United Nations Lesotho

Delivering as One

United Nations in Lesotho

UN Business Operations Strategy 2014-2016

The BoS provides a strategic focus on operational support services and initiatives aimed at reinforcing linkages between UN Programmes (UNDAF) and operational support to UN programmes, reducing transaction costs of UN Operations and enhancing overall quality of operational support to programme delivery. It allows for multi-year planning of operations and facilitates strategic planning of the operational effort. The suite of operational instruments it comes with allow for enhanced identification of cost benefits of different initiatives, allowing facts based decision making and prioritization by the UNCT in Lesotho. It facilitates monitoring, evaluation and reporting on the operational support function to programme delivery at the country level.

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1. Executive Summary

The General Assembly and various ECOSOC resolutions[i] have consistently requested the UN System to harmonize Business Operations with the aim to reduce operational transaction cost and duplication of the operational support to programme delivery. The QCPR 2013-2016 requests the UN to "pursue higher-quality, more effective and cost-efficient support services in all programme countries by reducing the duplication of functions, and administrative and transaction costs through the consolidation of support services at the country level." In addition, the latest assessments executed in preparation for the QCPR 2013-2016[ii] and the Secretary General's Report in preparation for the QCPR, call for enhanced strategic planning and analytical processes to strengthen strategic focus and prioritization of harmonization efforts with a focus on the highest value added harmonization efforts, while improving Monitoring and Evaluation and Reporting mechanisms to demonstrate results achieved in the area of Business Operations harmonization. The UNDG strategic priorities focus on the development of operational models to facilitate the harmonization agenda at country level. The Business Operations Strategy (BoS) is the UNDG response to the results requested by the GA through the QCPR 2013-2016.

The Business Operations Strategy (BoS) is a voluntary framework focusing on Common Business Operations which allows UN Country Teams to take a strategic, results oriented approach to planning, management and implementation of Common Business Operations at the country level. The BoS outlines how common UN operations will support the UNDAF programme implementation. The BoS reflects Common UN Operations (mainly Common Services) and as such it complements the agency specific operations. The BoS is largely based on existing guidance[iii], simplified and integrated in a single, coherent framework, supplemented with a limited number of instruments facilitating quantified cost benefit analysis and reinforced results-based planning and monitoring and evaluation of Common Business Operations.

The BoS model allows flexibility to scope the BoS to Lesotho's needs and capacity, allowing for a localized approach matching specific country needs and capacity (*principle of scalability*).

Successful development and implementation of the Business Operations Strategy in Lesotho requires a level of commitment, capacity and skills of the UNCT and OMT in Lesotho. Apart from technical operations skills, some degree of business analysis skills and RBM related skills are useful. In most cases, the work required is in addition to agency-specific responsibilities. Therefore, it is highly recommended for UNCTs/OMTs to consider the capacity and skills available to the OMT before deciding to engage in the BoS development. The gains in terms of efficiency and (cost) effectiveness associated with the design of Common Operations solutions should ensure a positive rate of return on this investment in staff and financial resources.

The UN System in Lesotho is hoping to have achieved cost reduction, eliminated redundancies and achieved maximum efficiency in the area of ICT, Common Premises Management, Procurement, Human Resources and Finance by the end of 2017 in line with the LUNDAP.

2. Signatory Page

In witness thereof, the undersigned, being duly authorized, have signed the Business Operations Strategy on 27 of September, 2013 in Maseru, Lesotho.

For and on Behalf of the United Nations in Lesotho,

Karla Robin Hershey
Resident Coordinator
UN System in Lesotho

UNICEF	Naqib Safi, Representative a.i.	**UNDP**	Agi Veres, Deputy Resident Representative
UNFPA	Nestor Owomuhangi, OIC Operations	**WHO**	Dr. Jacob Mufunda, Representative
UNAIDS	Bizwick Mwale, Country Coordinator	**FAO**	Dr. Gaoju Han, Representative
WFP	Rui Possolo, Country Director a.i.		

3. Foreword

As a Delivering as One self-starter, the cost reduction and efficiency gains at the country level has become a top priority for the entire UN Team, including our dedicated colleagues at the Operations Management Team. More importantly, it has become something our partners expect. This Business Operations Strategy (BoS) therefore constitutes an essential complement to the United Nations – Kingdom of Lesotho United Nations Development Assistance Plan and its action plan for 2013 - 2017. Building on increasingly successful inter-agency coordination on operations which has secured a good track record on joint UN team deliverables through Common Services in the past years, this strategy takes our efforts to a new level, by adding a long-term perspective.

While this strategy proposes innovative solutions that fit the country context of Lesotho, it also selectively integrates some of the most useful elements of the rich global guidance and lessons learned. The harmonization of business practices can have multiple benefits, such as a reduction of costs, savings in staff time or increased quality and timeliness of procurement. However, the important ultimate objective of this Business Operations Strategy is to further enhance the positive impact of the UN's work on the lives of the people of Lesotho. In this regard, I am convinced that together we will be able to significantly increase our collective value for money and our programme impact in the coming five years.

Karla Robin Hershey
Resident Coordinator
UN System in Lesotho

4. Background

The TCPR 2007 and the subsequent ECOSOC resolution on Operational activities of the United Nations for international development cooperation (2011) call for "identification and acceleration of the implementation of those business processes that promise the highest return from simplification and harmonization" and "encourages United Nations system organizations within their existing planning, budget and evaluation systems to report on their cost savings resulting from improvement of their business operations"[1].

"Business Operations is a critical enabler for effective delivery of UN development programmes. Enhancing the link between UN programming efforts and the operational implications deriving from that programme effort ***enhances efficient and effective programme delivery of the UN in Lesotho****."*

In addition, the ECOSOC resolution requests the UN to "explore further ways to enhance cooperation, collaboration and coordination, including through the greater harmonization of strategic frameworks, instruments, modalities and partnership arrangements, emphasizing the importance of ensuring, greater consistency between the strategic frameworks developed by the United Nations agencies, funds and programmes"[2]. Along similar lines, the Secretary Generals 5 year Plan of Action (2012) called for a "Second Generation of DaO", providing continued focus on reduction of transaction costs and increasingly efficient business operations. This Plan of Action was supplemented by the Secretary General's Report in anticipation of the QCPR 2013-2016, which urged for enhanced analysis and strategic planning and reporting of the Harmonization of Business Operations at the country level[3].

"Business Operations harmonization offers significant potential for ***transaction cost reductions****. The results of harmonization, simplification or integration into common approaches include monetary gains such as cost reductions or non-monetary gains such as staff time cost reductions[1], enhanced reputation and quality of processes. "*

The UNDG strategic priorities seek to operationalize these mandates by emphasizing the need for efficient business operations through simplification and harmonization where it adds value in order to provide better support to development effectiveness and impact of programmes. The UNDG Joint Funding and Business Operations Network[4] developed guidance and instruments in 2012 to operationalize the resolution with the aim to reinforce the linkages between the UN Programme (UNDAF) and UN Operations, enhance operational monitoring, evaluation and reporting efforts of said harmonization initiatives and advance the harmonization of Business Operations at the country level.

5. Context

The United Nations System in Lesotho, as a of self-starter to the Delivering as One (DaO) approach, has repeatedly voiced, through its Country Team the need for a results-based, easy-to-use, measurable and strategic framework to guide operational activities and harmonization efforts, led on the strategic level by the United Nations Country Team (UNCT) and on the operational level by the Operations Management Team (OMT), a platform of the UNCT that brings together operations staff members of all resident UN Agencies.

The Lesotho Business Operations Strategy provides a strategic, medium term focus on common UN operations processes that add value to the UN system operating in the Kingdom of Lesotho. It focuses on areas including common ICT services, common procurement services, common human resource services, common finance services, common logistics and transport services, common premises and common security services. It is an easy applicable and practical instrument for the use by United Nations Country Team (UNCT) and Operations Management Team (OMT), allowing a multi-year strategic plan for business operations in support of program delivery. It also offers a clear commitment of the UNCT and OMT to reduce the operations costs, enhance the quality of common operations and increase the efficiency of selected business operations.

The Lesotho Business Operations Strategy has been developed jointly by the members of the Operations Management Team (OMT), with strategic support of the United Nations Country Team (UNCT) and under guidance of the United Nations Development Group (UNDG). The following agencies of the United Nations System in the Kingdom of Lesotho have participated on the elaboration of the Business Operations Strategy: Food and Agriculture Organization (FAO); Joint United Nations Programme on HIV/AIDS (UNAIDS); United Nations Development Programme (UNDP); United Nations Population Fund (UNFPA); United Nations Children's Fund (UNICEF); World Food Programme (WFP); World Health Organization (WHO). Non-resident agencies are invited to join this Strategy wherever it is of relevance.

6. The Business Operations Strategy

6.1 What is the Business Operations Strategy in Lesotho

The Business Operations Strategy outlines the medium term strategic focus of UN Business Operations at the country level in one or more of the above mentioned categories in support of UNDAF implementation. It reflects high level outcomes of *joint* Business Operations[iv] (not the agency level operations) that identify the intended result, and provides a breakdown of these high level results into lower level outputs. The Business Operations strategy provides the basis for annual work planning of the Operations Management Team and facilitates monitoring and evaluation, division of labor, accountabilities and resource mobilization in support of more strategic, cost effective business operations.

The Business Operations Strategy has three components:

A. **Business Operations Results Framework**, reflecting medium term outcomes and outputs in line with the UNDAF cycle in Lesotho;
B. **Monitoring and Evaluation Framework**, reflecting outcome and output level indicators allowing for progress monitoring and evaluation of impact of harmonized business operations in Lesotho;
C. **Management Arrangements** of UN Business Operations outlining the way the UN in Lesotho organizes itself in order to deliver cost effective operational support that meets UN Programme requirements;

For the purpose of the Business Operations Strategy, Business Operations are defined as ***jointly executed*** back-office support processes that support UN programme implementation at the country level[v].

6.2 Principles of the Business Operations Strategy Lesotho

The Business Operations Strategy is based on the following principles:

1. The Business Operations Strategy is a *voluntary* instrument to be used at the country level by UNCTs/OMTs, to be developed in conjunction with the UNDAF;

2. The Business Operations Strategy in Lesotho focuses on *Common* UN operations, e.g. operational processes that add value to the UN System *as a whole*. In addition to these system wide services, agencies may decide to continue agency-specific operational support services. UN Business Operations supplement these agency level operations;

3. The UN in Lesotho commits to *harmonization of Business Operations where this yields added value* to the UN System and its partners, where added value is defined as reduction of costs (either direct monetary cost or time cost) or enhanced quality of services provided;

4. The Business Operations Strategy provides *strategic, medium term focus* and prioritization based on quantitative and qualitative Cost Benefit Analysis;

5. The Business Operations Strategy provides the *basis for Monitoring and Reporting* on progress and results of BO initiatives ;

6. The Business Operations Strategy provides the *basis for Evaluation of implemented practices* for further optimization if needed and for purposes of knowledge sharing;

7. The Business Operations Strategy provides the *basis for Resource Mobilization* (financial and human resources) in support of harmonization of Business Operations at the country level;

8. The UN commits to the principles of the *Paris Declaration*, including the use of national systems for operational services where possible.

