

UN
Tanzania

Business Operations Strategy



United Nations

TANZANIA
Delivering as One

FOREWORD

First of all, on behalf of the UN Country Team, let me thank the UN Development Group for selecting Tanzania to pilot the Business Operations Strategy. This demonstrates a real confidence in the work we have been doing to date to improve simplification and harmonization of business processes across the agencies.

Tanzania has been on the forefront of Delivering as One (DaO) since 2007, with operational effectiveness at the heart of the country team's DaO reform agenda. In 2010, as part of the UNDP planning process, the Country Management Team (CMT) as part of a broader vision for the UN Development Assistance Plan (UNDAP) period from 2011 to 2015, agreed the following operational component:

The UN uses cost-effective business processes to provide common services in ICT, procurement, human resource and financial administration, to support the quality implementation of programmes. The UN works in one location, virtually and physically.

Our journey has focused on simplification and harmonization, *where there is an added value*. Our experiences in operations as a pilot have informed guidance on key aspects of the reform at the global level, including common country level procurement processes, common Information Communications and Technology (ICT) and most recently the DaO Standard Operations Procedures (SOP).

In Zanzibar, eight UN agencies (UNDP, UNFPA, FAO, WHO, ILO, UNICEF, ILO and UNIDO) continue to pilot the common premise model, including sharing common procurement, ICT, cleaning and security services.

Significantly, we have made systematic progress towards greater accountability for our partners by undertaking joint annual audits and reporting involving five UN agencies UNDP, UNICEF, UNFPA, FAO and UNESCO. We continue to encourage all other UN agencies under the UNDP to subscribe to the Harmonised Arrangement for Cash Transfer (HACT) process.

Moving forward, the 2012 Quadrennial Comprehensive Policy Review resolution on simplification and harmonization of business practices as well as the DaO SOPs have provided further impetus. This is why I believe that the development of the Tanzania Business Operations Strategy (BOS) is timely, presenting us with an opportunity to re-evaluate our progress and challenges to further improve our approach and delivery of operation results under the UNDP.

The BOS will enable us to enhance the quality and delivery of business operations in Tanzania, focusing on cost savings secured in the areas of: common procurement; human resources; ICT and harmonisation of cash transfer (HACT).

Finally, I would like to extend my sincere appreciation to the Tanzania BOS Task Team, the Operations Management Team (OMT), and its Working Groups, the UNDG technical support team, UNDOCO, and the UN Country Management Team for their support and encouragement in piloting the BOS framework.

Alberic Kacou

UN Resident Coordinator

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INTRODUCTION

In 2007, following the High Level Panel Recommendations on System wide Coherence, the Government of the United Republic of Tanzania signalled its interest to become one of eight ¹countries to pilot DaO. The overall purpose was to unify and align agencies' processes in order to more efficiently and effectively deliver results in support of national priorities. Working as one, the UN can have a far greater impact on the development and humanitarian challenges that face a country, avoiding fragmentation and duplication of efforts. The key elements of the pilot were:

- One Programme
- One Leader
- One Office (subsequently renamed Operating as One)
- One Budget
- One Voice (subsequently renamed Communicating as One)

At the commencement of the reform, 11 Joint programmes² including Operations were created and then retrofitted into the 2007-2011 UN Development Assistance Framework (UNDAF). Right from the start, the CMT, supported the strengthening of the OMT by appointing an Operations Adviser based in the Office of the Resident Coordinator (RCO). The OMT also developed a three year (2008-2011) Work Plan that included outcomes in procurement, human resources, ICT and HACT. The Work Plan was financed from the One Fund, and was subject to annual performance review criteria. The main objective of the Operations reform was simplification and harmonization of inter-agency business processes and systems for value addition to overall UN goals.

As part of the process of developing the UN Development Assistance Plan (UNDAP) 2011-2015, the OMT Work Plan was further reviewed to identify progress, challenges, and lessons learnt. Since then, additional analysis has included: the Independent Evaluation of the eight pilots 2011-2012; the Joint DaO Audit in Tanzania in 2012; as well as biannual reviews under the UNDAP planning, monitoring and reporting schema.

UNDG BOS FRAMEWORK

A BoS derives partially from UNDAF/programmes; and is a voluntary instrument to be used at the country level by UNCTs and OMTs. For former pilot countries, this is a mandatory requirement. It is developed in conjunction with the UNDAF; and covers Joint Business Operations initiatives. It provides strategic, medium term focus, same cycle as the UNDAF and provides the basis for Monitoring, Evaluation and Reporting of Business Operations.

As a former pilot country, Tanzania's reform process is guided by the UN Development Group's guidance on DaO reforms and priorities including the BOS. The BOS is designed to run concurrently with the Tanzania UN Development Assistance Plan ³process. It provides a strategic, medium term focus, and runs on the same cycle as the UNDAP. Diagram 1 below shows the key elements of BOS.

¹ Mozambique, Tanzania, Rwanda, Cape Verde, Pakistan, Vietnam, Albania, Uruguay

² Wealth creation, employment and economic empowerment; Maternal and New Born mortality reduction; support to national HIV/AIDS; Capacity strengthening for development management; Transition in Northwest; Strengthening national disaster preparedness ; Education; Environment and Natural Resource Management and Social Protection.

³ The UNDAP is a Single Plan for UN agencies in Tanzania from 2011 to 2015. The Plan includes 100% of all agencies activities for the period.

