



Subject: UNDG Management response Independent Mid-Term Evaluation of the Business Operations Strategy (BOS)

The UNDG Bus Ops WG welcomes the conclusion that the independent evaluation validated a range of benefits as anticipated under the BOS, both qualitative and quantitative in nature, and will build on the recommendations made in the report to further enhance the BOS methodology and the support structures provided to country offices with the aim to scale up common operations to reduce operational cost and quality of operational support to programme delivery.

In particular, the UNDG Bus Ops WG takes note of the recommendations regarding the need to revise the Cost Benefit Analysis as part of the BOS, the need to engage regional UNDG and country teams on the BOS and the need to reinforce capacity for strategic planning under the BOS at the country, regional and HQ level.

With regards to the specific benefits outlined in the evaluation report, the UNDG Bus Ops WG cautions country teams and other readers of the report against extrapolating the quantitative gains outlined in the report to a broader context, given the limited sample size of the evaluation and the fact that some of the benefits are dependent on local context, in particular the gains related to procurement.

The matrix outlined below reflects the individual actions the UNDG plan to take, as well as a baseline as of Nov 2015 for each action and the priority level given to each recommendation.

New York

25 November 2015



Matrix of Recommendations – Independent Mid-Term Evaluation of the Business Operations Strategy (BOS)

Priority Index

High	This action item and its deliverable is of critical importance for successful management of common business operations at country level. Absence of the deliverable forms a major bottleneck or concern for common business operations at country level
Medium	This action item and its deliverable is important for successful management of common business operations at country level, and would make management easier and/or cheaper
Low	This action item and its deliverable results in a “nice to have”, but not critical important deliverable.

Status Index

	No action is in place, nor is any action under development- action needed
	Action is either under development (work in progress), or action is in place but not functioning properly- action needed
	Action is in place and functioning properly or no action considered necessary



Area	#	Recommendations	Specific items	Priority H/M/L	Status	Baseline as of Nov 2015	Recommended action
POLICY AND ACCOUNTABILITY	1	1.3. Strengthen BOS accountability framework 3.3. Clarify the division of labor	Enforce utilization of BOS required indicators for reporting on the prevalence and implementation of BOS	H		The new UNDG IMS includes mandatory question on whether a country has a BOS in place. The UNDG has an approved Business Operations M&E framework.	Develop QA checklist for BOS including specific checks should be done whether mandatory indicators are included in the BOS framework. The QA function for BOS frameworks needs to be discussed by UNDG Business Operations WG and a process set-up, involving regional UNDG. Currently this is done by UNDG/DOCO but given the increasing numbers of BOS countries, this is not sustainable.
			Clarify roles and responsibilities and Division of Labor for BOS at global, regional and country level	M		This dialogue needs to be initiated. The Latin America regional UNDG encourages the LAC countries to develop a BOS LAC and African region have established regional OMTs Regional level could and should play a role in BOS quality assurance and review (similar to UNDAF PSG review)	Use recommendation proposed in the BOS evaluation (matrix p. 44) to develop a proposed Division of Labor. <i>Ref recommended action 1.5</i> (Sensitize regional UNDG to BOS and common operations).
	2	2.4. Establish base BOS deliverables	Define minimum standard deliverables under BOS	N/A			Recommendation rejected- no action needed. The BOS has a defined “end product” which is the deliverable for the BOS



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							development process. At this stage the UNDG does not foresee making any common services mandatory ensuring country teams have flexibility to choose common services that add most value given their local context.
	3	1.4. Revise UNDAF guidelines;	Streamline BOS in UNDAF guidelines	H		The draft of the new UNDAF guidelines have the BOS explicitly referenced, including the entry points when Operations Staff working on the BOS needs to engage in the UNDAF process.	UNDG Business Operations WG to continue to engage in the UNDAF revision process to ensure BOS linkages are established in the UNDAF guidance.
	4	3.5. Establish incentive systems;	Establish incentive systems to recognize staff engagement in common service activities (KPI in PADs, updating JD & TORs)	M		The UNDG guidelines and the SOPs include recommendations on reflecting staffs contributions to inter agency initiatives in their performance appraisals.	Agencies reminding country offices through active communication, inclusion of IA activities in staff performance appraisal and JD/TORs is needed. <i>Ref recommended action 18</i> (outreach agency to field offices).
	5	3.6. Strengthen collaboration operations	Enforce mandatory BOS indicators	M		Ref 1.3 above- The UNDG has an approved Business Operations M&E framework.	<i>Ref recommended action 1</i> (Strengthening BOS Accountability framework) <i>Ref recommended action 3</i> (Revise UNDAF guidelines)



