Joint Informal Consultation on the Simplification and Harmonization of Business Practices

Presentation on behalf of UNDP, UNFPA, UNICEF, UNOPS, UN Women and WFP

7 January 2015
Overview

Introduction
  Objectives of the consultation

Simplification and harmonization of Business Practices
  Creating an enabling environment
  Overview of concrete actions and results achieved to date and ongoing harmonization efforts

Going Forward
  A balanced and flexible approach
  Addressing challenges together
  What are the key drivers impacting harmonization?
Objectives of the consultation

Opportunities and Challenges

- Actions and results achieved to date
- Status of ongoing harmonization efforts (incl. Joint Action Plan)
- Challenges faced by Funds and Programmes
- Opportunities for Funds and Programmes – Key Drivers for Harmonization

Receive Feedback / Guidance

- The way forward
- Suggestions on how to maximize the opportunities and address the challenges
Creating an Enabling Environment

Reduction in duplication of functions and administrative and transaction costs, for operational efficiency and delivery of high-quality services

Incentives for agencies to work together
Enabling environment for improved programme delivery and effective results to our beneficiaries
## Actions and results achieved to date

<table>
<thead>
<tr>
<th>Completed Actions / Fulfilled mandates</th>
<th>Milestones achieved</th>
<th>Mandate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy on Common Premises</td>
<td>The UNDG has successfully agreed upon a strategy for Common Premises</td>
<td>QCPR OP 161</td>
</tr>
<tr>
<td>Intra-agency rationalization of Business Practices</td>
<td>Intra-agency rationalizations of business practices have been presented to the Executive Boards in the context of Strategic Plans (2014-2017)</td>
<td>QCPR OP 153</td>
</tr>
<tr>
<td>Common Definition of Operating Costs</td>
<td>Funds and programmes have successfully agreed on a broad common definition of operating costs</td>
<td>QCPR OP 159</td>
</tr>
<tr>
<td>Standard Operating Procedures (SOPs)</td>
<td>The Standard Operating Procedures have been agreed upon and roll-out is on-going</td>
<td>QCPR OP 155</td>
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<tr>
<td>Development of Business Operations Strategy</td>
<td>Business Operation Strategy has been agreed upon, and is currently being piloted as a voluntary option for DaO countries</td>
<td>QCPR OPs 152 and 155</td>
</tr>
<tr>
<td>Common Service Centers</td>
<td>Viet Nam Green One UN House; Brazil Joint Operations Facility (JoF); Cape Verde Joint Office; Copenhagen UN City</td>
<td>QCPR OPs 152 and 155</td>
</tr>
<tr>
<td>Coherence / Complementarity in oversight functions</td>
<td>System-wide adoption of Reference Risk Model</td>
<td>QCPR OP 167</td>
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Ongoing harmonization efforts

**On-going feasibility study / pilots**

An external consultant firm is carrying out a feasibility and options study for ERP inter-operability, with a result for Q1 2015.

**Challenging areas**

- Substantial upfront costs
- Potential high complexity of harmonized system

**Common Services/Share Service Centers**

Several common service centers are currently in operation.

**Challenging areas**

- Assessment of challenges and identification of appropriate solutions in achieving standardization in inter-agency service centers (e.g. meeting country, regional or global requirements), while still retaining the flexibility needed by participating agencies
- Further assess which delivery model – global, regional or country, is most effective based on specific types of services
- Flexibility is needed as a Service Centre may be viable in respect of certain types of services subject to a cost-benefit analysis

**Business Operations Strategy**

The Business Operations Strategy (BoS) Guidance Note have been agreed upon, and (BoS’s) are being piloted.

**Challenging areas**

- Independent evaluation/assessment needs to be done.
- Cost Benefit Analysis needs to be calculated

**Joint Action Plan**

Opportunity to capture all harmonization efforts underway within the system.

**Challenging areas**

- Multiple system-wide action plans already in place
- “Joint Action Plan” specific to Funds and Programmes will duplicate and possibly undermine system-wide action plans

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**On-going initiatives: pilots and studies**

- Inter-operability of ERP
  - QCPR OP 160
- Common Services/Share Service Centers
  - QCPR OPs 152, 154, 155; E/RES/2013/5 OP 30
- Business Operations Strategy
  - QCPR OP 152, 155;
- Joint Action Plan
  - QCPR OP 152, 155;
  - ECOSOC E/RES/2014/14 OP 35
A balanced and flexible approach

Costs: UN, Government, other partners

- Level of difficulty
- Costs
  - Staff Capacity
  - Time
  - Upfront Costs
  - Maintenance costs

Benefits: UN, Government, other partners

- Positive Impacts
  - Savings
  - Quality
  - Efficiency/timeliness
  - Programme effectiveness

Decisions need to be made on comprehensive cost-benefit analysis
Addressing limiting elements to harmonization together

- High-level Earmarking
- Verification
- Cost Recovery
- Assessments
- Donor Requirements

Results!
Key drivers for harmonization

1. Programme Centrality
2. Uniqueness of Business and Funding Model
3. Demonstrating Gains “quality and efficiency” of services
4. Cost Effectiveness (for partners, agencies and system as a whole)
5. Evidence-based
6. Sustainability