



The United Nations in Ethiopia



# United Nations Country Team in Ethiopia

## Business Operations Strategy

2013 – 2015\*

\* To ensure alignment with the national development plan, the end date of this Business Operations Strategy, as well as the implementation cycle of the UN Development Assistance Framework, was extended by the UNCT to June 2016.

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## Acknowledgements

This document was drafted based on the United Nations Development Group (UNDG) *Business Operations Strategy Guidelines*.

We would like to thank all those who have supported and contributed to the development of this Business Operations Strategy (BOS), in particular:

- Mr. Lars Tushuizen (UNDG), Mr. Roberto Bilgera (UNSSC) and Mr. Akpan Etukudo (WHO) for their continued guidance;
- Mr. Abdel Halim Elfaki (UNHCR), Ms. Aida Awel (ILO), Dr. Muna Abdullah and Mr. Yonas Tadele (UNFPA) for their support in finalizing the BOS baseline and cost-benefit analyses.
- Ms. Andra Brige (UNV) and Mr. George Otoo (UNDP) for their contributions to the finalization of the BOS as well as the OMT Planning Retreat.
- Mr. Dirk Wagener, Mr. Ayele Negesse and Mr. Dinksew Taye (UNDP) for their feedback, and ensuring that the BOS is in compliance with results-based management principles.

Acknowledgements are also due to numerous other colleagues who have collaborated in collection of operational data from UN agencies in Ethiopia, and preparation of the relevant analyses.

## Foreword by the UN Resident Coordinator

I am pleased to present to you UN Ethiopia's Business Operations Strategy (BOS), covering the priorities for the United Nations Country Team (UNCT) in the field of common operations for 2013 – 2015. By piloting this BOS, I am proud that the UNCT in Ethiopia joins a handful of others in the world, who have pledged to more effectively manage their support to programme delivery.

The BOS builds on the ongoing efforts of the UNCT to harmonize and simplify its business operations, and aims to address the gaps identified by the UN General Assembly in the strategic planning, coordination, and monitoring of the UN's inter-agency operations activities. Hence, the BOS is an important tool for advancing the Operating as One pillar of UN Delivering as One (DaO), and supports the implementation of the DaO Standard Operating Procedures (SOP) in Ethiopia.

The BOS sets out to improve the quality, timeliness, and cost-effectiveness of our operations. Through its proposed inter-agency activities, it is estimated that this BOS will save the UNCT over 13 million USD in material and labour costs by 2017 through the establishment of more structured and predictable arrangements with the UN's key suppliers and implementing partners.

Furthermore, the quality of the UNCT's support to programme delivery will be improved through BOS activities such as inter-agency business continuity planning for the UN premises, staff and assets in Addis Ababa, full implementation of the Harmonized Approach to Cash Transfers (HACT) for aid effectiveness, and sensitization of the relevant government officials on the UN's mandate and working methods. These should lead to improved programme delivery in the field, and yield significant labor and cost savings for the UN agencies as well as their partners, including the Ministry of Finance and Economic Development, line ministries, and regional government offices.

The adoption of this BOS marks the commitment of the UNCT to the simplification and harmonization of the UN's business operations, and achievement of better development results in Ethiopia. We look forward to working with the UN, government and other partners in the coming years towards successful and timely implementation of the BOS.

I am proud that the UNCT in Ethiopia is aiming to be one of the first in the world to pilot this cost-effective and innovative framework.

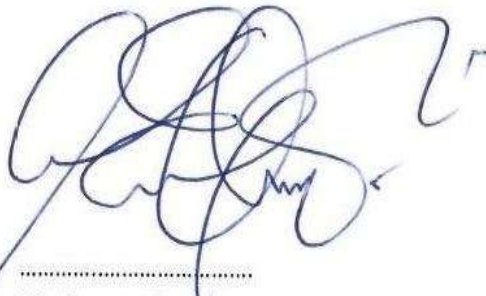
With regards,



Eugene Owusu

UN Resident & Humanitarian Coordinator



**Signature Page**

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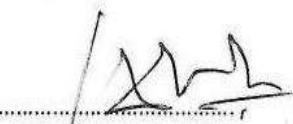
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## Abbreviations and Acronyms

<b>BOS</b>	Business Operations Strategy
<b>CEB</b>	Central Executives Board
<b>DaO</b>	Delivering as One
<b>DSA</b>	Daily Subsistence Allowance
<b>FAO</b>	Food and Agriculture Organization
<b>HACT</b>	Harmonized Approach to Cash Transfers
<b>HLCM</b>	High-Level Committee on Management
<b>HLSC</b>	High-Level Steering Committee
<b>IAPT</b>	Inter-Agency Programme Team
<b>ICSC</b>	International Civil Service Commission
<b>ICT</b>	Information and Communication Technologies
<b>ILO</b>	International Labor Organization
<b>IOM</b>	International Organization for Migration
<b>ITB</b>	Invitation to Bid
<b>ITU</b>	International Telecommunications Union
<b>LTAs</b>	Long-term Agreements
<b>M&amp;E TWG</b>	Monitoring & Evaluation Technical Working Group
<b>MoFED</b>	Ministry of Finance and Economic Development
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>OHCHR</b>	Office of the High Commissioner for Human Rights
<b>OMT</b>	Operations Management Team
<b>QCPR</b>	Quadrennial Comprehensive Policy Review
<b>RCO</b>	Resident and Humanitarian Coordinator's Office
<b>RFP</b>	Request for Proposals
<b>RFQ</b>	Request for Quotations
<b>R&amp;R</b>	Rest and Recuperation
<b>SOP</b>	Standard Operating Procedures
<b>ToR</b>	Terms of Reference
<b>UN Women</b>	United Nations Entity for Gender Equality and the Empowerment of Women
<b>UNAIDS</b>	Joint United Nations Programme on HIV/AIDS
<b>UNCG</b>	United Nations Communications Group
<b>UNCT</b>	United Nations Country Team
<b>UNDAF</b>	United Nations Development Assistance Framework



<b>UNDG</b>	United Nations Development Group
<b>UNDP</b>	United Nations Development Programme
<b>UNDSS</b>	United Nations Department of Safety and Security
<b>UNECA</b>	United Nations Economic Commission for Africa
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNFPA</b>	United Nations Fund for Population Affairs
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>UNOAU</b>	United Nations Office to the African Union
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UNOPS</b>	United Nations Office for Project Services
<b>UNSSC</b>	United Nations System Staff College
<b>WFP</b>	World Food Programme
<b>WHO</b>	World Health Organization



## Executive Summary

In 2008, the UN Country Team (UNCT) in Ethiopia adopted the UN Delivering as One (DaO). In this context, the UN agencies working in the country have committed to unifying and aligning their processes to deliver results in support of national priorities in a more efficient and effective manner. **Working and operating together as one, the UN can improve its impact, and face development and humanitarian challenges without fragmentation and duplication.**

The Operations Management Team (OMT) has been working in the country since 2009 to support this bid to “operate as one”. In particular, through its various working groups, **the OMT aims to simplify and harmonize the UN’s support to programme delivery.**

This Business Operations Strategy (BOS) was created to facilitate this effort, and strengthen the linkages between the strategic planning and management of programme and operations activities. **The BOS is a medium-term and results-based framework, outlining the UNCT priorities for 2013 – 2015 in the field of inter-agency operations.**

The strategy is being piloted in Ethiopia (and 5 other countries) with the UN Development Group (UNDG), and was prepared through technical and coordination support from the UN Resident Coordinator’s Office (RCO). **As Ethiopia was two years into its UN Development Assistance Framework (UNDAF), this BOS covers the remainder of the UNDAF cycle (2013 – 2015).**

Prepared through various analyses and discussions to determine the unmet demand for support to programme delivery, the BOS partially derives from the UNDAF. It attempts to address implementation challenges through a variety of inter-agency activities. Moreover, by studying the existing UNCT business operations, it provides an overview of the costs and benefits of several proposed inter-agency activities.

**The resulting BOS results framework encompasses the following priority areas**, and provides measurable outputs, indicators and targets to assist the management, monitoring, evaluation and reporting of common operations.

- Aid Effectiveness (Harmonized Approach to Cash Transfers)
- Business Continuity Management
- Common Procurement
- Human Resources
- Information and Communication Technologies (ICTs)
- Legal
- Support to the Coordination of Common Operations

**The inter-agency activities to be implemented in these priority areas through lead agencies will strive to improve the quality, timeliness and cost-effectiveness of the UNCT’s support to programme delivery and business operations.**

**The proposed harmonization and simplification activities in the fields of common procurement and human resources are expected to generate savings in material and labor costs of 13,376,967 USD. As a result,**

procurement and human resources units of the UN agencies are also expected to have more time to respond to more complex and technical requests.

Achieving HACT compliance by improving the UN agencies' working relations with their implementing partners, and harmonizing their ICT and business continuity services should yield additional savings, and be recorded during annual reviews of the BOS. Furthermore, capacity development support will be offered through the RCO to facilitate implementation of the BOS, and strengthen the UNCT's capacity to strategically plan and manage programme and operations activities.

**The proposed BOS activities are expected to cost 328,000 USD in 2014-2015**, and will be covered by donor funding, and inter-agency cost-share under the UN DaO. This strategy is only indicative of estimated funding requirements. Funding will be officially requested from the UNCT at the beginning of each year through the OMT annual work plan and budgets.

## Chapter 1: Introduction

Following the quadrennial comprehensive policy review (QCPR) of the UN operational activities for development in 2012, the General Assembly has called on the UN system to work towards harmonizing its business operations. Reducing transaction costs and the duplication of operational support to programme delivery were marked as objectives.

The United Nations Country Team (UNCT) in Ethiopia, comprised of over 20 UN organizations, has also voiced the need for a results-based, quantifiable and strategic framework to guide its business operations. The necessity to strengthen the linkages between programme and operations activities for better results and cost-effectiveness was also highlighted within the context of the UN Delivering as One (DaO).

**Prepared in response to these requests, this Business Operations Strategy (BOS) is a medium-term and results-based framework, outlining the UNCT priorities for 2013 – 2015 in the field of inter-agency operations. It introduces strategic thinking and planning, and measurable targets to facilitate the ongoing efforts to simplify and harmonize UN agencies' operations activities.**

Overall, the BOS aims to:

- Facilitate implementation of the United Nations Development Assistance Framework (UNDAF) (2012 – 2015), which sets system-wide programme priorities to complement the national development goals;
- Support effective and cost-efficient delivery of programme activities;
- Increase harmonization and coherence within the UN system, and reduce transaction costs;
- Simplify procedures, and save costs by developing better relationships with key partners and suppliers, and the host government;
- Improve the planning, implementation, monitoring and evaluation, and reporting of the UN's inter-agency business operations through the use of measurable targets and indicators.

On behalf of the UNCT, the Operations Management Team (OMT), which brings together Operations Managers and/or Senior Administrative Officers of the UN system organizations, is the custodian of this strategy. Accordingly, the OMT works to produce, implement, monitor and evaluate, and report on the BOS.

In order to prepare this strategy, including its results framework, various analyses were conducted from March to September 2013 to gather and study operational data from UN organizations, funds, programmes and specialized agencies\* working in the country.

- *Baseline analysis* to examine the current trends in procurement, including respective management activities and labor costs;
- *Needs analysis* to identify the unmet demand for operational support to programme delivery;
- *Requirements analysis* to detail these identified needs with parameters such as quality, timeliness and cost-effectiveness, expressed in the form of key performance indicators (KPIs);
- *Cost-benefit analyses* to sketch out the costs and (monetary and non-monetary) benefits of each proposed inter-agency service and activity.

*\* Hereafter, the term "UN agencies" or "UN organizations" will be used to refer to the UN organizations, funds programmes and specialized agencies.*

Results-based outcomes, outputs and inter-agency activities were identified through these analyses, and a strategic framework was formulated. This results framework will guide the management of the UNCT's inter-agency operations, and form the basis of OMT annual work plans until the end of 2015.

The results framework is divided into and presented under the following BOS priority areas, endorsed by the UNCT on OMT's recommendation:

- Aid Effectiveness (Harmonized Approach to Cash Transfers)
- Business Continuity Management
- Common Procurement
- Human Resources
- Information and Communication Technologies (ICTs)
- Legal
- Support to the Coordination of Common Operations

The subsequent sections of this document will detail the methodologies and findings of these BOS operational analyses, and outline the resulting strategic priorities and activities. Thereafter, a budget and implementation modalities are put forward to facilitate their achievement by the end of 2015.

## Chapter 2: Operational Analyses

The operational analyses are critical to identify inter-agency harmonization and simplification activities that will improve the support to programme delivery, and cost-efficiency of business operations.

These analyses were conducted through various quantitative and qualitative means of data collection between March and September 2013. To conduct the baseline analysis, questionnaires on procurement and human resources were distributed to the UNCT to study the trends in procurement. Activities in these fields that are expected to yield the highest reduction in costs (including labor cost savings) were determined.

Within the scope of needs and requirements analyses, meetings and discussions were also held with the OMT and Inter-Agency Programme Team (IAPT) to ascertain the inter-agency harmonization activities required for improved programme delivery.

This diversified approach to data collection allowed the formulation of a results framework with quantitative indicators measuring the cost effectiveness of business operations, as well as qualitative indicators gauging the quality of support to programme delivery.

### Baseline Analysis

Procurement of goods and services is essential for programme delivery. The baseline analysis provides a snapshot of the UN's procurement activities. Existing inter-agency services were also highlighted.

To conduct this analysis, data on the UN agencies' procurement activities in 2012 was collected through a questionnaire. The results were later examined with the relevant agency staff. The findings will be analyzed



further during the cost-benefit analyses for the formulation of results-based and quantitative cost-efficiency indicators.

Nevertheless, the baseline analysis is vital for the creation of a results-based framework, as its findings also serve as “baselines” for quantitative indicators. By conducting this analysis again before the subsequent BOS cycle, the UNCT should be in a position to evaluate progress and come up with precise saving figures achieved through this BOS.

Commonly-procured categories of items were determined through an initial assessment. As a result, the following categories were identified, and endorsed by the UNCT for further study. In accordance with the UN General Assembly request to strengthen the capabilities of local suppliers in countries where UN organizations operate, special attention was paid to the categories of items that are procured mostly from the local market.

- Printing, including books, booklets, calendars, t-shirts
- Transportation, including car and truck rentals, logistics arrangements
- Fuel supply
- Travel services, including local and international flights
- Electricity and electrical equipment, including electricity supply
- IT equipment, including computers, printers and toners, and technical support
- Vehicle purchase
- Technical consultancies and training services
- Vehicle maintenance
- Telecoms, including telephone service
- Office equipment, including furniture
- Cleaning services
- Hotel and conference facilities, and catering services
- Security guard services
- Staff uniforms, including driver uniforms
- Customs clearance
- Postal and courier services, including cargo
- Insurance
- Building maintenance
- Stationary, including printing paper
- Warehouse/storage rental

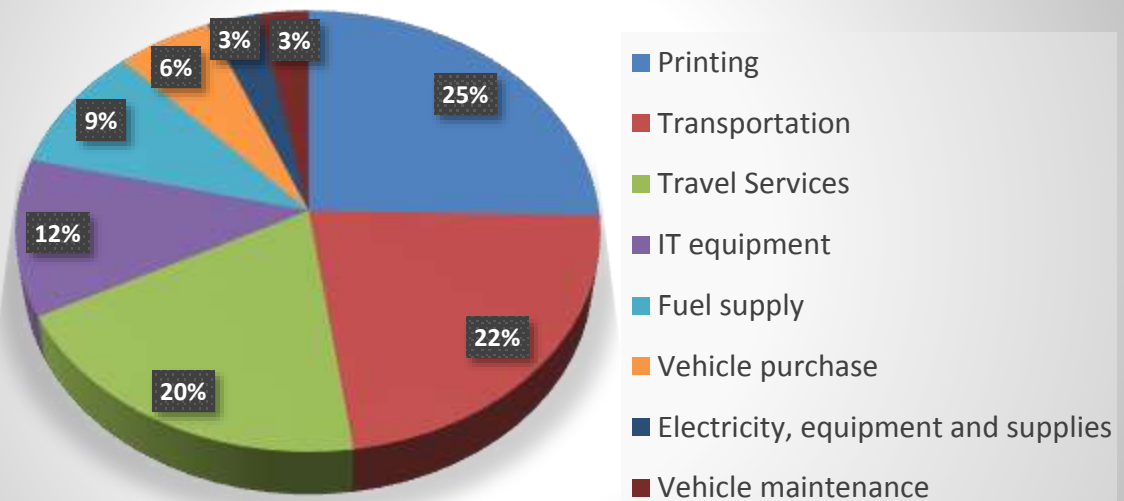
14 agencies (UNOPS, UNECA, UNAIDS, ILO, UN Women, FAO, IOM, OCHA, WHO, UNESCO, WFP, UNHCR, UNDP and UNICEF) responded to the procurement questionnaire, and provided information regarding their spending in 2012 and administrative procedures. Accordingly, the following table was prepared, outlining the total value of procurement and number of transactions per category.

