage, network infrastructure and web hosting, Enterprise Resource Planning (ERP) platforms and services, Internet connectivity, email



Photo: ICC

messaging, Unified Communications and other managed and professional services across the ICT landscape.

As digital technology expanded in the new century, consolidated network infrastructure, server virtualisation, email and online collaboration platforms, social media and resource management tools, corporate scorecards and dashboards, information security and innovative telecommunications came to dominate an evolving business environment.

ICC was there to support these changes, growing its ICT service portfolio and client base for more and more members of the United Nations family and beyond.

1.3 ICC SERVICES

► from 1991

ICC started to diversify its offerings and has since then kept pace with new technology developments.

► in 1991

ICC installed its first Local Area Network (LAN) and purchased its first Personal Computers (PCs).

► in 1992

ICC installed its first LAN-based email system.

► in 1994

ICC installed an Internet gateway. Access to the Internet cloud was initially provisioned through the European Organization for Nuclear Research (CERN) with an initial access bandwidth of 64 kbps.

► in 1995

ICC was able to start offering Internet access as well as Gopher and Worldwide Web hosting services. ICC installed a messaging hub which allowed ICC Clients using diverse email systems to exchange emails through ICC as well as send and receive messages to and from the Internet. A Fax/Telex gateway also allowed “broadcasting” Faxes and Telexes that originated from email messages.

► in 1996

The United Nations Secretariat mainframe environment was migrated to ICC. During that same year, ICC deployed its first videoconferencing system and made it available as a shared service.

► in 1997

ICC initiated the migration of data from its customised mainframe environment to a standard MVS/ESA operating system. During that year, ICC acquired its first network management system and its first enterprise storage management system to provide backup services for its LAN-based servers. ICC also started preparing for year 2000 (Y2K) compliance.

► in 1998

ICC completed the migration of its mainframe operating system to OS/390. During that year, ICC started Y2K compliance testing and initiated a Client Service Focus Programme. ICC started to manage some key facilities for the United Nations Secretariat in New York.

► in 1999

An independent company carried out a technical audit of ICC’s Internet infrastructure and gave ICC a clean bill of health. It made recommendations in the areas of security, which ICC was able to implement. ICC completed the migration of its systems and services to a Y2K compliant environment, finalised its Y2K transition plan and pursued its Y2K testing up to the end of the year. From 31 December 1999 to 1 January 2000, ICC carried out its Y2K transition plan successfully and encountered no Y2K related issues.

► in 2000

ICC performed major upgrades of its infrastructure and revamped its Internet services. ICC began to provide services to the World Food Programme (WFP) in Rome for SAP ERP system support as well as in New York for the Office of the Iraq Programme (OIP) and the Department of Peacekeeping Operations (DPKO).

► in 2001

ICC deployed a highly secure solution for remote access to one of its Partner’s databases. It initiated the migration of its NT servers to the new Windows 2000 operating system and introduced its first Activity Based Costing (ABC) framework. ICC also initiated the deployment of disaster recovery solutions for its non-mainframe operations.

► in 2002

ICC revamped its remote access solutions and set up a Virtual Private Network (VPN). ICC upgraded its Internet infrastructure and increased its Internet access active-active links from a bandwidth of 12+2 to 2x12 Mbps.

► in 2003

ICC completed the construction of its Network Operations Centre (NOC) for the provision of high-quality monitoring and management of its network and computer services. ICC deployed an enhanced configuration database to improve the management of its core assets. During that year, ICC installed its new z800 Mainframe computer.

1.3 ICC SERVICES

► in 2004

ICC implemented its first anti-spam system for its email relay service and deployed centrally-managed tools for anti-virus protection and Windows patching. ICC deployed its first wireless LAN and introduced a vulnerability scanning service.

► in 2005

ICC upgraded its mainframe hardware, revamped its email relay solution and increased its Internet access to two active-active 22+22 Mbps links. ICC initiated server virtualisation (VMware) and deployed its BlackBerry wireless messaging service for Lotus Domino. ICC completed the relocation of critical servers running the PeopleSoft ERP system from one Partner's premises to ICC's data centre.

► in 2006

ICC upgraded its network infrastructure and deployed a new enterprise backup solution. ICC completed its Service Continuity Centre (SCC) used as a disaster recovery hot site. By 2006, ICC developed its skills and know-how to be able to run and support the three market-leading ERP systems, namely SAP, Oracle e-Business and

PeopleSoft. ICC's Internet access bandwidth was increased to 56 Mbps.

► in 2007

ICC deployed a Citrix access gateway, ran a comparative study of ERP performance over satellite networks and installed a new LAN backup solution. Internet bandwidth was upgraded to 100Mbps.

► in 2008

The first ICC-hosted Oracle e-Business ERP system went live for a large Partner Organization, covering financials, HR/payroll and programme management as well as travel and procurement functions. ICC launched its first managed messaging service to provide email mailboxes and calendaring.

► in 2009

ICC opened its first data centre in New York. ICC deployed another major PeopleSoft ERP system running thousands of concurrent users, covering:

- Finance
- Human Capital Management/Payroll including Enterprise Learning Management and e-Recruitment
- Enterprise Performance Management

- Customer Relationship Management
- Portal

The ERP system, previously hosted at a private site, was relocated to ICC and was the first one to be equipped with solid state drives (SSD) in order to meet high performance requirements.

► in 2010

In addition to further enhancing its ERP systems installation base, ICC installed its first IP-based telephony solution. The internal deployment of this new technology paved the way for ICC to design and put in place its first IP telephony solution for a Client later that year.

► in 2011

ICC upgraded its managed messaging service to an Enterprise Communication Service, introducing new features such as instant messaging, voice-over IP and videoconferencing.

ICC enhanced its IP telephony installation base as well as expanded its provision of ERP systems to two new customers. As of December 2011, ICC had a total Internet access bandwidth of 500 Mbps. Simon Jones took up his position as Director, ICC, in November 2011 and led a transformation of

the organization until his retirement in November 2017.

► in 2012 | 2013

ICC signed a Memorandum of Understanding with the United Nations Department of Field Support (DFS) in 2012 for the use of office space and data centre facilities in the United Nations Support Base (UNSB) premises in Valencia, Spain. ICC formally established the UNSB-V as a duty station and started to locate staff there.

ICC completed the upgrade of a Partner Organization's large Enterprise Resource Planning system using entirely solid-state disk technology. ICC received ISAE 3402 audit certification and ISO 27001 certification, widely recognised as the international benchmark for information security management.

ICC finalised the recruitment of its Client Account Managers and Technical Account Managers, responsible for developing relationships with Clients and Partner Organizations, while helping to ensure that ICC offerings met Client business requirements.

1.3 ICC SERVICES

► during the **2014 | 2015** biennium

ICC aligned its strategic direction with Client requirements as well as industry technology trends to best support new needs and innovative directions including the social, mobile, analytics and cloud forces then sweeping the world of work, revolutionising the digital business landscape.

Within these areas, there were advances in information security and data protection, hybrid cloud and public cloud offerings, business intelligence and data visualisation, business and collaboration platforms as well as networking and infrastructure security solutions for offices in the field.

ICC's established private cloud services grew over the 2014-2015 biennium, with their robust infrastructure, information security, high quality and high-availability service delivery, risk management and operational excellence.

Out of this trusted environment, ICC began to assist organizations moving to hybrid or public cloud solutions, with ICC providing strategic assessments, migration support, cost management advice and ongoing operational services.

ICC grew its Valencia, Spain office to be the largest in terms of staff count. ICC achieved ISO 20000 certification for services to one Client in 2014 and subsequently made a commitment to certify all ICC shared services, a two-year project that was successfully achieved by the end of 2017.



Photo: ICC

1.4 GROWTH AND EVOLUTION

The ICC story started in 1971 with electronic data processing and infrastructure hosting for three United Nations organizations who were founding Partner Organizations. By the end of the 2016-2017 biennium, there were 39 Partner Organizations and over 50 Clients in total.



Photo: UNDP/Lowthian

ICC has evolved steadily over the last 45 years to meet Client requirements for a wide variety of ICT business needs. The original centralized mainframe computing model gave way to a distributed model with the explosion of personal computing devices and the initial impact of the Internet and related web technologies. The world is now seeing another shift back towards a pseudo-centralized model with the public cloud acting as the focus of vast amounts of infrastructure and platform hosting.

Taking full advantage of the new paradigm requires changes across the entire width of UN organizations, and ICC is preparing to meet this new demand. ICC is building out a Cloud Services Practice to leverage both public and private cloud hosting in stand-alone and hybrid models, along with a rich set of professional services to ensure that Clients' journeys to the cloud will meet the specific requirements for cost-effectiveness and added business value.

1.4 GROWTH AND EVOLUTION

Beyond today’s shift towards cloud technologies, ICC is already seeing the emergence of the next wave of changes where autonomous devices around the world (the Internet of Things) interact at the edge, enabled by Artificial Intelligence, to create knowledge from information and big data.

These evolutions demand that ICC continuously develop new skills, capabilities, and ways of working. Our diverse and talented teams in all locations are eagerly pursuing and developing the skills necessary to ensure success for ICC’s Clients.



Photo: UN/Debebe

The following graph shows the growth of ICC’s income, with periods of rapid growth and a steady and continuous evolution over each of the past biennia, with continual

growth and change of service offerings to keep pace with industry trends and UN transformation.

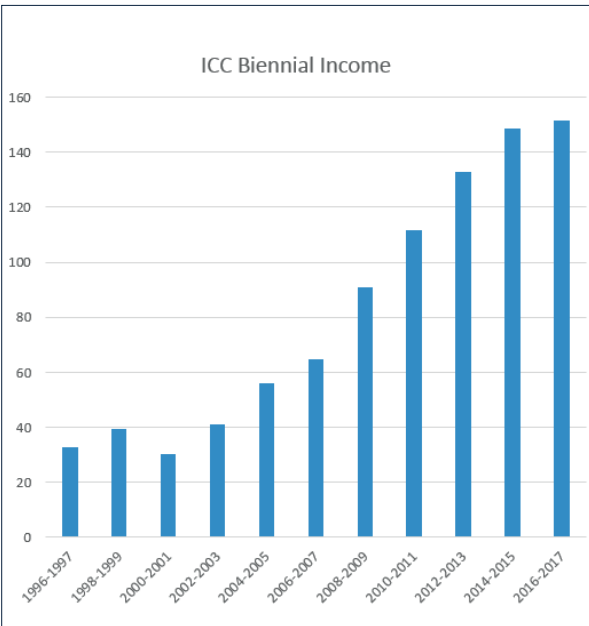


Figure 3 - Biennium Income

Staff members and consultants are now located in Brindisi and Rome, Italy; Valencia, Spain; Geneva, Switzerland and New York, U.S.A., with contractors in a variety of other locations in line with requirements and business development and project necessities.