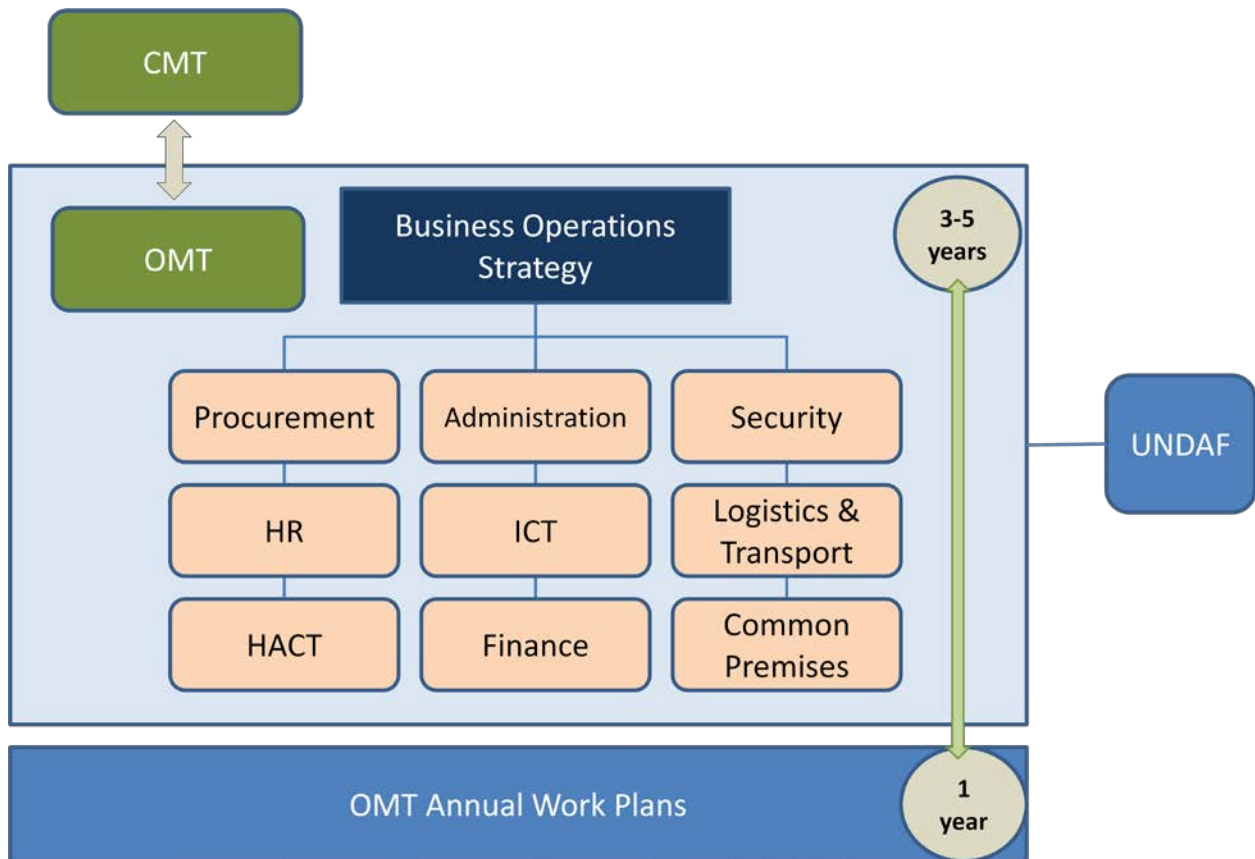


Diagram 1

ADOPTING BOS IN TANZANIA

In December 2012, the CMT responded to the undg call to volunteer to pilot the BOS with support from the UN Development Operations Coordination Office. With strategic technical support from the RCO, the OMT formed a Task Force to work alongside the RCO to formulate the BOS. Given Tanzania was already two years into the current undap cycle, it was agreed that a two year BOS would be most appropriate, with a new BOS developed as part of the programming for undap II. The formulation of the two year BOS is based on lessons learnt under DaO complemented by detailed business process mapping analysis. Given the challenges in obtaining comprehensive data from 2008, 2012 was agreed as the baseline. In some cases the strategy makes reference to certain initiatives before 2012 in order to show the trend in progress. The main objectives of developing the BOS are:

1. *Facilitate implementation of the undap, which sets system-wide programme priorities to complement the national development goals*
2. *Support effective and cost-efficient delivery of programme activities*
3. *Increase harmonization and coherence within the UN system, and reduce transaction costs*
4. *Simplify procedures, and save costs by developing better relationships with key partners and suppliers, and the host government*
5. *Improve the planning, implementation, monitoring and evaluation, and reporting of the UN's inter-agency business operations through the use of measurable targets and indicators*
6. *To use the resource mobilization strategy and to attract funding for further improvement.*

As part of efforts to support the UNCT in its development of the BOS, the UNDG provides offsite technical support to countries piloting the framework. Tanzania has been allocated two trained BOS experts to provide guidance for operational analyses, creation of a results and monitoring framework, and the narrative elements of the BOS.

The following resident UN agencies are part of the Tanzania Business Operations Strategy

FAO	Food and Agricultural Organisation of the United Nations
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IOM	International Organization for Migration
UN HABITAT	United Nations Human Settlement Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WFP	World Food Programme
WHO	World Health Organization

COUNTRY OPERATIONS ANALYSIS AND RECOMMENDATIONS

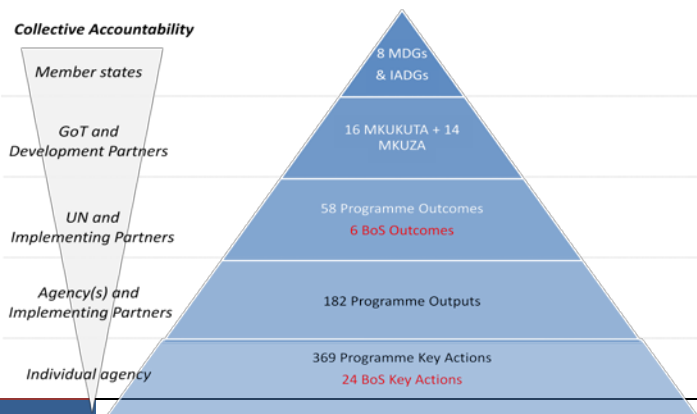
Baseline Analysis Tools and Process

The foundation of the Tanzania BOS is the development of a well-grounded baseline and operation analysis. The OMT used two main operations analytical tools from the BoS guidelines with some modification to undertake the country operations analysis and to determine priority recommendations for the next two years. Given the data challenges, the OMT used 2012 baselines for the BOS.

The OMT used the BOS operations needs analysis tools to capture current performance of the common services and the procurement Long Term Agreements. The OMT supplemented the baseline analysis tool with an Agency satisfaction survey to determine current agency levels of satisfaction and actions for improvement. The survey included questions on quality and costs of the LTAs and common services. Further the OMT carried out activity process mapping for joint procurement, joint auditing, joint micro assessments and proposed joint recruitment. The mapping demonstrated the potential internal cost savings that can result from undertaking a joint business process. Based on the final analysis the OMT made recommendations on the way forward with options to expand, downscale, adjust or modify services. See annex 1.

At the strategic level the operations analysis also considered the relationship between the UNDAF priorities and the required

joint operations support. The BOS articulates, in detail the contribution of operations actions to the UNDAF priorities. The synergies between programmes and operations are summarized in the diagram to the right. The BOS comprises of a logical framework of Specific, Measurable, Achievable, Realistic and Time bound Actions. There 6 outcomes; 12 outputs and 24 key actions.



The six outcomes are:

- a) *Common local procurement systems, processes and management are strengthened.*
- b) *Cost effective ICT solutions to support programme delivery in place.*
- c) *In-country Human Resources processes are harmonized, efficient and responsive to programme and staff needs*
- d) *Cost effective interventions implemented to reduce delays in cash transfer and reporting.*
- e) *UNCT has reduced logistics and transport cost involved in programming.*
- f) *Common Services arrangements strengthened and agency expenditure reduced.*

In terms of the BOS planning process, the OMT first formed a BOS Task Team. The team developed a BOS Road Map, which was shared with the OMT and CMT. At the OMT annual retreat in March 2013, the RCO Operations Adviser presented the BOS principles and analytical tools. The OMT also reviewed the Working Groups governance arrangements and funding status. The RCO Planning Monitoring and Evaluation Specialist provided detailed guidance to strengthen the monitoring and evaluation framework of the OMT Work Plan. Diagram 3 below shows the process followed in developing the BOS.