There are only a few common operations already in place (covering at least two-thirds of the total number of resident agencies) in the field of procurement. The UNECA-led agreements with two local agencies for travel services are used by a majority of the UN agencies, and remain a best practice. The OMT has been working

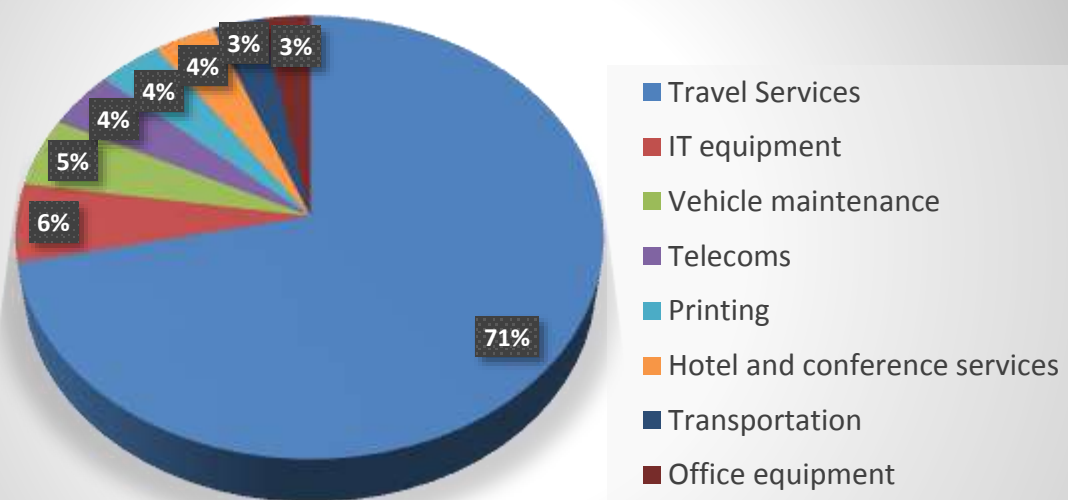
since early 2013 to create long-term agreements (LTAs) with local suppliers for the purchase of uniforms for UN drivers, and printing services (such as booklets, books, handouts, calendars and t-shirts). UNICEF-led LTAs were also established with two local audit firms for the HACT micro-assessment of the UN's implementing partners. This experience has illustrated that it takes a lead agency an average of 6-8 months to create inter-agency LTA arrangements with appropriate suppliers. This is due to the large size of the UNCT, and includes the time required for the identification of mutually-acceptable solutions among the UNCT, and negotiations with potential suppliers.

Therefore, this BOS will aim to identify 4-5 more categories of procurement for the creation of inter-agency arrangements by the end of 2015 (or about 2 LTAs per year). To identify these high-yield areas, categories of procurement were ranked based on their annual volumes. These are presented in the graph below. Categories on which the UNCT spends over a million USD annually will be examined further.

**Top procurement categories by value (in 2012)**



**Top procurement categories by # of transactions (in 2012)**



As the BOS aspires to reduce transactions costs by eliminating duplicate processes, categories of items procured through the highest number of transactions were also illustrated, and will be studied further.

Breakdowns of total spending and number of transactions per category and agency are also provided below.

Procurement by category (in 2012)		
Categories	Total # of transactions	Total value (USD)
Printing	286	\$16,550,223
Transportation	223	\$14,645,146
Fuel supply	179	\$6,040,948
Travel Services	5562	\$12,745,547
Electricity, equipment and supplies	211	\$2,036,386
IT equipment	427	\$7,517,266
Vehicle purchase	21	\$3,781,786
Vehicle maintenance	381	\$1,973,106
Telecoms	316	\$1,684,594
Office equipment	217	\$1,080,323
Cleaning services	155	\$1,231,826
Hotel and conference services	276	\$1,366,562
Security services	72	\$1,635,290
Uniforms	45	\$488,370
Customs clearance	48	\$477,835
Postal and courier	59	\$281,631
Office supplies	46	\$607,107
Insurance	33	\$350,173
Building maintenance	48	\$872,818
Stationery	122	\$224,337
Warehouse rental	125	\$3,292,857
<b>TOTAL</b>	<b>8852</b>	<b>\$78,884,131</b>

## Procurement spending in 2012 per category and agency (in USD)

	UNOPS	UNECA	UNAIDS	ILO	UN Women	FAO	IOM	OCHA	WHO	UNESCO	WFP	UNHCR	UNDP	UNICEF
Printing		\$325,961	\$27,188	\$3,060	\$2,472	\$48,339	\$53,054	\$4,252	\$622,509	\$109	\$1,614	\$43,567	\$204,573	\$15,213,525
Transportation	\$408,400	\$46,723	\$7,988		\$402	\$107,143	\$159,556		\$695,330			\$2,530,131	\$392,151	\$10,297,322
Fuel supply	\$3,400	\$101,559		\$20,000	\$5,045	\$176,617	\$244,324	\$68,287	\$335,178	\$6,845	\$1,065,783	\$907,044	\$2,760,489	\$346,377
Travel Services	\$60,800	\$5,439,162	\$10,521	\$585,115	\$127,683	\$289,767	\$1,514,786	\$37,136	\$323,939	\$94,914	\$725,019	\$126,217	\$3,176,779	\$233,709
Electricity, equipment and supplies					\$194	\$8,043					\$92,853	\$54,155	\$3,226	\$1,877,915
IT equipment	\$29,500	\$3,849,279	\$3,901	\$15,600	\$1,968	\$177,327	\$17,758	\$6,950	\$66,168	\$219	\$381,652	\$277,017	\$1,068,710	\$1,621,217
Vehicle purchase		\$62,779					\$345,275				\$540,653		\$2,271,395	\$561,684
Vehicle maintenance	\$600	\$138,847	\$12,723	\$9,000	\$615	\$56,842	\$31,349	\$54,970	\$481,568	\$3,730	\$549,863	\$200,235	\$60,790	\$371,974
Telecoms	\$10,000			\$116,972	\$3,120	\$31,629	\$12,163	\$20,890	\$66,041	\$12,836	\$652,537	\$451,765	\$69,086	\$237,555
Office equipment	\$2,000	\$254,130	\$384			\$106,535	\$119,214	\$5,367	\$1,483		\$117,178	\$142,233	\$65,599	\$266,200
Cleaning services		\$76,012		\$24,873	\$8,454	\$42,957	\$28,566	\$637	\$5,336	\$3,877	\$170,529	\$778,524	\$26,600	\$65,461
Hotel and conference services			\$81,362	\$38,121	\$53,576	\$25,390	\$31,517	\$14,592	\$82,332	\$44,000	\$291,311	\$169,342	\$517,491	\$17,528
Security services	\$5,000				\$8,949	\$74,292	\$113,612				\$788,009	\$626,293	\$12,493	\$6,642
Uniforms		\$155,826		\$4,000		\$19,381		\$9,022			\$1,496	\$285,463	\$13,182	



Customs clearance								\$1,733	\$17,829	\$300		\$444,985	\$12,988	
Postal and courier services	\$3,000	\$14,000	\$1,669			\$47,450		\$1,150	\$4,170	\$2,056	\$4,786		\$176,766	\$26,584
Office supplies		\$364,803						\$6,329			\$165,975	\$70,000		
Insurance	\$725	\$28,300	\$1,767	\$3,000	\$514			\$5,797	\$26,503	\$772	\$196,267	\$86,528		
Building maintenance		\$319,371					\$39,123				\$163,327	\$58,000	\$292,997	
Stationery	\$1,748		\$6,232	\$10,137		\$8,481	\$33,998	\$2,774	\$13,696	\$7,000		\$3,878	\$10,184	\$126,209
Warehouse rental		\$825,676							\$5,845		\$2,352,439	\$108,897		
<b>TOTAL</b>	<b>\$525,173</b>	<b>\$12,002,428</b>	<b>\$153,735</b>	<b>\$829,878</b>	<b>\$212,992</b>	<b>\$1,220,193</b>	<b>\$2,744,295</b>	<b>\$239,886</b>	<b>\$2,747,927</b>	<b>\$176,658</b>	<b>\$8,261,291</b>	<b>\$7,364,274</b>	<b>\$11,135,499</b>	<b>\$31,269,902</b>

## Number of procurement transactions in 2012 per category and agency

	UNOPS	UNECA	UNAIDS	ILO	UN Women	FAO	IOM	OCHA	WHO	UNESCO	WFP	UNHCR	UNDP	UNICEF	TOTAL
Printing		12	4		3	16	15	6	39		19	7	15	150	<b>286</b>
Transportation	4	13			3	13	11		41			87	1	50	<b>223</b>
Fuel supply	4	6		1	3	8	2	7	33	2	48	55	6	4	<b>179</b>
Travel Services	17	2980		229	134	205	8	15	242	185	175	86	1200	86	<b>5562</b>
Electricity, equipment and supplies					1	80					36	14	12	68	<b>211</b>
IT equipment	8	98	3	1	1	9	12	5	32	1	32	36	70	119	<b>427</b>
Vehicle purchase		1					3						15	2	<b>21</b>
Vehicle maintenance	1	24	6	36	3	3	5	3	89	11	56	27	17	100	<b>381</b>
Telecoms	1				12	67	6	26	77		31	71	10	15	<b>316</b>
Office equipment	1	25	1			27	12	9	5		23	41	20	53	<b>217</b>
Cleaning services		37		12	12	1	2	4	12		43	14	12	6	<b>155</b>
Hotel and conference services			22	12	12	22	17	12	33	20	59	29	36	2	<b>276</b>
Security services	1				12	3	6					44	4	2	<b>72</b>
Uniforms		15		1		8		1			3	13	4		<b>45</b>

Customs clearance								4	11			31	2		<b>48</b>
Postal and courier	4	2	17			8		10	11		4		1	2	<b>59</b>
Office supplies		37										9			<b>46</b>
Insurance	1	2	1	1	1			2	5	1	4	15			<b>33</b>
Building maintenance		11					3				14	20			<b>48</b>
Stationery	6			40		11	5	14	12	1	1	1	1	30	<b>122</b>
Warehouse rental		112							4			9			<b>125</b>
<b>TOTAL</b>	<b>48</b>	<b>3375</b>	<b>54</b>	<b>333</b>	<b>197</b>	<b>481</b>	<b>107</b>	<b>118</b>	<b>646</b>	<b>221</b>	<b>548</b>	<b>609</b>	<b>1426</b>	<b>689</b>	<b>8852</b>

## Labor Costs

In order to translate these numbers of annual transactions to labor cost figures, business process maps for procurement were prepared. Due to the large size of the UNCT, this activity targeted a sample group of agencies. These maps are crucial for the calculation of labor cost savings from the elimination of duplicate processes. For a detailed overview of the procurement business processes and administrative cost structures of these agencies, please see annex.

Agencies' standard Request for Quotations (RFQ), Invitation to Bid (ITB) and Request for Proposals (RFP) processes were mapped, and the associated labor costs were estimated based on the pro forma rates for each respective staff grade.

The RFQ process is the least formal, involving the use of a roster of suppliers for the procurement of standard goods and services in smaller volumes. On the other hand, the ITB process is used usually as the primary modality for the purchase of standard goods and services. The procurement of more technical and complex services usually requires the launch of a RFP. ITBs and RFPs have to be advertised.

The costs of executing these standard processes, and procurement through an existing LTA were calculated for the following sample group of agencies. UN Women procures in the country mainly through RFQs due to its smaller volume of procurement spending, and therefore no figures were computed for the ITB and RFP processes. Based on the number of RFQ, ITB and RFP processes completed by the sample agencies in 2012, the following percentages and averages were also calculated.

Agency	RFQ process		ITB process		RFP process		Direct process through
							existing LTA
	Total cost (USD)	% of annual transactions	Total cost (USD)	% of annual transactions	Total cost (USD)	% of annual transactions	Total cost (USD)
UNDP	\$516.61	2%	\$3,205.76	86%	\$5,008.24	12%	\$816.61
UNICEF	\$401.43	43%	\$1,140.53	6%	\$2,063.36	52%	\$245.44
WFP	\$248.42	83%	\$648.42	11%	\$1,615.37	6%	\$346.31
FAO	\$308.95	78%	\$725.33	14%	\$1,559.79	8%	\$415.17
UN Women	\$418.74	100%					\$117.18
<b>Average</b>	<b>\$379</b>	<b>61%</b>	<b>\$1,430</b>	<b>29%</b>	<b>\$2,562</b>	<b>20%</b>	<b>\$388</b>

Accordingly, the average cost of executing a procurement transaction without going through an LTA is estimated to be **1,140 USD**. Therefore, it is estimated that procuring these standard goods and services through LTAs will save on approximately **760 USD** per transaction. The labor cost savings for specific procurement categories will be studied further in the BOS cost-benefit analyses.

Nonetheless, this figure marks the impact inter-agency procurement has on the elimination of duplicate processes. However, to avoid future quality and delivery issues, the prevailing local market conditions should also be taken into account before the joint procurement of particular goods and services.



## Needs and Requirements Analyses

The needs and requirements analyses provide information regarding the unmet demand for operational support to programme delivery. In addition to a desk review, discussions were held with the IAPT, OMT and individual agencies to reveal the activities with potential to remedy operational quality, timeliness and cost-effectiveness issues. These may take the form of new common services (such as joint long-term agreements with printing companies) or harmonization requirements (such as creation of a business continuity plan or adjustments to DSA rates).

In summary, the following information gathering activities were held:

- Discussions with the OMT and its working groups from December 2012 to identify the existing, planned and required inter-agency business operations services.
- A review of the recommendations from the joint monitoring and evaluation, and HACT quality assurance missions, which were conducted from early 2013. These missions included visits to various implementing partners and project sites to gauge bottlenecks and record implementation issues.
- Discussions with the agencies, implementing partners, and federal and regional government officials at the UNDAF Annual Review meeting, held in July 2013. Reports from the Regional UNDAF Annual Review meetings in late 2012 were also scrutinized to take note of the challenges a year and a half into the UNDAF implementation.

The findings are summarized as follows. Key performance indicators for these activities will be detailed and presented in the results framework.

## Aid Effectiveness

- **HACT compliance** is a requirement for many agencies working in the country. HACT introduces a risk management approach to cash transfers to the UN agencies' implementing partners. This approach should lead to labor cost savings through the simplification and harmonization of the relevant agency procedures. In addition, HACT greatly reduces the transactions costs of implementing partners since reporting to UN agencies is simplified and harmonized. Moreover, HACT is a crucial tool for aid effectiveness and harmonization. HACT is expected to contribute significantly to the achievement of the goals set by the Global Partnership for Effective Development Co-operation, established at the High Level Forum on Aid Effectiveness in Busan in 2012. In particular, it will assist national development systems and institutions, and contribute to the establishment of an enabling environment for the civil society.

Relations of the UN agencies with their implementing partners and respective regional governments will be strengthened to better track funds and results. Capacity development should be offered to the relevant UN staff and implementing partners to follow-up on the HACT micro-assessments. Possibilities to jointly organize such trainings are under discussion among the UN agencies. Significant cost reductions and time savings are expected to be achieved through joint delivery of tailored capacity development packages such as financial management, procurement, and monitoring and reporting.

For full HACT compliance, the UNCT should complete the following activities:

- Macro-assessment: A review of the country's financial management and controls systems, conducted together with the host government to identify the risks associated with the transfer of UN's cash resources to its implementing partners.
  - Micro-assessment: An appraisal of the internal controls and accounting mechanisms of each implementing partner receiving significant cash resources from the UN agencies, held to pinpoint specific risks, audit requirements and capacity issues.
  - Quality assurance and capacity development: An inter-agency framework to manage the risks associated with individual implementing partners, deploying tools such as quality assurance and capacity development activities to strengthen the control and accounting mechanisms of partner organizations.
- **Revision of the Government Programme Implementation Manual (PIM):** According to the UNDAF Annual Review, there is a need to revise and update the PIM, a manual that outlines the national project implementation modalities for UN supported projects and programmes. The manual also includes rules for programme monitoring and operational support such as DSA rates for nationally-implemented activities. The UNCT has asked for the DSA rates to be revised, so that national stakeholders receive enough funds to travel to and participate in UN meetings and events. To this end, the UNCT will work with the Ministry of Finance and Economic Development (MoFED) to revise the PIM with support from the OMT for the simplification and harmonization of the UN's business operations.