1.5 ICC - A SUCCESS STORY

1.5.1 ICC’S UNIQUE VALUE PROPOSITION

ICC provides shared ICT services for the United Nations family and related international organizations, deriving its income exclusively from invoicing the robust services it provides.

ICC functions much like a private sector company in constant search for competitive solutions and operational excellence to deliver quality services at beneficial costs and to complete projects on time and on budget. The organization is highly competitive with today’s technology marketplace, and often offers a ‘co-petition model’ building synergies with industry partners as well as with its United Nations Clients.



Photo: ICC/Allen

ICC offers cost savings, business efficiencies and volume discounts based on the scale of its engagements. ICC operates on a full cost recovery basis, with surplus funds refunded or reinvested at the end of projects or initiatives.

1.5 ICC - A SUCCESS STORY

Figure 4 – ICC Expert Workforce



The Joint Inspection Unit has recommended (JIU/REP/2005/5 section 58) that all United Nations stakeholders pursue efforts to make the best use of ICC as a joint platform for United Nations organizations to maintain and optimise their ICT services.

By the end of the 2016-2017 biennium, Partner Organizations agreed with the JIU's recommendations, participating in the synergies and efficiencies of ICC services, from Enterprise Resource Planning and collaboration platform hosting to Business Intelligence,

Unified Communications, cloud-computing support and advisory services for information security and project management services.

The JIU report adds that as an internal United Nations entity, ICC is exempted from participating in procurement bidding processes, and may act through Partner Organization engagements, with service delivery agreements that ensure due diligence, benchmarking and value for money.

In the fall of 2017, the JIU tapped ICC to present a cloud computing advisory panel at the 12th Annual Meeting of the Internet Governance Forum in Geneva, attesting to their trust in ICC and ICC's global reputation in providing a balanced assessment of managing cloud computing solutions today for the UN family.

A 2017 benchmarking study strengthens ICC's position for agile, cost-effective, audit-compliant, quality, high value services measured against the private sector and other technology providers. Its key findings were that ICC's prices are lower than those of the peer group under review and that Client satisfaction was positive.

Key to ICC's change and transformation is to maintain high levels of service support for existing business and ensure a high level of trust in every Client engagement.

1.5.2 WHY IS ICC SUCCESSFUL?

ICC has experienced substantial growth for more than ten years. Three major factors have contributed to this, both in terms of volume of activities and type of services offered:

- Technology readiness and support
- Client demand for shared services
- ICC's agility to expand its service delivery model.

Transformation and disruptive technology are the new normal in international digital business. ICC has risen to this challenge while continuing to deliver superior operational support to its trusted Clients and Partner Organizations. ICT innovations introduce new solutions and opportunities beyond the now familiar social, mobile, analytics and cloud nexus of forces.



Photo: ITU/Farrell

1.5 ICC - A SUCCESS STORY

Areas of ICT change and development include hybrid and public cloud computing, business intelligence and big data, information security as well as artificial intelligence, Internet of Things, robotics and automation, augmented reality and block chain technologies.

Over the past two years, some of ICC's Clients have faced major challenges in dealing with the growing complexity in running their own ICT facilities.

Changes across software, infrastructure and platform service areas, as well as in information security, bring economies of scale to the United Nations family, including support at the field level. The 2016-2017 biennium ushered in more field support and an extended UN family, with like-minded international organisations such as the Asian Development Bank (ADB) and the Global Green Growth Institute (GGGI).



Photo: ITU/Farrell

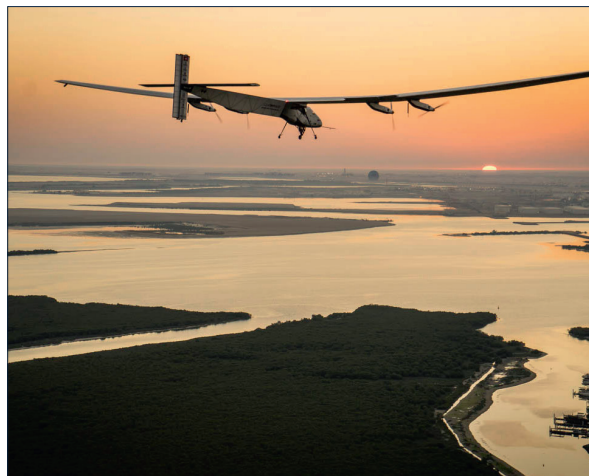


Photo: UNEP

ICC has rationalised its operations, automating its recurrent tasks and reengineering its business processes. This effort has helped to increase its efficiency and effectiveness.

What makes ICC successful?

In some ways, ICC functions like a private company which derives its income exclusively from invoicing the services it provides.

However, it is also a part of the United Nations family and contributes to the overall United Nations mission in many ways.

ICC has demonstrated its competitive approach and its search for excellence. ICC has continually strived to improve its service delivery to meet Partner Organization requirements in terms of pricing and quality.

ICC's business and technology environment is a rewarding one for its staff, who are encouraged to keep abreast with rapidly evolving ICT technologies. Staff are given ample opportunities to develop their skills through ICC's robust training programmes.

BIENNIUM
HIGHLIGHTS
2016-2017

2.1 AN ERA OF TRANSFORMATION AND TRUST

Technology continues to drive transformation across the digital business landscape. ICC is embracing this change while continuing to deliver superior operational support to its trusted Clients and Partner Organizations. ICT trends introduce new challenges, solutions and opportunities beyond the now familiar social, mobile, analytics and cloud nexus of forces.

Areas of ICT change and development include hybrid and public cloud computing, business intelligence and big data, information security as well as artificial intelligence, Internet of Things, robotics and automation, augmented reality and block chain technologies.



Photo: UN

ICC remains committed to Client and Partner Organization requirements for today while embracing industry trends to best support new projects and new directions for tomorrow. Partners at an ICC Leadership Retreat last summer expressly asked ICC to be more agile in best supporting upcoming technology shifts.

Hybrid and public cloud computing is just one example. ICC has been helping UN organizations find the right balance between data privacy and nimble, cost-effective cloud-based solutions. Some UN organizations have opted for a hybrid cloud solution amidst the move towards public cloud computing, ensuring both information protection and effective cost management of cloud services.

In this spirit, ICC is working to support evolving cloud technology and to understand these requirements based on Clients' strategic roadmaps.



Photo: ADB

The ICC Management Committee set out ICC's global vision, strategic positioning and commitments to Clients and Partner Organizations as the biennium began. This vision serves as ICC's guide to growth and operational excellence, with an emphasis on ICC's strengthened position and visibility as the preferred, shared service ICT provider for the United Nations.

ICC has met the challenge of this strategic roadmap head on, with stronger governance, increased sales and marketing targets, and benchmarking of ICC's value for money. It has involved fit for purpose Research & Development and better Client communications, outreach and advocacy with new strategic alliances. Fundamentally, though, the new road has prioritised proactive Partner support, superior operations and continuous improvement based on Client feedback.



Photo: ICC

ICC's traditional service offerings have set the bar for decades-long trusted relationships and a first-rate reputation, while new directions drive transformation, in areas like strategic advisory support, project management, service desk as a service, hybrid and public cloud integration, application development and robust information security services.

2.1 AN ERA OF TRANSFORMATION AND TRUST

2.1.1 NEW CLIENTS AND PARTNER ORGANIZATIONS

ICC has grown in many sectors of its business, from a new commitment to ongoing service delivery excellence - demonstrated by the organization's ISO 20000 certification - to new services, new approaches to expanding and managing the business, to new technologies, new leadership challenges and opportunities and, critical to growth - new Clients and Partner Organizations.

ICC is pleased to welcome the International Court of Justice (ICJ), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Asian Development Bank (ADB), the Global Green Growth Institute (GGGI) and the Special Tribunal for Lebanon (STL) as new Clients and Partner Organizations.



Photo: ADB

2.1.2 CLIENT SERVICES PORTFOLIO

In order to provide reliable and secure services, ICC has developed an expanding Client Services portfolio. This includes strong advisory support services across a wide array of technologies and lines of business, as well as IT Advisory Firm services, training and monitoring. ICC has built subject matter expertise (SME) over time through a solid recruitment programme focusing on specific skills that are essential for ICC to meet its service requirements and a changing ICT landscape.

Clients facing complex challenges or undertaking ambitious initiatives can leverage ICC's expertise, experience and methodologies in the areas of ICT strategy, enterprise architecture and design, business process mapping and cloud-computing roadmaps, cost management, innovation and risk management areas. These services allow organizations to align ICT programmes with their business mandates while leveraging advances in technology to the best effect.

Client Services encompasses more than advisory services. Other areas of growth and demand include project management services, call center and service desk services, training services and web application development.



Photo: ICC

2.1 AN ERA OF TRANSFORMATION AND TRUST

2.1.3 HYBRID AND PUBLIC CLOUD COMPUTING

Many United Nations organizations are looking to the public cloud. This began several years ago when several Agencies embraced Microsoft Office 365, Microsoft Azure, Amazon Web Services and Google for their flexibility, costs savings and mature support for user collaboration and communication.

Since then Clients and Partner Organizations are actively moving to hybrid cloud solutions, including Microsoft Office 365 and Azure, Amazon and Google G Suite.

ICC has been a key part in many of these moves, with some Clients relying on ICC for a hybrid architecture, for assessment and project management functions, for cost management consulting, migration support and ongoing administration and technical support.



Photo: ITU/Woods

2.1.4 BUSINESS INTELLIGENCE

Business intelligence, analytics and data visualisation are key drivers changing the way the United Nations works. ICC is working with market leaders to deliver data warehouse and business analytics capabilities to its Client and Partner Organizations.

One recent success involved a global effort to build a data warehouse and dashboard/reporting solution. While

ICC's Partner Organization provided data and dashboard requirements, ICC provided project design and delivery, with infrastructure and consultancy services - the expertise and experience to implement a data warehouse and data visualisation dashboard based on best practices.

ICC has also extended Enterprise Resource Planning (ERP) capabilities for several Clients by providing a data warehouse platform for business analytics requirements, which has included leveraging data from their ERP environment and creating data marts with a data visualisation layer.

Another Partner Organization required a common ERP interface for multiple Agencies to share data for financial services, analytics and reporting. ICC was there to design, develop and deliver a solution. Another Client required a crisis risk dashboard to respond to crises, to provide early warnings and to monitor crisis risks, from civil conflict to natural disasters such as floods and hurricanes and earthquakes.



Photo: UNJSPF

2.1 AN ERA OF TRANSFORMATION AND TRUST

2.1.5 INFORMATION SECURITY

ICC has been committed to maintaining appropriate levels of information security, pursuing a number of relevant certifications and independent audits based on international standards, including ISO 27001 and ISAE 3402.