6.3 Objectives of Business Operations Strategy Lesotho

The development of the Business Operations Strategy supports the development of harmonized Business Operations to achieve the following results:

- **Enhanced linkages Programmes and Operations**: The BoS has two components of operational support services - those deriving from UNDAF/programme and "ongoing operations" that do not derive directly from the programme. By analyzing the programme strategy through an operational lens and identifying the operations required to deliver the programme, the linkages between programme and operations are established. As both the UN Programme Strategy (UNDAF) and the Business Operations Strategy are on the same cycle, the development of the Business Operations Strategy enhances the linkages between the UNDAF and UN operations support to that programme strategy;

- **Reduced Costs:** The BoS provides a strategic focus on operational support services and initiatives aimed at harmonizing and/or simplifying business operations. It allows for multi-year planning of operations and facilitates strategic planning of the operational effort. The suite of operational instruments it comes with allow for enhanced identification of cost benefits of different initiatives, allowing facts based decision making and prioritization. It also facilitates monitoring and evaluation of the operational effort at the country level. It focuses on reduced lead times to execute processes through streamlining operational process, and reduced direct monetary cost for example by leveraging UN System wide bargaining position when procuring goods and services. Anticipated cost reductions include:

  - Reduction of duplication of work processes at the agency level by providing the service through a single channel, rather than decentralized at the agency level (example ICT, Travel and building maintenance);
  - Reduction of transaction costs (time spent on activities) for the UN and partners, including the host government, due to harmonized operational procedures and standing agreements with vendors (e.g. VISA processes and Joint Long Term Agreements);
  - Enhanced leverage of UN bargaining position when procuring goods in larger quantities (ex. Office bulk goods, printing services).

- **Enhanced Quality:** By jointly procuring services in larger volumes, the UN increases it bargaining power with the service provider and enhances its ability to monitor and evaluate overall quality of service delivery of that service provider.

- **Enhanced Operational Focus and prioritization:** Instruments like Cost Benefit Analysis, Transaction Cost Analysis and Business Process Analysis provide light, easy to use tools to identify and prioritize high impact harmonization initiatives and facilitating monitoring and evaluation of harmonization initiatives against pre-established baselines.

6.4 Scope of the BoS in Lesotho

The BoS in Lesotho covers 26 Common Operations initiatives in support of the UNDAF, clustered in 8 main areas of Operations:

Common ICT Services	1. Telephone System/Switch 2. Common Wireless System 3. Radio Communication 4. Joint Business Continuity Plan- ICT
Common Procurement Services	5. Common Procurement and Long Term Agreements
Common Human Resources Services	6. UN Consultant Rosters 7. UN Learning Systems 8. UN Induction Course
Common Finance Services	9. Common Banking
Common Logistics and Transport Services	10. Travel Services 11. Airport Pick-up Services
Common Premises	12. Common Mail Room/Registry 13. Common reception 14. Catering Services 15. Cleaning Services 16. Medical Services (Dispensary) 17. Maintenance (AC, Lifts/Electrical System)
Common Security Services	18. Common security services 19. Access Control System 20. Guard Services 21. Alarm Monitoring 22. Security Response Services 23. Fire Response Services
HACT	24. HACT Micro Assessment 25. Capacity Plan for IPs for HACT 26. Full HACT compliance

7. Operations Analysis

The Operations Analysis is a critical analysis aimed to identify which harmonization initiatives add value to the country offices and prioritize the different initiatives that are identified as adding value to country level Business Operations. The Operations Analysis includes the following analysis:

Business Operations Analysis

1. *Baseline Analysis:* Current Service Offering (Supply)
   - Existing Business Operations Harmonization initiatives (incl. Common Services) – *Baseline analysis*

2. *Needs Analysis* (Demand)
   - Programme related Needs (deducted from the UNDAF)
   - Non-programme related Needs (corporate requirements)

3. *Cost Benefit Analysis (based on a Simplified Transaction Cost Analysis*) for potential Business Operations Harmonization initiatives (including Common Services);

4. Last, the OMT *prioritized* the added value harmonization initiatives;

Based on the results of the Operations Analysis, the UNCT/OMT prepared the Results Matrix and the M&E framework, which guide Business Operations harmonization in Lesotho for the coming programme cycle.

7.1 Results Baseline Analysis

Baseline Analysis includes a stock-taking and assessment of the ***current*** Business Operations Harmonization initiatives (including Common Services).

Based on the performance of each Common Service, the Operations Management Team assessed the benefit of the Common Service to the UN System, which formed the basis for the results framework and any recommended actions. Performance is measured against the agreed Key Performance Indicators.

	Common Service (**existing**)	Status
	Working well	
1	Finance- Banking	
2	Common House- Catering	
3	Common House- Cleaning	
4	Common House- Reception	
5	Joint UN Activities–UN Cares & UN Day	
	Needs Attention	
6	Common House- Medical (Clinic)	
7	ICT- Common Telephone System	
8	Joint BCP	
9	HACT	
	Needs Urgent Attention	
10	Management UN Compound	
11	Security	
12	ICT- Radio Communication	
13	Procurement-Travel	

UN Lesotho has a common banking which operates from the UN House. The bank offers a variety of services as detailed in the Annex A 1.1, having the banking service assists in the reduction of staff time and transaction costs to the UN.
The Common Services cover Catering, Cleaning and Reception and Joint UN Activities. A catering company provides for catering for UN staff and workshops; a cleaning company provides cleaning services for all UN agencies in the UN House; UN House has a common reception catering for all agencies through a common telephone system and other reception services.

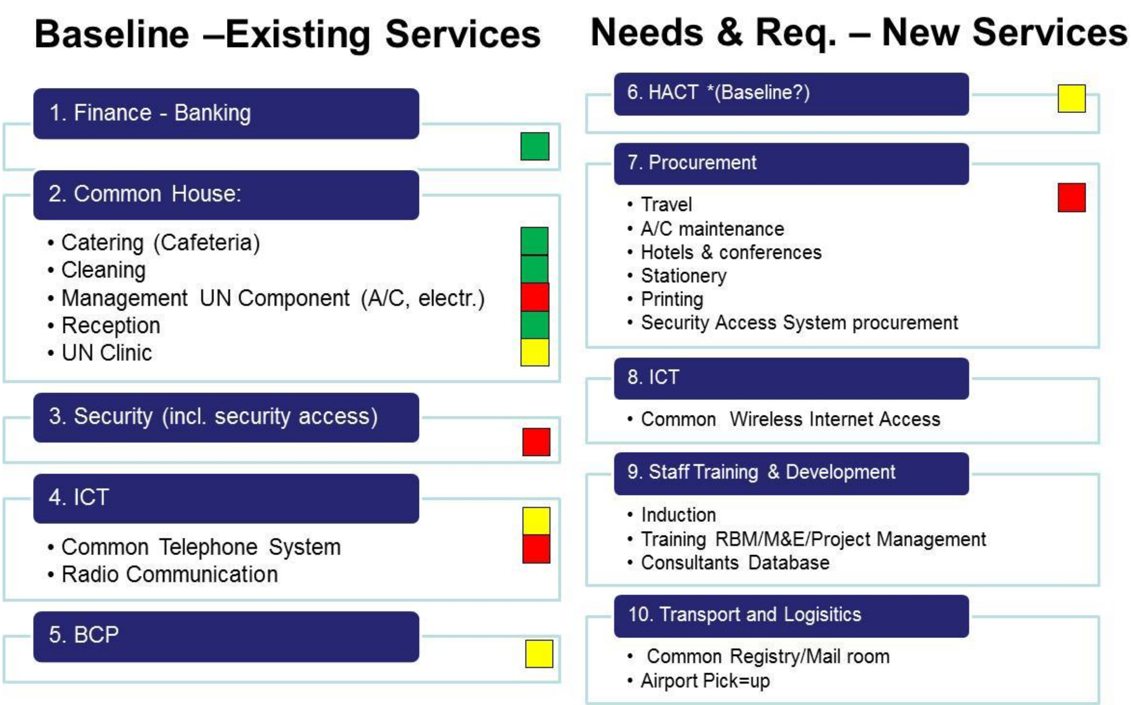
The UN House has an on-site UN Dispensary, which provides basic medical services to UN Staff Members and their dependents. The aim is to review the common premises and services with the view to reduce costs and increase efficacy. Common management of the UN House covers general maintenance of the UN building which includes amongst others; Electricity, Plumbing, and Air conditioning. Currently the UN House has a common telephone system however some agencies still utilize an independent system, this leads to high communication cost and duplication of efforts.

All staff are provided with VHF/HF communication radios as stipulated under MOSS a great need to sensitize staff to participate in the weekly radio checks. Security services are provided by a private security company. Security services need to be stream lined to enhance efficiency in a cost effective manner. There is a joint **BCP** for all UN Agencies with the aim of providing continuity of operation services in times of crisis. Currently UN Lesotho is not HACT compliant; there is an urgent need for HACT to be implemented in order to reduce transaction cost for the UN and its implementing partners. A Long Term Agreement was signed with two travel agents, however the full benefit of the LTA was not realized because there was no agreement on the reference point for charging the fees, and this hindered the main purpose of the LTA which was to reduce travel costs and transaction cost.

7.2 Results Needs Analysis

The Needs and Requirements Analysis identifies the need for operational support at the country level (demand). It identifies and describes the need for existing and desired (new) joint operational support services deriving from the baseline assessment of the *existing* common services and the need for *new* common services. The Needs Analysis also outlines the parameters, which the service needs to meet in terms of quality, timeliness, or cost effectiveness, often expressed in the form of Key Performance Indicators (KPI's).

The below is a summary table of both the existing common services and the planned common services:



On common procurement, UN Lesotho will establish LTAs to reduce transaction costs related to the processes for travel, AC maintenance, hotels and conference venues, stationery, printing, vehicle maintenance and security access system. A common wireless internet service is required for all UN Agencies, to serve as a backup to the VSAT Link that is currently used.

Under Human Resources the following activities will be established:

Common Induction and training Programs will be available to all new staff from all agencies, including Cultural Induction and UN systems introduction. Training needs will be Identified and procured jointly in advance. A Common Consultants Database would reflect data on consultants providing services in areas of common UN interest.

On transport and logistics the UN aims to reduce costs of fuel, vehicle maintenance, staff time, and overtime and DSA payments, while maintaining high quality and secure services through implementing common UN Airport transport service, carpooling and common Registry/Mail Room services.

The effective management of the UN Compound would result in a cost effective, reliable and well maintained air conditioning system in all offices, improved energy efficiency, ensuring timely, efficient and quality response to any plumbing emergencies. The UN dispensary will provide basic medical services to all UN staff members with the aim to have a more efficient and quality medical healthcare to UN Staff.

The UN ensures security of UN staff and its premises through a control access installed in UN House, with a rapid response to any fire emergency through efficient fire detection and reporting system.

7.3 Results Cost Benefit Analysis (CBA)

The cost benefit analysis aims to assess the cost effectiveness of a proposed solution[vi]: It also aims to provide sufficient, rather than exhaustive, overview of the main cost elements that are involved in any process: cost of the process ($ value) and the labor cost, or time spent on executing the different actions that make up a process.