### **Business Continuity Management**

- **Inter-agency business continuity planning:** Following Hurricane Sandy, which hit the US eastern seaboard in October 2012 and significantly affected UN's business services such as internet connectivity, the OMT has launched an initiative to prepare an inter-agency risk assessment and business continuity framework for Addis Ababa. This framework will focus on enhancing organizational resilience, and focus on addressing both security and operational risks. The resulting business continuity framework will be tested and operationalized through simulations. This should allow for resource sharing arrangements for emergencies, and could be expanded later to cover key field locations of the UN agencies.

### **Common Procurement**

- **Common Procurement Framework:** After reviewing the international best practices, the OMT has decided to create a common procurement framework, outlining existing inter-agency procurement rules and modalities. To complement the BOS, mutually-acceptable solutions to advance cost-savings and coherence will also be provided. This framework will be created based on the relevant guidelines of the UN High-Level Committee on Management (HLCM).
- **Sharing of Long-term Agreements (LTAs):** The OMT has highlighted the need to create inter-agency LTAs for common procurement for material cost savings through more predictable and bulk purchasing, and labor cost reductions achieved by simpler and coherent procedures. As the BOS cost-benefit analyses focus primarily on procurement, the OMT has agreed to use their results for the prioritization of the proposed joint procurement activities.

## Human Resources

- **Corporate surveys:** Various corporate surveys (including the Local Salary Survey, Cost of Living Survey, DSA survey, and R&R/hardship survey) are held regularly in Ethiopia on the request of the International Civil Service Commission (ICSC). While the ICSC often designates a lead agency for each survey, considering the size of the UNCT, coordination support is required to collect information from the agencies in a timely manner.
- **Harmonization of R&R policies:** The UN agencies with heavy presence in R&R duty stations asked for work to be conducted to harmonize the relevant policies, and ensure that their staff working and living in hardship receive the proper opportunities to rest and recuperate. To this end, the ICSC will be approached with a concept note to establish a secondary R&R destination in the region. Moreover, agencies will be encouraged to share and implement best practices for the national staff working in R&R duty stations.
- **Consultancy rates:** Many UN agencies rely on local consultants for specific programme and project activities. In order to attract more talented individuals to these assignments, the rates in place for consultancies should be reviewed. Hence, consultancy services that are common to various UN agencies should be classified based on their job functions and responsibilities, so that their rates can be adjusted in accordance with the appropriate rates and salary scales.
- **Roster of consultants:** The OMT has proposed the establishment of an inter-agency roster of technical consultants to accelerate the identification and selection of consultants for common and/or standard tasks. By including all short-listed candidates for such vacancies in the roster, the UNCT should be able to improve the quality and timeliness of these consultancy services, while reducing the duplication of efforts and labor costs. Once established, this roster will be placed online to facilitate access.
- **Orientation of the field staff:** Agencies with heavy presence in the field requested the collection of administrative and operational information for the major field duty stations in the country. This information can later be presented to staff who will be deployed in the field to orient them into their new work environment. This information will also be relayed to the UNCT and ICSC to highlight the implementation challenges in the field.

## Legal

- **Technical support to legal negotiations:** On various occasions, the OMT has asked for a revision of the UN agencies' host country agreements. This activity will be conducted at the political level with technical support from the OMT, and aim to improve the privileges and immunities of the UN organizations and staff. Regular meetings might also be initiated. It was noted that the UN organizations should enjoy the same benefits as the other diplomatic missions in the country, including the African Union.
- **Sensitize government officials on the UN's privileges and immunities:** Several UN agencies reported that their existing privileges and immunities are at times disregarded in the field locations. Therefore, the OMT has decided to provide government agencies and officials in key field locations with sensitization workshop and information about the UN's work and legal status in the country.

### **Information and Communication Technologies (ICTs)**

- **Knowledge management:** According to the UNDAF Annual Review, most agencies share information with each other only through monthly meetings and various quarterly inter-agency reports. Agencies had underlined the need for a better tool to foster and streamline the cooperation and information-sharing among the UNCT. Accordingly, the OMT proposed the creation of a corporate UNCT intranet platform to address these knowledge management needs, and moved to launch a survey to determine its technical specifications.
- **Network consolidation:** The UNDAF Annual Review revealed the need to improve the UN agencies' internet connectivity, including services available to their field offices. This is crucial for programme implementation and monitoring, as well as business continuity. There are significant challenges in this area due to the poor infrastructure available locally through the sole local and state-owned service provider, legal restrictions on the deployment of new some new communications technologies, and high licensing fees for the use of satellite links.

The OMT had already been working on a business case to consolidate the UN agencies' networks for improved quality and cost-efficiency. While the quality and pricing of ICT services depend on the sole service provider in the country, the business case will aim to work with the company to improve connectivity, and reduce operational costs across the board. In later stages, other tools such as a corporate intranet and back-ups for business continuity may also be deployed. In accordance with the national law, field locations are to be included in the UN's network through the respective individual agencies (unless an exemption can be secured through dialogue with the host government).

### **Support to the Coordination of Common Operations**

- **BOS adoption and implementation:** The BOS is an innovative framework, piloted for the first time in the world in 13 countries including Ethiopia. Hence, its adoption and implementation require significant inter-agency coordination and capacity development support. In early 2013, assistance for data collection and analyses was provided through the UN Resident Coordinator's Office (RCO), and a workshop on results-based management was deployed for capacity development purposes.
- **IPSAS training:** In accordance with the decision of the UN Central Executives Board (CEB), adoption of the International Public-Sector Accounting Principles (IPSAS) is a requirement for many of the UN agencies working in the country. To support this process, capacity development will be offered to provide staff with an overview of the relevant accounting concepts.
- **OMT Annual Report:** Several UN agencies noted the necessity to better link the UN's programme and operations activities, particularly at the regional level. To this end, country-wide information on 3Ws (*who is doing what, where?*) will be compiled and presented by the OMT in the form of an annual report.

### **Cost-Benefit Analyses**



Based on the results of the baseline analysis, the following categories were chosen for further examination. This section will focus on calculating the total saving figures, which will be generated through the establishment of inter-agency LTAs (used by at least two-thirds of the resident agencies) in the respective categories of procurement items.

The OMT should make sure that mutually-acceptable technical standards are established with the suppliers when establishing these LTAs, so that the quality and timeliness of services can be improved. By coming together and negotiating with the respective suppliers as one, it is assumed that the UN agencies will be able to ensure better quality of service.

The inter-agency procurement of goods and services is expected to bring about two types of cost savings. (i) Reduction in material (or unit) costs, achieved through more predictable and bulk purchasing. In general, the UNCT should be able to benefit financially from establishing more stable and predictable relationships with the suppliers through long-term LTAs. (ii) Labor cost savings, realized by harmonizing and eliminating duplicate procurement processes.

It should be noted that the figures below are estimations calculated under the average-case scenario. It is assumed that once mutually-acceptable inter-agency solutions are identified, at least two-thirds of the UNCT's overall procurement volume will be channeled through these. However, in the spirit of DaO, the UNCT should facilitate the inclusion of as many agencies as possible in these arrangements for more savings. Furthermore, the establishment of LTAs in more complex fields of procurement such as printing services may bring forth more labor cost savings than anticipated. The UNCT may decide in the future to conduct other studies to evaluate progress using actual costs rather than the lighter approach adopted by this strategy.

Based on discussions with the OMT, the following categories were excluded from further analysis. However, if agencies feel the need to work together on these, the OMT may recommend the examination of any of these categories in the coming years to decide on the necessary joint activities.

- Fuel supply and telecommunications, as they are provided through state-owned monopolies;
- Vehicle purchase, due to the fact that most agencies already have existing arrangements in the area;
- Building and electricity supplies and maintenance, since the volume of spending in these categories in 2012 was due to an effort to expand the UNECA Compound;
- Office furniture and travel services, as there are already-established mechanisms for the inter-agency procurement and management of the relevant goods and services;
- Security services, as the local market is weak and only UNDSS-approved companies are allowed to provide services to UN agencies. The security of the UNECA Compound is covered internally through UN security staff, and most agencies use this service due to their resident status in the Compound.

## **Material Costs**

### **Uniforms for UN Drivers and Protocol Assistants**

An inter-agency initiative was launched by the WFP in early 2013 to procure uniforms for the drivers and protocol assistants of 18 UN agencies. The quotation received from the same supplier in 2011 was adjusted

for inflation, and compared with the prices from this inter-agency initiative. For major items such as men's and women's suits and shirts, a discount of 6 percent was secured over the unit price, as a result of more predictable and bulk purchasing.

The total value of transactions in this category in 2012 for 14 agencies was 488,370 USD. It is estimated that this figure is  $(488,370 \times 20 / 14)$  697,671 USD for the UNCT (about 20 resident agencies). Assuming that two-thirds of this or 465,114 USD is channeled through newly-established inter-agency arrangements, the total material saving would be  $(465,114 \times 6 / 100)$  27,907 USD a year.

### Printing Services

There are very few agency LTAs that are in place in this category, and procurement units have to go through a cumbersome process each time to respond to specific requests. In early 2013, UNICEF launched an initiative to assess the capabilities of relevant local suppliers in accordance with international best practices. Based on the results, UNICEF will establish LTAs with capable local suppliers, making sure that other UN agencies can also use these for their standard needs, such as the design and printing of booklets, handouts, calendars and t-shirts.

The prices secured by UNICEF for a group of items were benchmarked against their average prices in the market, obtained through a sample set of companies.

Item	Average market unit price (in USD)	Unit price through inter-agency LTA (in USD)	Percentage unit cost saving
Booklet	\$0.12	\$0.09	25%
Book	\$1	\$0.85	15%
Poster	\$0.27	\$0.22	19%
Average			20%

In 2012, 14 agencies spent 16,550,223 USD for printing services. However, most of this demand came from a single agency – UNICEF. Considering that other agencies spend significantly less, an annual UNCT demand of 20,000,000 USD was estimated.

Assuming that at least two-thirds or 10,912,705 USD of this volume is channeled through the UNICEF-led inter-agency initiative, an estimated annual material cost saving of  $(10,912,705 \times 20 / 100)$  2,182,541 USD would be achieved.

### IT equipment

In this field, there already are several agency LTAs with local and international suppliers that are in use. By comparing these prices, an average unit price was calculated for common items, and compared to their average price in the market. This average market price was determined based on the submissions to a recent WFP tender, as well as discussions with local suppliers.

The potential material and labor cost savings for this category will be calculated only for the 12 agencies who do not have existing LTAs.

Item	Average market unit price (in USD)	Average unit price through agency LTAs (in USD)	Percentage unit cost saving
HP Scanjet Enterprise 8500	\$3247	\$2250	30%
HP Laser Jet 600 M603DN Laser Printer	\$1310	\$1247	4%
HP Laser Jet Pro M451DN Laser Printer	\$458	\$352	23%
<b>Average</b>			<b>19%</b>

In 2012, the procurement volumes of 14 agencies amounted to 7,517,267 USD. Hence, the UNCT's annual demand is estimated to be at 8,500,000 USD. Assuming that at least 8 of the 12 agencies with no existing LTAs join this inter-agency exercise, a volume of 3,000,000 USD would be channeled through this inter-agency LTA on an annual basis. Therefore, a material cost saving of  $(3,000,000 \times 19 / 100)$  570,000 USD would occur.

### Cleaning services

For cleaning and janitorial services, there are several agency LTAs in place with various service providers such as Simba LTD, Bethlehem PLC, Hibret Cleaners, Cleanway PLC and Fireworks PLC. Therefore, labor cost savings will be calculated only for 8 agencies, which do not have existing LTAs.

In terms of per unit prices paid by the agencies, a great variance is observed. The UNECA pays the lowest price per cleaner per month. However, this LTA was omitted from the analysis below, as it was noted that the UNECA is not very satisfied with the quality of the service.

Average price per cleaner per month was calculated for a sample group of agencies, and compared to reveal potential material cost savings.

Agency	Supplier	Unit price per month per cleaner (in USD)	Percentage unit saving over the average price
UNICEF	Simba LTD	\$176	11%
ILO	Hibret Cleaners	\$171	8%
WFP	Cleanway PLC	\$123	
<b>Average</b>		<b>\$157</b>	<b>10%</b>

This average suggests that some agencies may benefit significantly from an inter-agency arrangement in this category. For 14 agencies, an annual spending of about 1,231,825 USD was reported. Assuming that one-thirds of this volume is channeled through more predictable inter-agency mechanisms, a material cost saving of  $(410,608 \times 10 / 100)$  41,061 USD would be achieved.

### Vehicle Rental

Discussions were held with various suppliers to consolidate UN agencies' vehicle rental needs. However, it appears that no local supplier is able to provide services to more than a few agencies at once. Unfortunately, this means that UN agencies cannot really benefit from bulk purchasing in this category.

Currently, most agencies go through their own individual LTAs with service providers. Therefore, it is assumed that no labor cost gains would be achieved through a joint arrangement.

### HACT Micro-assessments

Upon the request of the HACT Working Group, UNICEF-led inter-agency LTAs were established in early 2013 with two local audit firms. Before this, agencies were contracting such companies individually. Therefore, this initiative is not expected to lead to major savings in labor costs.

When approached recently, two local audit companies provided the average price of 5,000 USD for the micro-assessment of an implementing partner (anywhere in the country). Based on the UNICEF-led LTAs, this price is about 3,800 USD on average. For 250 partners, this points to a cost saving of  $(1200 \times 250)$  300,000 USD.

Moreover, 30 implementing partners are common to multiple agencies. While they would have been micro-assessed multiple times if agencies acted individually, they were assessed jointly and a once instead. This suggests an additional material cost saving of  $(30 \times 5,000)$  150,000 USD.

As HACT micro-assessments of implementing partners are held once in each UNDAF cycle, these saving figures are expected to be realized from early 2013 until the end of this BOS.

### Hotel and Conference Services

There are no long-term agreements that are currently in place in this category. However, due to the large number of transactions in this category, it is expected that establishing inter-agency LTAs for standard conference services may lead to better quality services, and discounts.

Discussions should also be held with the UNECA to agree on an affordable pricing structure for the use of the UN Conference Center facilities.

The following average conference package prices were determined for a sample group of agencies, focusing particularly on the services rendered by 3-star and 4-star hotels.

Agency	Average price of conference package in 2012 per person/day	Average price of conference package in the market per person/day	Percentage unit saving over the average price
UNAIDS	\$17	\$17.08	
OCHA	\$18.3		7%
UNDP	\$25		32%
Average			20%

14 agencies have spent 1,366,562 USD in this category in 2012. Accordingly, the UNCT demand is estimated to be 1,900,000 USD. Assuming half or 950,000 USD of this volume is channeled through the proposed inter-agency LTAs, a material cost saving of  $(950,000 \times 20 / 100)$  190,000 USD would be achieved.

### Vehicle Maintenance



Several agencies have individual arrangements with international and local providers for the maintenance of their vehicles. None of the local providers seem to be large enough to service more than a few UN agencies. Therefore, labor cost savings will be estimated only for 10 agencies that do not have existing LTA arrangements.

Among these, the prices charged to various agencies were as follows:

Agency	Supplier	Unit price for 5,000 km services (in USD)	Percentage unit saving over the average price
UNICEF	AFS	\$300	
UNECA	Abegaz	\$400	
	Aemro	\$550	20%
UNDP	AFS	\$500	12%
<b>Average</b>		<b>\$438</b>	<b>16%</b>

Due to the size of the fleets of some of the aforementioned 14 agencies, their overall annual volume of 1,973,106 USD is rounded to 2,000,000 USD, and assumed to be the same as the UNCT demand. Accordingly, inter-agency arrangements in this category may lead to material cost savings of  $(2,000,000 \times 10 / 20 \times 16 / 100)$  160,000 USD.

### **Labor Costs**

For the aforementioned categories of procurement, it is estimated that the following labor cost savings will be attained by replacing duplicate and agency-specific processes with high-quality inter-agency mechanisms.