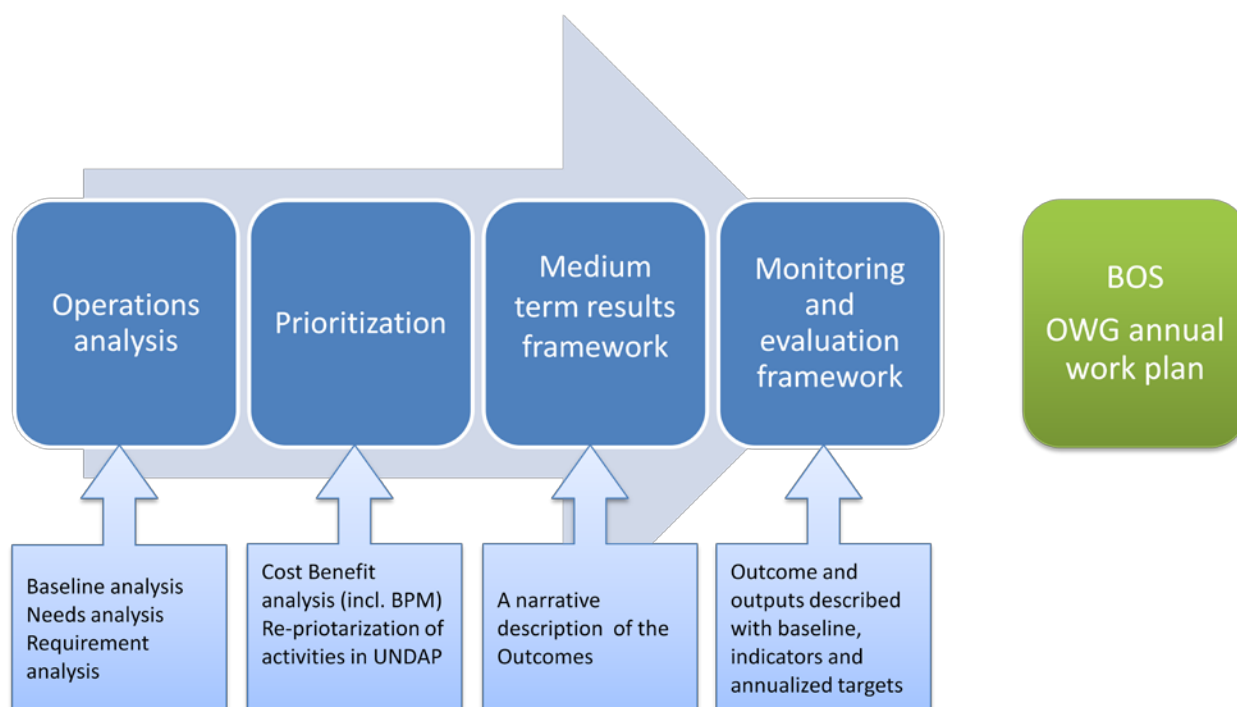
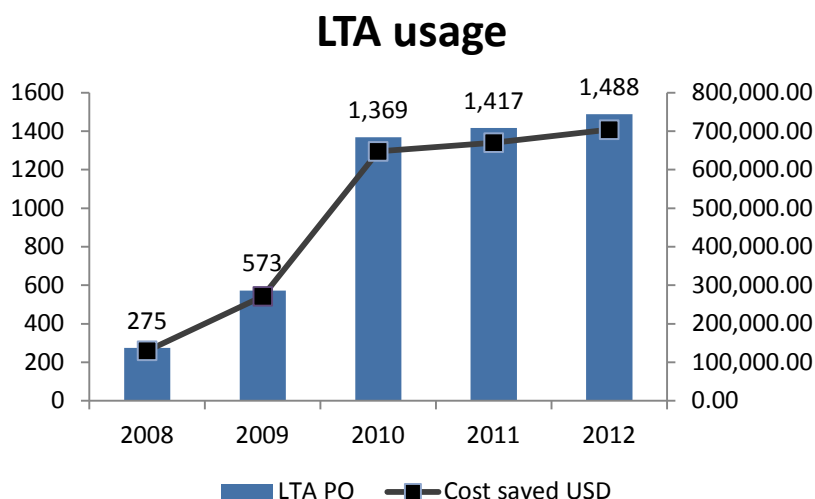
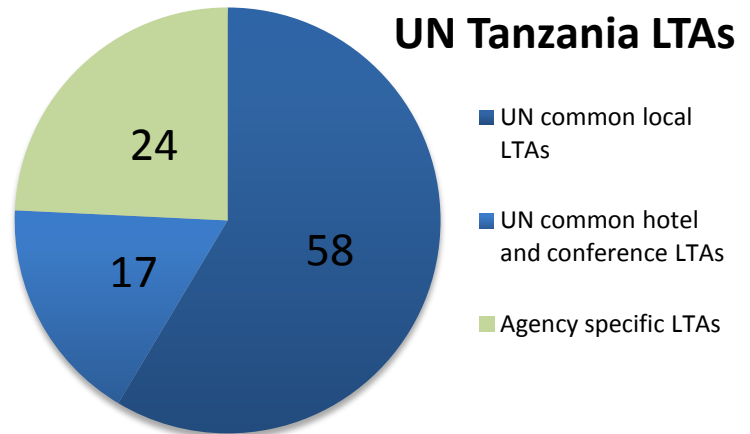


Diagram 2

SUMMARY OF OPERATIONS BASELINE ANALYSIS

JOINT LOCAL PROCUREMENT

The part-time Tanzanian One Procurement Team (TOPT) was established in 2008 and tasked with enhancing common procurement management mechanisms and supporting national procurement systems. Currently there are a total of 82 LTAs in the Tanzania database, of which 58 are common to UN agencies in Tanzania, and 24 are agency specific. For the joint procurement process, the analysis revealed that there is an estimated 85% savings in staff time when a LTA is used. See annex 3 (LTA cost savings) The total estimated savings from 2008 to 2012 is \$2.4million. Based on current usage the projected savings would be around \$4million by 2015, taking account of savings from price discounts.



The agency performance survey covered the use of LTAs. UN agencies rated each LTA or common services on a scale from 1 (extremely satisfied) to 5 (extremely dissatisfied). Out of 17 possible agencies, 7 responded. Despite this low response rate, these 7 agencies represent the higher spenders. On the question of overall satisfaction levels regarding services, the agencies rated most highly services from travel agents, language translation, office stationery, driver's uniforms, toner cartridge, printing services and fuel suppliers. On quality and pricing, the top categories were stationery, footwear and tailoring. On average, about 60% of respondents rated quality and price at least 4 or above. See annex 1.

Key issues in the use of LTAs, include lack of clear clauses referring to UN wide use in some contracts and adherence to Global Compact Principles. Due to regular changes in agency representation, there is a need to develop clearly written procedures for the use of common UN procurement in Tanzania. Another challenge is that insufficient time is allocated to TOPT activities by agency representatives due to competing agency priorities. On average, members spend between 2%-5% or less of their time on TOPT activities resulting in slow progress. Secondly, not all TOPT members' annual performance appraisals include their contribution to TOPT, as a result there is little incentive for members to give due priority.

Currently, TOPT members experience significant challenges in obtaining input from other agencies in the solicitation process, meaning that the requirements included in the tendering sometimes correspond only to specific agency's needs. Moreover, the lack of input means that suppliers' bids sometimes do not take full account of all parties that could be involved and the potential for joint discount is lost. There has on occasions been an information gap between agencies included in TOPT and those without TOPT representation. Monitoring of LTAs has faced difficulties especially in feedback from end-users, as this is normally reported within the specific agency and not to the LTA holder nor to the TOPT.

On recommendations, no supplier was identified to be discontinued. Six suppliers (Step In limited, Bright Technical systems, Emlies Travels Limited, FEDEX Express Pax Courier LTD, MFI Office Solution, KK Security Group and Kuehne + Nagel) were identified as requiring significant improvements in service quality and costs. In order to fully meet programme needs, additional LTAs such as vehicle insurance, vehicle maintenance, ICT maintenance, ICT hardware procurement, and newspaper advertisement require development. There is a need for effective supplier monitoring arrangements for all the LTAs to ensure that suppliers continue to perform and adopt more proactive steps to mainstream Global Compact principles.

Another major recommendation is for the CMT to consider a common agency arrangement or system to procure common goods and services on behalf of all agencies.

HARMONIZATION OF CASH TRANSFER

Five UN agencies, UNDP, UNICEF, UNFPA, UNESCO, and FAO have adopted the HACT modality. The key requirements involve commitment to joint micro assessments and annual audits and joint monitoring plans. Collectively, these five agencies contribute about 65% of the UNDP budget. Since 2011, there have been joint micro assessments involving 58 implementing partners for both mainland and Zanzibar. For joint audits, 48 audits have been undertaken in the same period. For the joint audits, 5 were classified as qualified, and 35 as unqualified. Eight reports are still being finalized. For the micro assessment, 12 were reported as significant risks, with 35 as moderate, and 11 as low. The issues that need addressing include delays in reporting, reliable ICT, staff turnover, and adequate procurement systems.