The UN Lesotho CBA therefore analyzed three types of costs and benefits associated with each suggested Business Operations harmonization/(Common) initiative in the areas of Procurement, ICT, Human Resources, Finance, Transport and Logistics, Security and HACT into:

1. Monetary Costs & Benefits- Direct Cost ($ value)
2. Labor costs (Non-Monetary Cost- time spent)
3. Other costs/benefits.

The total cost of establishing LTAs is estimated at US$ 87,251 and these LTA’s will include the following on: Stationery, Air, Hotel / Conference Facilities, Printing Security and Human Resources, as per appendix A 3.1

8. Strategic Planning: Results Framework and Results Narrative

The Business Operations results framework is the basis for the Annual Work Plans which the OMT develops every year. It provides the focus of Business Operations by tying the Annual Work Plans to a strategic framework over a longer period of time, and allows for monitoring and evaluating the results achieved and focus interventions aimed enhancing under-performing services.

The Results Framework in UN Lesotho translates the business solutions identified in the Cost Benefit Analysis in specific result statements (outcomes, outputs) and adds a short narrative for each results area, drawing from chapter 2. It also adds a required budget per outcome/output.

8.1 Results Narrative Business Operations

The content for the Results matrix is directly drawn from the Operations Analysis (chapter 2):

- the Baseline Assessment existing Common Services (2.1) identifies the existing Business Solutions (incl. Common Services) in place and that are to be continued;
- The Needs and Requirements Analysis provide the result statements (outcome and outputs) for the proposed Business Solutions;
- The Cost Benefit Analysis provides the basis for prioritisation of proposed business solutions.

UN Lesotho Business Operations Strategy would have 5 "*Pillars*", for each thematic area in Business Operations. *The number of pillars depends on the results of Operations Analysis (e.g. the choice by the UNCT/OMT to develop and implement specific harmonization initiatives (incl. Common Services)*[vii]: See **appendix B**

Pillar 1: Common ICT

In the area of common ICT, UN Lesotho aims at having, by 2017, a cost effective and reliable internet connectivity in the compound, including a backup internet solution and wireless internet connection, with not more than 96 hours of connectivity downtime per year; additionally its goal is a reduction of connectivity costs by 15% due to negotiation power of approaching the ISPs as one. The UN in Lesotho also focuses on the resilience in connectivity, through enhancing business continuity and disaster recovery.

In the area of phone communication, UN Lesotho strives for having by 2017 realized 20% reduction in telephone communication cost through the installation of IP based telephony system shared by all UN Agencies, itemizing telephony billing system for personal calls and official calls.

Pillar 2: Common Services

In the area of common services, the outcome is to maintain a cost-effective Common Premises Management System yet providing quality service in areas of catering service, cleaning service, reception service, UN clinic, electricity cost, maintenance of air conditioners, water and plumbing maintenance.

Pillar 3: Common Procurement

In the area of common procurement, the outcome is an efficient reduction of the UN Lesotho's overall expenditure in the area of procurement by 15% between 2013 and 2017 while maintaining quality services. Specifically, it aims at reduction of the cost of airline tickets; improvement of security access to UN House; reduction in the cost of stationary acquisition; reduction of printing costs and its improved quality and time delivery time and reduction in hotel costs.

Pillar 4: Common Human Resources

In the area of common human resources, UN Lesotho aims at having access to harmonized, high quality efficient staff development programme and staff pool by 2017. Specifically, it plans to reduce training costs on common training initiatives by 15 % by 2017 and increase their positive rating to least 80% of participants; to harmonize induction programme. Additionally, it aims at adopting and using a harmonized Consultants roster.

Pillar 5: Common Finance

The UN System in Lesotho strives to reduce by 2017 the risk of national implementation modality and increase the use of national systems, using the Harmonized Approach to Cash Transfers (HACT).

9. Monitoring, Evaluation and Reporting on Business Operations

Each Common Service has a set of max 3-5 indicators which reflect the progress against the work items and the on-going effectiveness of the harmonization effort. Note that for the current Business Operations Harmonization initiatives (including Common Services) elements of the Results Framework, the Key Performance Indicators should be reflected in the M&E matrix, as they provide a solid basis for the quality of the Services provided.

The M&E section describes the M&E structures supporting the BoS, including the responsible entity, the planning and the frequency of M&E efforts and the relation to national M&E efforts and systems and follows the following principles:

M&E Structure

- The OMT chair in Lesotho is a permanent member of UNCT. OMT Team Leadership is rotational between OMT members and appointment is on an annual basis.
- The OMT Task Forces working on Specific Business Operations Harmonization initiatives will appoints chairperson as M&E focal person representing working groups. Chairmanship of these working groups is rotated annually and leadership is currently as follows:

Thematic Area	Chairmanship
ICT	WHO
Common Premises	UNDP
Procurement	UNICEF
Finance and HACT	UNFPA
HR	WFP

- Programme Management Team (PMT) forms part of M&E Group.

Roles and Responsibilities within the M&E Structure

- **OMT Chair**
    - The OMT chair reports on a regular basis to the UNCT on progress and issues regarding the implementation of the activities supporting each of the operations outcomes. Progress updates are based on the indicators and targets as reflected in the Business Operations Strategy M&E Framework.
- **Chairmanship of Technical Working groups/Thematic Areas**
    - Technical Working Group (TWG) chair has to ensure timely monitoring and implementation of the outputs and reports progress to OMT chair.
    - TWG Chair ensures compliance by all agencies and alert UNCT through OMT Chair on non-compliance.
    - TWG Chair to liaise with program team on areas of concern.
    - TWG Chair responsible for management of information relating to the areas.
    - TWG Chair is responsible for monitoring savings related to implementation of BOS.

    - TWG Chair is responsible for elaboration of summary report identifying achievements, savings and to identify challenges and bottlenecks that needs to be addressed by UNCT.
- **Programme Management Team (PMT)** contributes to annual review of BOS OMT work plans.

M&E Framework

- Technical working group to meet every month to review progress on outcomes and report during monthly OMT meeting.
- Monthly OMT to consolidate report to UNCT.
- Quarterly OMT and PMT meeting to review work plans progress.
- BOS reviewed annually by both OMT and PMT around November. Review to be endorsed by UNCT.
- Annual Work Plans with clearly defined targets with budget allocations to be developed following annual BOS review.
- Revised BOS document clearly stipulating budget requirements to be presented to UNCT during the annual retreat in December.
- End of cycle review of BOS to be conducted by an independent party recommendations of which will feed into the development of the next BOS.

The OMT reports to the UNCT with the same frequency as the programme units reports against their UNDAF. At the end of the cycle, the OMT executes an evaluation of the results reflected in the log frame, at the same time as the UNDAF evaluation takes place.

10. Management and Accountability Business Operations

The governance structure for BoS in UN Lesotho is constituted of UNCT, OMT and Technical working groups of various thematic areas. The graph below reflects the UN Lesotho governance structure, with an Operations Management Team in charge of the day-to-day management of Business Operations, on behalf of the UNCT, supported by functional Task Teams that deal with specific specialist areas.

The *performance appraisal* of the staff member involved in any of the below platforms reflects their role and results to be achieved, as this plays a critical role in terms of incentive and accountability.

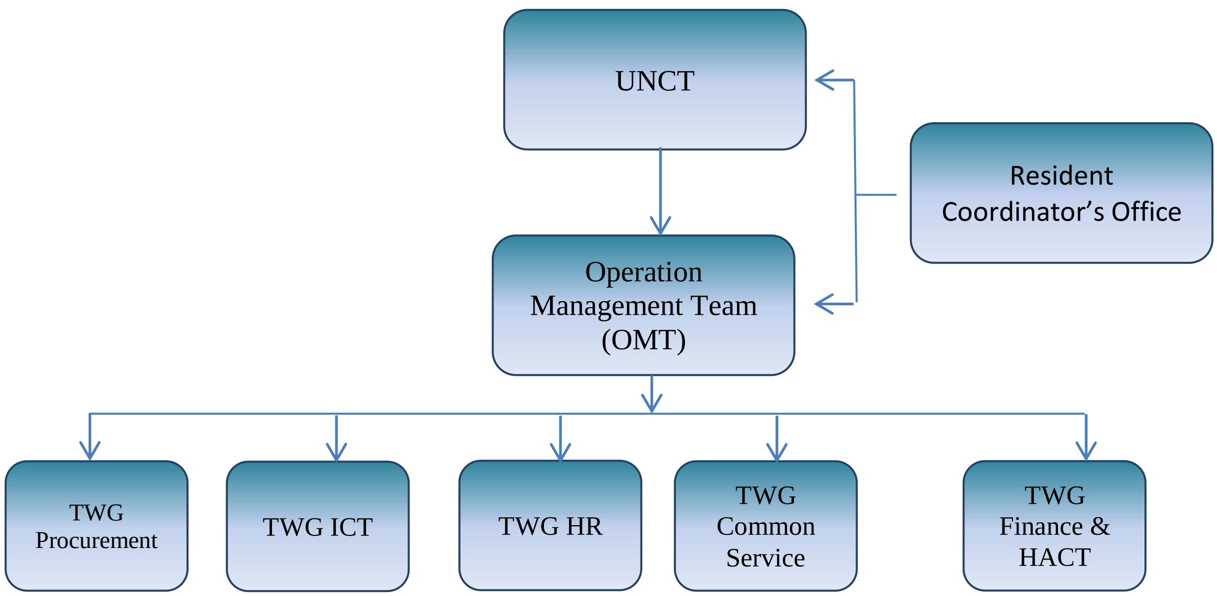


Figure 1 Governance structure Business Operations

UN Country Team (UNCT)

- The UN Country Team holds the ultimate decision power for all matters related to Business Operations;
- The UNCT is ultimately responsible for the achievement and reporting on results reflected in the Results matrix of the Business Operations Strategy and the BoS Annual Work Plan;
- UNCT outlines the medium term vision for Business Operations and provides guidance to the Operations Management Team (OMT) with regards to the operationalization of that vision in the Business Operations Strategy (BoS);
- In case of disagreement within the OMT, the UNCT serves as the final platform for escalation.

Operations Management Team (OMT)

- The Operations Management Team manages and coordinates the development and implementation of the Business Operations Strategy;
- The OMT provides oversight over the implementation of existing Business Operations Harmonization initiatives (including Common Services) by the Service provider, with the aim to ensure service delivery is in line with the agreed Key Performance Indicators;
- The OMT develops annual work plans, based on the Business Operations Strategy, which guide the OMT activities and financial needs for that particular year;
- The OMT operates on the basis of the results matrices for Business Operations as reflected in the Business Operations Strategy and an integrated annual work plan guiding the different OMT activities;
- The OMT chair reports on a regular basis to the UNCT[viii] on progress and issues regarding the implementation of the activities supporting each of the operations outcomes. Progress updates are based on the indicators and targets as reflected in the Business Operations Strategy M&E framework;
- The OMT has different Task Forces working on Specific Business Operations Harmonization initiatives (including Common Services) topics relevant for the country. These could include for example Task Force on Common Premises, ICT, HR, Procurement, Security, Travel etc.;
- The OMT has a dedicated M&E focal *point* that represents the OMT in the joint M&E group. M&E focal points plan and organise the M&E activities for the outcomes that are part of the Business Operations Strategy and the integrated work plan;
- The OMT has a dedicated M&E focal point that is responsible for the M&E activities for each of the items.