Category	Number of annual duplicate transactions	Estimated labor cost saving per transaction	Estimated annual labor cost saving (in USD)
Printing	244	\$760	\$207,480
Hotel/conference services	263		\$199,880
IT equipment	273		\$185,440
Vehicle maintenance	181		\$137,560
Cleaning services	59		\$44,840
Uniforms	43		\$32,680
TOTAL			\$807,880

The *number of annual duplicate transactions* was determined based on the procurement volumes of 14 agencies, which were assessed during the BOS baseline analysis. These figures were adjusted to estimate the volume of transactions for 20 resident agencies ("the UNCT"). The final figures were arrived at by assuming that at least two-thirds of these transactions will be channeled through the proposed inter-agency LTAs, in the spirit of the UN DaO.

For instance, in the category of printing services, these 14 agencies executed 286 transactions in 2012. Therefore, it is assumed that 20 resident agencies conducted  $(144 \times 20 / 14)$  409 transactions in total during



the same period. If two-thirds or 273 of these are channeled through the proposed inter-agency LTAs, an annual saving of  $(273 \times 760)$  207,480 USD would be realized, thanks to the elimination of duplicate processes.

For the categories of IT equipment, vehicle maintenance and cleaning services, these figures were adjusted in order to exclude agencies with existing individual agreements.

Reductions in labor costs achieved from the use of inter-agency LTAs were calculated based on the *average saving per transaction* (760 USD), computed in the BOS baseline analysis.

### **Prioritization**

Given that the creation of inter-agency LTA arrangements might be time consuming, each joint LTA option presented above is expected to remain in effect at least for three years. This should be the case if a serious supply-chain issue is not faced by the agencies.

Based on the recent experience of the OMT with inter-agency LTAs, it is recommended that the agencies focus on establishing two high-quality LTAs each year until the end of this BOS. The OMT has been working since early 2013 to create joint LTAs in 3 categories (uniforms, printing and HACT-micro-assessments). In addition to these, 4 more categories should be designated for inter-agency action in 2014 and 2015.

To determine these categories, total material and labor cost savings each inter-agency LTA option is expected to achieve in 3 years were calculated based on the results of the BOS cost-benefit analyses.

Category	Estimated 3-year material cost saving (in USD)	Estimated 3-year labor cost saving (in USD)	Estimated 3-year total cost saving (in USD)
Printing	\$6,547,623	\$622,440	<b>\$7,170,063</b>
IT equipment	\$1,710,000	\$556,320	<b>\$2,266,320</b>
Hotel/conference services	\$570,000	\$599,640	<b>\$1,169,640</b>
Vehicle maintenance	\$480,000	\$412,680	<b>\$892,680</b>
HACT micro-assessment	\$450,000		<b>\$450,000</b>
Cleaning services	\$123,183	\$134,520	<b>\$257,703</b>
Uniforms	\$83,721	\$98,040	<b>\$181,761</b>
<b>TOTAL</b>	<b>\$9,964,527</b>	<b>\$2,423,640</b>	<b>\$12,388,167</b>

Accordingly, the categories of **IT equipment, hotel/conference services, vehicle maintenance, and cleaning** were chosen for the creation of inter-agency procurement mechanisms in 2014 and 2015.

In total, **12,388,167 USD** (9,964,527 USD in material costs, and 2,423,640 USD in labor costs) will be saved through the inter-agency procurement of these 7 categories in 2013-2015.

### **Other Categories**

#### **Roster of Consultants**

Based on the results of the BOS needs and requirements analyses, the OMT has moved to plan the creation of a roster of consultants. Once in place, this roster is expected to contain the profiles of capable consultants for various types of activities that are common to UN agencies. Since these individuals will be short-listed in advance, the agencies should be able to shorten recruitment times, particularly for short-term assignments. The use of the roster is also expected to increase the quality of service delivery, as it will help the UNCT with retaining talented individuals.

Discussions will be held with the OMT to further define the categories of consultants that will be included in this roster, other administrative details and the criteria for short-listing.

In order to determine the labor cost savings that are expected to be achieved through the establishment of a roster of consultants, business processes maps were prepared for a sample group of agencies. For details of this exercise, please see annex.

By comparing the unit costs of recruiting a consultant with and without a roster, the following labor cost savings per transaction were estimated:

Agency	Cost of recruitment of a consultant		Saving per transaction (in USD)
	Without roster (in USD)	With roster (in USD)	
UNDP	\$2,897	\$1,496	\$1,401
UNICEF	\$2,381	\$1,065	\$1,316
UNFPA	\$2,685	\$1,693	\$992
<b>Average</b>	<b>\$2,654</b>	<b>\$1,418</b>	<b>\$1,236</b>

Moreover, to estimate the UNCT's demand for consultancy services, spending data for the following agencies were compiled.

These 8 agencies conducted 548 transactions to hire consultants in 2012 (see the table below for the breakdown). This figure suggests that the UNCT carries out over 800 transactions for consultancy services in a year. Assuming one-thirds or 267 of these are channeled through the proposed roster of consultants, an annual labor cost saving of  $(267 \times 1,236)$  **329,600 USD** (or a saving of 988,800 USD in 3 years) would be realized.

Agency	Spending in 2012 for consultancy services	Number of transactions in 2012
UNECA	\$5,700,000	163
UNICEF	\$1,184,928	122
UNDP*	\$998,359	127
WHO	\$687,852	62
UNFPA	\$270,843	37
IOM	\$119,952	15
UNOPS	\$42,000	20

OCHA	\$18,500	2
<b>TOTAL</b>	<b>\$9,022,434</b>	<b>548</b>

\* Includes services rendered for other entities such as UNV, RCO, etc.

## Chapter 3: BOS Results

Based on the aforementioned findings of the BOS analyses, the 2013-2015 BOS provides a results-based framework for the harmonization and simplification of the UN's operations activities. Prepared with the OMT, this framework also focuses on ensuring implementation of the UN Reform and Delivering as One, and relevant aid effectiveness principles.

Overall, this BOS aims to achieve the following:

**Outcome: By the end of 2015, the UNCT have simplified and harmonized its business operations for enhanced support to programme delivery, and savings in material and labor costs.**

To facilitate the achievement of this outcome, the BOS Results Framework is divided into the following 7 UNCT-endorsed Priority Areas, each with an output statement to be achieved through inter-agency activities. It also puts forth indicators and specific targets (subject to particular risks and assumptions) for these outputs to facilitate results-based monitoring. Key activities and lead agencies are also proposed towards the achievement of these outputs.

### **Priority Area: Aid Effectiveness**

**Output: The UN agencies have improved working relations with their implementing partners**

Currently, there are 6 UN agencies in the country (UNDP, UNICEF, UNFPA, WFP, UN Women and UNESCO) implementing the risk management approach of the Harmonized Approach to Cash Transfers (HACT). There is much room to strengthen these activities through the creation of the necessary inter-agency frameworks for HACT compliance. Sharing of expertise and experiences among the agencies is critical for HACT implementation, and will be provided through the OMT Working Group on HACT. By following a risk management approach to transfers to the UN's implementing partners, the UNCT should be able to improve programme delivery and save labor costs through the simplification and harmonization of procedures.

A macro-assessment will be conducted with the government to review the country's financial management and controls systems, and identify potential issues with cash transfers to implementing partners.

Micro-assessments of UN's implementing partners will be produced together with two service providers to evaluate the risks associated with the internal control and accounting mechanisms of individual partners.

Based on the identified risks and capacity issues, an inter-agency quality assurance and capacity development framework will be created, allowing the participating agencies to manage the risks associated with their implementing partners. The framework will set harmonized criteria and requirements for the deployment of risk management tools such as spot checks, audits and capacity development activities targeting high-risk implementing partners. The Working Group has been working to create this framework by studying the micro-assessment results and risk ratings of individual implementing partners. Capacity development activities for implementing partners will be planned and executed jointly in areas such as financial management, monitoring and evaluation, and procurement. These should lead to considerable savings in labor costs of the UN agencies, and transaction costs for monitoring and reporting of the implementing partners.

The successful implementation of this framework will also require a revision of the national Programme Implementation Manual (PIM) with the government. To ease the burden on the implementing partners, the relevant procedures should be harmonized across the system.

By better managing the risks associated with the implementing partners, as well as developing their capacities through workshops and manuals such as the PIM, the UNCT should be able to achieve shorter transaction times (for the transfer of funds to implementing partners) as well as substantial labor cost savings. Furthermore, agencies may opt to have HACT audits, which are lighter than agency-specific ones, after becoming HACT compliant. This should lead to additional labor time and cost savings.

The UNCT should explore the opportunity to further study and document these savings in the coming years, so that more accurate saving figures can be calculated.

### **Priority Area: Business Continuity Management**

#### **Output: The UNCT has strengthened organizational resilience and business continuity services**

In late 2012, UNECA spearheaded the organization of a workshop to encourage the UN agencies in Addis Ababa to develop individual business continuity plans. Given that many agencies are housed in the UNECA Compound, the need to harmonize these individual plans to that of the UNECA was emphasized. An OMT Working Group on Business Continuity Management was established as a result to oversee this process. After conducting a joint inter-agency risk assessment, the working group decided to work with a consultancy to prepare a harmonized framework, which will cover all of the UN premises in Addis Ababa.

Together with the consultancy, international best practices and the country context will be reviewed to set up a business continuity plan for Addis Ababa. To facilitate its implementation, resource sharing requirements will be identified and addressed through inter-agency agreements. The framework will also be tested through simulations.

After this plan is finalized, the OMT will work to expand the coverage of the plan to include 3 key field locations (to be determined by the UNCT) by the end of 2015.

### **Priority Area: Common Procurement**

#### **Output: The UNCT has improved the quality and cost-effectiveness of its procurement activities**

The BOS cost-benefit analyses reveal valuable information regarding the quality improvements and cost savings that can be achieved if agencies work together to procure common items.

Based on the HLCM Common Procurement Guidelines, the modality for this usually is the procurement of such goods and services through a lead agency. The lead agency will work to determine mutually-acceptable technical requirements with the participating agencies, and conduct a public tender accordingly. Suppliers recommended by a joint evaluation panel will be contracted through long term agreements (LTAs). These LTAs often last up to 3 years, and should mention that the arrangement covers the whole UNCT.

The OMT has launched three initiatives in 2013 to kick-start and pilot inter-agency procurement. WFP has been serving as the lead agency for the procurement of **uniforms for the drivers and protocol assistants** of 18 agencies. To facilitate this process, an agreement was signed between the participating agencies to set



mutually-acceptable technical requirements. Accordingly, suppliers were identified, assessed and contracted through a joint panel.

Similarly, recognizing the need to contract suppliers for standard **printing services** (such as the production of booklets, books, banners, calendars and t-shirts), UNICEF has been working to conduct a market assessment to determine the capabilities and cost structures of various local service producers. LTAs will be signed with competent suppliers, and made available for the use of the UN agencies.

LTAs were signed in early 2013 between UNICEF and two local audit companies for the use of HACT-implementing agencies.

In addition to these three, the BOS Results Framework proposes the establishment of inter-agency LTAs in the following categories of procurement: **IT equipment, hotel/conference services, vehicle maintenance, and cleaning**. The OMT may decide to launch a market assessment to have an objective assessment of the local conditions and capacities in these fields before moving to create LTAs. Depending on the results, to ensure high-quality and timely service, the UNCT may decide to establish LTAs with more than a single supplier. A database of existing agency LTAs will also be prepared and populated through the proposed UNCT corporate intranet to facilitate this process.

Collaboration across the UN system through inter-agency LTAs should aim to simplify and standardize procedures, reduce the duplication of procurement processes, and achieve quality improvements and cost savings through more predictable and bulk purchasing.

According to the BOS cost-benefit analyses, the UNCT will save an estimated total of **12,388,167 USD** through these 7 LTAs. 9,964,527 USD of this will be from material cost savings due to more predictable and bulk purchasing. The remaining 2,423,640 USD will be generated in labor cost savings through the standardization processes and elimination of redundancies.

Since the local markets for much of these goods and services are very weak, the OMT should also consider the option of providing supplier development workshops to key service. Furthermore, the OMT may decide to limit the issuance of LTAs in certain areas to services providers who actively participate in the relevant UN private sector development projects.

Lead agencies were assigned for each inter-agency procurement activity based on the competence of their respective units, as well as their high volume of purchasing in those categories.

### **Priority Area: Human Resources**

#### **Output: The UNCT has enhanced its human resources management capacity to better address programme and staff needs**

The following harmonization and inter-agency activities were determined by the OMT Working Group on Human Resources with the aim of enhancing the capacity of the UNCT to respond to programme and staff needs more effectively.

A roster of consultants will be established to provide the agencies with profiles of competent candidates for recruitment through desk reviews, particularly for standard and short-term tasks. This should yield quality improvements as well as **annual reductions in labor costs of about 329,600 USD** through the elimination of duplicate processes. Assuming that this arrangement stays in place for at least 3 years, **a total labor cost saving**

**of 988,800 USD would occur.** This roster will be placed in the UNCT intranet, proposed under the ICT section below.

The working group will endeavor to fulfill the UN corporate reporting requirements on human resources. This includes working with UN agencies to provide inputs for the International Civil Service Commission (ICSC) surveys on cost of living, housing and domestic costs, local salaries, DSA rates, and R&R and hardship.

The UNCT has requested the working group to prepare and implement a plan to harmonize the R&R policies of UN agencies, including the addition of a secondary destination for the R&R locations in Ethiopia. Accordingly, a concept note was prepared and shared with the ICSC for endorsement in early 2013.

Based on the results of the BOS needs and requirements analyses, the working group agreed to prepare a UNCT decision paper harmonizing the local consultancy rates and pegging them to current local staff salary scales.

The OMT will explore measures to maximize staff motivation and performance across the board by preparing orientation materials and courses for Addis Ababa and 3 key field locations.

The working group will also hold meetings to discuss and prepare recommendations to the UNCT on key field staff issues, identified through discussions, site visits and staff surveys.

### **Priority Area: Information and Communication Technologies (ICTs)**

#### **Output: The UNCT has reinforced the quality and cost-effectiveness of its information and communication infrastructure**

Based on the findings of the needs and requirement analyses, the UNCT has endorsed the creation of a UNCT knowledge management platform. To this end, the OMT has committed to provide technical assistance and guidance for the creation and operationalization of the relevant hardware and software infrastructure. To initiate this activity, a needs assessment on knowledge management for the UNCT and its working groups was launched in early 2013 by the RCO. The resulting report will include recommendations regarding the configuration of the end product, and the necessary IT expertise for the operationalization of the platform.

The ICT Working Group has been working since 2012 to prepare an inter-agency proposal and roadmap, titled the ICT Business Case. This business case aims to consolidate and harmonize UN agencies' networks for the creation of a more stable and cost-efficient infrastructure. To achieve this BOS output, the working group will finalize the business case through inter-agency negotiations and discussions with the supplier.

Due to the fact that there is only a single supplier for telephone and internet services in the country, there is little alternative to discussions and negotiations with the supplier to improve these services. These discussions should be held together under the leadership of the RC/HC ("in one voice"), in accordance with the DaO principles.

The working group should also support the OMT Legal Working Group with the high-level negotiations with the host government, particularly to secure the necessary exemptions for the deployment of cutting-edge and cost-efficient technologies, some of which are critical for the functioning of the field locations.

The OMT will aspire to finalize and start implementing the ICT Business Case by February 2015. Funding will be provided by the participating agencies individually based on a cost-sharing formula. According to the first

draft of the ICT Business Case, the resulting UN network should maintain at least **99 percent uptime**. Moreover, **at least 2% or 10,810 USD of cost savings** (over the baseline of 540,484.44 USD) will be achieved by the end of 2015 through reductions in the annual recurrent costs of UN agencies' connectivity via the local service provider. Though this figure seems low, it represents the savings after the deployment of the necessary IT infrastructure for the implementation of the business case. This savings figure might go up to 805,595 USD a year (including the estimated freed-up staff time) in the following years through the deployment of other tools such as voice-over-IP, disaster risk recovery centers and video conferencing facilities.

### **Priority Area: Legal**

#### **Output: The UN agencies and staff have strengthened privileges and immunities**

With the aim of strengthening the privileges and immunities enjoyed by the UN agencies and staff, the Working Group on Host Country Agreement has been working to provide technical support to the UNCT since 2011. Through inter-agency discussions, as well as informal meetings with the host government, a briefing note was drafted to support the proposed political negotiations with the government. Once the UNCT decides to launch these negotiations, the working group will endeavor to organize discussions and prepare the required technical documentation. The aim of these negotiations at the UNCT level should be the creation of a supplement agreement, which expands the privileges and immunities of all UN agencies.