The joint approach by the five agencies has resulted in a reduction of internal transaction costs for UNCT in general, because all the agencies use one jointly selected consultant to undertake the micro assessment. The internal process cost is therefore based on one internal agency process cost, plus RCO coordination. For the joint micro assessments and joint audits, the internal cost for selecting a consultant is estimated to be \$3,000 with the consultants fee standing at USD 5,000. This means that agencies relying on the joint process save USD 5,000 for each micro assessment and audit that is undertaken and an additional USD 3,000 for every cycle. From 2010 to 2012 there have been 46 audits and 68⁴ micro assessments. On this basis, we calculate estimated savings of USD 275,000 and USD 80,000 for micro assessment and audits respectively. See annex 4 for details.

On recommendations, the UN needs to intensify joint actions to address Implementing Partner issues around project management, budgeting, procurement and internal controls. There is also a need to quickly develop joint implementation plans to help implementing partners address the operations challenges identified, this would include working closely with development partners who have similar interests and work with the same partners.

HUMAN RESOURCES

Regarding Human Resources, the CMT has agreed a policy that UN staff appraisals take into consideration their role and contribution to DaO processes. Further, a staff induction booklet has been developed to facilitate newcomers' adjustment to UN Tanzania and expedite their inclusion as productive members of the UNCT.

Going forward, the main deliverables include: a web based staff and consultant database to support common operations and programmes capacity assessments; harmonized recruitment advertisements to reduce costs; utilization of the One UN website to further advertise UN vacancies. The OMT will also explore joint recruitment for common human resources personnel, starting with drivers, finance and administration staff at national officer and general staff level. Since joint recruitment has headquarter implications, progress will partly depend on UN headquarter decisions to allow greater flexibility at country level. The OMT will seek CMT endorsement of a concept note on joint recruitment before implementation. The OMT activity and cost process mapping on possible joint recruitment and concluded that an estimated savings of USD 2,460 per each joint recruitment exercise is possible. Annex 5, shows potential savings should the OMT implement joint recruitment.

FINANCE AND ADMINISTRATION

⁴ Including 10 IP assessments not done jointly

On finance, the CMT endorsed a new contract for One UN bank - Citibank - in 2013 following a lengthy process. One of the financial benefits for selecting Citibank was that agencies save about USD 0.60 per staff when processing monthly salaries. Currently, agencies are in the process of negotiating the move to Citibank. The common approach on banking has internal process cost and discounted implications; these will be reported in December 2013.

On administration, the OMT undertook a review of agency immunities and privileges. It identified inconsistencies in the provisions, as a result of different times that each agreement was signed by the various agencies. The review made recommendations including spouse employment, diplomatic Identifications cards, and tax exemptions applications. The OMT and the Resident Coordinator are working with the Ministry of Foreign Affairs to arrange a workshop that would involve departments like Revenue Authority, and the Ministry of Finance to try and agree a common solutions to the issues identified.

TRANSPORT AND LOGISTICS

On transport and logistics, there is a LTA for car rentals, but each agency procures and maintains its own fleet of vehicles, including insurance coverage. There is likely to be a savings opportunity if a common agreement can be secured by some or all UN agencies. Again the recently agreed 17 LTAs for hotels and conference facilities offer opportunities for further savings. The actual savings will be provided as part of the BoS annual reporting.

COMMON SERVICES – MAINLAND

INFORMATION COMMUNICATION TECHNOLOGY

On ICT, all UN agencies except UNICEF, have already signed the MoU (in 2010) to use a common platform. The ICT services is currently managed technically by WFP, and covers common internet services for UN agencies. The service includes a Metropolitan Area Network (MAN) providing a secure, private wireless and fibre network for UN Agencies with approximately 450 users in 11 locations in Dar es Salaam. The connection to common network (virtual LAN) covers:

- Procurement of equipment.
- Configuration & installation.
- Management of backhaul links connecting each location.
- Construction and maintenance of towers to mount required network devices.
- Provision of internet connection and bandwidth management.

The supplier and staffing management components are

- ISP provisioning and contract management
- Manage contract, ensure supplier meets agreements
- Renewal of contract
- Payment processing
- Response to incidents
- Contact & liaison with 3rd party suppliers when necessary
- Restoration of service
- Outage reports
- Replacement or repair of faulty/past lifecycle equipment

UNDP is responsible for financial administration of the process. By using a common internet provider, the estimated savings through discounts are estimated to be USD 302,808 for 2011/12. See annex 2 for detailed analysis. Additionally, the bandwidth capacity has increased from 15bps to 21bps as an average for each agency, this means faster internet browsing and connectivity.

On recommendations, the services will continue but there is a need to tighten the reimbursement process. Also the OMT will explore options to implement a virtual office facility, common telephone systems, help desk and business continuity policy with the view to reduce costs. The OMT will also undertake a technical assessment of the common telephone system and fully

implement the share point facility. It is trying to manage delays in some agency payment of services and will undertake an agency satisfaction level survey in 2014.

SECURITY

On security, the OMT signed a new contract in 2013 with a security company to cover all UN agencies. The OMT has agreed to hold a regular performance review with the service providers to ensure quality services. There are concerns in this regard and ongoing discussions to address them. Specifically, there are issues around the quality of training of the guards, employment conditions and salary levels. Currently, the guards receive a salary about USD 163.00 per month. The market in Tanzania is still developing and all available security companies face major challenges in recruiting and retaining quality staff and guards. The issue is therefore not finding a new service provider but finding innovative ways to ensure improvement.

On recommendations, the security service will be maintained and the OMT will continue to discuss a modality to provide additional financial incentives to motivate security staff. Importantly, the OMT has developed a regular monitoring tool for the security service.

UN MEDICAL CLINIC

The UN operates two medical clinics, one in Dar es Salaam and one in Kigoma where UNHCR, IOM and WFP are present. The average annual budget for the two clinics⁵ is estimated to be USD 500,000, which is cost shared by UN agencies based on staff numbers and dependants. Since, 2010, there have been three reviews of the clinics including one Mission from UN medical division in New York. As a result, several interventions have taken place to reduce expenditure and make the clinics financially self sustainable. Based on financial projections for 2013, the Dar es Salaam clinic will make a surplus of USD 24,000, whilst the Kigoma clinic will make a loss of about USD 30,000. The main reason for the loss in revenue is re-location of staff from Kigoma to Kasulu, decreasing the patient base. The 'success' of the Dar es Salaam clinic was achieved through improved internal budgeting and direct billing to staff and insurance companies for medical services rendered. Procurement of quality drugs at discounted prices has also helped reduce operating costs. The UN clinic in Kigoma will need a different approach to make it self-sustaining.

COMMON PREMISES IN ZANZIBAR

On common premises, the Zanzibar One UN Office continues to provide eight UN resident agencies with common services in the areas of procurement, security, cleaning, and telecoms. Despite capital investments in security in 2010 and additional personnel to support common services, the UN has managed to maintain 2012 budgets for the 2013 programme year. The OMT will continue to implement measures to maintain or reduce operating costs in the light of some agencies reconsidering their tenancy in Zanzibar.