OMT Task Forces

- The OMT has different Task Forces working on Specific Business Operations Harmonization initiatives (including Common Services) topics relevant for the country. These could include for example Task Force on Procurement, ICT, Human Resources, Finance, Logistics & Admin etc.;
- Task Forces are responsible for a well-defined subset of the OMT's work plan, usually for those work items that require specific technical expertise;
- Task Force have a lead agency that guides the work of the Task Force on behalf of the chair of the OMT;
- The Task Force lead reports to the OMT on behalf of the task Force on progress against the Task Forces' part of the OMT work plan.

Other stakeholders

- Programme staff work together with Operations staff to determine the impact and needs of the programme planning for Business Operations Harmonization initiatives (including Common Services), such as procurement, and HR requirements, ensuring operations are aligned with programme priorities and needs;
- The Resident Coordinators Office (RCO) often plays a crucial role in support of the Operation Management Team. Depending on the capacity and profile of the RC Office this role varies from coordination and logistics support, to substantive support such as preparatory analysis for new Business Operations Harmonization initiatives (including Common Services).

Service Provider

- The service provider provides the actual service to the customer, in this case the agencies who are participating in the common service. The service provider can be external (outsourced service) or internal. In many cases the service provider is UNDP given their relative capacity at the country level, but other agencies can act as service providers for different services, depending on comparative advantage and the cost[ix] against which the agency can provide the service;
- The service provider implements the service on behalf of the OMT and reports to the OMT on a regular basis. Evaluation of the service provider happens on an annual basis against Key Performance Indicators which are part of the design of each Common Service (ref chapter 5 of this document).

11. Budgetary Framework Business Operations

A resource mobilization effort for Business Operations in Lesotho has been earmarked for internal a source which is aimed at UN agencies, using cost sharing arrangements. The modality has always been adopted through- out the years and the system has worked well.

The resource requirements, available resources and resource gap take the format of a table summarizing the financial requirements for each harmonized Business Operations *outcome* identified in the Business Operations Strategy for the five years of the programme cycle. It includes the commitment by UN system agencies to raise additional resources for the BoS, subject to donor funding.

The table below includes estimated amounts, and actual amounts will depend on availability of UN system agencies' resources:

Outcome	Cost per outcome US$ over 4 years	Total UN Resources committed	Total UN Resources-(Core) cost shared Budget US$	Total UN Resources (Non Core)	Resource Gap BoS
Procurement	198,000	**Nothing committed for BoS outcomes in 2013 – commitment for training only from OMT budget.**			198,000
Human Resources	86.600				86,600
ICT	362,000				183,000
Common Service	1,010,512		210,152		800,000
Finance & HAC	87,000				87,000
TOTAL	1,744,112		210,152		1,533,960

Table 1 Budgetary Framework Resource Table

12. Operationalizing the Business Operations Strategy

Successful development and implementation of the Business Operations Strategy requires some level of capacity and skills in the OMTs. Apart from technical operations skills, some degree of business analysis skills and RBM related skills are useful. In most cases, the work required is in addition to agency-specific responsibilities. Therefore, it is highly recommended for UNCTs/OMTs to consider the capacity and skills available to the OMT in terms of skills, competencies and time before deciding to engage in the BoS development. The gains in terms of efficiency and (cost) effectiveness associated with the design of Common Operations solutions should ensure a positive rate of return on this investment in staff and financial resources. Engaging the RC Office and UNCT early on is recommended as it would be useful for providing technical and coordination support. After the initial development, capacity should be available to the OMT and the Task Forces to deliver on the results outlined in the results matrix.

There are a number of instruments in place to facilitate the operationalization of the Business Operations Strategy. Most of these instruments support the annual planning and management process of the OMT:

- *OMT Integrated Annual Work Plan*

The Business Operations Strategy, being a medium term framework, usually covers only the outcomes (the "what"-high level) and outputs (specifies "How" the OMT plans to realize the outcome). The Annual Deliverable would be something you would see in the integrated Annual Work Plan of the OMT. The Annual Deliverable is a result realized for that particular year. It usually has a series of activities that need to be executed in order to realize the deliverable. The outcome, outputs and annual deliverables taken together are referred to as a" results chain.

On an annual basis, the OMT develops a costed Work Plan which identified the prioritized work items for that year, including the budget estimates required to deliver on the results outlined in the Annual Work Plan.

- *Common Services Budget and Common Services Account*

A common form of budgeting and financial management in support of joint Business Operations is the *Common Services Budget*: based on the Annual Work Plan, agencies cost-share the costs incurred through the implementation of the work plan. The Business Operations Harmonization initiatives (including Common Services) account[x] is used as a joint bank account that is used to pay for the expenditures incurred for the provision of particular Business Operations Harmonization initiatives (including Common Services). Usually agencies pay up-front for the anticipated costs for the Business Operations Harmonization initiatives (including Common Services), with differences in actual costs being reimbursed or credited against next year's charges.

To facilitate the management of resources transferred by agencies based on the Common Services budget, the UNDG has developed an instrument referred to as the Common Services account. The Common Services account is an account which is managed by an AA (usually an agency at the Country Level) which manages the day-to-day management of the account and administrative management of the Common Business Operations portfolio, to the extent that portfolio is covered through the Common Services Account.

- *Common Services MoU*

To facilitate the development of Common Business Solutions, more particularly Common Services, the UNDG has a standard template for Common Services, outlining the legal framework and management arrangements for individual services/business solutions.

UNCT/OMTs are strongly encouraged to use this standard template as it will drastically reduce transaction costs as it does not require review and approval from individual agency legal departments.

The MoU usually is supplemented with SLA's detailing the specific arrangements for a particular Common Service.

A.1 Lesotho Baseline Analysis

Type of existing Common Service effort	Managing Entity (Service Manager)	Existing Clients (Agencies using service)	Key Performance Indicators (KPI's)	Performance Ranking against KPI's • Met (green) • Needs Attention (yellow) • Urgent attention (red)	Modality (Outsourced/ In House)	Recommended Action (ref below) Continue As Is Discontinue Modification
Banking services - Local branch-Cash & Deposit Services - Foreign Currency - Corporate Banking agencies : payments and receipts Corp MoU & local SLA	UNDP	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, UNDP, UNIC WB?	- Amount of change in transaction costs. *Benchmark:* M45 per month (transaction costs)0% of management fees. - Reduced waiting time for banking service. *Benchmark:* Currently waiting time-Deposit & Cash services are estimated between 15 – 20 mins. *Target:* 5 – 20 mins waiting time. Source: Common Services Survey	KPI met	Outsourced	Continue As it Is
UN cafeteria	UNDP	UNDP,	Proportion of staff satisfied with	Meets KPI	Outsourced	Inform supplier of

Type of existing Common Service effort	**Managing Entity (Service Manager)**	**Existing Clients (Agencies using service)**	**Key Performance Indicators (KPI's)**	**Performance Ranking against KPI's** • Met (green) • Needs Attention (yellow) • Urgent attention (red)	**Modality** (Outsourced/ In House)	**Recommended Action (ref below)** Continue As Is Discontinue Modification
Catering Staff Catering Events		UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO, UNDP, UNIC & World bank	cafeteria and catering services *Benchmark: > 80% staff content with price* >80% staff rates quality as satisfactory *Target: > 80% staff content with price* >80% staff rates quality as satisfactory Reasonable quality staff Catering Events *Benchmark: > 80% staff content with price* >80% staff rates quality as satisfactory *Target: > 80% staff content with price* >80% staff rates quality as satisfactory Source: Common Services Survey			KPI's in writing Communication to staff on LTA and how to use it
Cleaning services Cleaning	UNDP	UNDP, UNICEF, UNFPA,	# complaints *Benchmark :*	Meets KPI	Outsourced	Complaint box installed in reception

Type of existing Common Service effort	Managing Entity (Service Manager)	Existing Clients (Agencies using service)	Key Performance Indicators (KPI's)	Performance Ranking against KPI's • Met (green) • Needs Attention (yellow) • Urgent attention (red)	Modality (Outsourced/ In House)	Recommended Action (ref below) Continue As Is Discontinue Modification
Gardening Daily cleaning of offices and UN house surroundings.		WHO UNAIDS, FAO, UNDP, UNIC & World bank	On average about 5 complaints of staff received per month in total. *Target:* Max 3 complaints of staff received per month in total.			Communication to staff on complaint box procedure and purpose Inform supplier on KPI's in writing
Security services Guard Services Alarm System Monitoring & Response Fire Services	UNDP	UNDP, UNICEF, UNFPA, WHO UNAIDS, FAO, UNDP, UNIC & World bank	No . of incidents reported at staff residences. *Benchmark :* 3 incidents on compound or relevant residences reported in a year (2012 baseline). *Target:* Incidents reports reduced to 3 per annum.	Needs urgent attention	Outsourced	Explore motion detector lights in offices (green office, security, lower cost)
Dispensary Medical services and Health awareness	UNDP	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO ,UNDP, UNIC &	-Amount of time for staff to access Medical consultation *Benchmark :* Patients queue for service medical services for 15-30 minutes *Target:*	Needs Attention	In House	Introduction of an Appointment System.

Type of existing Common Service effort	Managing Entity (Service Manager)	Existing Clients (Agencies using service)	Key Performance Indicators (KPI's)	Performance Ranking against KPI's • Met (green) • Needs Attention (yellow) • Urgent attention (red)	Modality (Outsourced/ In House)	Recommended Action (ref below) Continue As Is Discontinue Modification
		World bank	Waiting time reduced to 5 minutes. Awareness of staff on common health issues Benchmark: 4 awareness sessions Target: 4 per year			
Common telephone system - Switch	UNDP	UNDP, UNICEF, UNFPA, UNIC & UNAIDS	No. of UN Agencies on a unified telephone system *Benchmark :* 4 out of 8 agencies included in the unified telephone system. *Target:* All agencies included.	Needs Attention	In house	Expansion: Technical feasib ility study assessing feasibility of WHO, FAO and WFP joining common telephone system
Radio communication Agencies compliance to MOSS in relation to radio communication.	UNDP	UNDP, UNICEF, UNFPA, UNAIDS, FAO, WHO , UNIC , WFP , IMF & World bank	Radio check response rate *Benchmark :* Radio check response 20% *Target:* At least 80% radio check response achieved.	Needs Urgent Attention	In house	Advocacy via the RC/DO. Agencies compliance to MOSS in relation to radio communication. Status lists to UNCT during UNCT meeting Ensure cost

Type of existing Common Service effort	Managing Entity (Service Manager)	Existing Clients (Agencies using service)	Key Performance Indicators (KPI's)	Performance Ranking against KPI's • Met (green) • Needs Attention (yellow) • Urgent attention (red)	Modality (Outsourced/ In House)	Recommended Action (ref below) Continue As Is Discontinue Modification
						recovery
Travel services	UNICEF	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO ,UNDP, UNIC & World bank	Amount of change in travel costs: *Benchmark:* Currently commonly used routes are charged at an approximate rate as follows per route on full economy: New York - M 65,600.00 Nairobi – M 22,400.00 Geneva – M 32,180.00 Johannesburg – M 5,200.00 Harare – M 14, 840.00 Addis Ababa – M 20,890.00 *Target:* At least 5% cost reduction for all routes to all agencies. - Provision of travel services in cost effective manner.	Needs Urgent Attention	Outsourced	Discontinue and enter into new LTA.
Management of common premises (maintenance of air con , lifts generator, x-ray machines, access	UNDP	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO ,UNDP,	Amount of change in common premises and maintenance costs. *Benchmark:* 2012 expenditure – M 1,863,000.00 *Target:* At least 10% cost reduction through negotiation for service	Needs Urgent Attention	outsourced	Installation of solar system for lights and some of non- essentials.