While these efforts to improve UN agencies' host country agreements is crucial for better and timelier programme delivery, the working group will also sensitize the relevant government agencies and officials to prevent any infringements of the UN's existing rights. To this end, pamphlets on the UN's working methods and legal status will be prepared in local languages, and distributed to the relevant federal and regional government agencies. These will target federal law enforcement, customs and immigration officials, as well as key officials from the regional governments of 3 field locations (to be determined by the UNCT). Based on these materials, sensitization workshops for these officials on the UN's working methods and legal status will also be piloted.

### **Priority Area: Support to the Coordination of Common Operations**

#### **Output: The UNCT's capacity to coordinate inter-agency operations supported**

Following the UNCT decision to pilot the UNDG Guidelines on Business Operations Strategy in Ethiopia, a results-based management workshop was held to initiate its adoption and implementation. This workshop was in early 2013, and focused on improving the capacities of the relevant staff in using results-based frameworks and cost-benefit analyses. From 2014, the RCO will hold similar annual workshops for the OMT and its working groups. A total of 80 staff are expected to be provided with assistance by the end of 2015.

From 2014, a consultant will be hired to facilitate the BOS implementation and monitoring activities. Specifically, this consultant will work with the Working Groups to ensure that their activities receive sufficient coordination support. The OMT, with support from the RCO, will prepare annual reports for the UNCT, High-level Steering Committee, and donors, summarizing the progress as well as status of existing common services.

In order to support the system-wide implementation of the International Public-Sector Accounting Principles (IPSAS), training workshops will be held in Addis Ababa in 2013 with the participation of relevant agency staff. In total, at least 40 staff will be trained.

In accordance with international best practices, inter-agency initiatives will also be launched to create a Green Office (in conjunction with the ongoing effort by the UNECA), and evaluate the status of existing common services, particularly in the fields of travel, cafeteria and catering. Indicators and targets will be defined based on mutually-agreed requirements for these activities.





## BOS Results Framework

Priority Area: Aid Effectiveness			
<b>Lead Agencies:</b> UNICEF and UNDP			
<b>Coordination Mechanisms:</b> OMT Working Group on Harmonized Approach to Cash Transfers (HACT)			
<b>Budget:</b> 50,000 USD			
<b>Output:</b> The UN agencies have improved working relations with their implementing partners			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
The number of implementing partners included in the inter-agency quality assurance and capacity development framework	0	250	UN agencies commit to HACT implementation, and allocate the necessary financial and human resources required for HACT implementation. In particular, the agencies need to focus on quality assurance and capacity development to improve their partnerships.
The number of implementing partners that received inter-agency capacity development support on HACT modalities, monitoring and financial management	0	100	
The number of implementing partners that were jointly audited by the UN agencies	0	250	The government improves the vertical division of labor with the regions.
Key activities			
Activity	Lead agency		Deadline
Conduct micro-assessment of UN agencies' implementing partners (billed directly to the agencies)	UNICEF		Continuous
Create a database of micro-assessment reports	RCO		July 2013
Prepare HACT macro-assessment with the government	UNDP		September 2013
Revise the Programme Implementation Manual (PIM) with the government to enhance HACT implementation	UNICEF & UNDP		March 2014
Create and implement an inter-agency quality assurance and capacity development framework (paid directly by individual agencies)	UNICEF & UNDP		November 2015



Priority Area: Business Continuity Management			
Lead Agencies: UNECA and UNDSS			
Coordination Mechanisms: OMT Working Group on Business Continuity Management			
Budget: 100,000 USD			
Output: The UNCT has strengthened organizational resilience and business continuity services			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
Business continuity framework for the UN premises in Addis Ababa operationalized	No	Yes	UN agencies commit enough staff time for the completion of this activity  Adequate funding is allocated through the UNCT for procurement of the relevant services
The number of operational business continuity frameworks in place for the UN premises in the field	0	3	
Key activities			
Activity		Lead agency	Deadline
Hold sensitization workshop for the UN agencies, and conduct inter-agency risk assessment for Addis Ababa		UNECA	April 2013
Prepare business continuity framework for Addis Ababa, hold capacity development for relevant staff, and test progress through simulations		UNECA	April 2014
Conduct inter-agency risk assessment for 3 key field locations		UNDSS	August 2014
Prepare business continuity framework for 3 key field locations, hold capacity development for relevant staff, and test progress through simulations		UNDSS	October 2014

Priority Area: Common Procurement			
Lead Agencies: UNOPS and WFP			
Coordination Mechanisms: OMT Working Group on Common Procurement			
Budget: 30,000 USD			
Output: The UNCT has improved the quality and cost-effectiveness of its procurement activities			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
Estimated labor cost savings achieved through the simplification and harmonization of procurement activities in selected areas (in 3-years / by the end of the LTAs)	\$14,416,114	\$2,423,640 (16%)	UN agencies commit to the implementation of effective inter-agency procurement, identify common technical standards and requirements in key procurement categories, and actively participate in the Procurement Working Group
Estimated cost savings achieved through more predictable and bulk purchasing in selected areas (in 3-years / by the end of the LTAs)	\$112,691,616	\$9,964,527 (8.8%)	
The number of procurement categories for which inter-agency LTAs are in place	1: Travel services	8	
The percentage of relevant UN staff satisfied with the quality of existing common services	0%	>70%	
Key activities			
Activity		Lead agency	Deadline
Facilitate inter-agency procurement of uniforms for UN drivers and protocol assistants, printing services and HACT micro-assessment/audit services		UNICEF, WFP & RCO	March 2014
Finalize common procurement framework, outlining inter-agency procurement modalities, and create a database of existing agency LTAs		RCO	February 2014
Produce and conduct customer satisfaction surveys to identify issues with existing common services including travel, and cafeteria and catering		UNECA & RCO	August 2014 & 2015
Facilitate inter-agency procurement of IT equipment and hotel/conference services		WFP & WHO	November 2014
Facilitate inter-agency procurement of vehicle maintenance and cleaning		UNHCR & UNOPS	November 2015

Priority Area: Human Resources			
<b>Lead Agencies:</b> UNICEF and UNHCR			
<b>Coordination Mechanisms:</b> OMT Working Group on Human Resources			
<b>Budget:</b> 30,000 USD			
<b>Output:</b> The UNCT has enhanced its human resources management capacity to better address programme and staff needs			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
Estimated labor cost savings achieved through the use of roster of consultants (in 3 years)	\$2,123,200	\$988,800	UN agencies actively participate in the Human Resources Working Group and its activities, including surveys and site visits  The ICSC accepts UNCT's recommendations on R&R
Technical note on harmonized R&R policies and procedures prepared, and shared with the ICSC for endorsement	No	Yes	
Rates for local consultants harmonized	No	Yes	
The number of field locations assessed for staff issues and challenges through visits and surveys	0	3	Agencies agree to the harmonization of consultancy grades and rates
Key activities			
Activity	Lead agency		Deadline
Facilitate the collection of inputs from the UNCT for corporate surveys on human resources, including those on cost of living, housing and domestic costs, local salaries, DSA rates, and R&R and hardship	UNECA & RCO		Continuous
Prepare technical note on harmonized R&R policies and procedures, share with the ICSC for endorsement	RCO & WFP		August 2013
Harmonize local consultancy rates, share with the UNCT for endorsement	UNICEF		March 2014
Create roster of consultants, gather list of eligible candidates from the UN agencies	FAO		March 2015
Assess 3 key field locations through visits and surveys, present identified staff issues and challenges to the UNCT, and prepare orientation documents for field staff	UNHCR & RCO		September 2015

Priority Area: Information and Communication Technologies			
Lead Agencies: WHO and UNECA			
Coordination Mechanisms: OMT Working Group on Information and Communication Technologies (ICTs)			
Budget: 50,000 USD			
Output: The UNCT has reinforced the quality and cost-effectiveness of its information and communication infrastructure			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
The UNCT knowledge management platform launched, and accessible by all UN agencies	No	Yes	UN agencies’ agree to join the ICT Business Case, and harmonize their ICT policies
The ICT Business Case on Network Consolidation is finalized, and endorsed by the UNCT	No	Yes	
The percentage of 13 UN agencies’ network uptime	98%	>99%	The appropriate human and financial resources are deployed for the successful implementation of the UNCT knowledge management platform and ICT Business Case
The service provider is willing to work with the UNCT			
Key activities			
Activity		Lead agency	Deadline
Launch needs assessment on knowledge management for the UNCT and its working groups, and provide actionable recommendations		WFP	January 2014
Hold discussions with the UN agencies and service provider, and finalize the ICT Business Case on Network Consolidation		WHO	June 2014
Support the implementation of the ICT Business Case by deploying the necessary resources (to be billed directly to participating agencies)		WHO & UNECA	February 2015
Create and operationalize the UNCT knowledge management platform, and offer technical support to prospective users (with an IT consultant)		WHO	July 2015

Priority Area: Legal			
Lead Agencies: OCHA and UNECA			
Coordination Mechanisms: OMT Working Group on Host Country Agreement			
Budget: 50,000 USD			
Output: The UN agencies and staff have strengthened privileges and immunities			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
Technical and administrative support provided to the high-level negotiations with the government on host country agreements of the UN agencies	No	Yes	The host government responds positively to the UN’s request to work on improving the existing host country agreements.
The number of regions that received information material on the UN’s working methods and legal status (in local languages)	0	3	
The number of federal and regional government agencies that participated in the sensitization workshops on UN’s working methods and legal status	0	12 regional, 4 federal agencies	Funding is allocated through the UNCT for organization of sensitization workshops for government officials.
Key activities			
Activity		Lead agency	Deadline
Prepare background notes by holding discussions with UN agencies, and desk-review of relevant legal documents		UNECA	June 2013
Provide technical and administrative support to high-level negotiations with the host government		OCHA	September 2014
Prepare informational materials on UN’s working methods and legal status in local languages, and distribute to relevant federal and regional government officials, in 3 key field locations (including law enforcement, customs and immigration)		OCHA	November 2014
Conduct sensitization workshops on UN’s working methods and legal status for federal and regional government officials, from 3 key field locations (including law enforcement, customs and immigration)		UNHCR	August 2015



Priority Area: Support to the Coordination of Common Operations			
Lead Agencies: UNECA and UNDSS			
Coordination Mechanisms: Operations Management Team (OMT)			
Budget: 170,000 USD			
Output: The UNCT’s capacity to coordinate inter-agency operations supported			
Output Indicators	Baseline (2012)	Target: 2015	Risks and assumptions
The number of staff who participated in a capacity development workshop on the results-based management of operations	0	80	UN agencies commit staff time required for participation in capacity development activities.  Capable facilitators are available to travel to Ethiopia for workshops and training courses.  Agencies agree on establishing a Green Office.
The number of staff who received capacity development support on International Public-Sector Accounting Principles (IPSAS)	0	40	
The number of OMT annual reports prepared and shared with the UNCT with information on the progress of BOS implementation and status of existing common services	0	2	
Key activities			
Activity		Lead agency	Deadline
Provide finance and logistics staff of agencies with capacity development on IPSAS		RCO	October 2013
Organize annual capacity development workshops on results-based management to facilitate BOS implementation		RCO	May 2013, April 2014 & 2015
Recruit OMT consultant to support the BOS implementation and OMT Working Groups		OMT Chairs & RCO	March 2014
Launch initiative to create a Green Office by holding discussions with agencies		UNDP & UNECA	November 2014
Prepare OMT annual report, including information on the progress of BOS implementation and status of existing common services		OMT Chairs & Working Group Chairs	December 2014 & 2015
Hold evaluation of the BOS and its achievements		OMT Chairs & RCO	2015

## Chapter 4: Budget

Based on the aforementioned outputs and key activities defined for each BOS Priority Area, a 3-year funding estimate was computed. Consequently, these figures represent the financial resources that considered necessary for the successful implementation of the BOS in 2013-2015, and the achievement of its respective outputs by the end of 2015.

These figures only represent the costs associated with the planning, coordination and monitoring of common operations within the scope of the BOS. On the other hand, the agencies will be billed directly for any goods and services they procure through the existing and proposed common services.

Priority Area	Estimated budget (2013-2015) (in USD)
Aid Effectiveness (HACT)	\$50,000
Business Continuity Management	\$100,000
Common Procurement	\$30,000
Human Resources	\$30,000
Information and Communication Technologies (ICTs)	\$50,000
Legal	\$50,000
Support to the Coordination of Common Operations	\$170,000
<b>Estimated total budget (2013-2015) (in USD)</b>	<b>\$480,000</b>
Funds already committed in 2013	\$152,000
Funding gap for 2014-2015 (in USD)	\$328,000

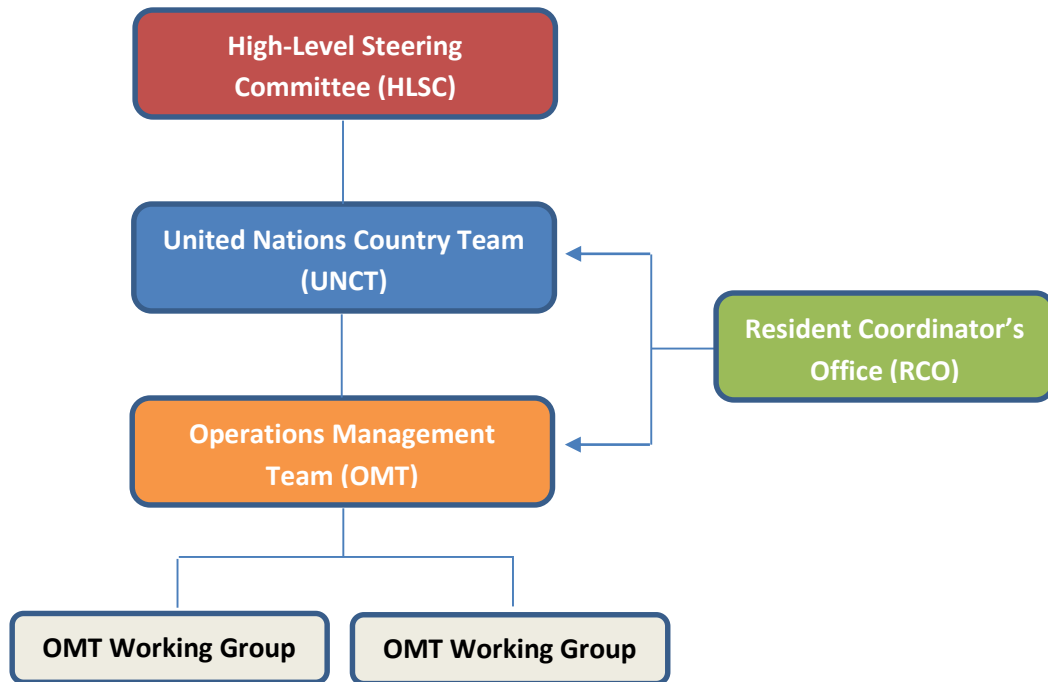
It is expected that this BOS will require the deployment of about **480,000 USD** for successful implementation. As 152,000 USD was already allocated in 2013 for BOS-related activities of the OMT in 2013, approximately 278,000 USD remains to be mobilized and allocated in 2014-2015. About half of this amount is expected to come from donor funding. The rest will be requested from the agencies in the form of cost-recovery.

Funding requirements for the aforementioned BOS activities are only indicative. They will be detailed and finalized by the OMT at the beginning of each year. Accordingly, the **OMT will prepare and present an annual work plan and budget each year to the UNCT to request and mobilize these funds. For details, please see the subsequent section on the Governance of Business Operations.**

Since the BOS provides specific cost saving figures to be achieved through the simplification and harmonization of the UNCT's business operations, as well as a results-based framework for monitoring of these activities, it also provides significant room for resource mobilization from donors. **Therefore, the BOS is a critical tool for the financial sustainability and future funding of the UN Resident Coordinator system.**

## Chapter 5: Governance of Business Operations

This BOS was created to support the *One Operations* component of the Delivering as One (DaO) reform in Ethiopia. Accordingly, it provides specific, measurable and achievable targets to ensure that the UN agencies in the country operate in a complementary and harmonized manner. To guarantee its success, the BOS will be governed through the following UNCT mechanisms.



### High-Level Steering Committee

Comprised of the host government, representatives of the UN agencies and other development partners, the High-Level Steering Committee (HLSC) provides strategic direction and oversight for successful implementation of the DaO. Accordingly, a progress report on the BOS implementation will be provided on an annual basis to the HLSC for review and endorsement.

### United Nations Country Team

The United Nations Country Team (UNCT), which brings together the representatives of the UN organizations working in Ethiopia, is the ultimate decision-making body for all issues in the field of common/inter-agency operations. Under the leadership of the UN Resident & Humanitarian Coordinator, the UNCT works to ensure the successful adoption, implementation, and monitoring and evaluation of the BOS. To this end, the UNCT will review and endorse the OMT annual work plans, and mobilize the resources required for their achievement.