In Zanzibar, a satisfaction level survey was conducted which focused on the overall provision of common services for the eight agencies. Overall, agencies are generally satisfied with all the common services (11% - Extremely Satisfied; 49% - Satisfied). Agencies are extremely satisfied with the following common services: floor space; water and electricity; telephone; shared vehicle use, and security. Office/floor space received the highest "Extremely Satisfied" response (44%). However, 17% stated they were dissatisfied by common services on: security, telephone, internet, equipment maintenance, cleaning, and procurement of stationary. The cleaning services received the most dissatisfied responses (44%), while security, telephone and equipment maintenance came equal second with a 33% dissatisfaction rating. Extreme dissatisfaction was conveyed only on the common services regarding shared vehicle use and maintenance, primarily because not all agencies cooperate in providing the service. Going forward, there is a need to improve the quality of cleaning and ensure availability of cleaning stocks in the building. There is a need to strengthen the procurement process to enhance value for money. There is also a need to conduct regular maintenance of equipment. See annex 6.

KEY OPERATIONS CHALLENGES

⁵ 2010 budget

One of the key challenges involves accountability for results. OMT staff struggles to balance their agency responsibility with that of inter agency with the result that less than adequate time is devoted to inter agency issues. Secondly not all staff has managed to include clearly in their annual appraisal their role in the interagency process meaning that some staff do not feel motivated to devote needed time for the report.

UNCT AND BOS GOVERNANCE

The BOS process is fully integrated into the DaO structure as highlighted in the Standard Operating Procedures. Whilst the BOS mainly supports the one programme, the effective delivery of the BOS, depends on full implementation of the Management Accountability Framework under one leader, adequate funding, and reliance on communicating as one to promote efficiency savings. The OMT governance structure for BOS at the country level is shown in diagram 4, below.

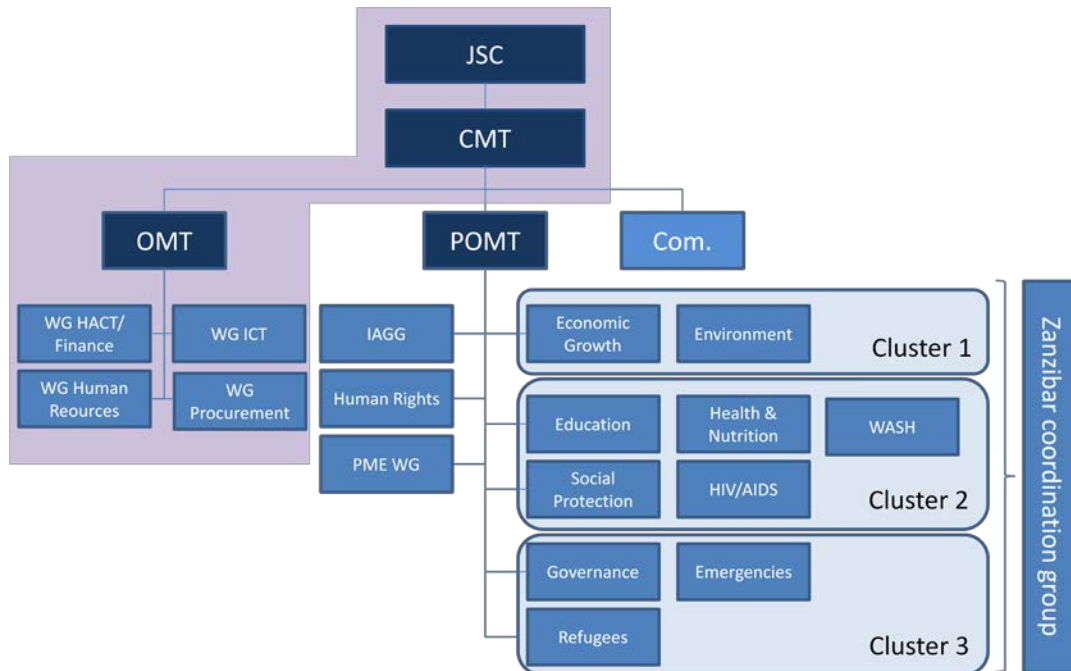


Diagram 4

THE JOINT GOVERNMENT AND UN STEERING COMMITTEE (JSC)

Co-chaired by the Permanent Secretary of the Ministry of Finance and the UN Resident Coordinator, the JSC is the highest decision making authority on UNDAP and DaO reform. The JSC provides policy guidance on matters pertaining to UNDAP's alignment with national development priorities, decides on the allocation of One Fund resources and recommends measures for effective delivery.

THE UN COUNTRY MANAGEMENT TEAM (CMT)

The CMT manages the UN funds, agencies and programmes and directs planning and implementation processes in fulfilment of the UNDAP. It is composed of the RC, Agency Representatives or Country Directors of UN agencies, funds and programmes, including Non Resident Agencies. CMT members are accountable to the RC and to each other for achieving results under the UNDAP and DaO reforms.

THE UN RESIDENT COORDINATOR (RC)

Accredited by the UN Secretary General, the RC represents the CMT and leads its efforts towards a strategic positioning of the UN System in the national development context. The RC coordinates UN development assistance in the country and enters into agreements with the Government, Donors and other counterparts on the CMT's.

THE OPERATIONS MANAGEMENT TEAM (OMT)

Under delegated authority from the CMT, the OMT leads efforts at the country level towards the simplification and harmonisation of business practices. The OMT's programmes are based on business mapping and process analysis targeted at reducing operational duplications and improving cost effectiveness to support the delivery of quality programmes. The OMT has oversight of four technical working groups on Procurement, Finance, Harmonisation of Cash Transfer (HACT), ICT, and Human Resources. The OMT is composed of the most senior operation official from each Country Team member. The Chair of the OMT rotates on an annual basis. The DaO SOP advocates for an empowered OMT including appointing a CMT member as a 'champion.'

THE PROGRAMME AND OPERATIONS MANAGEMENT TEAM (POMT)

The inter agency programme committee team was reformed into the inter agency programme and operations management team (POMT) in 2012. The new arrangement enables programmes and strategic operations agenda to be discussed collectively at the technical level. The OMT chair is the co-chair of the POMT. The POMT meets every other month. Under the delegated authority from the CMT, the POMT is in charge of coordinating the implementation; monitoring and evaluation of UNDP programme and cross cutting Working Groups. The POMT works in close consultation with the Operations Management Team. The heads of programme or the most senior programme official among UN Agencies and the UNDP Programme and Cross Cutting WG leads compose the POMT. The Chair of the POMT rotates on annual basis.

THE UN COMMUNICATION GROUP (UNCG)

The UNCG plans, produces and oversees communication products, services and activities that encompass the UN system bodies, including internal communications, branding, public information materials and media outreach. It works to ensure that the UN in Tanzania "speaks with one voice", including on common operations with the help of tools and working methods that improve the coordination, efficiency and impact of the UN's communication work. The UNCG coordinates advocacy campaigns on cross-cutting issues such as human rights, gender and the environment. The UNCG is made up of communications officers and focal points from all UN Agencies and the UNIC acts as the Secretariat, while the chairmanship is held by each agency on a rotational basis of 6 months.

INTER-AGENCY GENDER GROUP (IAGG), HUMAN RIGHTS WORKING GROUP (HRWG), PLANNING, MONITORING AND EVALUATION (PMEWG)

Reporting to the POMT, these three WGs advise the UNCMT on the integration of human rights, gender equality and results-based management in planning and programme delivery, operations management and communication. They coordinate the UNCMT's efforts to achieve relevant components of the DaO reform process results matrices and assist in the design and evaluation of UNDP Programmes.