Type of existing Common Service effort	**Managing Entity (Service Manager)**	**Existing Clients (Agencies using service)**	**Key Performance Indicators (KPI's)**	**Performance Ranking against KPI's** • Met (green) • Needs Attention (yellow) • Urgent attention (red)	**Modality** (Outsourced/ In House)	**Recommended Action (ref below)** Continue As Is Discontinue Modification
control system , plumbing, electrical repairs and other repairs		UNIC & World bank	provided.			
Joint UN activities (UN Cares & UN day)	UNFPA & UNAIDS	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO ,UNDP, UNIC	Proportion of staff attending major HIV/AIDS events *Benchmark:* UN Day commemoration, WAD and UN Family Day activities attendance and participation of staff has been over 70%. *Target:* Over 90% coverage.	Meets KPI	In house	Needs further intervention The RC and UNCT Advocate for staff participation
UN reception	UNDP	UNDP, UNICEF, UNFPA, UNAIDS, FAO, WHO ,UNDP, UNIC & World bank	No. of days in a year when the reception is not manned??? *Benchmark:* In the absence of receptionist, calls gets to different extensions at random. *Target:* Specific extensions be identified and programmed where calls will be routed to.	Meets KPI	In house	Needs further intervention.

Type of existing Common Service effort	**Managing Entity (Service Manager)**	**Existing Clients (Agencies using service)**	**Key Performance Indicators (KPI's)**	**Performance Ranking against KPI's** • Met (green) • Needs Attention (yellow) • Urgent attention (red)	**Modality** (Outsourced/ In House)	**Recommended Action (ref below)** Continue As Is Discontinue Modification
Business Continuity Plan	All	UNDP, UNICEF, UNFPA, WFP, UNAIDS, FAO, WHO ,UNDP, UNIC & World bank	No. Of times the BCP is updated. *Benchmark:* BCP developed and tested not yet updated. *Target:* Update to be done at least one month before deadline in May 2013.	Needs Attention	In house	Needs further intervention. Expansion: Common secondary/backup Internet connectivity with extension to wireless to be included in BCP
HACT Implementation	UNICEF	UNDP, UNFPA, UNICEF	Indicator: Existence of HACT Benchmark: Letter from government not in place Macro-assessment executed Micro-assessment 0 /40 (TBC) executed Assurance Audit plan not in place Target: Letter from government in place Macro-assessment executed Micro-assessment 100% executed Assurance Audit plan in place	Needs Attention	In-House Outsourced (Micro Assessment)	Joint Letter to government Finalise RfP/LTA Develop roll-out plan

A.2 Lesotho Needs Analysis

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
Procurement	**Need:** Establishment of LTAs in the area of common procurement, to reduce the staff time and costs. **Current Situation**: One LTA established in 2011 in the area of travel; LTA was valid for 1 year, covering two travel agencies. LTAs did not work out due to misunderstanding between the UN and travel agent on the administration of the agreement. Agencies embark on individual procurement in common areas. **Suggested solution**: Establishment of LTAs in the area of travel, AC maintenance, hotels and conference venues, stationary, printing, and vehicle maintenance and security access system. **Impact**: Reduced transaction costs due to elimination of redundancies on procurement process. Bulk discounts negotiated with LTA signatories; improved response time to requests. Quality products/services will be provided due to collaboration with reputable companies.	KPI: Man hours saved due to implementation of LTA procedures. Baseline: Average 4948 hrs per year based on areas in the suggested solution for 8 Agencies. Target: 50% reduction on time spent on processes by 2017

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
Common premises -ICT	**Need:** Establishment of one common wireless connection for all agencies **Current Situation:** Currently there is no wireless access in UNDP, UNFPA, UNAIDS, WB premises. Staff cannot access internet or web based services from these locations, causing a reduction in productivity and accessibility of staff when they are away from their desk. Other agencies (WHO, UNICEF, FAO, WFP) have wireless services that are available also to visiting UN Staff. **Suggested Solution:** Establishment of common wireless internet service to the remaining agencies that currently do not have this service. **Impact:** Productivity of staff enhanced due to increased flexibility and accessibility of web-based services including email irrespective of location.	KPI: Number of agencies using common wireless system **Baseline:** 4 **Target:** All (8) agencies have full access to reliable and fast wireless connection in all UN premises.
Transport and logistics	**Common Transport and Logistics:** **Need:** To reduce costs related to transport and logistics, including gasoline, vehicle maintenance, staff time, overtime and DSA payments, while maintaining high quality and secure services. **1. Common UN Airport pick-up:** Baseline- establishment: last three months nr of airport pick-ups **Current Situation:** Agencies administer airport pick up individually using the official UN vehicles. **Suggested Solution:** Having an on-call shared driver, who can provide the service to all agencies. This service would include planning system-communicate service to agencies- client sends email to transport	***1.*** **KPI**: Number of agencies using common airport pickup on a driver stand-by basis; fuel and overtime savings as a result of the measure. **Baseline**: 6 trips every weekend to the airport using 6 different vehicles **Target*:*** Two vehicles driving to the airport any given weekend.

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	coordinator- driver checks with transport coordinator every morning. Cost recovered through client. **Impact:** Cost reduction in terms of overtime, fuel and vehicle maintenance. **2. Common transport service – Moshoeshoe Airport; Bloemfontein Airport, Johannesburg** **Current situation: T**ransport is provided by UN Agency drivers to/from the airport, to Bloemfontein airport and to Johannesburg. This arrangement proves to be costly due to overtime payment/DSA for drivers; fuel and vehicle maintenance. **Suggested solution**: Travel LTA should include an element relating to Airport pickups and drop-offs for staff and consultants. **Impact**: Cost savings on DSA, Fuel, Tollgate Fees and vehicle maintenance, as well as cost savings on the route (alternative to flight ticket). **3. Carpooling** **Current Situation:** Whenever a meeting is called with participation of more than one agency, each agency provides its own transportation to the venue. **Suggested service:** Common registry will keep central record of trips to be made by UN Staff during the day and will facilitate carpooling whenever applicable.	***2.*** **KPI:** % savings on transportation; number of trips made by land instead of flying **Baseline:** US$700/trip taken **Target:** 80% reduction in costs **3. KPI:** Number of trips taken using common carpooling service monthly. **Baseline:** 0 **Target:** 20 trips per month

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	Impact: Cost savings on fuel, vehicle maintenance, staff time; image of ONE UN; positive environmental impact. **4. Common Registry/Mail Room:** **Current situation:** Multiple vehicles pick-up/deliver mail to various locations in Maseru. Mail brought to registry of each agency for distribution to its staff. **Suggested solution:** Central Registry. Mail pick-up remains at agency level. Registry distributes internally in the UN System. Registry handles outgoing mail centrally. Beyond this, registry deals with regular registry tasks, for all agencies. Registry distributes mail twice a day internally, morning and afternoon. Drivers distribute mail externally (outside UN House) twice a day. **Impact:** Savings on vehicle and gasoline costs; more environmental friendly, savings on staff time.	4. **KPI**: savings on staff time **Baseline**: 4,000hrs/year spent by 8 agencies **Target**: 10% reduction
Human Resources	**Need 1: Harmonized Induction Program.** **Current situation:** Each agency organizes its own induction program for its staff, resulting in different levels of coverage and quality of the induction, as well as limited coverage of interagency issues. **Suggested solution:** Develop a harmonized induction program available to all new staff from all agencies, including Cultural Induction (outsourced- 3 days),UN system introduction; Program environment Operations; Security ; Medical; ICT; elaboration of an Induction guide "Welcome to Lesotho"; Standardized information materials- "UN Lesotho at a glance", " FAQ UN in Lesotho" , "UNDAF Lesotho at a glance"	**1. KPI:** No. of induction courses **Baseline :** 0 **Target:** 4 **KPI 2:** No. of new staff inducted **Baseline : 0** **Target:** 40p.a.

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	etc. **Impact:** All staff informed equally on selected issues, information on common policies. This results in time saving of staff (for example security briefing done in group instead of individually); all staff feels well informed, which enhances his/her performance and shortens the period of adaptation; new staff informed on all interagency initiatives, which enhances his/her understanding and hence participation and ownership within the framework of Delivering as One. **Need 2 : Common Training Program** **Current situation:** Most training is conducted individually by each agency, within the framework of its mandate. This results in frequent duplication of trainings on the same issue. Source training in areas that all agencies need, yet procure individually. By procuring it jointly, the training costs can be shared and staff gets access to professional development program at a fraction of the cost for the agency. **Suggested solution**: Identify jointly training needs in advance and procure jointly training services. Open agency trainings to the staff of other agencies. **Impact:** Cost reduction per training; enhanced capacity of staff through participation on more trainings; enhanced knowledge of work of other agencies.	**2. KPI 1:**Perceived quality of the course **Baseline**: 0 **Target:** 80% of inductees rate course as adding value to their work and life **KPI 2:** Number of People trained per year **Baseline :** 0 **Target:** 40

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	Need 3: Establishment Consultants Database **Current situation:** Recruitment of consultants can be challenging to get a consultant with the right skill sets that deliver quality products. Agency share little to no data with regards to the existence of consultants or the performance of the consultants; at the same time, consultant rates can differ by agency and non-performing consultants can be recruited by another agency. **Suggested Solution:** A UN data base for consultants would reflect data on consultants providing services in areas of common UN interest (e.g. multiple agencies would have an interest in the area), such as evaluation, RBM/M&E, Gender, Human Rights etc. Staff that has recruited a consultant adds the CV of the consultant to a database. The data base is organized in thematic areas, allowing for clustering of consultants in specific areas, allowing easy access and information sharing regarding the existence of the consultant. The consultant is scored in accordance with his/her performance to allow for identification of quality consultants. During the recruitment process, HR informs consultants with good evaluation/standing (based on the ranking) of the opportunity stimulating them to apply. **Impact:** UN system has faster access to higher quality consultants and has a quality assurance system at its disposal, ensuring recruitment of appropriate quality consultants.	3. **KPI1**: Number of qualified consultants per area of specialty in the database **Baseline**: 0 **Target**: at least 2 per area of specialty **KPI2**: % of evaluations of performance of active consultants per year **Baseline**: 0 (database does not exist) **Target**: 100%
HACT	**Need:** Achieve full compliance with HACT.	**KPI:** Number of HACT

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	Current Situation: Macro assessment has been carried out, micro assessments are currently being planned to roll out in 2014. Knowledge of HACT in program and support is limited. No assurance plans in place. Agencies are adopting different modalities to suit their processes and procedures. Face form is in use by respective agencies. Partner training has been provided on the use of face. **Suggested solution**: Conduct micro assessments; elaborate and implement assurance plans; train key program and support staff, as well as partners, on HACT compliance and ensure all corresponding agencies are HACT compliant and standardize their processes and procedures by 2017. **Impact**: The capacity of counterparts enhanced; risks reduced for UN participating agencies; costs are reduced as a result of joint implementation.	compliant agencies Baseline: 0 Target: 3
Management of UN compound	**Need 1:** Ensure cost effective, reliable and well maintained air conditioning system in all offices. **Current Situation**: The air conditioning system is not functioning properly, it is not well maintained and its malfunctions cause that stuff purchase separate heating/ventilation, incurring on the price of electricity. **Suggested solution**: Outsource maintenance services to a company that would provide regular, not costly and efficient maintenance. **Impact**: Air conditioning system well-functioning and reliable in all offices, ensuring staff has comfortable conditions for work; no purchase of additional heating/ventilation systems in offices is necessary, resulting	1. **KPI**: Number of complaints received from UN Staff. **Baseline**: 10 complaints per month. **Target**: Less than 5 complaints.