### Operations Management Team

The Operations Management Team (OMT), comprised of the Operations Managers and/or Senior Administrative Officers of the UN agencies, is responsible for the day-to-day management of the UNCT's

business operations, including the adoption and implementation of the BOS. It provides the UNCT with recommendations to improve the quality, timeliness and cost-effectiveness of the operational support to programme delivery. To facilitate its implementation, the OMT will translate the BOS into annual work plans and budgets.

The OMT Chairpersons serve as the lead for the adoption and implementation of the BOS, as well as OMT annual work plans. Hence, they will organize meetings for discussions, and coordinate with member agencies to ensure smooth running of the OMT, and successful implementation of its work plan.

The OMT will establish on an annual basis Working Groups comprised of technical area experts (such as procurement or human resources managers) to enable the completion of the relevant activities of the OMT annual work plan. Chairpersons will also be appointed to help coordinate the contributions of these Working Groups.

The BOS designates lead agencies for each proposed inter-agency activity and initiative. These lead agencies are accountable to the UNCT for the successful and timely implementation of these activities, and achievement of the BOS outcome and outputs. Thus, lead agencies are expected to make the necessary arrangements for the implementation of the BOS, and hold discussions with Working Groups to finalize these. If funding is available from the UNCT budget, they will liaise with the OMT Chairpersons and RCO for the procurement of the necessary goods and services, including technical consultants.

For more details on the OMT's working methods, please see annex for the OMT Terms of Reference (ToR) and Standard Operating Procedures (SOP).

### **Resident Coordinator's Office**

The UN Resident Coordinator's Office (RCO) provides coordination support to the OMT. This includes assistance with the preparation and monitoring of the BOS, and associated OMT annual work plans.

Moreover, the procurement of the services and consultants required by the OMT will be handled by UNDP through the RCO.

A repository of all OMT and Working Group documents will also be maintained by the RCO for knowledge management and audit purposes.

### **BOS Implementation**

An agreement was reached between the UNDG and UNCT in December 2012 to pilot the BOS in Ethiopia. Given the number of UN agencies and large volume of UN operations in the country, the BOS has the potential of leading to significant quality and cost-efficiency through the simplification and harmonization of the UNCT's business operations.

The RCO has taken the lead for the preparation of this document. A consultant was hired to facilitate data collection from the agencies. In addition, several OMT members were sponsored by the UNCT to participate in UNSSC-led capacity development courses. These members were later appointed to serve as part of the BOS Task Force, established to provide guidance for the preparation of the BOS. The BOS Task Force also worked



to assure the quality of the data gathered from the UNCT. Two BOS experts were also assigned by the UNDG to provide remote technical assistance.

The BOS seeks to support UNDAF implementation by aligning the operational and programmatic priorities. As Ethiopia is already almost 2 years into the current UNDAF cycle (2012 – 2015), it was agreed that a 3-year BOS (starting at the beginning of 2013 and ending at the end of 2015) will be prepared to coincide with the remainder of this cycle. The subsequent BOS should cover the next programme cycle in its entirety, and be built into the UNDAF.

Regular feedback will be provided to the UNDG on progress, implementation results and challenges, and lessons learned to help improve piloting of the BOS in other countries.

A phased approach to the adoption and implementation of the BOS was adopted from December 2012. The RCO worked to collect operational data from the UNCT until July 2013 with the aim of conducting the necessary operational analyses. Meanwhile, an OMT annual work plan was prepared for 2013, and lead agencies appointed for its implementation. This work plan for 2013 mainly includes the activities aimed at kick-starting the adoption and implementation of the BOS, including but not limited to:

- Working with various UN agencies to facilitate data collection, and the drafting of the BOS;
- Organizing an Operations Management Workshop to develop the capacities of the relevant (programme operations, monitoring and evaluation, and strategic planning) staff in implementing the BOS;
- Piloting of inter-agency procurement through the purchase of uniforms for UN drivers via a lead agency;
- Design of a common roster of consultants to initiate inter-agency work in the field of human resources;
- Preparation of the ICT Business Case on Network Consolidation to agree on an inter-agency plan to create a more stable and cost-effective internet connectivity infrastructure;
- A survey on the UNCT knowledge management needs to determine the technical requirements of the proposed UNCT corporate intranet platform;
- Inter-agency efforts towards HACT compliance, including finalization of the HACT macro- and micro-assessments;
- A public tender to identify a consultancy company to assist with inter-agency business continuity planning;
- Review of relevant legal and technical documents to initiate political negotiations with the host government on the UN's privileges and immunities.

For a detailed overview of the OMT annual work plan for 2013, please see annex. Through BOS operational analyses, these activities were detailed further, and included under the BOS outputs.

The OMT annual work plans for 2014 and 2015 will be prepared based on the BOS results framework, and with specific and measurable targets and indicators.

### **Monitoring and Evaluation, and Reporting**

The progress towards BOS, as well as its implementation challenges, will be reviewed at every OMT meeting. The results will be benchmarked against the baseline figures from 2012 for the purposes of results-based monitoring and reporting.

These results, together with financial expenditure figures, should also be incorporated into the OMT end-of-year report, and presented to the UNCT. These findings and lessons learned should enable the OMT to make strategic and operational adjustments to the BOS at the OMT Retreat (at the end of each year).

A detailed evaluation of the BOS will be undertaken from early 2015, identifying key successes, implementation challenges and lessons learned. This exercise should guide the preparation of the subsequent BOS.

## Annex 1: Business Process Maps

The BOS aims to take a strategic approach to the elimination of duplicate business processes through harmonization. To guide this process, the following business process maps were prepared with respective agencies to capture the labor costs associated with agency procurement processes.

To produce the labor cost saving figures used in the BOS cost-benefit analyses, agencies' standard Request for Quotations (RFQ), Invitation to Bid (ITB) and Request for Proposals (RFP) processes were mapped. Afterwards, the costs associated with each process were calculated using the pro forma costs for each staff grade. During the cost-benefit analyses, savings in labor costs were estimated by benchmarking the resulting figures against the cost of direct procurement through an existing LTA. The costs may differ for more complex and technical procurement tasks, usually involved with humanitarian operations.

Due to the large size of the UNCT, labor cost figures from the following sample group of agencies were used to conduct the BOS cost-benefit analyses.

United Nations Development Programme (UNDP)						
Activities	Processing unit	Staff level	RFQ process	ITB process	RFP process	Direct process through existing LTA
			Time spent (min)	Time spent (min)	Time spent (min)	Time spent (min)
Requisition Creation						
Prepare specifications and raise requisition	Programme staff	G5	120			
		G6		240		240
		NOB			480	
		NOC	120	240		240
Review & approve requisition by procurement unit	Procurement Unit	G5	60			
		G6		240		240
		NOB		120	480	120
		P5		60		60
Sourcing & selection RFQ, ITB, FRP	Procurement Unit	G5	480			
		G7		2400		
		NOB			960	
		NOC		2400		
		P3		120		
		P4		120		
CAP/ACP submission and contract awarding	Procurement Associate, Procurement Specialist, Programme Specialist, CD & Representative	G6			2400	
		G7			2400	
		NOB		2400	2400	
		NOC		2400	2400	
		P5		120	2400	
		D2			120	
Contract approval/signature	Procurement Unit & DCD	G6	120	150	150	150
		NOB		60	60	60
		P5	30	30	30	30
Vendor verification/creation	Programme Assistant/ Procurement unit	G6	60		60	
		NOB		120		120

Requisition adjustment & uploading of new documents	Programme Assistant	G6	60	60	60	
Requisition re-approval	Project Manager	NOB		60		
Buyer notification & Submission of original documents to Procurement Unit	Programme Assistant	G6	60	60	60	30
PO Processing						
Review documentation	Procurement Assistant	G5	60			
		G6		60	60	60
Sourcing of requisition into PO	Procurement Assistant	G5	20			
		G6		20	20	20
Notify the approver	Procurement Assistant	G5	20			
		G6		20	20	20
PO Approval						
Review documentation & approve PO	Approving Manger	P5	60	60	60	60
Notify the buyer	Approving Manger	P5	20	20	20	20
PO-Budget Check & Dispatch						
Budget check	Procurement Assistant	G5	20			
		G6		20	20	20
Send PO to supplier	Procurement Assistant	G5	20			
		G6		20	20	20
Receipt of Goods & Services						
Receipt of the goods and services as per the specification/TOR and recording receipt of goods and services	Project Manager	G5	120			
		NOB		480	480	480
Payment Processing						
Send PO to finance for payment with supporting documents	Procurement Unit	G5	120			
		G6		480	480	480
Payment processing	Finance Unit	G5	1440			
		G6		1440	1440	1440
Allocated time (hours)		G5	41.33	0.00	0.00	0.00
		G6	5.00	46.83	79.83	45.33
		G7	0.00	40.00	40.00	0.00
		NOB	0.00	54.00	81.00	13.00
		NOC	2.00	84.00	40.00	4.00
		P3	0.00	2.00	0.00	0.00
		P4	0.00	2.00	0.00	0.00
		P5	1.83	4.83	41.83	2.83
		D2	0.00	0.00	2.00	0.00
Allocated costs(USD)		G5	\$348.48	\$0.00	\$0.00	\$0.00
		G6	\$51.01	\$477.79	\$814.45	\$462.49
		G7	\$0.00	\$485.61	\$485.61	\$0.00
		NOB	\$0.00	\$665.61	\$998.41	\$160.24
		NOC	\$28.35	\$1,190.69	\$566.99	\$56.70
		P3	\$0.00	\$70.14	\$0.00	\$0.00
		P4	\$0.00	\$81.90	\$0.00	\$0.00
		P5	\$88.77	\$234.03	\$2,025.53	\$137.19



		D2	\$0.00	\$0.00	\$117.24	\$0.00
Total cost per process (USD)			\$516.61	\$3,205.76	\$5,008.24	\$816.61
United Nations Children’s Fund (UNICEF)						
Activities	Staff level	RFQ process	ITB process	RFP process	Direct process through existing LTA	
		Time spent (min)	Time spent (min)	Time spent (min)	Time spent (min)	
Requisition Creation						
Prepare specifications and raise requisition	G6	30	60	20	30	
	NOC	20	60	240	30	
Review procurement request and get clarification from the requester	G6	30	60		20	
	P2			30		
	P3	10	10	20	10	
Prepare bidding documents (RFQ, RFP, ITB)	G6	120	120			
	P2			90		
	P3	10	10	10		
	P5		10	10		
Advertise/distribute bidding documents	G5	120	180	180		
Bid opening	G5	30	60	60		
Conduct technical evaluation	G5	180	480			
	NOC	120	480	2,880		
Conduct financial evaluation	G5	120	2,400			
	P2			240		
	P3			240		
Preparation of evaluation and recommendation for award for the contracts committee	G5	120	960			
	P2			960		
	P3	60	180	180		
PO Processing, Approval and Dispatch						
Create Vendor	G5	30	30	30		
	G6					
Create purchase order/contract and send for approval	G5	60	60		60	
	P2			60		
Approve purchase order	P3		30	30	30	
	P4					
	P5		10	10	10	
Dispatch and send PO to the vendor	G5	20	20	20	20	
Receipt of Goods & Services						
Inspect and receive goods	G5	60	60		60	
	NOC			360		
	NOA	20	20		20	
Raise receipt and inspection report in the system	G5	20	20	10	20	
Review invoices and shipping documents from supplier	G5	10	10	10	10	
	NOC			5		
	P2	5	5	5	5	
Payment Processing						
Send documents to finance unit for payment	G5	10	10	10	10	
Create voucher and post payment (finance)	G5	360	360	360	360	
	NOC	360	360	360	360	
	NOB	30	30	30	30	

	P4	20	20	20	20
Allocated time (hours)	G5	19.00	77.50	11.33	9.00
	G6	3.00	4.00	0.33	0.83
	NOB	0.50	0.50	0.50	0.50
	NOC	8.33	15.00	64.08	6.50
	NOA	0.33	0.33	0.00	0.33
	P2	0.08	0.08	23.08	0.08
	P3	1.33	3.83	8.00	0.67
	P4	0.33	0.33	0.33	0.33
	P5	0.00	0.33	0.33	0.17
Allocated costs (USD)	G5	\$170.20	\$694.25	\$101.52	\$80.62
	G6	\$32.52	\$43.36	\$3.61	\$9.03
	NOB	\$6.55	\$6.55	\$6.55	\$6.55
	NOC	\$125.51	\$225.91	\$965.14	\$97.89
	NOA	\$3.80	\$3.80	\$0.00	\$3.80
	P2	\$2.44	\$2.44	\$676.17	\$2.44
	P3	\$46.76	\$134.44	\$280.58	\$23.38
	P4	\$13.65	\$13.65	\$13.65	\$13.65
	P5	\$0.00	\$16.14	\$16.14	\$8.07
Total cost per process (USD)		\$401.43	\$1140.53	\$2063.36	\$245.44

World Food Programme (WFP)						
Activities	Responsible Unit/Staff	Staff level	RFQ process	ITB process	RFP process	Direct process through existing LTA
			Time spent (min)	Time spent (min)	Time spent (min)	Time spent (min)
Requisition Creation						
Prepare specifications, check budget and released purchased request in WINGS	Requesting Unit (RU)	NOB			480	5
		P4			480	5
		G4	30	60		
		G5	30	60		
		G6	30	60		
		G7	30	60		
Review of Specification/Terms of reference/ BOQ & SOW and budget	Procurement Unit (PU)& Requesting Unit (RU)	G5	60	120	480	5
		G6	60	120	480	5
		NOB	30	60	480	5
		P3	30	60	480	5
Short Listing	Procurement Unit	G7	30	30	30	
Prepare Tender document (RFQ/ITB/RFP) preparation	Procurement Unit	G5	60	60	60	
		G6	60	60	60	
		NOB	60	60	60	
Bid opening	OP	G5	60	60	60	
		G6	60	60	60	
Bid Evaluation						
Technical	EP, PU & RU	G5			480	
		G6			480	

		NOB			480	
Financial	PU & EP	G5	60	120	180	
		G6	60	120	180	
		NOB		120	180	
PCC note preparation and PCC recommendation & CD approval	PU & PCC	G5		240	240	120
		G6		240	240	120
		NOB		240	240	120
		P3		30	30	30
PO Creation						
Review documentation & place order	PU	G5	10	20	30	
		G6	10	20	30	
		NOB	10	20	30	
Notify the approver and send documents for signature	PU	G5	10	10	10	10
		G6	10	10	10	10
		NOB	10	10	10	10
PO-Approval						
Approve PO/Contract	CD	D2	10	10	10	10
Notify the buyer	PU	G5	10	10	10	10
		G6	10	10	10	10
Dispatch						
Send PO to supplier	PU	G5	15	15	15	15
		G6	15	15	15	15
Receipt of Goods & Services						
Custom Clearing process	Admin	G5		480		480
	Admin	G6		480		480
Receipt of the goods and services as per the specification/TOR, verify and receipt/completion	RU & PU	G4	60	60	60	60
		G5	60	60	60	60
		G6	60	60	60	60
Payment Processing						
Send PO to finance for payment with supporting documents	PU	G5	30	30	30	30
		G6	30	30	30	30
Payment Processing	Finance Unit	G5	45	45	45	45
		G6	45	45	45	45
		G7	45	45	45	45
		NOB	15	15	15	15
		P5	15	15	15	15
Supplier Performance Evaluation	RU & PU	G7	60	60	60	60
Allocated time (hours)		G4	1.50	2.00	1.00	1.00
		G5	7.50	22.17	28.33	12.92
		G6	7.50	22.17	28.33	12.92
		G7	2.75	3.25	2.25	1.75
		NOB	2.08	8.75	32.92	2.58
		P3	0.50	1.50	8.50	0.58
		P4	0.00	0.00	8.00	0.08
		P5	0.25	0.25	0.25	0.25
		D2	0.17	0.17	0.17	0.17
Allocated costs (USD)		G4	\$10.20	\$13.60	\$6.80	\$6.80
		G5	\$63.23	\$186.89	\$238.88	\$108.90
		G6	\$76.51	\$226.14	\$289.05	\$131.77

		G7	\$33.39	\$39.46	\$27.32	\$21.25
		NOB	\$25.68	\$107.85	\$405.73	\$31.84
		P3	\$17.54	\$52.61	\$298.11	\$20.46
		P4	\$0.00	\$0.00	\$327.60	\$3.41
		P5	\$12.10	\$12.10	\$12.10	\$12.10
		D2	\$9.77	\$9.77	\$9.77	\$9.77
Total cost per process (USD)			\$248.42	\$648.42	\$1,615.37	\$346.31