Photo: ICC/Allen

ICC's information security services have grown from zero to over 20 Clients over this biennium. The 10-person team of experts has a growing list of subscribers among existing Clients and others expressly interested in cyber security. The programme features Common Secure,

which offers continuous, reliable and timely information security protections and controls, including gathering critical cyber information from Partner members, commercial security firms, service providers, federal, state and local government agencies, law enforcement and other trusted resources.

Other cyber security services include governance and CISO-as-a-Service, security assessments, incident response, threat intelligence and hunting, vulnerability management, security health checks and information security awareness.

The service programme utilises the ISO 27001 Information Security Management System framework supporting Partner Organizations' end-to-end information security requirements. These services help to build relationships with the cyber community at large on behalf of the United Nations system and assist in developing a reputation for excellence.

ICC is a 2017 CSO50 Information Security award winner.

2.1.6 CONTINUAL IMPROVEMENT

The ISO 20000 Continual Service Improvement (CSI) process, part of the Service Management System standard lifecycle, uses the method of learning from successes and failures. This method aims at ongoing improvements in effectiveness and efficiency of processes and services. ICC continually monitors, measures and corrects, thereby improving the ICT services it provides.

ICC extends this approach to staff and stakeholders as well as Clients through the Business Relationship Management process. CSI means process improvements, new certifications and ICC staff and Client surveys. ICC continues to look outward at new technology trends that meet Client requirements, with its own staff contributing to the ICC R&D process as well as cultivating transformation and trust through an Innovation Special Interest Group.



Photo: ICC

2.1 AN ERA OF TRANSFORMATION AND TRUST

2.1.7 COUNTRY OFFICE SUPPORT

As ICC improves and extends its service portfolio, it has been taking strides to support United Nations Agencies at the country level. This means taking an added role in supporting the Sustainable Development Goals that Clients and Partner Organizations champion.

ICC has been providing field office network and security solutions worldwide for three or four Partner Organizations, with several new Clients requiring similar global office infrastructure, installations and support.

Today there are over 100 rapidly deployable modular appliances in the field, including many in war-torn and crisis regions from Afghanistan, Central African Republic, Colombia and the Democratic Republic of Congo to Indonesia, Myanmar, Panama, South Sudan, Sudan, Syria, Tanzania and Yemen.



Photo: ICC

ICC has also designed and delivered an ICT innovation project at a regional headquarters in Asia for 12 UN Agencies, providing the network infrastructure design, delivery and support for a successful deployment.

2.1.8 COMMUNICATIONS AND PUBLIC ENGAGEMENT

ICC has guiding principles for a strengthened communications programme. The organization has coordinated input and feedback from Clients, other United Nations Agencies and industry analysts like Gartner, Cutter and Forrester. Tied to ICC's vision and mission, these principles prioritise efforts to position ICC as the one-stop shop for ICT capabilities in the UN family and with related international organizations.

The communications programme includes greater outreach and advocacy to increase ICC's visibility as a digital business solutions provider, to help build market share and to establish new strategic alliances to best to share ICC's mission.



Photo: ICC

Public engagement is a critical part of outreach and advocacy. ICC experts have presented over the past biennium in a number of cybersecurity conferences from Marrakesh to New York. Others have presented at the Internet Governance Forum on Cloud Computing and on data protection in Geneva. ICC also organized and presented at a joint UN Agency Information Security Awareness event for Cyber Security Awareness month in October 2017 in New York.

ICC has participated in joint UN collaboration activities worldwide, including information security, ERP and ICT Special Interest Groups for discussion and working group results. ICC has driven new partnerships with universities in Italy, Spain, Switzerland, and the United States for recruitment and internship opportunities as well as engagement on issues like technology, talent management and gender parity.

ICC has strategic alliances with ID2020, a public-private partnership for global digital identity, the Center for Internet Security (CIS) and the Cloud Security Alliance (CSA). ICC has a new partnership with Amazon for Amazon Web Services with good terms to provide value for money.

2.1 AN ERA OF TRANSFORMATION AND TRUST

2.1.9 RESEARCH AND DEVELOPMENT

ICC, through its Management Committee, established a Research & Development (R&D) fund and programme in 2016 to ensure transparency in the level of investment being made in new products by ICC, to align new products with Partner needs and to relieve any Clients with new services from the burden of investing in their development.

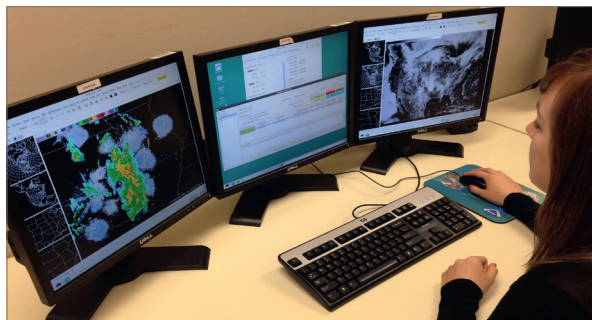


Photo: WMO-UNUSPG

With the Management Committee's Advisory Group as R&D Board, ICC developed a process based upon venture capital best practices, including an annual cycle of proposals, demonstrators, proof of concept, business cases and pilots. The first cycle began in the fall of 2016, with two projects approved - and now underway - focused on product and service design and delivery.

The projects, demonstrating multi-Agency interest, include an Information Security Operations Centre (SOC) to provide the UN family with the necessary resources and skills to respond to information security incidents and to conduct computer forensic investigations. The second R&D project is the operation of a shared UN System Root Certificate Authority (CA) to support Global Identity Management.

2.1.10 VALUE FOR MONEY

In keeping with its strategic positioning goals, the ICC Management Committee contracted Maturity GmbH, an independent analyst, to conduct a Value for Money benchmarking study in 2017. It covered ICC operational activities for ICC's seven top services, comparing them with a peer group of solution providers. It also gathered Client user feedback on the ICC experience.

The key findings overall were that ICC's prices are lower than those of the peer group. Maturity GmbH stated that ICC prices could be even lower with services further standardised. They reported that Client satisfaction was positive, and ICC could do more to make its Clients aware of its significant value for money.



Photo: ICC

Maturity's recommendations based on their findings included standardising services wherever possible to reduce complexity, creating scale and reducing prices and performing annual user satisfaction surveys to establish trends and drive actions. The study also recommended integrating reporting across services, improving communications on service strategy and better communicating this demonstrated value for money.



Photo: ICC

The benchmarking study strengthens ICC's position for agile, cost-effective, audit-compliant, quality, high value services measured against the private sector and other technology providers. Key to ICC's change and transformation is to maintain high levels of service support for existing business and ensure a high level of trust in every Client engagement.

2.2 OPERATIONAL EXCELLENCE

Operational excellence and continual service improvement are fundamental to ICC's mission and vision. They span the landscape of ICC's ICT projects and services, and account for ICC's trusted reputation with Partner Organizations and other Clients.

Over the past biennium ICC has committed to formally certify all its ICT services according to the ISO/IEC 20000-1:2011 service management standard, and has delivered on its commitment. At the same time, ICC has strived to continue improving its infrastructure, security and services.



Photo: ICC

2.2.1 ISO 20000 CERTIFICATION FOR ALL ICC SERVICES



Photo: ICC

ICC achieved a major milestone in December 2017, with the extension of the scope of the ISO 20000 for service management standard to all ICC services, from the original scope, covering only the services of one ICC partner.

This demonstrates that ICC is poised to embed a culture of continuous improvement in the quality of ICT services provided to Partner Organizations and other Clients.

The ISO 20000 certification has ensured efficiencies across the entire spectrum of ICC service delivery for all Partners, ensuring consistency and minimizing the time it takes to deliver results on the ground in any crisis or engagement, allowing Clients to focus on their missions.

Many Partner Organizations may have seen the changes already, in terms of better and more accurate service reports and shorter and more consistent resolution times for incidents.

2.2 OPERATIONAL EXCELLENCE

2.2.2 CRITICAL INCIDENT MANAGEMENT

In 2012, ICC adopted a major incident process to handle critical and minor incidents. The process has been significantly improved during the past biennium, following the adoption of the ISO 20000 standards. A critical or major incident is a situation where one of the following conditions apply:

- A total failure or unavailability of a critical service provided by ICC for one or more Partners
- A total failure of a critical service provided by ICC to a critical location
- A failure of service utilities (air conditioning, power supply etc.) in such a way that threatens the availability of critical ICC services
- A failure of ICC's Service Desk function capabilities.

Over the past biennium, ICC has been resolving 81% of major incidents within the set timeframe, 4 hours, and has worked at continuous improvements to streamline

all incident monitoring and reporting. As part of the continuous improvement efforts, ICC has run a program to ensure that selected staff from all operational areas are trained in troubleshooting methodologies, such as Kepner-Tregoe's approach to problem solving and root cause analysis.

ICC has provided training for 34 staff and out of these 11 were trained to an advanced level. These trainings and specific awareness programs are increasing the expertise and awareness of all ICC staff, creating a culture that appropriately responds to major incidents.

Along with improving the quality of the reaction to major incidents, work has been done to proactively minimise the number and occurrences of major incidents, and, more in general, to minimise outages and unavailability events, by improving the resilience of the infrastructure.

2.2.3 PROJECTS AND PROJECT MANAGEMENT OFFICE

The Project Management Office (PMO) mission is to develop and maintain a balanced project portfolio, to establish, develop and operate appropriate processes and support structures to facilitate effective project portfolio management and improved project management maturity.

ICC's Project Management Office (PMO) has created a framework, a resource pool and processes for predictable and successful delivery of ICC projects. This includes the use of a Microsoft Project Management portal to track and report on every single project. The portal allows for generating metrics on projects for Clients and for the Management Report of the ICC Executive Committee.

As a demonstration of its growing PMO maturity, ICC is offering PMO services to Clients, from Client PMO setup or augmentation, maturity assessments, programme or project review and training to dedicated project management.

Over the course of the biennium, more than five Clients have utilised PMO as a Service, in areas such as cloud computing assessments and application migration support.

The Project Management Office has grown its central pool of professional project managers across its geographical locations, defining and maintaining the PRINCE2 project management methodology, standards, guidelines and templates, and keeping up to date with new standards and certifications, such as PRINCE2 2017 and agile methodologies.

The PMO has already engaged Clients with PMO as a Service in the areas of cloud computing migration project management and web application development.



Photo: IPPC-ICC

2.2 OPERATIONAL EXCELLENCE

2.2.4 OPERATIONAL SECURITY

ICC has significantly increased its focus on ICT security over the last biennium. Following on the work done by an internal security tiger team that looked into opportunities for the strengthening of ICC infrastructure security, the majority of the recommendations were implemented by the end of the biennium.