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	in electricity cost reductions. **Need 2:** Reduce the electricity consumption and make current use more efficient and contribute to cost reduction. **Current Situation**: Electrical energy is not used in an efficient way both due to energy inefficient construction, staff behavior and lack of alternative sources of energy. **Suggested solution**: Make UN House more energy efficient implementing measures in the premises; enhance green initiatives and change management with UN Staff; install solar panels on UN house. **Impact**: UN House is more efficient, which results in cost savings and smaller environmental impact. Alternative sources of energy in coherence with the position of the UN on climate change, incentivizing people to replicate the environmental friendly behavior in their homes. **Need 3:** Provide more efficient , affordable and quality medical healthcare to UN Staff **Current Situation**: One nurse financed from common budget ensures the smooth functioning of the UN Dispensary for UN staff. The financial implications of the current set up have significant and unsustainable impact on the common budget. **Suggested solution**: UN Dispensary services are outsourced through procurement process to a medical doctor who will attend UN staff; reimbursement of expenses incurred by staff will be negotiated with their health insurance providers. **Impact**: Staff will be attended by medical practitioner instead of a nurse;	2. **KPI**: % reduction in electricity consumption **Baseline**: 724 142.68 KW Consumption in 2012 **Target**: 20% consumption reduction through adoption of green initiatives. 3. **KPI3**: Decrease in UN common service dispensary costs **Baseline**: US$ 54,594.00 **Target:** 90% decrease in UN dispensary costs with in CS Budget

Name business operation/service	Needs analysis narrative	Key Performance Indicator (2-3 max)
	the impact on common budget will be lower than in current setup. **Need 4:** Ensure timely, efficient and quality response to any plumbing emergency. **Current Situation**: Plumbing is not well maintained, service provider has not been identified and hence any emergency lacks in rapid and quality response. **Suggested solution**: Outsource plumbing services to a company that would provide requested quality and timely response. **Impact**: Any plumbing emergency is rapidly resolved.	4. **KPI4**: % of plumbing emergencies addressed in quick and efficient manner **Baseline**: 0 **Target**: 100%
Security	**Need:** Ensure security of UN staff and its premises through a control access installed in UN House. Ensure a rapid response to any fire emergency through efficient fire detection and reporting system. **Current Situation**: The access control and the fire system have not been functional for extended period mainly due to lack of maintenance. **Suggested solution**: Procure and install a new access and fire alarm systems (having previously revised if the current systems cannot be repaired); ensure local and regular maintenance through long term agreement. **Impact**: Security of UN staff and premises enhanced, complying with MOSS and other requirement	**KPI:** Number of regular maintenance to functioning access control, alarm and fire systems **Baseline**: 0 **Target:** at least 2 maintenance calls for each system per annum.

A.3 Template: Business Operations Strategy: Cost Benefit Analysis (excl. Priority Assessment)

	Monetary Costs Benefits ($)		Labor Costs Benefits		Other Costs/Benefits	
	A	B	C	D	E	F
Proposed Business Solution	**Anticipated Monetary Cost** (One Time & Recurring $ Investment)	Anticipated Monetary Benefit (One Time & Recurring Benefits)	**Anticipated Labor Cost- Time Investment** (One Time & Recurring Labor costs)	**Anticipated Labor Benefit: Time Reduction** (One Time & Recurring Labor benefits)	**Anticipated Significant Other Cost**	**Anticipated Significant Other Benefits**
Common Premises- Common ICT Wireless Assuming 256kb/s	**One Time:** 0 (free) **Recurrent cost**: 60.000M per month for all participants	**One Time**:0 **Recurrent cost**: WHO: 20.000M per month WFP: 0 M UNICEF: 250 M per month FAO: 20.000M per month UNDP:	**One Time:** 1 week per agency/1 person (installation), GS 6 **Recurrent Labor Cost:** 1h per month per ICT staff per agency	**One Time:** None **Recurrent Benefit:** None		Because of standardized platform, support more flexible (staff can help various agencies)-Enhanced quality for lower price (faster access) Security benefit for externals- no longer need access to corporate networks, but stay in common wireless environment with access to internet but not to corporate networks Enhanced productivity staff due to continuous connection to web based services
Common Transport and Logistics- Airport Pick-Up *Assumption max load- 3 trips per day, 7 days*	One Time- car 1 day 18,90 USD (27c per km/17.500 km) Recurrent Cost: Fuel M444 per day (7 days with flights)	One Time:0	One Time: 5,5h (NoB) Recurring 4,5h = 0,5 FTE (1,5h per trip, 3 trips per day) G2 driver	One Time: 0 Recurrent Benefit: on average 12 trips/weekend	None	Reputation increase-efficient transport, lower environmental impact.

			1h G5 coordinator per day (3 days (3 days plane)			
Common Transport and Logistics- Central Registry Excl. WFP	One Time- Recurrent cost: car 1 day 18,90 USD (27c per km/17.500 km) Fuel- (based on average fuel consumption per day per car) 2400M per month	One Time: 0 Recurrent benefit: anticipated saving of US$ 45/day	One time: Central registry ToR- collect existing ToRs- Compile central ToR- 1 day NoB Process 1,5 day NoB Training 0,5 day NoB Recurrent labor: 1 registry 1 FTE G4 1 driver 0,5 FTE G2	Recurring Benefit: 9 man hours/day saved		Available space increase as registry integrates
Common HR- Induction Program *Split- advocacy materials*	One time: Recurrent Monetary cost Induction Materials: 600 USD annually Cultural induction: 140 USD Per course x 2 per year	Monetary cost might slightly increase as agencies supplement their agency induction program with the UN induction program	One time: 2 days NoB Recurrent cost: 2 days per induction course 2 times a year = 4 days 1 NoB	Agencies don't run individual induction courses		Productivity gain as staff understand the UN System Less time lost
Common HR- Common Training	One Time Flight DSA trainers (1 week) 6500 USD p/p= 13000 USD Recurrent	One Time - Recurrent -	One Time 40 staff annually NOB Recurrent -	One Time - Recurrent -		Increased productivity Personal development staff – staff loyalty/staff morale
HR- Consultants Database	One Time - Recurrent	One Time - Recurrent -	One Time 10 days GS 6	One Time Recurrent		Motivation/drive consultants (implications bad performance)

	-		Recurrent 15 min per consultant (upload CV, Rank performance, insert name)	Less time identifying the consultant		Enhanced quality consultants – bad consultants don't get hired due to the performance ranking Consultants availability information available
TRAVEL	**1 Time:** • Advertise: Eoi(expression of interest) • Training material (p/copying) • Hospitality	**1 time** : -2012 baseline: total travel cost vs the LTA negotiated rate -3% reduction vs 2012 total travel expenditure of UN Lesotho	**1 time**: -Data collection for ToR, Eoi; RFP (ToR, advert, presentations, prop. evaluation, etc). -9 x staff: Gs6 – NOB x 20 days (2 months). **Recurring:** -Evaluation & Monitoring of the LTA x quarterly x 2 dys of GS& max 45 min per ticket (15 min for referencing; 30 min for RFQ, booking inclusive).	**Recurring:** Reduced frequency of reference price.	Boycott by Travel agencies operating under current LTA	Reputation of UN Strengthened vendor relations
2. SECURITY	**1 time:** Evaluation & temporary repair of current system – LSL27 – 37K **Recurrent:** Maintenance of currently repaired system **1 Time**	**1 Time:** Cost saving on lost cards (50 pcs annually +/- LSL250) **Recurrent:** Considerably reduced frequency of maintenance costs (by 3 x).	**1 Time:** Solicitation process (Gs + NOC) Output 1: 15 days GS; Output 2: 20 days – NOB – GS6	**1 Time:** No more cards (min 8 days a yr of GS6). **Recurrent:** No impact	**1 Time:** Alterations costs on installation	**1 Time:** Reduced security risk – thumb vs cards Increased security – lost card vs coding. Risk of visitors roaming around is reduced.

	Purchase of the new system – LSL60K **Recurrent:** Maintenance – once a year after warrantee.					
3. STATIONERY	**1 time:** Advertising of potential vendors Training Materials **Recurring cost:** Discount x% per year	**1 time**: No **Recurring**: No	**1 time**: To setup the LTA 9 staff G6 to NOB between 10 – days **Recurring:** for the lead agency for monitoring and evaluation of the LTA every six months	**1 Time**: No **Recurring**: 3days of a G6-G7 time saved.		Increase of reliability in terms of servicing events.
4. HOTELS	**1 time:** Travel & telephone costs to meet / negotiate with potential Service providers. **Recurring**:	**1 Time**: No **Recurring**: Reduced solicitation costs (telephone / fax / fuel, etc.).	**1 Time**: LTA preparation (min. once a year). **Recurring**: - Logistical arrangements prior to LTA implementation. -	**1 Time:** Reduced staff time spend on solicitation processes, etc - 9 x staff: GS5 –GS6 x 3 days **Recurring:** -Evaluation & Monitoring of the LTA x Half yearly x 2 days of GS & NO staff Min 20 minutes per hotel following up on RFQ or confirming a booking.	Special rates when booking for certain # especially for international big network meetings.	- Reputation of UN - Strengthened vendor relations

B. Template Results Matrix Business Operations Strategy

BoS Outcome 1: Common ICT							
Lead Agency	UNDP						
Participating UN Agencies	UNDP, UNICEF, WHO, FAO, UNAIDS, UNFPA, WFP						
Coordination Mechanisms	ICTWG						
Outcome Budget	US$ 192,000						
Outcome Budget Gap	US$ 124,000						
Outcome 1	By 2017 UN Lesotho participating agencies realized costs of an effective and reliable Internet connectivity in the compound						
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Amount of change in connectivity costs due to negotiation power of approaching the ISPs as one (bigger internet pipes for less)	ICT reports on internet connectivity	No common backup internet link. UNICEF, WHO, WFP and FAO have their own individual backup links Current costs for internet connectivity are estimated US $23,000 for all UN agencies	Negotiation for lower rates with the ISPs. LTA signed and common backup link implemented .	5% savings on connectivity costs	5% saving on connectivity costs	5% savings on connectivity costs	Budget – No ICT Investment: Electricity failure Generator failure No ICT Personnel turnover.