PROGRAMME WORKING GROUPS (PWGS)

The following UNDP PWGs are established: Economic Growth, Environment and Climate Change, Education, Health, HIV/AIDS, Social Protection, WASH, Governance, Emergencies and Disaster Reduction.

BOS KEY RESULTS AREAS

- a) By 2015 the UNCT strengthens inter agency business harmonization and simplification in the area of Procurement, Human Resources, ICT, Finance and Common Premises.
- b) By 2015 the UNCT delivers estimated time and cost savings of between USD 6 to USD 8 million (2011 -2015)

PROCUREMENT

Notwithstanding the progress made, substantial work remains to be done in order to realize optimum harmonization and anticipated benefits. The baseline and needs analysis shows potential savings in time and resources through: increased use of LTAs; improved supplier monitoring; bulk procurement; and common consultancy pools. The OMT will strengthen mechanisms for common procurement processes, whilst exploring the business case for improved procurement arrangements to manage all UN procurement needs. Additional LTAs will be negotiated wherever practicable and a comprehensive catalogue of suppliers will be developed. A performance monitoring system incorporating regular assessment forms, market survey and random checks will also be introduced.

Outcome 1: Common local procurement systems, process and management are strengthened.

Key Actions:

- a) Implement regular supplier monitoring mechanisms focusing on prices and quality.
- b) Develop operating procedures for managing LTAs.
- c) Explore options for additional LTAs.

INFORMATION COMMUNICATIONS TECHNOLOGY

The common ICT platform will provide the mechanisms to support internal programme and operations information-sharing. Video-conferencing capabilities will be expanded, common voice and data services developed, and partner capacities augmented. The common ICT system will reduce duplication of service provision enabling, for example, joint telephone billing and increased flexibility of working conditions thereby increasing efficiencies and cost-effectiveness.

Outcome 2: Cost effective ICT solutions to support programme delivery are in place.

Key actions:

- a) Develop and manage applications to support UN programme and operations management functions
- b) Share Voice and Data services across the UNCT
- c) Adopt and regularly review Common business continuity management strategy

HUMAN RESOURCES

The OMT will explore measures to maximise staff motivation and performance across programmes and operations. This will entail harmonisation for selected elements in the recruitment process, strengthening information-sharing and reducing process costs. Similarly, common approaches to job classification, with an emphasis on gender equity, will be initiated and a common appraisal and harmonisation of agency entitlements under the Host Country Agreement explored where feasible. Additional areas will include a common consultant, and staff database, as well as database for sharing of recruitment information.

Outcome 3: In-country Human Resources processes are harmonized, efficient and responsive to programme needs.

Key actions:

- a) Adopt a harmonized approach to key in-country recruitment processes, job classification and contractual compliance emphasizing gender equity
- b) Adopt and implement a harmonized approach to appraising staff contributions to inter-agency coordination.

- c) Operationalise and regularly update Common Consultant database

FINANCE AND HACT

Across all operations, procedures to be further simplified, partner costs cut and joint assurance activities undertaken. Through the application of micro assessments and mitigation activities as required, risks to the appropriate utilization of funds will be reduced through regular audits and strict implementation of audit findings. In accordance with the Paris Declaration on Aid Effectiveness, reliance on national systems will be promoted and capacity development support provided according to need. Other areas include joint training and audit of IPs, address of delays in transfer of funds through the national exchequer system, development and implementation of a common assurance plan and monitoring of joint agreements on IP transport reimbursement and DSA.

Outcome 4: Cost effective interventions implemented to reduce delays in cash transfer and reporting.

Key actions:

- a) Develop and implement common assurance plan
- b) Address delays in funds transfer via the exchequer
- c) Identify opportunities to strengthen IP performance and accountability
- d) Strengthen the HACT WG operations.

LOGISTICS AND TRANSPORT

The two travel management contracts are relatively stable but require robust monitoring and reporting to ensure the service offers best value for money. The LTAs for hotels and conference facilities will also be regularly monitored. The OMT will explore introducing a common agreement for vehicle maintenance and insurance.

Outcome 5: Common logistics and transport cost systems to support programming is implemented.

Key actions:

- a) Develop LTA for vehicle maintenance.
- b) Explore common transport policy in Zanzibar office
- c) Explore common transport policy for agencies on the Mainland (when they relocate to a common premise)

COMMON UN PREMISES – ZANZIBAR AND MAINLAND

The pursuit of one office location for the entire UN system in Tanzania will remain a key objective for effective operations and programme delivery. In Zanzibar, all subscribed agencies will continue to share offices, a common IT and telecommunications system, procurement and security arrangements. During the BOS implementation period, measures will be introduced to further reduce operating budget for the Zanzibar office. On governance, the establishment of Zanzibar Common Services OMT will enable regular service level reviews.

Outcome 6: Common Services arrangements strengthened and agency expenditure reduced in Zanzibar

Key actions:

- a) Undertake annual client survey to support services improvement.
- b) Introduce equitable cost apportionment methodology.
- c) Produce monthly report to OMT including expenditure to OMT

PLANNING, MONITORING AND EVALUATION

The BOS will be reviewed twice each year alongside the UNDP sector programmes. See diagram 5 below. The baseline data is taken from 2012 for monitoring purposes. The Annual Review will report on progress made against targets and financial expenditure, major achievements and constraints. The procurement group will additionally report on activities under the Global Compact Agreement, as part of a commitment to mainstream UN programming principles. The OMT will provide a narrative summarizing progress against the desired outcomes. Findings from the Annual Review will enable appropriate strategic, operational adjustments, as required, for reflection in subsequent Annual Work Plans.

A detailed evaluation of BOS will be undertaken in early 2014 or 2015 and the findings will inform the planning of the next BOS as part of the programming of the next UNDP.

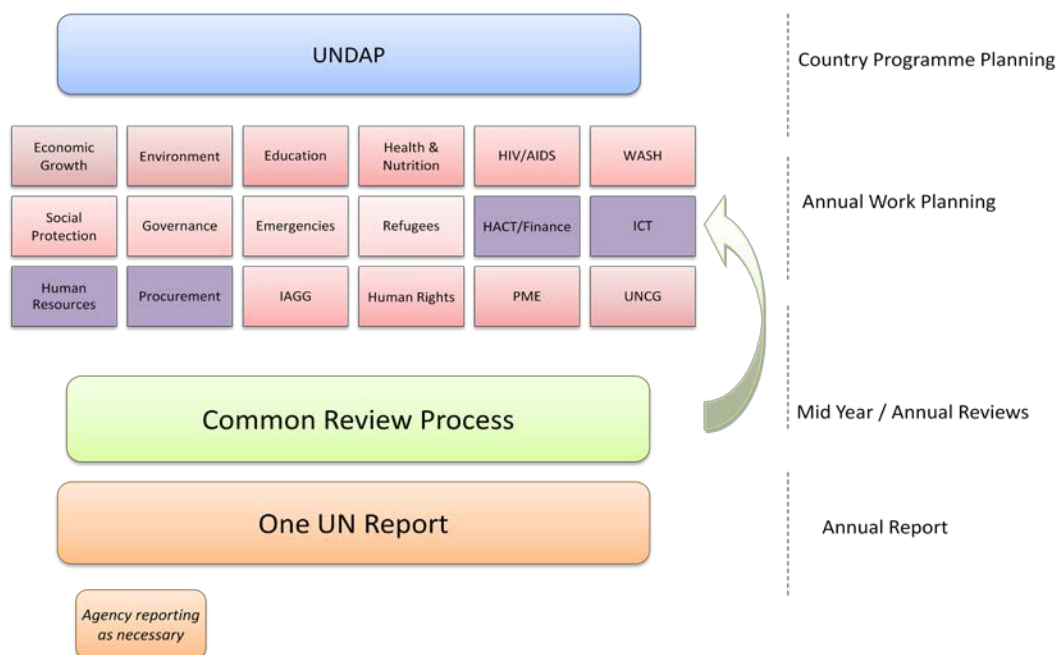


Diagram 5

RESOURCES AND BUDGETING

The BOS in Tanzania funded from the One Fund. The agency contribution comes in the form of providing staff to serve on the OMT, and the four working groups. The budget for 2013/14 has already been agreed in June 2013, as part of the Annual Work Plan.