Food and Agriculture Organization (FAO)					
Activities	Staff level	RFQ process	ITB process	RFP process	Direct process through existing LTA
		Time spent (min)	Time spent (min)	Time spent (min)	Time spent (min)
Requisition Creation					
Prepare specification and raise requisition	SC (Assistant)	30	60	80	60
	SC (Team Leader)	180	480	960	480
Technical clearance	P3	60			
	P4		120		120
	P5			180	
Budget check and approve the requisition	G5	30	30	30	30
	NOB	15	15	15	15
	P3	15	15	15	15
	P4	15	15	15	15
Prepare bidding documents (RFQ, RFP, ITB)	G6			240	
	SC (Assistant)		120		
	SC (Assistant)	60			
Advertise/distribute Bidding documents	G6			180	
	SC (Assistant)		120		
	SC (Assistant)	60			
Bid Opening	G5	30	45	60	
	G5	30	45	60	
	G6	30	45	60	
	SC (Assistant)	30	45	60	
	NOB	30	45	60	
Conduct Technical Evaluation	SC (Team Leader)	60	120	480	
	NOB	60	120	480	
	P4	60	120	480	
Conduct Financial Analysis and Evaluation	G6			180	
	SC (Assistant)	60			
	SC (Assistant)		120		
	NOB	15	30	45	
	P4	15	30	45	
Local Procurement Committee	G6		30	45	15
	NOB		30	45	15
	NOC		30	45	15

	P3		30	45	15
	P5		30	45	15
Questions and answers with the supplier, preparation of evaluation report and recommendation for award	G6	30	60	180	
	SC (Team Leader)		30	60	
	SC (Assistant)	30			
Contract Approval and signature	NOB	30	45	60	30
	P4	30	45	60	30
	D1		30	45	30
Vendor creation (requisition adjustment and uploading of new documents)	G6			30	
	SC (Assistant)	30			
	SC (Assistant)		30		
Buyer Notification	G6			180	
	SC (Assistant)	60			
	SC (Assistant)		120		30
<b>PO Processing</b>					
Review documentation	G6	30	45	60	30
	NOB	20	30	45	30
	P4	15	20	30	20
Transferring requisition into PO	G6			60	
	SC (Assistant)	30			
	SC (Assistant)		45		30
Notify the approver	G6			15	
	SC (Assistant)	15			
	SC (Assistant)		15		15
<b>PO Approval</b>					
Review	NOB	25			
	P4		25	30	10
Approve PO	NOB	20			
	P4		20	20	15
	D1		20	20	15
<b>PO Dispatch</b>					
Send PO to supplier	G6			180	
	SC (Assistant)	60			
	SC (Assistant)		120		30
<b>Receipt of Goods &amp; Services</b>					
Receipt of the goods and services as per the specification/TOR and recording receipt of goods and services	SC (Team Leader)	30	60	120	30
	SC (Assistant)	30	60	120	30
<b>Payment Processing</b>					
Send PO to Finance for Payment with supporting Documents	SC (Assistant)	60	120	180	120
Payment Processing	G5 (Payment)			120	
	SC (Assistant)	30	60		60
	SC (Assistant)	45	60		60
	SC (Assistant)		60	120	
	NOB	20	30	45	30
	P4	20	30	45	30
	D1		30	30	30
<b>Allocated time (hours)</b>	G5	1.50	2.00	4.50	0.50
	G6	1.50	3.00	23.50	0.75



	SC (Assistant)	10.50	19.25	9.33	7.25
	SC (Team Leader)	4.50	11.50	27.00	8.50
	NOB	3.92	5.75	13.25	2.00
	NOC	0.00	0.50	0.75	0.25
	P3	1.25	0.75	1.00	0.50
	P4	2.58	7.08	12.08	4.00
	P5	0.00	0.50	3.75	0.25
	D1	0.00	1.33	1.58	1.25
<b>Allocated costs (USD)</b>	G5	\$12.65	\$16.86	\$37.94	\$4.22
	G6	\$15.30	\$30.61	\$239.74	\$7.65
	SC (Assistant)	\$37.07	\$67.95	\$32.95	\$25.59
	SC (Team Leader)	\$46.04	\$117.65	\$276.21	\$86.96
	NOB	\$48.28	\$70.87	\$163.32	\$24.65
	NOC	\$0.00	\$7.09	\$10.63	\$3.54
	P3	\$43.84	\$26.30	\$35.07	\$17.54
	P4	\$105.79	\$290.06	\$494.81	\$163.80
	P5	\$0.00	\$24.21	\$181.57	\$12.10
	D1	\$0.00	\$73.72	\$87.55	\$69.12
<b>Total cost per process (USD)</b>		<b>\$308.95</b>	<b>\$725.33</b>	<b>\$1,559.79</b>	<b>\$415.17</b>

United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)					
Activities	Staff level	RFQ process	ITB process	RFP process	Direct process through existing LTA
		Time spent (min)	Time spent (min)	Time spent (min)	Time spent (min)
Requisition Creation					
Prepare specifications and raise requisition	SB4	60			60
Review procurement request	G6	30			
Prepare bidding documents	G6	120			
Advertise/distribute bidding documents	G3	1440			
	G6	60			
Bid opening	SB5	30			
	G6	30			
	G7	30			
Conduct technical evaluation	SB5	45			
	G6	45			
	G7	45			
Conduct financial evaluation	SB5	45			
	G6	45			
	G7	45			
Questions and answers with the supplier	SB5	65			
	G6	65			
	G7	65			
Preparation of evaluation and recommendation for award for the contracts committee	SB5	45			
	G6	45			
	G7	45			

Create Vendor in Atlas	G6	30			
<b>PO Processing, Approval and Dispatch</b>					
Create PO, send for approval	G6	180			180
Approve PO	D1	30			30
Dispatch PO to vendor	G6	30			30
<b>Receipt of Goods and Services</b>					
Inspect and receive goods	SB5	60			60
	NOD	60			60
Review invoices and shipping documents from supplier	G7	45			45
<b>Payment Processing</b>					
Send documents to finance unit for payment	G6	10			10
Create voucher and post payment (Finance unit)	G7	30			30
<b>Allocated time (hours)</b>	G3	24.00	0.00	0.00	0.00
	G6	11.50	0.00	0.00	3.67
	G7	5.08	0.00	0.00	1.25
	SB4	1.00	0.00	0.00	1.00
	SB5	4.83	0.00	0.00	1.00
	NOD	1.00	0.00	0.00	1.00
	D1	0.50	0.00	0.00	0.50
<b>Allocated costs (USD)</b>	G3	\$128.49	\$0.00	\$0.00	\$0.00
	G6	\$117.32	\$0.00	\$0.00	\$37.41
	G7	\$61.71	\$0.00	\$0.00	\$15.18
	SB4	\$8.49	\$0.00	\$0.00	\$8.49
	SB5	\$58.77	\$0.00	\$0.00	\$12.16
	NOD	\$16.30	\$0.00	\$0.00	\$16.30
	D1	\$27.65	\$0.00	\$0.00	\$27.65
<b>Total cost per process (USD)</b>		<b>\$418.74</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$117.18</b>

## Recruitment of Consultants

To calculate the cost savings that are expected to originate from the establishment and use of a roster, a mapping exercise was held for the following sample group of agencies. A questionnaire was compiled to determine agencies' standard processes for hiring consultants. The costs associated with these processes were calculated using the pro forma cost of each respective staff grade.

United Nations Development Programme (UNDP)			
Activities	Staff level	Recruitment without roster of consultants	Recruitment with roster of consultants
		Time spent (hours)	Time spent (hours)
Requisition and Sourcing			
Prepare ToR and submit request to procurement	G6	8.5	8.5
	NOB	8.5	
Procurement reviews request and ToR	G7	8.5	
	NOB	4.25	
Position advertised on the website	G5	51	
Long-list of candidates prepared by procurement	G7	17	
	NOB	17	
Short-listing based on candidate profiles	G7	8.5	

	NOB	8.5	
Short-listed candidates asked to provide full proposals	G5	2.125	2.125
Technical evaluation and reporting	G7	8.5	8.5
	NOB	8.5	8.5
Financial evaluation, and finalization of selection process	G7	2.125	2.125
	NOB	2.125	2.125
Process review and approval	NOB	4.25	4.25
Discussion with selected candidate on details and pricing	G7	8.5	8.5
	NOB	8.5	8.5
	NOC	8.5	8.5
Approval and signature of contract	P5	4.25	4.25
<b>Vendor Creation &amp; E-requisition</b>			
Vendor creation and approval	G5	4.25	4.25
Requisition adjustment	NOB	2.125	2.125
Requisition re-approval (if required)	NOC	2.125	2.125
<b>PO Processing</b>			
Review of documentation	G5	2.125	2.125
Sourcing of requisition into the PO	G6	4.25	4.25
<b>PO Approval</b>			
Review and approve the PO	NOB	2.125	2.125
Notify the requester	G6	2.125	2.125
<b>Budget Check &amp; Dispatch</b>			
Check budget, and dispatch PO	G5	2.125	2.125
Documentation of the process	G6	2.125	2.125
<b>Certification and Payment</b>			
Certification of delivery and payment order	NOB	4.25	4.25
<b>Payment Processing</b>			
Send PO to finance with documentation	G5	8.5	8.5
Process payment	G5	25.5	25.5
	G7	4.25	4.25
<b>Allocated time in hours</b>	G5	95.625	44.625
	G6	17	8.5
	G7	57.375	23.375
	NOB	70.125	31.875
	NOC	10.625	10.625
	P5	4.25	4.25
<b>Allocated costs (USD)</b>	G5	\$806.22	\$376.24
	G6	\$173.43	\$86.72
	G7	\$696.54	\$283.78
	NOB	\$864.37	\$392.89
	NOC	\$150.61	\$150.61
	P5	\$205.78	\$205.78
<b>Total cost per process (USD)</b>		<b>\$2,896.95</b>	<b>\$1,496.01</b>

United Nations Children’s Fund (UNICEF)			
Activities	Staff level	Recruitment without roster of consultants	Recruitment with roster of consultants
		Time spent (hours)	Time spent (hours)
Requisition and Sourcing			
Preparation of the ToR	G6	8.5	8.5
	NOB	8.5	8.5
Advertisement of the vacancy	G6	8.5	
Collection of resumes	G6	42.5	
Screening of candidates	NOB	25.5	
Interviews of candidates	NOB	8.5	
	NOC	8.5	
Selection of consultant	NOC	8.5	
Signing of the agreement with consultant	G6	2.125	
	NOB	2.125	
	P4	2.125	
Vendor creation & E-requisition			
Vendor creation and approval	G6	4.25	4.25
Requisition adjustment	NOB	8.5	8.5
PO Processing			
Review of documentation	G6	8.5	8.5
Sourcing of requisition into the PO	G6	2.125	2.125
Notify the approver	NOB	4.25	4.25
PO Approval			
Review and approve the PO	NOB	4.25	4.25
Notify the buyer	G6	4.25	4.25
Budget Check & Dispatch			
Check budget, and dispatch PO	G6	4.25	4.25
Certification and Payment			
Certify the performance and payment	NOB	4.25	4.25
Payment Processing			
Send PO to finance with documentation	G6	8.5	8.5
Process payment	G5	34	34
Allocated time in hours	G5	34	34
	G6	93.5	40.375
	NOB	65.875	29.75
	NOC	17	0
	P4	2.125	0
Allocated costs (USD)	G5	\$286.66	\$286.66
	G6	\$953.88	\$411.90
	G7	\$811.98	\$366.70
	NOB	\$240.97	\$0.00
	NOC	\$87.02	\$0.00
	P5	\$2,380.50	\$1,065.26

Total cost per process (USD)		\$286.66	\$286.66
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United Nations Fund for Population Affairs (UNFPA)			
Activities	Staff level	Recruitment without roster of consultants	Recruitment with roster of consultants
		Time spent (hours)	Time spent (hours)
Requisition and Sourcing			
Develop ToR and raise requisition	NOC	17	17
	NOD	4.25	4.25
Announcement/advertisement	G5	8.5	
Collect CV	G5	8.5	
	NOC	17	
	NOD	17	
Screening/long listing	G5	8.5	
Screening/ Short list	NOC	8.5	
	NOD	8.5	
Interview	NOC	4.25	4.25
	NOD	4.25	4.25
	P4	4.25	4.25
Evaluation and recommendation	NOC	4.25	4.25
	NOD	4.25	4.25
	P4	4.25	4.25
Approval	D1	2.125	2.125
Signing of the Contract			
Preparation of contract	G5	4.25	4.25
Review of the contract	P3	2.125	2.125
Sign the agreement	D1	2.125	2.125
Payment Processing			
Create PO	G7	25.5	25.5
Send PO to finance	NOC	8.5	8.5
Payment Processing		Handled by UNDP	
Allocated time in hours	G5	29.75	4.25
	G7	25.5	25.5
	NOC	59.5	34
	NOD	38.25	12.75
	P3	2.125	2.125
	P4	8.5	8.5
	D1	4.25	4.25
Allocated costs (USD)	G5	\$250.82	\$35.83
	G7	\$309.58	\$309.58
	NOC	\$843.40	\$481.94
	NOD	\$623.52	\$207.84
	P3	\$74.53	\$74.53
	P4	\$348.07	\$348.07



	D1	\$235.00	\$235.00
<b>Total cost per process (USD)</b>		<b>\$2,684.92</b>	<b>\$1,692.79</b>

## Annex 2: OMT Terms of Reference

This Terms of Reference (ToR) outlines the purpose, mandate, membership structure and working methods of the Operations Management Team (OMT), particularly within the context of Delivering as One (DaO).

### 1. Purpose

The OMT works to provide the United Nations Country Team (UNCT) with recommendations on common services and business operations, while identifying opportunities for collaboration and innovation to increase the efficiency and effectiveness of UN's programme activities. Under the overall supervision and guidance of the UNCT, OMT aims to:

- Plan for and propose new common services through operational analyses such as feasibility and cost-benefit studies.
- Monitor and evaluate existing common services, and identify areas for improvements and cost reductions.
- In accordance with international best practices, provide UNCT with guidance on harmonization and simplification of agency rules, regulations and operations activities, while promoting openness and transparency.
- Implement planned common services and other relevant activities through lead agencies.
- Prepare a strategic Business Operations Strategy (BOS); ensure BOS responds to programme needs set by UNDAF; translate BOS into annual work plans for implementation and monitoring; and formulate the proposed common services budget.
- Work with the Inter-Agency Programme Team (IAPT) to identify programmatic needs in line with the UNDAF, and address implementation challenges through innovative inter-agency support.

### 2. Membership

The OMT is an inclusive forum founded on the principles of commitment and active participation. It shall be composed of the senior operations managers and administrative officers of UN organizations, agencies,

programmes and funds in Ethiopia. Each participating organization is requested to designate a primary and an alternate member to guarantee that they are represented at all OMT meetings.

All OMT members, primary or alternate, must hold fixed-term contracts and have worked for their respective agencies at least for a year, preferably in Ethiopia. The appointment of each OMT member must be approved and endorsed by the respective Head of Agency. Attendance of other UN staff to meetings on ad-hoc basis shall be communicated in advance to the OMT Chairpersons.

### **3. Governance**

OMT members are expected to abide by UN staff rules and regulations, and demonstrate a professional and committed attitude at all times. Accordingly, members are urged to maintain a “One UN” approach and respect others’ contributions.

#### **a. OMT Meetings**

The OMT shall meet at least every quarter, preferably on a bi-monthly basis, to discuss and advise the UNCT on strategic issues regarding UN’s business operations. To ensure timely reporting to UNCT, it is recommended that the meetings are held on the third Wednesday of the month. OMT-member agencies shall take turns in hosting the meetings.

At least 60 percent of UN agencies represented in the OMT shall be present in a meeting to constitute a quorum.

The draft agenda for each meeting shall be circulated with relevant background documents to the OMT before the meeting. OMT members are requested to review the agenda and suggest any additional topic they would like to discuss at the meeting. Standing agenda items for all meetings shall be the following: (1) Review minutes and action items from the prior meeting; (2) Feedback from UNCT on standing issues; and (3) Review of BOS/OMT work plan and progress to-date.

Moreover, an annual OMT Retreat shall be held at the beginning of each year to review progress and challenges, and finalize the work plan and budget for the year. These work plans and budgets will be submitted to UNCT for endorsement.