As part of this increased focus, ICC ran a program to ensure that selected staff from all operational areas were trained and certified in ICT security relevant to each operational area. 24 staff underwent training and, out of these, eight were certified.

This training and dedicated awareness program has increased the expertise and awareness of all ICC staff, creating a culture that expects and appropriately responds to security threats.



Photo: ICC

Additionally, with proper segregation of duties, ICC has increased its portfolio of services around ICT security with Common Secure, CISO-as-a-Service, and operational security measures and controls.

2.2.5 SERVICE CONTINUITY

Over the past biennium, ICC has increased its attention to service continuity. This increased attention is largely due to the work completed in support of the ISO/IEC 20000-1:2011 certification, achieved for all ICC services in December 2017. IT Service Continuity is one of the processes defined, implemented and audited to be certified.

As part of this increased attention, ICC ran a program to ensure that selected staff from all operational areas are trained and certified in service continuity. 21 staff took the training and eighteen were certified. The training and certifications have increased the expertise and awareness of all ICC staff in this area.

These efforts have been acknowledged by a recent audit, which confirms the quality of the work done and sets the stage for further improvements. This work will continue over the next biennium.



Photo: ICC

2.2.6 SERVICE LEVEL MANAGEMENT

ICC monitors its services in order to ensure that Clients and Partner Organizations receive a quality of service that meets their expectations based on service costs, established benchmarks and ICT industry standards for delivery.

Over the last biennium, ICC implemented a number of changes to further improve the service levels for the ICT services it provides to ICC Clients and Partners. These initiatives are in line with IT Service Management best practices, and include the following:

- The service levels achieved for ICT services provided to ICC Clients and Partners, published in PartnerNet starting from 2014, are available with granular detail. These are collected periodically in the form of reports and jointly reviewed during meetings with ICC Partner and Clients.
- The ICC General Service Guide is published on PartnerNet. It collects details of services ICC provides to Clients and Partners, including service levels, support channels, maintenance windows and escalation paths. It is part of the ICC Service Level Management framework that brings together the ICC Service Catalogue, the ICC General Service Guide, Service Delivery Agreements (SDAs) and service-specific service guides.
- Feedback management and the Continual Service Improvement process have been fully implemented to ensure that feedback from users is formally taken into account and corrective actions are taken and tracked to complete resolution.

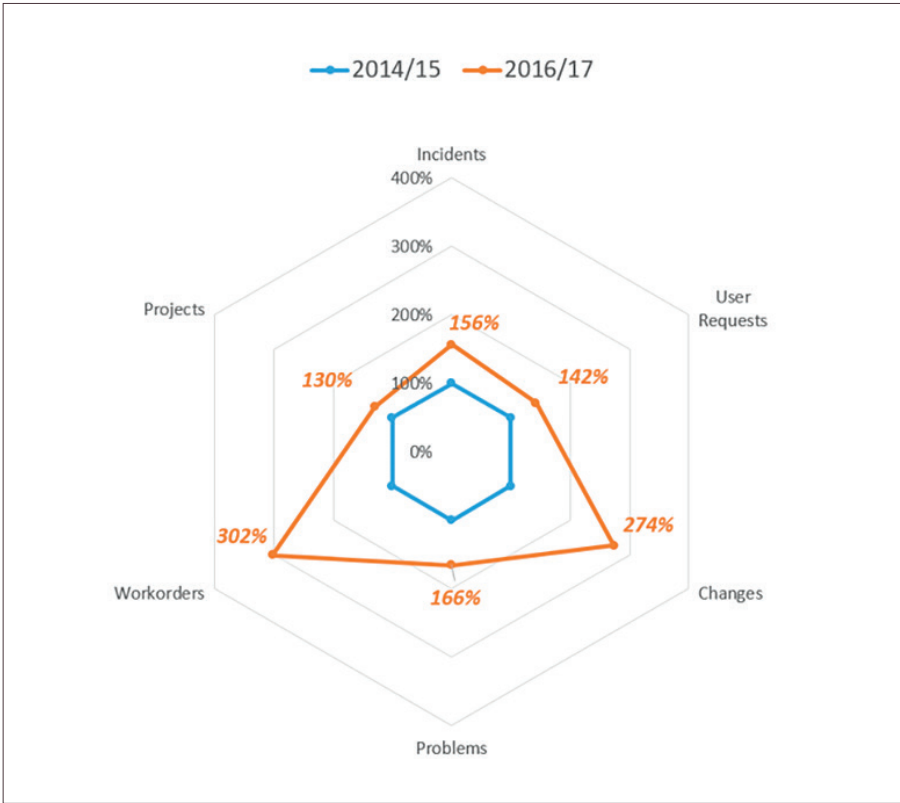


Figure 5 - Service Level Management

Over the last biennium, the volume of services provided has increased in terms of user service requests received, changes implemented, work orders processed, incidents resolved and projects completed.

Over the same period, records show that the percentage of incidents resolved within service levels has increased from 78% in the previous biennium to 88% in the last biennium.

In terms of availability, ICC was able to meet all of its 58 yearly availability targets in the biennium, with the exception of four in 2016 and only one in 2017.

The implementation of the ISO 20000 standard has been instrumental in improving ICC’s ability to cope with more work while providing better service levels at the same time.

2.2 OPERATIONAL EXCELLENCE

2.2.7 LEADERSHIP, LEARNING AND SKILLS DEVELOPMENT

Over the last biennium, ICC has focused more on learning services, re-energizing the team providing Learning Services (formerly Training Services). The focus of this team is to provide structured, rich and cost effective ICT learning services to ICC Partners and Clients as well as to ICC staff.

In response to the ICC internal objectives aimed at improving the services to Partners and Clients, four specific training programs were developed and run over the past year, focusing on Customer Service Excellence, ICT Security, Operational Resilience and Availability Management. Some of these learning paths were also shared with Partner Organizations and customized to meet Clients' internal requirements.

All ICC staff in relevant operational areas underwent ISO 20000 foundational training in preparation for ISO 20000 certification, with many continuing to the practitioner level. The staff (and some consultants) continued to train in ITIL service management and PRINCE 2 project management methodologies, with ICC's first Agile certification awarded in 2017 and full plans for PRINCE2 2017 training for the next biennium.



Photo: ICC

More than 120 ICC staff achieved a recognised certification in their specific area of expertise through a cost effective and centralized training program - also shared with Clients - spanning from Microsoft and Cisco technologies, through ITIL, ISO, Business Continuity and wide range of IT Security certifications from basic to advanced levels, just to mention few.

ICC staff and consultants underwent a mandatory information security awareness training in 2017, with a 97% success rate for all participants. This is a training now available to all new staff and contractors who join ICC.

ICC provided leadership management training for its senior staff at two levels, one in 2016 and one in 2017. The 2016 training focused on team-building 'dragon's den' projects to result in new services for ICC's client base. One project to help with market demand forecasting resulted in a Clients-Project unit internship in New York in 2017.

The 2017 leadership retreat focused on three priority projects for ICC and its Management Committee. The retreat utilised design thinking methodology to build the projects. Several Clients were invited to provide input and feedback to ICC's recent achievements and roadmap forward.

The projects included Client demand forecast processes and tooling, risk mitigation for any loss of business and a campaign to better communicate ICC's value for money. Projects, still ongoing, have been designed and developed with an emphasis on innovation and teamwork, with an emphasis on transformation and trust with our Clients and Partner Organizations.



Photo: ICC

These leadership sessions demonstrate ICC's commitment to transformation and trust, with greater visibility for the organization and extended strategic partnerships. Managers attended coaching sessions during the biennium to address specific developmental objectives. The aim was to prepare teams to work across the organization as well as up and down its reporting structure, preparing ICC management at all levels to be more proactive in its approach to service delivery.

2.2 OPERATIONAL EXCELLENCE

In addition to technical skills trainings, ICC initiated training programmes in key areas such emotional intelligence and conflict management. ICC also encouraged its staff to attend language training classes to help with their integration in professional, cross-cultural and social spheres. While ICC's working language is English, staff come with a host of other languages including French, Spanish, Italian and many other tongues from around the world.

HOW ICC
DELIVERS

3.1 CLIENT AND PARTNER ENGAGEMENTS

3.1.1 PRINCIPLES

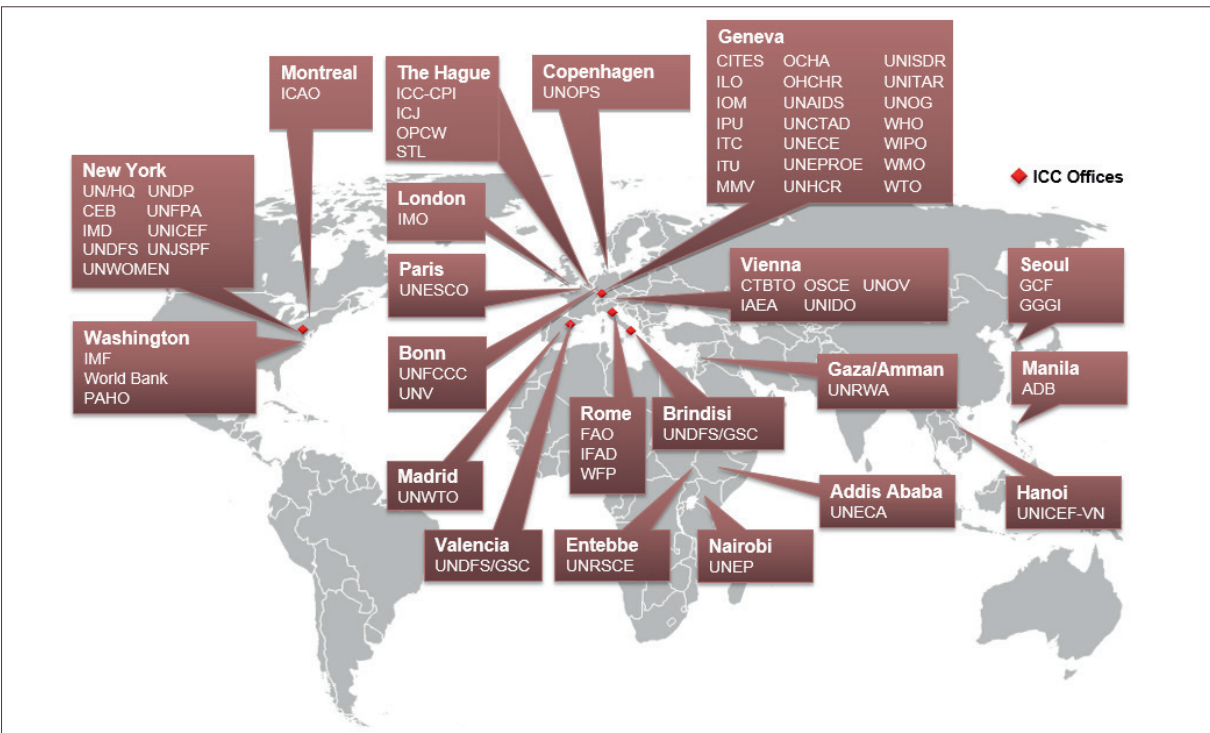


Figure 6 - ICC Clients and Partner Organizations worldwide

ICC prides itself on its world-class reputation, trusted leadership position and great relationships with its Partner Organizations and Clients. For over 45 years, ICC has been providing superior ICT services to United Nations programmes, funds, entities and related non-profit organizations.