The RCO provides strategic, technical, coordination, and administration and reporting functions allocating 60% of a P4 and 50% of a P3, with costs estimated at USD 200,000 per year. There are funds available for coordination until June 2014.

Going forward, the OMT projects approximately about \$ 200,000 budget until 2015. Should additional costing emerge due to possible UNDP extension, the UN will explore funding support options including targeting development partners and also an agency cost sharing model.

MONITORING AND EVALUATION FRAMEWORK

Business Operations Strategy Outcome 1: Common Procurement						
Lead Agency	UNDP					
Participating UN Agencies	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 1	Common local procurement systems, process and management are strengthened.					
Output 1.1	Comprehensive catalogue of Long Term Agreements (LTAs) and additional suppliers of goods and services are introduced and regularly monitored					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions
1. Cost savings secured through reduced staff time spent in procurement	703,000 USD	900,000 USD	120,000 USD	1.5 million USD	Purchase Order data containing LTA and non-LTA procurement.	Risks: Procurement staff does not allocate sufficient time to the development and operation of common procurement systems and processes. Different technical standards for equipment required amongst agencies. Lack of input from agencies in solicitation process. Assumption: HoA ensure sufficient time is allocated to the development and operation of common procurement. Individual agencies include their needs in specifications for the development of LTAs Staff reductions as a result of reduced time spent in procurement
2. Cost savings secured through lower pricing of goods and services in LTA negotiations	USD 0%	2% of base price	2% of base price	1% of base price	Price comparisons	
3. Agencies level of satisfaction with LTAs	Agencies rate 60% of all LTAs at least 4 and above for price and quality	Agencies rate 63% of all LTAs at least 4 and above for price and quality	Agencies rate 66% of all LTAs at least 4 and above for price and quality	Agencies rate 70% of all LTAs at least 4 and above for price and quality	LTA performance survey	

4. Web based common suppliers database operational	Agencies maintain individual suppliers' databases.	Web based common suppliers database developed.	Reports on supplier performance available	Reports on supplier performance available	Database	
Key Actions					Lead agency	End date
Develop common LTAs according to 2012 UNDG common country procurement procedures ensuring inclusion of all relevant agencies input in solicitation process.					TOPT	July 2014
Develop web based common suppliers database and monitoring of suppliers including ethical procurement					WFP	Database to be developed June 2014; monitoring to be continuously.
Raise UN staff awareness of LTAs available through circulation of a quarterly updated list and ensure all UN LTAs are available online.					RCO	July 2014

Business Operations Strategy Outcome 2: ICT

Lead Agency	WFP					
Participating UN Agencies	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 2	Cost effective ICT solutions to support programme delivery in place.					
Output 2.1	Voice and Data services are shared across the UNC					
Output 2.2	Applications to support UN programme and operations management functions are developed and managed					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions
Share point facility is operational	Inter-agency/Working Group information is shared via emails; No common share point facility in place	Share point facility is developed	Working Group minutes, calendars, reports, TORs and AWP are available on the share point. DaO updates and UMOJA are shared via share point.	Working Group minutes, calendars, reports, TORs and AWP are available on the share point. DaO updates and UMOJA are shared via share point.	User statistic from share point	<u>Risks:</u> Agencies do not cover their cost of common ICT. The relocation to a joint UN house is delayed. <u>Assumptions:</u> Agencies fulfil their obligations as laid out in the MoU for the internet service provider.
Bandwidth	13 Kbps	13 Kbps	14 Kbps	15kbps.	ISP data	
Costs savings secured through joint mobile phone tariff.	0%	3% of base cost	3% of base cost	5% of base cost	Mobile phone invoices	

% cost savings secured via common telephone and billing system	Agency specific telephone/billing (assessment underway)	3% of base cost	3% of base cost	5% of base cost	Telephone invoices	
Key actions					Lead agency	End date
Undertake review of common ICT services and support					IOM	30 June 2014
Monitor cost savings from common ICT infrastructure					WFP	30 June 2014
Based on the common telephone and video system assessment, implement agreed recommendations, implement One UN closed user group capacity with mobile service provider					WFP	Continuously
Develop common business continuity plan.					UNDP	30 June 2014

Business Operations Strategy Outcome 3: Human Resources

Lead Agency	UNICEF					
Participating UN Agencies?	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 3	In-country Human Resources processes are harmonized, efficient and responsive to programme and staff needs					
Output 3.1	Common Consultant database is operationalised and regularly updated.					
Output 3.2	Harmonized approach to key staff entitlements is developed and operationalised					
Output 3.3	Harmonized approach to appraising staff contributions to inter-agency coordination is adopted and implemented					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions
Web-based common personnel database operational	Agencies maintain individual staff records, with no inter-agency sharing	Web based common staff database developed; staff data available to all agencies.	staff data available to all agencies.	staff data available to all agencies.	Staff database availability in RCO	<u>Risks:</u> Agencies unable to harmonize due to restrictions in HQ policies. <u>Assumptions:</u> Adequate political support and financial resources are made available to the UNCT.
Web based common recruitment database operational	Agencies maintain individual recruitment records, with no inter-agency sharing.	Web based common recruitment database developed; recruitment data available	recruitment data available to all agencies	recruitment data available to all agencies	Common recruitment database availability	

		to all agencies.				
Joint recruitment undertaken at country level	Zero joint recruitment	Recruitment Concept note endorsed	Joint recruitment of drivers	Joint recruitment of GS and National staff.	Spot check of agency recruitment of drivers. HRWG annual summary report	
% cost savings secured through common job advertisements	0%	3% of base cost	3% of base cost	5% of base cost	Procurement data from agencies.	
Key Actions					Lead agency	End date
Develop common consultancy database					UNDP	30 June 2014
Develop common advertisement template					WFP	30 June 2014
Develop common LTA with newspapers for job advertisements					WFP	30 June 2014
Advertise all recruitment on the common website					HR WG	30 June 2014
Monitor that all relevant staff have DaO included in their appraisal					UNFPA	30 June 2014

Business Operations Strategy Outcome 4: HACT/Finance

Lead Agency	UNDP					
Participating UN Agencies	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 4	Cost effective interventions implemented to reduce delays in cash transfer and reporting.					
Output 4.1	UN agencies operationalise harmonized processes for financial disbursement, reporting, auditing and quality assurance					
Output 4.2	Financial management capacity in priority MDAs enhanced					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions
1. Joint assurance plan operational	Agency specific common assurance plans	5 UN agencies utilise joint assurance plan	TBA	TBA	Monitoring Visits Report	<u>Risks:</u> coordination challenges due to conflict between horizontal and vertical accountabilities. <u>Assumptions:</u> HoA will advocate for full adoption of HACT.
2. No. of agencies adopting HACT audits	5 agencies	6 agencies	TBA	TBA	OMT Mid Year and Annual Report	
3. No. of agencies apply common transport reimbursement rates	0	3	10	17	Survey on agency utilization of agreed rates.	
4. Time taken for funds transfer to Implementing Partners	>6 weeks.	<4 weeks	TBA	TBA	Monitoring Reports	
Key Actions					Lead agency	End date
Monitoring of reimbursement of harmonized transport allowance to IP.					HACT/Finance WG	Continuously
Conduct annual Joint HACT audits for all relevant IPs across the UN system in a timely fashion					UNDP	30 June 2014
Development of HACT database for joint audit, implementation and reporting					RCO	30 June 2014
Establish monitoring system for funds transfer and reporting					UNDP	30 December 2014