For ease and efficiency of correspondence, an OMT e-mail distribution list is maintained, including all primary and alternate OMT members. Any adjustments to this e-mail list shall be authorized by the OMT Chairpersons. Issues requiring an urgent OMT decision and/or endorsement may also be discussed, and concluded over the e-mail list.

#### **b. OMT Chairpersons**

The OMT shall nominate a Chairperson and two Co-Chairpersons for the year at each OMT Retreat. These nominations are subject to review and approval of the UNCT. These positions shall be held for a year on a rotational basis.

The OMT Chairpersons shall provide leadership and guidance in the fields of common services and common premises, and other relevant operations issues for sufficient, high-quality, cost-effective and timely support to UN’s programme activities.

More specifically, the OMT Chairperson shall be tasked with the following:

- Take the lead in organizing, moderating and following up on OMT meetings,
- Ensure that the OMT drafts and implements a comprehensive, results-based and measurable BOS with a monitoring framework, and associated annual work plans and budgets,
- Facilitate creation of new common services, and proper monitoring and strengthening of existing common business operations, and,
- Attend UNCT meetings to report progress achieved, implementation challenges, recommendations, and proposed plans and activities.

To support the OMT Chairperson in coordinating the work of the OMT, there shall be two OMT Co-Chairpersons, who will assume the following duties and responsibilities. Each of these should be clearly assigned to an OMT Co-Chairperson, and work should be divided equally between the two at the beginning of their term.

- Taking the lead in strategic planning activities including drafting and monitoring of the Business Operations Strategy (BOS), annual work plans and budgets,
- Taking the lead in reporting activities,
- Helping OMT Chairperson with coordination of OMT meetings and daily activities, including taking the lead in preparation of relevant documents, presentations and meeting minutes.

Moreover, the duty of liaising with each OMT Working Group shall be assigned to an OMT Co-Chairperson at the beginning of their term. This will include reporting to OMT on Working Group meetings and activities in collaboration with OMT Working Group Chairpersons, and overseeing the work of lead agencies for the completion of the annual work plan outputs assigned to the Working Group.

OMT Co-Chairpersons and/or other OMT members may be appointed based on expertise to represent OMT at UNCT working groups. These individuals will be responsible for attending the monthly meetings of these groups to discuss programme needs, support provided through common services, relevant OMT activities and work plans. They will be asked to report back to OMT on progress achieved, implementation challenges, decisions taken and proposed plans and activities.

#### c. OMT Work Planning

At the end of each year, the OMT shall draft a detailed work plan for the upcoming year (with specific priority areas, working groups, outcome(s), outputs, activities and lead agencies, indicators, baselines, and targets). For planning purposes, this work plan shall also be broken down into a budget and quarterly list of planned major activities. An OMT Co-Chairperson shall take the lead in coordinating this effort, together with the OMT Working Groups. After finalized by the OMT, the draft OMT work plan, budget and activity list will be submitted to the UN Resident Coordinator's Office (RCO) for UNCT review, approval and consideration for funding.

OMT annual work plans must reflect and plan to achieve priorities, outcome(s) and outputs outlined in the results-based BOS. At the end of each year, progress towards the BOS shall be reviewed by the OMT.

Six months before the end of each BOS cycle, an OMT Co-Chairperson shall take the lead in coordinating the effort to draft a new BOS.

d. Decision Making

Consensus is the preferred method of making decisions in the OMT. However, in the event that this cannot be achieved, the OMT Chairpersons may put an issue to vote, for which simple majority is required. During voting, even if there are more than one staff member representing an agency, each UN agency shall have only a single vote. Issues that cannot be resolved by the OMT shall be referred to the Resident & Humanitarian Coordinator.

e. Reporting and Documentation

Whenever it convenes, the OMT shall maintain official minutes of meetings, including discussions on key issues leading to decisions and assignment of action points to lead agencies. An OMT Co-Chairperson shall be responsible for ensuring that draft OMT meeting minutes are prepared and circulated for comments in a timely manner after each meeting. Based on the comments provided by the OMT, meeting minutes shall be finalized and submitted to the UNCT.

An Annual OMT Report shall be prepared at the end of the year, summarizing accomplishments, implementation challenges, activities, pending issues, lessons learned, best practices and strategic plans.

The RCO will:

- Provide coordination support to the OMT;
- Take the lead in addressing UN corporate reporting requirements, such as RC's Annual Report and donor reports, in consultation with OMT Chairpersons;
- Maintain a repository of OMT documentation for knowledge management and audit purposes. OMT and OMT Working Group Chairpersons shall be responsible for keeping a detailed file for each relevant activity, and providing RCO with these files for the official record. For convenience and transparency, all relevant files shall be placed on an inter-agency platform.

f. OMT Working Groups

At the beginning of each year, the OMT shall set up Working Groups to accomplish the activities and tasks in order to implement its work plan. Therefore, these working groups will represent the priorities set in the annual work plan, and operate under OMT's strategic guidance.

Each working group shall be led by a Chairperson, responsible for planning and coordinating activities assigned to the Working Group. There shall be a Co-Chairperson, mainly tasked with organizing meetings at least every two months within the premises of a member agency, and reporting to the OMT Co-Chairpersons in the form of monthly status reports and meeting notes.

UN agencies shall appoint relevant managers and technical experts such as procurement, human resources and ICT officers to OMT Working Groups, making sure that each activity is led by a relevant and competent Working Group / lead agency. Accordingly, lead agencies shall work to coordinate and implement assigned tasks using the resources allocated by the budget.

The OMT may decide to hire technical experts as consultants to help with Working Group meetings, and the implementation of relevant activities. The tasks and responsibilities assigned to each consultant shall be detailed in the respective Terms of Reference.



g. Resources

In order to fulfill its duties and responsibilities, the OMT shall approach UNCT through RCO for the allocation of required resources and funding. These include meeting space, equipment, consultancy services and technical expertise required. In accordance with DaO, the OMT budget shall be a part of the RC's budget, and may be covered by core funding and/or agency cost-share.

Work plan activities that are only applicable to certain agencies shall be settled separately by participating agencies.

As the administrative agent, UNDP will be requested through the RCO to process payments and procure services, as required.



### Annex 3: OMT Standard Operating Procedures

This Standard Operating Procedures (SOP) was prepared to ensure smooth running of the OMT, and completion of its tasks in accordance with DaO principles. It provides guidance for the management of OMT and its Working Groups.

#### OMT Chairpersons

##### Beginning of year

- Prepare OMT annual work plan based on BOS, and in cooperation with OMT Working Groups and their Chairpersons
- Work with RCO and OMT to finalize work plan and budget
- Present work plan and budget to UNCT for endorsement and financing
- With OMT, set up OMT Working Groups according to the work plan, and appoint lead agencies
- Between the two OMT Co-Chairpersons, distribute the following tasks:
  - Liaising with and monitoring the work of each OMT Working Group
  - Assisting OMT Chairperson with strategic planning activities including drafting and monitoring of BOS, annual work plans and budgets
  - Assisting OMT Chairperson with reporting activities
  - Supporting OMT Chairperson in coordination of OMT meetings and daily activities, including taking the lead in preparation of relevant documents, presentations and meeting minutes

##### Year-round

- Work and regularly liaise with member agencies, OMT Working Group Chairpersons and RCO to warrant day-to-day functioning of OMT in accordance with BOS, and OMT annual work plan and budget
- Monitor implementation of BOS and OMT annual work plan, and make sure lead agencies for each OMT activity is implementing it in a timely and effective manner
- Participate in IAPT meetings to identify and discuss operational needs, and UNCT meetings to report on OMT activities and communicate recommendations for endorsement
- Work with OMT Working Group Chairpersons to ensure smooth running of Working Groups, and completion of work plan
- Edit and certify OMT and Working Group documents/end products to be distributed to UNCT
- Facilitate procurement of services and consultants required for OMT activities through RCO
- Together with RCO and relevant Working Group Chairpersons, certify that services and consultancies procured to assist with activities are delivered in a high-quality and timely manner
- When needed, organize and attend meetings with UN agencies, host government and other key partners on behalf of OMT to discuss plans and implementation challenges

#### Quarterly

- Organize OMT meetings (at least on a quarterly basis) to allow reporting on progress, discussions on strategic plans and challenges, and finalization of recommendations for UNCT
- Validate that Working Group Chairpersons and lead agencies participate in and present their progress at OMT meetings
- Finalize minutes of meetings, and share with OMT and UNCT

#### End of year

- Liaise with RCO for the preparation of RC's annual report
- Prepare OMT annual report, detailing progress towards BOS and work plans, and share with UNCT
- Organize election of (incoming) OMT Chairpersons with OMT
- Brief incoming OMT Chairpersons with RCO, and assist them with preparation of next year's work plan

#### 6 months before end of each BOS cycle

- Take the lead for BOS preparation
- Work with RCO and OMT to form relevant structures for data gathering and analyses for evaluation of expiring BOS / preparation of succeeding BOS.

### **OMT Working Group Chairpersons**

#### Beginning of year

- Work with OMT Chairpersons and RCO to discuss and detail activities required for OMT work plan implementation
- Coordinate with Working Group to make plans towards these activities, and assign responsibilities among agencies

#### Year-round

- Work with lead agency for each activity (that is assigned to the Working Group) for completion of work plan
- Monitor performance of Working Group's implemented activities, and provide monthly reports to OMT through OMT Chairpersons
- Attend OMT meetings to present Working Group activities and progress, and brief Working Group on OMT's feedback
- Work with lead agencies and Working Group to finalize end-products of activities, and submit and present to OMT through OMT Chairpersons for endorsement
- Assist UNCT/RCO with reporting requirements through OMT Chairpersons

- Coordinate with RCO for procurement of services and consultancies required by Working Group for completion of OMT Work Plan, and according to the budget

#### Bi-monthly

- Depending on pending tasks and activities, organize (at least bi-monthly) Working Group meetings to report on progress, discuss plans, and challenges, and ensure proper and timely implementation of OMT activities assigned to the Working Group
- Confirm that lead agencies participate in Working Group meetings, and present progress towards achievement of OMT work plan
- Prepare reports of OMT Working Group meetings, and share with OMT through OMT Chairpersons

#### End of year

- Together with lead agencies and Working Group, provide required information to OMT Chairpersons and RCO for RC's and OMT's annual reports
- Assist the outgoing and incoming OMT Chairpersons with preparation of next year's OMT work plan

#### 6 months before end of each BOS cycle

- Work with OMT Chairpersons and RCO for data gathering and analyses for evaluation of expiring, and preparation of the succeeding BOS

### **Resident Coordinator's Office (RCO)**

#### Beginning of year

- Work with OMT and Working Group Chairpersons to finalize annual work plan based on BOS
- Facilitate presentation of work plan and budget to UNCT for endorsement

#### Year-round

- Together with OMT Chairpersons, advise RC and UNCT on common operations issues
- Work with member agencies and OMT Chairpersons to support day-to-day functioning of OMT in accordance with BOS, and OMT annual work plan and budget
- Support monitoring of BOS and OMT annual work plan implementation
- Assist participation of OMT Chairpersons to UNCT meetings to report on progress and challenges
- Ensure OMT documents/end products comply with UNCT templates and standards
- Provide support to OMT Chairpersons and Working Groups to facilitate procurement of services and consultants required for OMT and Working Group activities
- Prepare necessary ToRs for OMT Working Groups, task forces and staff/consultants, and initiate budget commitment and recruitment accordingly through UNDP

- Liaise with OMT Chairpersons for procurement of services and consultancies to assist with OMT activities, and affirm that these services are delivered in a high-quality and timely manner

#### Quarterly

- Support organization of OMT meetings (at least on a quarterly basis) to allow reporting on progress, discussions on strategic plans and challenges, and finalization of recommendations to UNCT
- Help assure participation of OMT Working Group Chairpersons to OMT meetings for reporting
- Draft minutes of OMT meetings, and share with OMT Chairpersons for feedback and finalization

#### End of year

- Liaise with OMT Chairpersons for the preparation of RC's annual report
- Help prepare OMT annual report for UNCT, detailing progress towards BOS and work plans
- Brief incoming OMT Chairpersons, and assist them with preparation of next year's OMT work plan

#### 6 months before end of each BOS cycle

- Support BOS preparation by helping formation of relevant inter-agency structures

## Annex 4: OMT Work Plan for 2013

<b>Priority Area:</b> Common Operations Coordination and Capacity				
<b>Lead Agencies:</b> OMT Chairpersons				
Priority / Activity	Lead Agency	Total Budget (USD)	Timeline	Final Product
Conduct cost and benefit analyses to create a long-term Business Operations Strategy (BOS)	WHO	25,000	Mid 2013	BOS finalized
Hold OMT training to improve capacity of relevant staff in results-based management and monitoring of operations	WHO	15,000	April 2013	Operations training held
Hold information sharing session on International Public Accounting Standards (IPSAS)	UNOAU	4,000	Q3	IPSAS training held
Revise and finalize Programme Implementation Manual (PIM) with the government	UNICEF and IOM		Q3	PIM revised with government
<b>Priority Area:</b> Common Procurement				
<b>Lead Agencies:</b> UNOPS and WFP				
Priority / Activity	Lead Agency	Total Budget (USD)	Timeline	Final Product
Finalize and implement common procurement framework through lead-agency model to create joint LTAs for improved quality and cost-efficiency	UNOPS and IOM	5,000	Q3	Common Proc. Framework finalized
Procure uniforms for drivers and protocol assistants of participating UN agencies	WFP	Cost-share	Q3	Uniforms procured



**Priority Area:** Human Resources and Common Premises

**Lead Agencies:** UNICEF and UNHCR

Priority	Lead Agency	Total Budget (USD)	Timeline	Final Product
Finalize Local Salary Survey, and market survey for banking services	UNECA and UNHCR	1,000	Q2	Survey finalized
Harmonize R&R, hardship and consultancy rate policies, and create common roster of consultants	UNICEF	1,000	Q3	UNCT memo on harmonized local consultancy rates finalized
	FAO			Roster of consultants established
	WFP			UNCT memo on R&R and hardship prepared
Conduct site visit and survey to assess staff needs in common premises in field locations	UNHCR and UNDSS	2,000	Q2 and Q3	Assessment report on field issues released

**Priority Area:** Business Continuity Management

**Lead Agencies:** UNECA and UNDSS

Priority	Lead Agency	Total Budget (USD)	Timeline	Final Product
Finalize inter-agency risk assessment for Addis Ababa	UNECA and UNICEF	38,000	Q2	Inter-agency risk assessment finalized

Prepare a harmonized business continuity plan for UNCT including inter-agency resource sharing arrangements for emergencies	UNECA and UNDSS		Q3 and Q4	Harmonized business continuity plan in place
<b>Priority Area:</b> Information and Communication Technologies  <b>Lead Agencies:</b> WFP and UNECA				
Priority	Lead Agency	Total Budget (USD)	Timeline	Final Product
Create and promote an online knowledge, information, file and calendar sharing tool for UNCT	WFP	12,000	Q2, Q3 and Q4	Plan to establish UNCT knowledge management platform created
Finalize ICT Business Case	UNDP, UNECA, WFP	3,000	Q1 and Q2	Business Case for Network Consolidation finalized
<b>Priority Area:</b> Host Country Agreement  <b>Lead Agencies:</b> UNECA and UNICEF				
Priority	Lead Agency	Total Budget (USD)	Timeline	Final Product
Provide technical support to high-level negotiations on legal issues between the UN Resident Coordinator (RC) and UNECA Executive Secretary (ES), and the government	UNECA, OCHA and OHCHR	24,000	Q2 and Q3	Meeting held with government to discuss supplemental host country agreement
Organize sensitization session for relevant government agencies on UN's privileges and immunities	UNICEF and UNDP	12,000	Q4	Sensitization session on UN's legal status for government held

**Priority Area:** Harmonized Approach to Cash Transfers

**Lead Agencies:** UNICEF and UNDP

Priority	Lead Agency	Total Budget (USD)	Timeline	Final Product
Complete HACT micro-assessment of implementing partners, and review agency HACT activities for harmonization	UNICEF, UNFPA, UNDP, WFP	Cost-share between participating agencies	Q1	Micro-assessment of 200 implementing partners
			Ongoing from Q2	Micro-assessment of recently-signed implementing partners
Hold joint field monitoring missions with UNCT M&E Working Group for quality assurance	UNICEF		Q3	Mission reports created, outlining issues with implementing partners
Organize capacity development session for relevant UN staff in HACT compliance, and for implementing partners to overcome identified challenges	UNDP and WFP		Q4	UN quality assurance and capacity development framework created