ICC maintains a strategic view of ICT support for United Nations goals and deliverables around the globe. ICC's expertise and complex knowledge about United Nations ICT environments means that Clients and Partner Organizations get the top of today's technology marketplace services with the best value money can buy.

Several principles frame the engagements ICC has with its Clients and Partner Organizations:

- Assurances of business acumen, operational excellence, quality and security
- Courteous, professional and prompt attention
- Collaborative and honest communications
- ICC's services, architecture and portfolio alignment with Client ICT strategies
- Proactive understanding to meet business needs
- Timely and useful information sharing.

3.1.2 ENGAGEMENT MODEL

ICC's partnership relationships are typically framed by the ICC Mandate, while the Memorandum of Understanding is signed by all Clients and Partner Organizations. These documents contain information about the governance of ICC, finances, cost- recovery and shared management responsibilities for all participating Partner Organizations. Beyond this, ICC has provided services to other not-for-profit organizations.



Photo: IOM

3.1 CLIENT AND PARTNER ENGAGEMENTS

ICC's services to Clients are captured in Project Agreements (PAs) and Service Delivery Agreements (SDAs). These include full contractual level details

including objectives, scope, roles and responsibilities, cost estimates and terms and conditions for services rendered.

3.1.3 ENGAGEMENT PROCESS

The engagement process begins by identifying a Client's business goals and technology requirements. The Client signs a MOU and assigns certifying officers, who can commit on budgets.

ICC then works to qualify and quantify specifications and prepares a draft offer. This is shared with Clients to make sure that proposed solutions meet their specific needs. ICC continues with a process of stepwise refinement to make sure to capture requirements and deliver within time and budget. When it is agreed that an offer meets the expressed requirements, it is finalised, and this becomes a Project Agreement and/or a Service Delivery Agreement.

ICC is helping one Client with the development of a global information hub where Member States worldwide have defined global taxonomies and standards for a coherent and interoperable platform for sharing environment-related certificates. The engagement process in this case has been one of close collaboration and a detailed scrutiny of evolving Client requirements to find a suitable and robust solution.

Once a service begins, ICC publishes monthly service usage reports that show exactly what has been delivered and what is being charged. This provides a control point to the Client or Partner Organization and gives assurance that charges are aligned with the expected funding allocated. Digital business strategies and services, and the requirements that drive them, evolve over time. Changes to projects and/or services are managed using a Business Change Request (BCR) process that allows ICC and Clients to adapt their planned or current delivery plans.

This process is formal yet agile, to confirm that ICC and its Clients understand requested changes. In this way, the process allows for quick turnaround and response.



Photo: UNDP/von Brockhausen



Photo: ADB

ICC ensures that changes are captured and any impacts on scope, schedule or budget are agreed upon before proceeding. Changes can often be accommodated within original budgets and simply require an updated BCR to capture changed responsibilities or scope.

ICC is committed to improve the experience and quality of service for every Client and Partner Organization.

3.1 CLIENT AND PARTNER ENGAGEMENTS

3.1.4 COMMUNICATIONS, OUTREACH AND ADVOCACY

Partner Organizations and Clients are assigned an ICC Client Account Manager and Technical Account Manager, ICC's first, trusted and consistent points of contact for information, service requests or questions throughout the relationship.

The Client Account Manager works with Clients to understand their strategic objectives and tactical business goals, working with a designated Technical Account Manager to devise cost-efficient, optimised solutions that facilitate Client technical goals and needs. This forum facilitates a more open and forward-looking dialogue about upcoming opportunities and market technology trends.



Photo: ICC

ICC has created a Client site called PartnerNet, where Clients and Partner Organizations can find information about all aspects of their engagement with ICC.

PartnerNet provides information related to contracts and finances, primary contacts in each organization, announcements of interest to the community, marketing collateral and service offering guides as well as key metrics, controls and quality assurance documents.

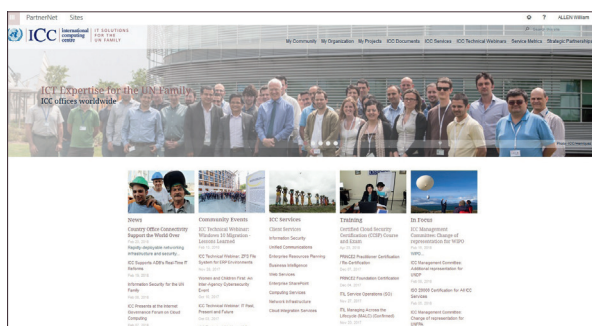


Figure 7 - ICC's PartnerNet Extranet for Clients

In addition, Client Account Managers schedule regular portfolio reviews with Clients. These meetings include a review of financials as well as a discussion regarding all existing services and in-flight projects.

ICC is actively reaching out to share its vision and collaborate with others. In the search to find valuable partnerships across technology and international development domains, ICC has been participating in conferences and thought leadership around the globe.

ICC has new alliances with ID2020, a public-private partnership for global digital identity, the Center for Internet Security (CIS) and the Cloud Security Alliance (CSA). ICC has a new partnership with Amazon for Amazon Web Services with good terms to provide value for money.



Photo: ICC

Public engagement is also an important part of outreach and advocacy. ICC experts have presented over the past biennium in a number of cyber security conferences from Marrakesh to New York.

Others have presented at the Internet Governance Forum on Cloud Computing and on data protection in Geneva. ICC organized and presented at a joint UN Agency Information Security Awareness event for Cyber Security Awareness month in October 2017 in New York.

3.1 CLIENT AND PARTNER ENGAGEMENTS

3.1.5 A CULTURE OF CONTINUOUS IMPROVEMENT

ICC's goal is to deliver high-quality and highly-secure services to the United Nations family at competitive rates, in environments that protect Partner Organization and Client information. This creates an opportunity for collaboration and synergies between United Nations programmes, funds and entities, with added economies of scale and measurable value for money.

ICC is aware that the dynamic nature of digital business today means constant opportunities for innovation and advancement. To this end, ICC fosters a culture of continuous improvement. Best practices and industry standards evolve, or are refined, and ICC monitors these changes and apply them when they benefit Clients.



Photo: ICC

3.2 ICC GOVERNANCE

ICC is governed by a Management Committee comprised of one representative from each of its Partner Organizations. There were 39 Partner Organizations by the end of the 2016-2017 biennium. The Management Committee meets twice a year, normally in April and October.

An Advisory Group consisting of Management Committee members works throughout the year with the Director to undertake preliminary work on topics of interest, to provide advice on Management Committee agendas and to make recommendations on items presented for decision to the Management Committee.

Members of the Advisory Group represent the Partners with the greatest engagement in terms of funding, with one to three additional members proposed and confirmed by the Management Committee.

The Management Committee met four times during the biennium: in Vienna, April 2016, in Geneva, October 2016, in Washington D.C., May 2017 and in Geneva, November 2017. In addition, the Advisory Group met 15 times during the 2016-2017 biennium.

3.2.1 THE PARTNERSHIP MODEL

The relationship between ICC and its Partner Organizations is governed by the ICC Mandate and the Memorandum of Understanding that all Partner Organizations sign. These agreements cover the

governance of ICC, the structure of the Management Committee, the role of the Host Organization (currently WHO) and the cost recovery model used to fund ICC's shared services and activities.

3.2 ICC GOVERNANCE

3.2.2 ICC'S CLIENTS AND PARTNER ORGANIZATIONS

ICC's services are available to any organization of the United Nations system, including programmes, funds, specialised agencies as well as other not-for-profit, non-United Nations entities that are closely aligned to the UN vision and mission.



Photo: ICC

All told, there were nearly 50 active Clients and Partner Organizations during the 2016-2017 biennium, including two new Partners and three new Clients.

Becoming a Partner

Requesting membership in ICC starts with a formal, written request to the Management Committee Chair and the ICC Director, accompanied by the applicable request for admission form, signed by the Head of the Partner Organization. All required forms are provided by ICC upon request.

The Director presents the request for approval at an upcoming Management Committee meeting. The requesting organization is invited to attend this meeting as an Observer.

3.2.3 A UNITED NATIONS FAMILY

As a United Nations entity, ICC operates under the same privileges and immunities as its Clients and Partner Organizations. ICC's data centres and offices are extra-territorial, meaning that they are not under the jurisdiction of any national authority.

The data and systems ICC hosts are protected from any national interest or intrusion, safeguarding United Nations jurisdiction. ICC is governed by the same rules as its Partner Organizations for procurement, financial audit and reporting.



Photo: OCHA/Moovig

3.2.4 SUPPORTING THE UNITED NATIONS MISSION

ICC's vision is to fully manage ICT services and solutions for Clients, so they can focus on their mandates, goals and humanitarian delivery results. ICT services and one-time projects have become increasingly critical to Client business success, as professional, competent, managed solutions allow them the freedom to focus on their organization's core business in delivering the UN's Sustainable Development Goals and similar aspirations.

ICC and its Clients have demonstrated that ICT has been an enabler of the Sustainable Development Goals over this past biennium, helping development efforts with forward-looking and cost efficient digital business solutions.



Figure 8 - SDGs

3.2 ICC GOVERNANCE

3.2.5 COST RECOVERY

ICC's cost-recovery model ensures that Clients and Partner Organizations pay according to the cost of the competitively-priced services provided. There is no concept of profit in the commercial sense at ICC. ICC's success is driven by how quickly and effectively it responds to Client ICT requirements.



Photo: UNHCR/Khalit

3.2.6 ICT BEST PRACTICES AND AUDIT COMPLIANCE

ICC continually pursues initiatives to ensure that it is delivering high-quality services in line with Client expectations. ICC's staff are trained in Information Technology Infrastructure Library (ITIL) service management, PRINCE2 project management methodology and use the COBIT 5 standard as a governance internal control framework.

ICC has continued to establish and embed a culture of continual improvement in the quality of ICT services. Full ISO 20000 certification for all ICC services was achieved in December 2017, after first achieving ISO 20000 service management certification for services provided to one Client worldwide in December 2014.