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		and programme					
DELIVERY	6	2.7. Consider “quick wins”	Identify business processes that are easier to implement and generate the most cost savings to be implemented in priority.	M		The UNDG Standard Common Service packages are common operations solutions that are standardized based on country practices, and are marked for scaling up at the country level. The Task Force for Common Service packages has delivered solar panels and GPS tracking (fleet management) and is working on LED lighting and Common Connect (collaborative platform for IA initiatives)	Continue as is- UNDG Business Operations WG to continue developing additional common service packages and include these in communication to the field.
	7		Establish a system of agency contributions to common service budgets	N/A		<i>Common Service budgets have been in use for decades and are usually based on head counts, office space etc. There is no need to change this, nor do countries indicate issues with the common service budgets</i>	Recommendation rejected. No further action needed.
	8		Maintain an expert roster	H		The UNDG supported by HLCM, provides annual training on the BOS in English, French and Spanish. During training participants are evaluated and	<i>Ref recommended action 22 (Deliver ongoing skills development for staff at the country level)</i>



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						the highest scoring staff is added to the UNDG BOS expert roster to support other countries. In total 6 trainings have been organized since 2012, training around 200 staff. UNSSC has the Leadership in Business Operations course which also focus on the BOS as part of the broader curriculum, with roughly another 150 staff trained. The UNDG expert roster for the BOS currently has around 50 active experts on it that are actively used for country support.	
	9	2.8. Prioritize procurement	Establish a limited number of LTA around which to build capacity and systems as a basis for expanded portfolio of LTAs	L		HLCM has made significant progress with the harmonization of procurement policies and procedures, and has provided training in this area to field level staff, building capacity for common procurement. Procurement is a standard component of the BOS training	Continue as is



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						provided by UNDG with HLCM support. UN Global Market Place is in place as the standard system managing LTA's and countries are increasingly using this UNGM to this end.	
	10	3.4 Develop MOUs or SOPs	Develop sample MOUs and SOPs to reduce transaction costs for agencies leading common service efforts	L		UNDG has the standard MoU in place, guiding common service development at country level. The UNDG Standardized Common Service Packages aim to reduce transaction cost for the implementation of common services at the country level. Agency cost recovery for leading common services efforts at the country level is encouraged.	Continue as is
	11	2.11. Provide and encourage agreements and principles of reciprocity		M		The UNDG developed a conceptual outline on "Mutual Reciprocity" in September 2015. Following the HLCM ERP Interoperability study, the UNDG put this project on hold to wait for HLCM's decision on the follow up on the ERP interoperability study.	On hold until HLCM ERP interoperability project follow up is agreed at HLCM level



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	12	3.1. Undertake study to identify barriers to BOS in agency business models		M		The UNDG developed a conceptual outline on “Mutual Reciprocity” in September 2015. The study includes a “bottleneck analysis” for common operations at the country level. Following the HLCM ERP Interoperability study, the UNDG put this project on hold to wait for HLCM’s decision on the follow up on the ERP inter-operability study.	<i>Ref recommend action 11</i> (Provide and encourage agreements and principles of reciprocity)
	13	1.2. Reinvest savings in common service budgets		N/A		The issue is approached from the wrong angle. The issue is availability of funding for UNCTs to implement common operations solutions (common services/premises related). These often need small amounts of investment to get set-up so implementation can commence, as highlighted in DESA, UNDG and HLCM surveys.	Recommendation rejected- No action needed <i>QCPR requires reinvestment of savings in programmes</i>



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TORING & EVALUATION	14	3.2. Standardize BOS monitoring and evaluation 2.2. Strengthen qualitative monitoring and evaluation of BOS 2.5. Include base BOS indicators 2.10. Improve and harmonize data collection and monitoring	- Revise the BO M&E framework and process guidelines and develop standardized templates to improve data collection and simplify the systematic monitoring of results. - Make use of satisfaction surveys for qualitative dimensions	H		Agency baselines are lacking making it hard to establish cost reductions or quality gains through common operations. Use of indicators at the country level, as well as data collection instruments for common operations are weak.	Enforce establishment of baselines at country level for services selected under the country level BOS, as per methodology. Baselines need to be established per agency at country level. UNDG needs to develop standardized data collection tools for common operations evaluation (survey templates for qualitative data). UNDG to enforce use of UNDG Business Operations indicators in the BOS. UNDG to continue to provide training to staff on RBM and M&E (already part of BOS training curriculum).
	15	2.3. Adapt HLCM cost	Update the CBA costing	H		Cost Benefit methodology was adapted using the HLCM cost	Revise BOS guidance (CBA)



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		categorization in the context of the CBA for BOS implementation	methodology to include direct and indirect costs including the cost of coordinating BOS implementation			categories for the CBA in the BOS. BOS training materials were updated and first pilot training was completed in Panama BOS training for Latin America in November 2015. Future trainings in BOS would include the new CBA. BOS Guidance needs to be revised to reflect the new CBA.	
	16	2.9. Clarify future cost benefit analysis vs. cost benefit evaluation	Provide detailed guidance on how to perform cost-benefit evaluation/analysis	H		The BOS technical guidance includes detailed guidance on the CBA. However, the guidance section on the CBA needs to be revised reflecting the new CBA approach.	Ref recommended action 15 (Update CBA costing)
	17	2.6. Include coordination cost in planning	Conduct a detailed BOS workload study to quantify coordination and other BOS work that has not yet been quantified in order to get an accurate estimate of the cost of implementing BOS	H		The current methodology for the CBA includes measurement of development cost- one off cost, recurring cost and other cost. However UNCT are not always consistently identifying these cost causing some BOS frameworks to insufficiently reflect said cost.	New CBA to continue to include development cost specifically one off, recurrent and other cost. Quality Assurance mechanism for the BOS to ensure this is reviewed at the QA stage, using a checklist for quality checks.