Output 1.1	A common backup/secondary internet link (failover link) established by 2017						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
- Existence of a common back up/secondary internet link	ICT reports on internet connectivity	No common backup internet link. UNICEF, WHO, WFP and FAO have their own individual backup links	Alternate link LTA signed and link implemented .	Backup link fully functional.	Backup link fully functional.	Backup link fully functional.	Risk: Budget – No ICT Investment: Assumption: No ICT Personnel turnover.
Output 1.2	Implementation of common wireless internet connectivity in the UN compound implemented by 2017						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Availability of Internet anytime and anywhere for both visitors and staff	ICT reports on internet connectivity	Currently, 3 Agencies have reliable internet available to staff and visitors	Procurement of wireless access points to be deployed at the UN compound	Internet available across the whole UN compound (wireless internet connection)	Internet available across the whole UN compound (wireless internet connection	Internet available across the whole UN compound (wireless internet connection)	Risk: Budget – No ICT Investment: Assumption: No ICT Personnel turnover.

BoS Outcome 1: Common ICT

Lead Agency	UNDP
Participating UN Agencies	UNDP, UNICEF, WHO, FAO, UNAIDS, UNFPA
Coordination Mechanisms	ICTWG
Outcome Budget	US$170,000.00
Outcome Budget Gap	US$ 59,000.00

Outcome 2	By 2017, UN Lesotho realized reduction in telephone communication cost						
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
IP-based telephony system shared by all Agencies Amount of change in telephone communication costs	Monthly telephone utilization bills	Currently all UN Agencies spend USD $169,868.00	Realize 10% telephone communication cost	Realize 10% telephone communication cost	Realize 10% telephone communication cost	Realize 10% telephone communication cost	Risk: Budget – No ICT Investment: Assumption: No ICT Personnel turnover.
Output 2.1	A UN Lesotho common telephone system established and VoIP activated.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Existence of a UN common telephone system	Common Services report	UNDP, UNICEF, UNFPA sharing a PABX acquired during 2001 and which is not IP based.		Feasibility study. Voice Network drawn. Work Plan prepared	Purchase and installation of the telephone system	Acquisition of related hardware and telephone management software. Telephony system setup.	

BoS Outcome 2: Common Services

Lead Agency	UNDP						
Participating UN Agencies	**UNAIDS/FAO/WHO/UNFPA/UNICEF/UNDP/WFP**						
Coordination Mechanisms	COMMON SERVICE SUB-COMMITTEE – OMT						
Outcome Budget	US$ 1,010,512.00 over four years						
Outcome Budget Gap	US$ 800,000.00 over four years						
Overall Outcome	By 2017 UN Lesotho will have cost-effective Common Premises Management System providing quality services						
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in Common Service Costs	Common Service Financial Report	USD 252,628	2.5%	2.5%	2.5%	2.5%	**Risk**: Lack of capacity for OMT **Assumption**: Common Service Budget adequately funded
% of staff that indicate positive rating of Common Services	Common Service Survey					80%	
Output 2.1 Catering Services	By 2017 UN Lesotho will have cost effective and quality catering services						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
i) Percentage change in catering costs	UN Cafeteria Price List	Lunch USD 9.5 Tea USD 4.5	2.5%	2.5%	2.5%	2.5%	Risk: Lack of profitability for cafeteria. Assumption: cafeteria will be sustainable.
ii) % of staff that indicate positive rating of catering service	Common Service Survey					80%	
Output 2.2 Cleaning Services	By 2017 UN Lesotho will have effective and quality cleaning services						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in cleaning service costs	Common Service Budget	USD 30,583 p.a.	1.5%	1.5%	1%	1%	**Risk:** Cleaning company cease operations due cash flow problems **Assumption**: Operating costs for cleaning services remain stable

% of staff that indicate positive rating of cleaning services	Common Service Survey					80%	
Output 2.3 Reception Service	By 2017 UN Lesotho will have a cost effective and efficient reception service						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in Reception Service costs	UN agencies financial records	USD 81,484p.a.	2.5%	2.5%	2.5%	2.5%	**Risk:** Low morale of agencies receptionist due to fear of loss of original TOR. Agencies wanting to maintain the status quo. **Assumption:** all agencies agree to a common telephone system
% of staff that indicate positive rating of reception services	Common Service Survey					80%	
Output 2.4 UN Clinic	By 2017 UN Lesotho will provide cost effective health services						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in Clinic costs	Common Service Budget	USD 54,650 p.a.	2.5%	2.5%	2.5%	2.5%	**Risk:** Staff turnover and increase in medical costs **Assumption:** UN dispensary will continue to operate. LTA signed with medical supplier.
% of staff indicate positive rating of health services	Common Service Survey					80%	
Output 2.5 Electricity Cost	By 2017 UN Lesotho will facilitate cost effective use of electricity.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in electricity cost	Common Service Budget	USD 69,116 p.a.	5%	5%	5%	5%	Risk: escalating electricity costs Assumption: use of renewable energy; use of sensor lights and staff made of electricity costs.

Output 2.6 Maintenance of Air Conditioner	By 2017 UN Lesotho will provide a cost effective and reliable air conditioning system in all offices						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in air conditioner maintenance cost reduced by 10 %	Common Service Budget	USD 8,427 p.a	2.5 %	2.5%	2.5%	2.5 %	Risk: No budget for major repairs of air conditioning system. Assumption: LTA will be signed for air condition maintenance.
Number of agencies complaining about air conditioners per year	Common Service Survey	8 agencies complaints	Reduced by 2	Reduced by 2	Reduced by 2	Reduced by 2	
Output 2.7 Water	By 2017 UN Lesotho will have cost effective and reliable water supply.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in water costs	Common Service Budget	USD 1,110 p.a.	2.5%	2.5%	2.5%	2.5%	Risk: No budget for installation of efficient water usage systems. Assumption: UN House water storage capacity increase and efficient water usage systems installed.
Change in water storage capacity	Common Service Budget			1 additional Tank		1 additional tank	
Output 2.8 Plumbing Maintenance	By 2017 UN Lesotho will provide cost effective and quality plumbing services						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Proportional change in maintenance costs for plumbing	Common Service Budget	USD3,258 p.a.	4%	4%	4%	4%	Risk: design of UN House plumbing system being prone to blockage. Assumption: LTA will be signed for plumbing maintenance.
Length of time for provision of emergency plumbing repairs	Common Service Survey	How many hours currently				24 hours	

Output 2.9 General Maintenance	By 2017 UN Lesotho will provide a cost effective and quality general maintenance						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Proportional change in General Maintenance costs	Common Service Budget	USD $ 12,748.00 in 2012.	4%	4%	4%	4%	Risk: Cost of material for repair increase. Assumption: LTA signed for general maintenance of UN House
Output 2.10 UN Conference Room	By 2017 UN Lesotho will have cost effective and quality Conference hall services.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Proportional change in Conference costs	Common Service Budget	USD16,000 p.a.	2.5%	2.5%	2.5%	2.5%	Risk: number of items requiring replacement increased Assumption: There will budget provision for replacement of UN Conference Room furniture and equipment
% of staff that indicate positive rating for management of UN Conference services.	Common Service Survey					80%	

BoS Outcome 3: Common Procurement

Lead Agency	UNICEF						
Participating UN Agencies	**UNAIDS/FAO/WHO/UNFPA/UNICEF/UNDP/WFP**						
Coordination Mechanisms	PROCUREMENT SUB-COMMITTEE – OMT						
Outcome Budget	US$ 198,000						
Outcome Budget Gap	US$ 198,000						
Overall Outcome 3	UN Lesotho will have efficiently reduced labor hours spent on procurement processes as well as overall reduction of procurement costs by 2017.						
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
i) Percentage change in annual labor costs and procurement expenditure of UN Lesotho	Agency ER P Systems (ATLAS / SAP)	2012	3.5%	3.5%	4%	4%	**Risk**: Market price fluctuation / market limitation ; low response rate to the survey; and capacity to monitor results, **Assumption**: repair & maintenance successful.
ii) % of service users satisfied with procurement services.	Monkey / user survey	Zero. Common procurement service new	Annual survey	Annual survey	Annual survey	Annual survey	
Output 3.1 AIR TRAVEL	UN Lesotho air travel costs reduced by 2017.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
i) Max 15% of online ticket reference price.	Online airfare sites	-	Within 15% of reference price	Within 15% of reference price	Within 15% of reference price	Within 15% of reference price	Risk: Boycott of RFP by previous LTA vendors Assumption: LTA vendors accept to stay within the 15% reference price.
ii) Yearly reduction of air travel cost			Reduction by 15%				
Output 3.2 SECURITY	Security access of UN House in Lesotho upgraded and sustainably maintained by 2017.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Number of hours the access control is operational	Security Reader CPU	2013	24/7	24/7	24/7	24/7	**Risk:** inadequate maintenance **Assumption**: Adequate budget for the new system

LTA on security maintenance secured and new system installed. Existence of an LTA for security maintenance	Installation & maintenance Contract	None				LTA in place	**Risk:** system passed its useful life, therefore may be unserviceable. **Assumption:** maintenance may not add value.
Output 3.3 STATIONERY	**-** Cost of stationery for agencies reduced by 2017						
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
KPI: percentage reduction in Man hours compared to 2012 baseline.	Agency ERP Systems (ATLAS / SAP)	4948 hrs for all Agencies in 2012	5 % annual reduction	5 % annual reduction	5 % annual reduction	5 % annual reduction	**Risk:** market price fluctuation; fluctuation in demand; **Assumption:** Buy-in of Agencies to support the LTA
Number of LTAs signed with vendors per commodity.		None				2 LTAs	
Output 3.4 PRINTING	UN Lesotho reduced the cost of printing for agencies by 2017.						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
. Percentage change in costs of printing	Agency ERP Systems (ATLAS / SAP)	(USD $ 70,291.00 2012 Agencies Expenditure	2.5 % annual reduction	2.5 % annual reduction	2.5 % annual reduction	2.5% annual reduction	**Risk:** market price fluctuation; fluctuation in demand; **Assumption:** Buy-in of Agencies to support the LTA.
LTAs signed with at least 2 vendors		None					
Output 3.5 HOTEL	UN Lesotho reduce Hotel and Conferencing costs by 2017						
Output Indicators	**Source of Data**	**Baseline**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
. Percentage change in hotel and conference costs	Agency ERP Systems (ATLAS / SAP)	$ 434,556.00 2012 Agencies expenditure	5% annual cost reduction	5% annual cost reduction	5% annual cost reduction	5% annual cost reduction	**Risk:** market price fluctuation; fluctuation in demand; **Assumption:** Buy-in of Agencies to support the LTA
LTA signed with at least 2 service providers per rating category		None					

	BoS Outcome 4: Common HR							
Lead Agency	WFP							
Participating UN Agencies	UNDP, UNICEF, UNFPA, UNAIDS, WFP, WHO, FAO.							
Coordination Mechanisms	HR Sub-Committee							
Outcome Budget	US$ 86,600							
Outcome Budget Gap	US$ 86,600							
Overall Outcome 4	By 2017, UN Lesotho has access to and utilizes a harmonized, high quality and efficient staff development program and consultants' pool							
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in training costs on common training initiatives	Agencies Training Expenditure Reports.	Total Training costs relating to common initiatives in 2012 (what are these costs?)	Harmonized Training Plan on common areas developed and adopted by all agencies.	2% reduction in training costs	3% reduction in training costs	5% reduction in training costs	5% reduction in training costs	Risks: Perceived workload burden due to competing priorities Assumption: Cost reduction.
Training rated good by at least 80% of participants. Percentage of UN staff benefiting from the joint staff development program???	Surveys and Training Evaluations.	Trained staff feedback in 2012.	80% good rating	80% good rating	80% good rating	80% good rating	80% good rating	
Output 4.1	UN Lesotho will adopted a harmonized induction program by 2017.							
Output Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
No. of new staff provided with induction training per agency in 2012	Common Services report	None	Induction Package developed and adopted by all agencies	All new UN Staff Members inducted with same package.	All new UN Staff Members inducted with same package, and package review.	All new UN Staff Members inducted with same package, and package review.	All new UN Staff Members inducted with same package, and package review.	Risks: Workload burden due to competing priorities for compilation of program. Assumption: Total Support and backing by UNCT.