Photo: ICC

In addition, ICC has adopted industry-standard information security and audit frameworks to ensure the highest level of quality. Today these include ISO 27001 and ISAE 3402.

3.2.7 UNITED NATIONS EXPERIENCE AND EXPERTISE

With over 45 years of experience as an ICT service provider within the United Nations family, ICC is uniquely positioned to understand the complex needs and constraints of its Clients.

United Nations organizational budgets are being reduced, staff posts are being cut, and Partner Organizations are being asked to do more with less. ICT has been a key enabler to succeed within these constraints, and ICC has a proven record of delivering effective results, cost efficiencies, inter-Agency synergies and superior value for money.



Photo: UN Women/Hakansson

3.2 ICC GOVERNANCE

3.2.8 PARTNER PARTICIPATION IN ICC'S STRATEGIC DIRECTION

All Partner Organizations participate in ICC's governance through its Management Committee. This provides assurance that ICC's initiatives and activities are in line with Partners' requirements and expectations, set out late in 2015 in a strategic positioning document to cover 2016-2020.



ICC's value proposition, set out in its strategy notes ICC's strengths:

- UN jurisdiction, privileges and immunities
- Consolidation and standardisation across the UN system
- Streamlined technical procurement
- Extensive knowledge of UN system (including HR rules, procurement and field challenges)
- Well established business model, partnerships and cost recovery
- Experienced UN staff and UN-managed contractors
- Quality and accreditation of staff
- Delivery of services which need to be kept within the UN
- Partners have a say in its governance
- Partners' concerns are more important to ICC than they would be to a larger supplier
- Personal touch due to long-standing relationships.

Partner Organizations, through the Management Committee, share responsibility and provide valuable input to ICC's strategic direction, approve its budget, financial reports and service rates as well as participate in the selection of the Director.

3.3 RISK MANAGEMENT AND COMPLIANCE

As a major ICT service provider for the United Nations family and its friends, ICC is committed to maintaining high levels of quality of service while minimising risks.

In its commitment to operational excellence, ICC has established an Enterprise Risk Management (ERM) and internal control framework. The importance of ERM is recognised at every level of the organization and is a key contributor to better-informed strategic decisions.

A corporate risk register is maintained at the ICC Executive Committee level to help control and mitigate high-level risks identified across several segments of ICC business.



3.3 RISK MANAGEMENT AND COMPLIANCE

ICC also maintains an operational risk register as part of ISO 20000 management system processes. Specific project risks are identified and, if needed, they are reported to the Executive Committee. Most importantly, all risk mitigation is tracked through completion, allowing a continual improvement of internal controls.

The internal control framework, adopted in 2008, governs ICT operational activities and demonstrates ICC's early commitment and foresight to manage risks with appropriate, industry-standard controls.

Progress continued over 2016-2017, with further

alignment of the internal control framework to evolving risk mitigation requirements in all areas of the organization, providing consistent implementation of these controls.

ICC's internal controls are based on COBIT 5, an internationally recognised framework for optimal ICT governance. Corporate financial controls are developed following the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework and adapted to meet financial auditing standards.

3.3.1 ISAE 3402 ASSURANCE

The yearly ISAE 3402 report has provided Clients and Partner Organizations and their internal and external auditors with information on policies, procedures and controls that may be relevant to their internal control structures and financial statements.

During the last biennium, the scope of ICC's ISAE 3402 continued to be revised to ensure continuous and improved coverage of assurance requirements for ICC's Clients and Partner Organizations.



Photo: IAEA/Crozet

3.3.2 INTERNAL AUDITS BASED ON PARTNER ORGANIZATION REQUESTS

As agreed at the 88th Session of the ICC Management Committee, any Partner Organization or Client wishing to audit their services hosted at ICC should submit their request to the Advisory Group chairperson before the fall session of the Management Committee.

The Management Committee's Advisory Group acts as a review committee, discusses requests, formulates them and makes recommendations to the Management Committee. ICC then makes a submission to the Office of Internal Oversight Services of ICC's host organization, the World Health Organization (WHO).

Audit requests can be coordinated to satisfy the highest possible set of collective security and quality expectations among Clients.

The Chair of the Advisory Group defines the rules of engagement with WHO auditors and ICC, so as to avoid duplicating audit activities already covered by existing audit processes.



Photo: IAEA/Crozet

3.3 RISK MANAGEMENT AND COMPLIANCE

All audit recommendations resulting from Office of Internal Oversight Services audits are used by ICC management to improve controls and the quality of

processes. Actions to align ICC controls with each recommendation are formally tracked until completion.

3.3.3 BENEFITS FROM GOVERNANCE AND AUDIT STANDARDS

By using international ICT governance standards like COBIT 5 and audit standards like ISAE 3402, Clients and Partner Organizations can be sure that ICC follows and applies ICT best practices and has appropriate management and quality controls in place.

By employing open, international standards, ICC reduces the need for each Partner Organization to request a separate audit report, significantly reducing audit efforts and costs.



Photo: UN Women

3.4 INFORMATION SECURITY

ICC is a major ICT service provider to the United Nations family and its friends. It is committed to maintaining appropriate levels of information security and good governance. As a result, ICC has pursued a number of relevant certifications and independent audits based on international standards.

By following recognised international standards with assurance provided by independent auditors, ICC can reduce the need for Clients and Partner Organizations to request separate audit reports and significantly reduce audit efforts and costs.



Photo: UN Women

3.4.1 ICC INFORMATION SECURITY SERVICES

ICC's information security services, expanding greatly over 2016-2017, offer Clients continuous, reliable and timely information security protections and controls. This includes the new Common Secure service, which gathers and shares critical cyber information from Partner members, commercial security firms, service providers, federal, state and local government agencies, law enforcement and other trusted resources.

The Common Secure threat intelligence networking service went live in 2017 and has six Clients to date. As many as 20 Agencies are utilising a variety of ICC's information security services, from CISO-as-a-Service to operational security services like vulnerability management, penetration testing, ISO 270001 and other security assessments, security health checks, incident response and cyber security awareness.

3.5 STAFF EXPERIENCE AND EXPERTISE

3.5.1 STAFF EXPERIENCE AND EXPERTISE

The unique business environment of ICC requires a workforce that is versatile and skilled in deploying and supporting diverse technologies across the ICT spectrum. This environment demands knowledgeable staff who are familiar with United Nations goals, ethics, regulations, business and technology environments.

Staff and contractors command industry-standard certifications in all areas of Software-as-a-Service, Platform-as-a-Service, Infrastructure-as-a-Service, as well as information security, training, professional services and strategic advisory services.



Photo: ICC

This includes training, qualifications and certification from key industry partners and suppliers, including Microsoft, Oracle, and Cisco, and professional certifications in governance (COBIT 5), information security (ISO 27001) and service management (ITIL and

ISO 20000). The advanced expertise of ICC's staff allows the organization to function as the go-to ICT place for the entire United Nations family and its friends.

ICC staff bring skills and years of experience in a broad range of areas including:

- Cloud-based services
- Enterprise storage and backup
- Enterprise collaboration
- Enterprise communications services
- Enterprise Resource Planning systems
- Access and identity management
- Information security services
- IP telephony
- Managed hosting services for large enterprise services
- Networking and infrastructure hosting Professional services and training
- Strategic advisory services.

In order to meet its goals and provide quality services to its Clients and Partner Organizations, ICC has established offices in five strategic locations: Brindisi and Rome, Italy; Valencia, Spain; Geneva, Switzerland and New York, USA. ICC prides itself on the expertise and professionalism of its personnel, comprised of 260 staff and over 200 consultants. The expert teams at ICC bring decades of experience in the United Nations family together with state-of-the-art technology and business skill sets spanning the digital business environment.



Photo: ICC

3.5 STAFF EXPERIENCE AND EXPERTISE

ICC staff, to stay current with a changing ICT landscape, have been sharpening their skill sets in business intelligence, Unified Communications, new cloud technologies, enterprise architecture, virtual network operations, data analytics, digital signage and projects that support individual field offices around the world.

ICC places a lot of importance on operational excellence with particular emphasis on the performance and availability of its services and the level of security associated with them.

The challenge of the ever-changing ICT technologies managed by ICC means a constant need for on-the-job and cross-functional training. It also provides a unique opportunity for ICC staff to 'sharpen the saw' and develop skills they need and desire.

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3.6.1 ICC BUSINESS MODEL

ICC, reviewing its business model in 2012-2013, has better aligned its services to the needs and expectations of Clients and Partner Organizations.

The effectiveness of ICC's business model over 2016-2017 has been apparent in its growth and evolution. The model is simple and easy to understand, with predictability and transparency for the budget positioning of Clients within ICC.



Photo: UNICE/Noorani

This evolving business model embraces the goal that ICC will be the United Nations preferred global one-stop shop for everything ICT related that can be shared between members of the UN family, offering superior services at competitive prices to Partner Organizations and Clients.

It is not mandatory for ICC Partners to use ICC's services, and no minimum level of usage is required, so ICC must continuously demonstrate its strategic relevance, operational excellence and good value for money.

This business model has successfully driven ICC's growing portfolio of engagements over the 2016-2017 biennium, and it will continue to foster synergies and collaboration for sustained growth and innovation into the next biennium.



Photo: ICC/Allen

3.6 ICC FINANCES

3.6.1.1 Project Agreements and Service Delivery Agreements

ICC and its Clients and Partners sign Project Agreements and/or Service Delivery Agreements to request ICC's services.

The Project Agreement describes the way ICC is to deliver a one-time project to a Partner Organization or a Client. This agreement remains valid until the completion of any project. However, a Project Agreement can be amended, updated or superseded as and when it is appropriate.

The Service Delivery Agreement describes ICC services to be delivered on a recurring basis. While it remains in



Photo: ICC

force until it is cancelled, a Service Delivery Agreement can be amended, updated or superseded as and when appropriate. Limited changes are easily captured through the adoption of a Business Change Request.

3.6.1.2 Funding

ICC is a full, cost-recovery organization and does not benefit from any core funding. Charges for services are the only source of funding for ICC. As per the ICC Mandate, service charges are designed to cover the total cost of provisioning of services.

ICC invoices Partner Organizations and other Clients in advance to ensure that there are sufficient funds to operate ICC services.



Photo: ICC

Project Agreements are invoiced upon signature and Service Delivery Agreements are invoiced quarterly in advance.

3.6.1.3 Service rates

ICC maintains a service catalogue defining its services and associated costs. These rates are calculated to reflect the effective total cost of provisioning services, including all direct and indirect costs and avoiding cross-subsidy occurrences between services.

Service rates are recalculated by ICC every six months based on the current service volume and cost information. Service rates, or unit costs, are influenced

by many factors, but primarily by the volume of delivery of each service.