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ADVOCACY, SKILLS DEVELOPMENT, AND COMMUNICATION	18	1.1. Communicate BOS commitments from Agency Headquarters' to the field	Communicate Agency HQ commitments to BOS to the field and regional levels	H		DESA, HLCM and UNDG surveys consistently indicate a communication disconnect on the SOPs and BOS from HQ to the field, causing confusion at the field level whether to engage and how to engage.	Agencies to adapt their Policies and Procedures to reflect the SOP approaches, including the BOS and common operations Agencies to actively communicate with their country offices providing guidance to country offices how to engage in the BOS process.
	19		Continue expanding UNDG BOS toolkit and library of good practices	M		UNDG website has been upgraded in 2015 and now acts as the central repository for all common operations and BOS related items.	Ref recommended action 24 (Establish and maintain a knowledge management system for BOS)
			Expand access to skills development opportunities including increased RBM knowledge of operations staff	H		The UNDG supported by HLCM, provides annual training on the BOS in English, French and Spanish, which includes a significant RBM component. During training participants are evaluated and the highest scoring staff is added to the UNDG BOS expert roster to	Ref recommended action 22 (Deliver ongoing skills development for staff at the country level)



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						support other countries. In total 6 trainings have been organized since 2012, training around 200 staff.	
	20	1.5. Sensitize the regional level to BOS and recommendation		H		This dialogue needs to be initiated. The Latin America regional undg encourages the LAC countries to develop a BOS LAC and African region have established regional OMTs Regional level could and should play a role in BOS quality assurance and review (similar to UNDAF PSG review)	Initiate dialogue on the role of the regional undg in common operations and capacity development, coordination and monitoring in the respective regions. Possibly triggered from the global seminar mentioned above.
	21	1.6. Develop BOS induction materials and process		L		undg/DOCO engages bilaterally with each country team and OMT that indicates a decision to develop their BOS, using the undg expert roster and the DOCO team The BOS has a structured process of development of the BOS and how UNCTs access support for the BOS from undg, all reflected in the introduction decks. All materials are available	The introduction deck should be split per audience- one strategic engagement deck for UNCTs, one more technical deck for OMTs. Standard set of general talking points on the BOS should be made available to the agency to streamline messaging to the country offices. Agencies to commit to mainstreaming BOS messaging as part of their



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						on the website and pro-actively distributed to UNCTs engaging in the BOS. Induction materials, including BOS introduction deck, FAQ and Factsheet are available in three languages- French, Spanish and English.	broader communications to the country offices
	22	3.10 Deliver ongoing skills development for staff at the country level		H		The UNDG supported by HLCM, provides annual training on the BOS in English, French and Spanish. During training participants are evaluated and the highest scoring staff is added to the UNDG BOS expert roster to support other countries. In total 6 trainings have been organized since 2012, training around 200 staff. UNSSC has the Leadership in Business Operations course which also focus on the BOS as part of the broader curriculum, with roughly another 150 staff trained. The UNDG expert roster for the BOS currently has around 50	Retraining of the UNDG roster of experts is needed due to the introduction of the new CBA approach. Further reinforcement/expansion of the roster for French and Spanish regions is needed. Training should be a recurring annual activity in the UNDG Business Operations AWP to ensure ongoing capacity development



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						active experts on it that are actively used for country support.	
	23	2.1. Ensure outcomes of the HLCM harmonization projects are disseminated		M		HLCM has made significant progress in harmonization of policies and procedures in the areas of Procurement, ICT, HR. UNDG and HLCM have completed a mapping of harmonized practices in 2015. However, the country teams often highlight perceived barriers that do not necessarily are an actual barrier, implying a communication gap that the UNDG needs to address when communicating with the country teams.	UNDG Business Operations WG, in consultation with HLCM, to enhance communication on current harmonized practices with the field level through the BOS introduction presentations and training.
	24	3.8. Establish and maintain a knowledge management system for BOS		M		The UNDG website reflects all latest guidance, examples, templates, outreach materials on the BOS. All are available in English, some in French and Spanish (mainly the introduction deck, outreach materials and training materials). The standard common service packages are developed based on successful practices that are	As a standard approach, all materials should be available in French, English and Spanish. Further translation of the key materials on the UNDG website in French and Spanish needs to be prioritized.



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						subsequently, through the packages, scaled in other countries.	
	25	3.11 Increase inter-regional and peer to peer exchange		M		Peer to Peer system exists, but not at regional level. Mainly informal through UNDG/DOCO networks.	Experienced practitioners at the country level should be used in a peer review role to validate guidance, instruments and approaches developed by the UNDG Business Operations WG. This would reinforce the user perspective and practicality of the instruments and guidance developed and should inform UNDG decision making. UNDG Business Operations WG to organise a Common Operations seminar involving global, regional and country level thought leaders to discuss current status, exchange of practices, challenges and strategy and focus for scaling common operations.