Output 4.2	UN Lesotho adopted a harmonized training plan on common areas by 2017							
Output Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Proportion of staff trained per year per Agency (including joint 2012 initiatives)	Agencies' Training Plans.		Harmonized Training Plan on common areas developed and adopted by all agencies	At least 80% of harmonized training plan implementation.	At least 80% of harmonized training plan implementation.	At least 80% of harmonized training plan implementation.	At least 80% of harmonized training plan implementation.	Risk: Funding Constraints for one training plan. Assumptions: Total Support and backing by UNCT.

Output 4.3	UN Lesotho adopted a harmonized Consultants roster by 2017							
Output Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in time for sourcing consultancies..	HR reports Common Service reports	How many days/weeks or hours currently?	Advert issued out to request Consultant profiles in specialized areas.	10% reduction in time of G5 – NOB for sourcing consultancy - Labor time saving.	10% reduction in time of G5 – NOB for sourcing consultancy - Labor time saving.	10% reduction in time of G5 – NOB for sourcing consultancy - Labor time saving.	10% reduction in time of G5 – NOB for sourcing consultancy - Labor time saving.	Risks: Existence of roster may influence Consultants price hiking. Assumption: Availability of local expertise within the UN focus areas.

	BoS Outcome 5: Finance and HACT							
Lead Agency	UNFPA							
Participating UN Agencies	UNDP, UNICEF, UNFPA, UNAIDS, WFP, WHO, FAO.							
Coordination Mechanisms	HACT sub-committee							
Outcome Budget	USD $ 87,000.00							
Outcome Budget Gap	USD $ 87,000.00							
Overall Outcome 5	By 2017 UN Lesotho will be fully HACT compliant with enhanced financial management capacity of National Systems.							
Outcome Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Percentage change in transaction and labor costs Consider: Proportion of relevant IPs utilizing common tools aimed at reducing transaction costs	Agencies financial records.	2012 individually incurred Agency cost What is the current transaction and labour cost? (How many so far)	90% towards HACT compliance.	5% reduction in costs.	5% reduction in costs.	5% reduction in costs.	5% reduction in costs.	Risks: IPs Financial management capacity and accountability level of engagement. Assumption: Cost sharing by participating Agencies.
Output 5.1	UN Lesotho declared HACT compliant by 2017							
Output Indicators	**Source of Data**	**Baseline**	**Target 2013**	**Target 2014**	**Target 2015**	**Target 2016**	**Target 2017**	**Risk and Assumptions**
Number of Agencies that adopt a HACT approach.	Agencies financial information	None	Select Auditor to undertake Micro Assessment	Micro assessment complete. Development of capacity development plan.	Assurance Plan Developed and Adopted. Fully HACT complaint.	Four Excom Agencies fully HACT compliant	Four Excom Agencies fully HACT compliant	Risks: Agency capacity and level of engagement. Assumption: Cost covered by common services budget

Cost Benefit Analysis Calculations on the establishment of LTA's

Appendix A 3.1

No.	Item description	Amount: LSL	Total: USD*
1.	**Stationery:**		
	Advert (EoI): 1 time x 2 (newspaper issues) x M5,000	10,000	
	Setup: 7 x Gs6(191805/12/,15984/21 = 761) x 10 days 2 x NoB (286913/12,23909/21 = 1139) x 10 days 1 x OMT Chair (361798/12, 30150/21= 1436) x 2 days	53,270 22,780 2,871	
	Monitoring: 7 x Gs6(761 x 2 days) x 3 2 x NOB (1139 x 2 days) x 3	31,962 13,668	
	TOTAL for Stationery	**134,551**	**13,455**
2.	**AIR Travel**		
	Advert (EoI): 1 time x 2 (newspaper issues) x M5,000		
	**Pre-bid meeting (Training material & hospitality for potential LTA contractors) : - Training: M200 x 12ppl Hospitality: 20ppl x 40ppl	10,400	
	Setup: 7 x Gs6(191805/12/,15984/21 = 761) x 20 days 2 x NoB (286913/12,23909/21 = 1139) x 20 days 1 x OMT Chair (361798/12, 30150/21= 1436) x 2 days	106,540 45,560 2,871	
	Monitoring: 7 x Gs6 (761 x 2 days) x 3 2 x NOB (1139 x 2 days) x 3	31,962 13,668	
	TOTAL for Air Travel	**172,500**	**17,250**
3	**Hotel / Conference Facilities**		
	Travel & communication (District): Pilot Districts (Leribe, Berea, Maseru, Mohaleshoek, Qacha's Nek) DSA: 2sm x M5,380 Mileage: cost based on KMs travelled to district @ $0.80 for both highlands and lowlands.	10,760 11,680	
	Setup: 7 x Gs6 (761 x 10 days) 2 x NoB (1139 x 10 days)	53,270 22,780	
	Monitoring: 7 x Gs6 (761 x 2 days) x 3 2 x NOB (1139 x 2 days) x 3	31,962 13,668	

No.	Item description	Amount: LSL	Total: USD*
	TOTAL for Hotels	**114,120**	**11,412**
4.	**Printing**		
	Advert: EoI 5,000 x 5 categories x 2 (newspaper issues) = 50,000	50,000	
	Setup: 7 x Gs6 (191805/12/,15984/21 = 761) x 10 days 2 x NoB (286913/12,23909/21 = 1139) x 10 days 1 x OMT Chair (361798/12, 30150/21= 1436) x 2 days	53,270 22,780 2871	
	Monitoring: 7 x Gs6 (761 x 2 days) x 3 2 x NOB (1139 x 2 days) x 3	31,962 13,668	
	TOTAL for Printing	**174,551**	**17,455**
5.	**SECURITY**		
	1 Time: Purchase of the new system	60,000	
	Setup: 7 x Gs6 (191805/12/,15984/21 = 761) x 10 days 2 x NoB (286913/12,23909/21 = 1139) x 10 days 2 1 x OMT Chair (361798/12, 30150/21= 1436) x 2 ds =	53,270 22,780 2,871	
	Monitoring: 7 x Gs6 (761 x 2 days) x 3 2 x NOB (1139 x 2 days) x 3	31,962 13,668	
	Evaluation & temporary repair of current system	37,000	
	TOTAL for Security	**189,589**	**18,959**
6.	**HR**		
	Induction Material (once quarterly @ $600) Cultural Induction ($ 140 X 2) x 4 Labour Cost: (2 days pc X 2p.a x NOB @ $113.9) x 4 **Common HR Training** Training Consultant ($13,000 x 4) = $ 52 000 **HR Consultants Database** Gs6 (761 x 15 days X 3ppl) x 4	24,000 11,200 52,000	
	TOTAL for HR	**87,200**	**8,720**

*USD @ 10.00 X-rate

** Need to hold pre-bid meeting & training (presentation on LTAs) for potential LTA contractors – only those with IATA clearance.

Appendix C: Results Based Management: Definition of Key Terms

Results based management (RBM)
Results-based management is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the desired results (outputs, outcomes and higher level goals or impact) and use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting.

Results
Results are changes in a state or condition that derive from a cause-and-effect relationship. There are three types of such changes - outputs, outcomes and impact- that can be set in motion by a development intervention. The changes can be intended or unintended, positive and/or negative.

Results chain
The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results – beginning with inputs, moving through activities and outputs, and culminating in outcomes, goal/impacts and feedback. It is based on a theory of change, including underlying assumptions.

Impact
Impact includes changes in programme delivery through enhanced operational support, and therefore ultimately, in people's lives - can include changes in knowledge, skills, behaviors, health or conditions for children, adults, families or communities. Positive and negative long-term effects on identifiable groups produced by a development intervention, directly or indirectly, intended or unintended.

Goal
The specific end results desired or expected to occur as a consequence, at least in part, of the intervention or activity. It is the higher order objective that will assure national capacity building to which a development intervention is intended to contribute.

Outcome
Outcomes represent changes in the institutional and behavioural capacities for development conditions that occur between the completion of outputs and the achievement of goals.

Outputs
Outputs are changes in skills or abilities, and capacities of individuals or institutions or the availability of new products and services that result from the completion of activities within a development intervention within the control of the organization. They are achieved with the resources provided and within the time-period specified.

Activity
Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

Inputs
The financial, human, material, technological and information resources used for development interventions.

Performance indicator
A performance indicator is a unit of measurement that specifies what is to be measured along a scale or dimension but does not indicate the direction or change. Performance indicators are a qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of a programme or investment.

Baseline
Information gathered at the beginning of a project or programme from which variations found in the project or programme are measured.

Target
Specifies a particular value for an indicator to be accomplished by a specific date in the future. Total literacy rate to reach 85% among groups X and Y by the year 2010.

Benchmark
Reference point or standard including norms against which progress or achievements can be assessed. A benchmark refers to the performance that has been achieved in the recent past by other comparable organizations, or what can be reasonably inferred to have been achieved in similar circumstances.

Results framework or matrix
The results matrix explains how results are to be achieved, including causal relationships and underlying assumptions and risks. The results framework reflects a more strategic level across an entire organization, for a country programme, a programme component within a country programme, or even a project.

Performance
The degree to which a development intervention or a development partner operates according to specific criteria/standard/guidelines or achieves results in accordance with stated plans.

Performance monitoring
A continuous process of collecting and analyzing data for performance indicators, to compare how well a development intervention, partnership or policy reform is being implemented against expected results (achievement of outputs and progress towards outcomes).

[i] sections 4; QCPR resolution A/C.2/67/L.14 sections 152-163

DESA Business Operations Assessment (2012) and the SG Report in anticipation of the QCPR 2012

[iii] UNDG Common Services frameworks and the Process Approach Model to Business Operations

[iv] Joint Business operations are Business Operations shared by one or more UN agencies.

[v] The Business Operations strategy does *not* include individual agencies' business operations, it only reflects those business operations processes that are jointly executed.

[vi] Within the UN System this is often (erroneously) referred to as "efficient" solutions, which is incorrect. Efficiency is the extent to which the business solution has converted or is expected to convert its resources/inputs (such as funds, expertise, time, etc.) economically into results in order to achieve the maximum possible outputs, outcomes, and impacts with the minimum possible inputs [vi].

[vii] Please refer to section 4.3: What is a Business Operations Strategy for examples of harmonization initiatives in each category.

[viii] It is recommended that the OMT chair sits as an observer on the UN Country Team

[ix] The cost of the service is determined using the Business Process Mapping and Transaction Cost analysis tools that are part of the Operational UNDAF methodology. Both tools can be downloaded from the UNDG website www.UNDG.org.

[x] Often referred to as the Common Services Account