A higher volume of service allows for a lower rate. Rate changes, then, reflect ICC's goal to provide Clients and Partner Organizations with the benefit of economies of scale. Updated rates are consistently submitted for approval to the ICC Management Committee.

3.6.1.4 Reconciliation model

At the end of the biennium, ICC reconciles the invoiced funding, service usage and actual expenditures incurred to provide services. It then calculates final charges per Partner Organization and Client. An invoice/credit note is issued to each Partner to align the funding to the final charges.

The reconciliation adjustment is actually made of two components:

- Service usage adjustment
- Overhead adjustment.

The service usage adjustment comes from the difference between the expected (and invoiced) service usage as described in the Project Agreement or Service Delivery Agreement and the actual service usage.

3.6 ICC FINANCES



Photo: ADB

The overhead adjustment comes from the difference between the actual service usage and the final expenditures of ICC.

3.6.1.5 Service usage adjustment

ICC issues a Service Usage report each month, showing the actual volume and charges of delivered services for each Partner and Client. During the biennium, the charge calculation takes into account new rates as approved by the ICC Management Committee.

For one-time services with Project Agreements, ICC provides a report with Project-to-Date details. This report shows what portion of project funding has been used. Adjustments can be performed in the course of a project through Business Change Requests.

At the end of a project, ICC may issue an invoice/credit note to take account of differences between invoiced funding provided at the start of the project and actual costs from usage reports. At the end of a financial period, when a project is not yet completed, the portion of the project funding that has not yet been used is deferred to the next financial period.

3.6.1.6 Overhead adjustment

At the end of a biennium, ICC's financial closing shows any remaining overhead surplus or deficit for services to Clients.

The ICC Management Committee decides on the use of any operational surplus. Following a Management



Photo: UNDP/Morales

For recurring services with Service Delivery Agreements, ICC also provides Clients and Partner Organizations with a quarterly report, comparing invoiced funding to actual service usage for a current quarter as well as by Biennium-to-Date details. When a significant (positive or negative) difference appears, a Business Change Request can be issued to align funding and service usage, where any under or over usage can be credited or debited.

Committee decision, the overhead surplus (up to 3% of the biennium income) is transferred to the Working Capital Fund in order to constitute a special fund for Research and Development. Otherwise the adjustment is distributed amongst the Partners pro-rata to their actual service usage during the period.

3.6.2 ACCOUNTING STANDARDS AND FINANCE AUDITS

The International Public Sector Accounting Standards (IPSAS) are a series of financial reporting and accounting standards issued by the International Public Sector Accounting Standards Board, which represents more than 160 member bodies in 120 countries.

IPSAS provides high quality, independently produced accounting standards, underpinned by strong due process and supported by governments, professional accounting bodies and international development organizations, representing accounting best practices for governments and not-for-profit organizations.

3.6 ICC FINANCES



IPSAS replaces the United Nations System Accounting Standards (UNSAS), which were the accounting standards previously used by ICC.

Since the beginning of the 2012-2013 biennium, ICC's finance management and accounting have been IPSAS-compliant. The most significant change arising from IPSAS has been the requirement to move from a cash basis to an accrual basis of accounting. Under UNSAS, the transactions were recorded on a cash basis when cash was paid or received. Under IPSAS, transactions are now recorded on the basis of goods or services being provided or received.

There are numerous benefits to ICC in adopting IPSAS. First, this improves comparability, harmonisation, transparency and accountability in the financial reporting of United Nations programmes, funds, and other entities.

Furthermore, international accounting standards require that more information be provided and disclosed in ICC's financial statements, leading to better information,

availability and transparency for decision-making. The major benefits to ICC are:

- Annual audits and reporting
- Enhanced financial and resource stewardship
- Improved senior management decision-making
- Increased transparency and controls
- Use of best practices to ensure comparability and consistency.

ICC's finances are audited every year by the external auditor of its host organization, the World Health Organization (WHO). The results of these audits are presented to the ICC Management Committee.



ICC prepared its first IPSAS-compliant financial statements for its financial year ending 31 December 2012. Financial Statements from 2012 to 2017 are fully IPSAS-compliant and the Auditor has always issued an Unqualified Opinion.

The reader will find in annex the financial statements for 2016 and 2017.

3.6.3 FINANCIAL EFFICIENCY AND RISK MANAGEMENT

3.6.3.1 Budget management

ICC Clients and Partner Organizations have requested higher visibility and predictability in their ICC budgets. In relation to the implementation of the new ICC business model, ICC has developed two monthly reports:

- A Service Usage report that provides detailed information on delivered service charges. This report shows the exact service consumption per operational month, so that Clients and Partner Organizations can
- review what and when services were delivered as well as comparing the volume of services from month to month. This report is particularly useful from an operations management point of view.
- A Budget Status report shows with Biennium-to-Date details the volume of services requested, the funding invoiced based on these requests, as well as the actual consumption of requested services. This report

3.6 ICC FINANCES

provides a monthly view to Clients on their budget with ICC compared to actual service consumption. This report is particularly useful for budget management

and has proved to be an excellent tool for Clients and Partner Organizations to forecast budget status for the end of the year or biennium.

3.6.3.2 Exchange rates

Like most of its Clients and Partner Organizations, ICC bases its budget and accounting on the U.S. dollar. Being spread over multiple geographical locations to serve its Clients, ICC incurs expenses in multiple currencies, mainly the U.S. dollar (USD), the Swiss Franc (CHF) and the Euro (EUR). As a result, fluctuations on currency exchange rates have some impact on the ICC financial results. In a volatile global economic climate, ICC's financial strategy is to strive to reduce exposure to currency fluctuations. Several initiatives have been implemented to serve this objective.



Photo: WHO

Beginning in the 2012-2013 biennium and in line with its host organization, the World Health Organization (WHO), ICC is hedging its salary costs in the CHF and EUR. As a result, exchange rates between the USD and respectively the CHF and EUR are locked in future exchange rates through forward foreign exchange contracts hedging, thus reduce the impact of movements in foreign exchange rates in the short and medium term. This will also improve exchange rate stability and provide time for ICC to adjust its service rates and budget to significant movements in market exchange rates.

ICC has further developed its geographical location strategy by locating an office in Valencia, Spain. Since 2014, where possible, new posts have been created primarily in Valencia. Contractors from Geneva and New York have been moved to this new location whenever possible. In doing so, ICC has not only reduced its costs of operations but has also better balanced its expenditures between the USD, CHF and EUR.



Photo: ICC

Most of ICC's equipment such as servers, switches, storage arrays, enterprise backup arrays, etc. are acquired through operating leases to align expenses related to this equipment to funding that ICC receives from its Clients and Partner Organizations for the delivered services.

Where possible, ICC contracts its operating leases in USD to avoid the exchange rate risk and reduce the impact of currency fluctuations on its operations and financial results. These initiatives have greatly contributed to reducing the impact of currency fluctuations since 2014.

3.6.4 2016-2017 BIENNIUM HIGHLIGHTS

3.6.4.1 Budget evolution for the biennium 2016-2017

The ICC Management Committee approved ICC's budget for 2016-2017 in its 95th session (April 2015) for a total amount of USD 156,655,000 (see Table 1). During the biennium, ICC Partner Organizations outsourced many of their ICT operations to ICC, including Enterprise

Resource Planning (ERP), Enterprise Communications Services (ECS), infrastructure, platform, application and networking services, resulting in an increase of 5% of ICC's budget (Table 1).

3.6 ICC FINANCES

3.6.4.2 Operating expenses by object of expenditure

The operating expenses for the biennium 2016-2017 totalled USD 155,246,866, representing an increase by 5% from the previous biennium. Table 2 shows the expenditure for the two biennia 2016-2017 and 2014-2015, summarised by object of expenditure. Notes are provided for positive variances of more than 20% between the two biennia (Table 2).

ICC also started to recognize its Property Plant and Equipment on 1 January 2017 (after the 5-year transition period allowed by IPSAS). As a result, ICC started recognizing depreciation expense in 2017 for its capital assets. The net book value of the capital assets that were carried over from 2016 was adjusted directly to the Net Assets/Equity.



Photo: OPCW

3.6.4.3 ICC's funding, service usage and reconciliation adjustments for 2016-2017

Being a full cost-recovery organization, ICC is entirely funded through the provision of services to Clients and Partner Organizations. The invoiced funding, server

migration levies, deferred income, service usage charges, as well as the final credit note/invoice are summarised in Table 3.

3.6.4.4 Working Capital Fund

The establishment of a Working Capital Fund (WCF) was agreed in the 68th session (October 2001) of the ICC Management Committee with the following objectives:

1. Revolving Fund to enhance ICC's cash resources in case of delays in payments from Partners and Users
2. Contingency Fund to provide financial resources to deal with the potential risk situations which cannot be dealt with through the regular budget
3. Others uses to finance research and introduction of new technologies or facilities considered to have potential value to the Partner Organizations but for which there are no budgeted funds. Such usage of the fund will be pre-determined and authorised in accordance with the rules of the Management Committee.

This fund has been built up from:

- Net income of services delivered to Users
- Income from the interest earned on ICC's average monthly fund balances
- Savings from unliquidated obligations from a previous biennium (however, since the adoption of IPSAS in 2012, this input to the fund is no longer possible).



Photo: UN

The ceiling of the WCF was initially set at 8% of the ICC budget, then increased to 10% per decision of the ICC Management Committee in its 81st session (May 2008). At the end of the 2016-2017 biennium, the WCF totals USD 9,225,956 or around 6% of the ICC total budget.

Taking into account that the income from Users has declined to almost zero and that the interest rates are generally low, the WCF is not increasing anymore. In light of this situation, the ICC Management Committee decided during its 91st session (April 2013) to no longer

3.6 ICC FINANCES

use the WCF for its third objective (to finance research and introduction of new technologies or facilities), for the time being.

During the biennium 2016-2017, the WCF has received a credit of USD 616,662 from income from Users and interest income apportionment from its Host Organization (WHO).

In the 97th session of the ICC Management Committee (MC), the MC decided to transfer the overhead surplus (which is the excess of service income over ICC’s actual

operating expenditures) up to 3% of the biennium income to the ICC WCF. At the end of the 2016-2017 biennium, the WCF received a transfer of USD 3,406,121 for the overhead surplus and the capital equipment adjustment. On the other hand, an initial amount of USD 600,000 was transferred from the WCF to the ICC Research and Development Fund (R&D Fund). Please see Section 3.6.4.5 for details.

Table 4 summarises credits to the WCF and its usages since biennium 2002-2003. Table 5 details the movements in the WCF during the biennium 2016-2017.

3.6.4.5 Research and Development Fund (R&D Fund)

During 97th session of the ICC Management Committee (MC) in April 2016, the MC decided to create a Research and Development Fund (R&D Fund) in order to:

- Ensure transparency of the level of investment being made in new products by ICC
- Align new products with Partners needs
- Relieve the initial customer for a new service of the burden of investing in its development.

The ICC Management Committee decided to transfer USD 600,000 from the WCF as initial funding for the R&D Fund. The MC also agreed that they will decide how much of the overhead surplus that was transferred to the Working Capital Fund (WCF) will be transferred to the R&D Fund (up to 1.5% of earned income) in the subsequent biennium.

The R&D Fund is governed by an R&D Board that acted as the review panel for the innovation “funnel”. This board has had the same membership as the ICC Management Committee Advisory Board, with the option to invite non-voting external advisors.

The projects from 2016-2017, still underway, demonstrated multi-Agency interest. The first project was an Information Security Operations Centre (SOC) to provide the UN family with the necessary resources and skills to respond to information security incidents and to conduct computer forensic investigations. The second project was the development of a shared UN System Root Certificate Authority (CA) to support Global Identity Management.

Table 6 details the movements of the R&D Fund during the biennium 2016-2017.



During 2016-2017 biennium, a total of USD 34,088 was used for the R&D activities.

3.6 ICC FINANCES

Table 1

Budget evolution of ICC for the biennium 2016-2017 Amounts in USD

Partners and Users	Original Budget A	Revised / Invoiced Funding B	Variance C=B-A	Variance % D=C/A
CEB	20 000	1 848	(18 152)	-91%
CITES		12 680	12 680	N/A
CTBTO	1 084 000	1 989 950	905 950	84%
DFS	39 996 000	28 577 317	(11 418 683)	-29%
FAO	397 000	2 576 626	2 179 626	549%
IAEA	2 862 000	3 120 879	258 879	9%
ICAO	74 000	220 705	146 705	198%
ICJ	-	563 729	563 729	N/A
IFAD	4 526 000	6 589 179	2 063 179	46%
ILO	702 000	2 074 498	1 372 498	196%
IMD	-	3 276 536	3 276 536	N/A
IMO	181 000	394 436	213 436	118%
ITC	552 000	833 964	281 964	51%
ITU	3 078 000	2 545 563	(532 437)	-17%
OCHA	508 000	2 099 372	1 591 372	313%
OHCHR	3 476 000	3 326 858	(149 142)	-4%
OPCW	-	748 094	748 094	N/A
PAHO	-	871 949	871 949	N/A
UNCTAD	1 076 000	1 165 818	89 818	8%
UNDP	10 793 000	14 567 337	3 774 337	35%
UNECE	84 000	229 172	145 172	173%
UNESCO	-	258 966	258 966	N/A
UNFCCC	-	186 327	186 327	N/A
UNFPA	74 000	72 399	(1 601)	-2%
UNGSC	-	353 406	353 406	N/A
UNHCR	4 286 000	7 957 349	3 671 349	86%
UN-HQ	12 973 000	7 881 585	(5 091 415)	-39%
UNICEF	-	748 089	748 089	N/A
UNJSPF	8 138 000	12 817 518	4 679 518	58%
UNOG	120 000	373 788	253 788	211%
UNOPS	74 000	74 400	400	1%
UNRSCE	-	146 166	146 166	N/A
UNRWA	-	46 276	46 276	N/A
UNV	30 000	37 479	7 479	25%
UNWOMEN	799 000	2 587 088	1 788 088	224%
WFP	14 092 000	13 489 221	(602 779)	-4%
WHO	7 191 000	6 655 363	(535 637)	-7%
WIPO	23 988 000	25 909 842	1 921 842	8%
WMO	1 408 000	3 207 258	1 799 258	128%
WTO	3 977 000	4 115 808	138 808	3%
TOTAL PARTNERS - Recurring Services	146 559 000	162 704 838	16 145 838	11%
TOTAL PARTNERS - Projects	10 000 000	(included above)	(10 000 000)	-100%
TOTAL PRIVILEGED USERS	-	1 525 653	1 525 653	N/A
TOTAL USERS	96 000	123 400	27 400	29%
TOTALS	156 655 000	164 353 891	7 698 891	5%

Table 2

Operating Expenses by Object of Expenditure Amounts in USD

Object of expenditure	2016-17 A	2014-15 B	Variance C=A-B	Variance% D=C/B
Staff Costs	75 077 885	62 637 108	12 440 777	20% ⁽¹⁾
Contractual services	42 322 984	41 138 383	1 184 601	3%
Training	1 849 575	1 515 377	334 197	22% ⁽²⁾
Travel	1 401 580	1 336 039	65 542	5%
Equipment, furniture and fixtures	7 402 429	12 079 553	(4 677 123)	-39%
General operating costs	24 588 502	26 308 800	(1 720 299)	-7%
Telecommunications	2 511 550	2 837 459	(325 909)	-11%
Technical literature	28 542	11 287	17 255	153% ⁽³⁾
Depreciation	63 819	0	63 819	N/A
Total	155 246 866	147 864 007	7 382 860	5%

Notes:

⁽¹⁾ The 20% variance was due to the increase in the number of staff mainly in Valencia duty station due to increased service requirements from ICC clients.

⁽²⁾ The 22% variance was due to the increase in training requirements resulting from increase and movements of staff, increased training requirements in technical and managerial skills to cope up with the growth of ICC's business..

⁽³⁾ The 153% variance was mainly due to increased need for technical literature to cope up with the growth and complexity of ICC services as well as increased client requirements.

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Table 3

Funding, Service Usage, and Reconciliation Adjustments for 2016-2017 Amounts in USD

Partners	Invoiced Funding A	Server Migration Levies B	Deferred Income 2015 C	Net Invoiced Funding D=A-B+C	Service Usage E	Other Usage F	Deferred Income 2017 G	[Credit Note] Invoice H=(E+F+G)-D
CEB	1 848	-	-	1 848	1 823		-	[25]
CITES	12 680	-	-	12 680	8 047		26	[4 607]
CTBTO	1 989 950	-	4 788	1 994 738	1 369 448		23 451	[601 839]
DFS	28 577 317	-	647 285	29 224 602	27 900 183		55 963	[1 268 456]
FAO	2 576 626	-	15 505	2 592 131	2 495 447		71 809	[24 875]
IAEA	3 120 879	5 838	-	3 115 041	2 843 570		56 272	[215 199]
ICAO	220 705	-	-	220 705	153 941		52 364	[14 400]
ICJ	563 729	-	21 794	585 523	277 122		250 663	[57 737]
IFAD	6 589 179	7 056	973 034	7 555 157	5 673 392		1 881 756	[9]
ILO	2 074 498	-	-	2 074 498	1 824 973		114 700	[134 825]
IMD	3 276 536	7 644	120 831	3 389 723	2 379 067		180 202	[830 454]
IMO	394 436	-	1 962	396 398	246 240		150 050	[108]
ITC	833 964	1 512	126 607	959 059	815 525		5 312	[138 222]
ITU	2 545 563	2 016	314 437	2 857 984	2 297 182		309 661	[251 142]
OCHA	2 099 372	1 008	1 355 043	3 453 407	2 449 904		762 273	[241 231]
OHCHR	3 326 858	9 072	15 864	3 333 650	2 961 342		303 591	[68 717]
OPCW	748 094	-	-	748 094	415 390		332 391	[313]
PAHO	871 949	-	59 583	931 532	906 412		7 072	[18 048]
UN	7 881 585	-	156 989	8 038 574	7 619 764		-	[418 810]
UNCTAD	1 165 818	-	349 434	1 515 252	753 814		733 980	[27 459]
UNDP	14 567 337	14 112	1 201 606	15 754 831	13 543 984		1 241 994	[968 853]
UNECE	229 172	-	10 157	239 329	37 264		195 930	[6 135]
UNESCO	258 966	-	20 320	279 286	279 130		-	[156]
UNFCCC	186 327	-	14 413	200 740	200 721		-	[19]
UNFPA	72 399	-	-	72 399	71 251		-	[1 148]
UNGSC	353 406	-	-	353 406	-	353 406	-	-
UNHCR	7 957 349	12 852	120 670	8 065 167	7 374 050		529 857	[161 260]
UNICEF	748 089	-	2	748 091	648 814		99 218	[59]
UNJSPF	12 817 518	11 424	816 821	13 622 915	9 756 569		2 923 041	[943 304]
UNOG	373 788	-	-	373 788	249 353		28 708	[95 727]
UNOPS	74 400	-	-	74 400	60 000		-	[14 400]
UNRSCE	146 166	-	-	146 166	-	146 166	-	-
UNRWA	46 276	-	-	46 276	33 918		12 358	-
UNV	37 479	-	-	37 479	37 447		-	[32]
UNWOMEN	2 587 088	1 260	43 098	2 628 926	2 404 099		145 414	[79 412]
WFP	13 489 221	24 318	188 227	13 653 130	12 098 834		1 503 463	[50 833]
WHO	6 655 363	8 778	92 208	6 738 793	6 715 109		11 803	[11 881]
WIPO	25 909 842	161 616	480 723	26 228 949	23 689 081		608 293	[1 931 575]
WMO	3 207 258	7 056	433 172	3 633 374	3 464 932		152 512	[15 930]
WTO	4 115 808	7 938	208 240	4 316 110	3 780 809		458 994	[76 307]
Total Partners	162 704 838	283 500	7 792 813	170 214 151	147 837 953	499 572	13 203 120	[8 673 507]

Notes: The above summary does not include invoices issued in advance to Partners

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Table 4

Evolution of the Working Capital Fund since 2002-2003

Biennium	Beginning Balance	Credit	Transfers	Usage	Closing Balance
2002-2003	1 507 539	683 359		-	2 190 898
2004-2005	2 190 898	1 333 853		247 895	3 276 856
2006-2007	3 276 856	1 613 054		68 504	4 821 406
2008-2009	4 821 406	2 721 507		1 150 027	6 392 886
2010-2011	6 392 886	930 602		1 490 323	5 833 164
2012-2013	5 833 164	512 934		-	6 346 098
2014-2015	6 346 098	878 928	(1 421 854)	-	5 803 172
2016-2017	5 803 172	616 662	2 806 121	-	9 225 956

Table 5

Movements in the WCF during biennium 2016-2017

Balance as at 1 January 2016	5 803 172
Revenue	
Income from Users	108 305
Finance Revenue (Interest Income Apportionment)	508 357
Total Revenue	616 662
Expenses	-
Surplus (Deficit)	616 662
Transfer to R&D Fund	(600 000)
Transfer from RB Fund to WCF	3 406 121
Balance as at 31 December 2017	9 225 956

Table 6

Movements in the R&D Fund during biennium 2016-2017

Balance as at 1 January 2016	-
Transfers	
Transfer from WCF	600 000
Total Transfers	600 000
Usage	34 088
Balance as at 31 December 2017	565 912



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