Business Operations Strategy Outcome 5: Logistics and transport

Lead Agencies	UNDP, UNICEF,					
Participating UN Agencies	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 5	UNCT has reduced logistics and transport cost involved in programming.					
Output 5.1	Common transport policy developed					
Output 5.2	Common arrangements for vehicle maintenance and insurance developed					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions
Percentage of cost savings secured through use of travel LTAs.	0%	3% of base cost	5% of base cost	10% of base cost	Comparison of non-LTA prices and LTA prices	<u>Risks:</u> <u>Assumptions:</u> HoA with presence on Zanzibar will recognize cost-savings through pooled transport. Progress at HQ level on addressing SOP actions
Percentage of cost savings secured through use of conference and hotel LTAs	0%	3% of base cost	5% of base cost	10% of base cost	Comparison of non-LTA prices and LTA prices	
Percentage of cost savings secured for fleet maintenance	TBA%	2% of base cost	5% of base cost for both locations	7% of base cost for both locations	Comparison of non-LTA prices and LTA prices	
Key Actions					Lead agency	End date
Develop LTA for joint vehicle maintenance and insurance						June 2014
Monitor and report on use of LTA for travel and vehicle maintenance						June 2014

Business Operations Strategy Outcome 6: Common Premises and Services – Zanzibar						
Lead Agencies	UNDP, UNICEF,					
Participating UN Agencies	FAO, IFAD, ILO, IOM, UNWOMEN, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO, UNESCO, UNEP, UNIDO					
Outcome 6	Common Services arrangements strengthened and agency expenditure reduced					
Output 6.1	Improved satisfaction levels for UN agencies on common services					
Output 6.2	Mechanism introduced to reduce operating cost on common services.					
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2013	Target 2014	Target 2015	Means of Verification	Risks and Assumptions <u>Risks:</u> <u>Assumptions:</u> HoA will have funds to operate/join the UN Joint Office in Zanzibar.
Percentage of agency satisfaction of CS in Zanzibar increased	TBA	60%	80%	90%	CS Zanzibar Survey	
Overall budget is reduced.	TBA	2%	3%	2%	CS budget expenditure annual report	
Key Actions					Lead agency	End date
1. Extend the LTAs to include maintenance of equipment in Zanzibar sub-office					CS Manager	Mid-2014
2. Installation of security equipment eg; CCTV cameras and scanning machine.					CS Manager	Mid-2014
3. Establish common IP PABX system to communicate internally, externally, and outside Zanzibar					UNICEF	Mid-2014

ANNEX 1 BASELINE AND NEEDS ANALYSIS

Type of existing Common Service/ Harmonization effort	Managing Entity (Service Manager)	Clients (Agencies using service)	Key Performance Indicators (KPI's)	Performance Ranking against KPI's	Recommended Action (ref paragraph 2.1 BoS) Expansion, Downscaling, Discontinue or Modification
Herman Footwear	UNCHR	All UN agencies	Level of satisfaction regarding pricing (P) and quality of product (Q) as where: 5=Extremely satisfied, 4= Satisfied 3= Neither satisfied nor dissatisfied 2=Dissatisfied 1=Extremely dissatisfied qw	P=4 Q=4	Continue with services but keep an eye on pricing and quality
Majestic Tailoring	UNHCR	All UN agencies	See above	P=4 Q=4.14	Continue with services but keep an eye on pricing and quality
Masumin Printways and Stationers Ltd	UNICEF	All UN agencies	See above	P=4.17 Q=4	Continue with services but keep an eye on pricing and quality-
Soap and Allied Industries Limited	UNICEF	All UN agencies	See above	P=4 Q=4	Continue with services but keep an eye on pricing and quality
Step In Limited	UNICEF	All UN agencies	See above	P=3.29 Q=3.43	Need improvement. Keep an eye on pricing and quality.
Adam Shafi	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Bright Technical Systems and General Supplies Ltd	UNICEF	All UN agencies	See above	P=3.75 Q=3.5	Need improvement. Keep an eye on pricing and quality.
Desktop Productions Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
DHL Tanzania Ltd	WFP	All UN agencies	See above	P=4.25 Q=4	Continue but keep eye on prices and service.
DJPA Partnership (Africa) Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
E.A/ (T) Baltic Control Ltd	UNICEF	All UN agencies	See above	P=4	Continue but keep eye on prices and service

				Q=4	
Emlies Travels Limited	UNICEF	UNICEF	See above	P=4 Q=3.57	Continue but keep eye on prices and service
Emslies Travels Limited	UNDP	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
FEDEX Express Pax Courier LTD	WFP	All UN agencies	See above	P=3.75 Q=3.75	Need improvement. keep an eye on pricing and quality and in need of improvement
Geomark Development Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Hertz (Tanzania) Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Indigo MTPC Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
KK Security Group	UNDP	All UN agencies	See above	P=3.75 Q=3.8	Need of improvement on price and quality
Kuehne + Nagel	UNCHR	All UN agencies	See above	P=2.71 Q=2.71	Need improvement. Keep an eye on pricing and quality.
Kuehne + Nagel	UNDP	All UN agencies	See above	P=2.8 Q=2.5	Need improvement. Keep an eye on pricing and quality.
Makame Car Hire	UNICEF	All UN agencies	See above	P=4 Q=4	Continue.
MFI Office Solution	WFP	All UN agencies	See above	P=3.6 Q=3.6	Need improvement. Keep an eye on pricing and quality.
New Refrigeration & General Electrical Supplies Ltd	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Real2Reel Film Production	UNICEF	All UN agencies	See above	P=4 Q=4	Need improvement. Keep an eye on pricing and quality
Rezah catering Services	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Rickshaw Travel Limited	UNDP	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Signon Freight Limited	UNHCR	All UN agencies	See above	P=N/A Q=N/A	Consider downscaling or modification
Simbanet (T) Limited	WFP	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service

TOTAL Tanzania Limited	UNCHR	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Translation & Interpretation Bureau	UNICEF	All UN agencies	See above	P=4 Q=4.5	Continue but keep eye on prices and service
Travel Partner Ltd	UNICEF	All UN agencies	See above	P=4 Q=3	Continue but keep eye on prices and service
Universal Auction Centre	UNICEF	All UN agencies	See above	P=4 Q=4	Continue but keep eye on prices and service
Citibank Tanzania Ltd.	UNDP	All UN agencies	Bank charges	30% cost savings on banking charges	New service , started in march 2013
UN Clinic	UNDP	All UN agencies			

ANNEX 2 COMMON ICT COST SAVINGS ANALYSIS

Bandwidth overview

Bandwidth summary				
	2010	2011	2012	2013
Total Bandwidth for all UN agencies	6400 Kbps (6.25 MB)	7168 Kbps (7 MB)	7168 Kbps (7 MB)	10 MB
Bandwidth / user	11 kbps	13 kbps	13 kbps	21kbps

Internet Service Provider cost

ISP Cost Summary				
	Individual ISP	Common ISP		
	2010	2011	2012	2013
Average cost per user /month*	31.8	9.17	9.56	9.56
Total cost for entire UN per month	17,717	5,100	5,320	5,320

**Cost savings 2011-2013
by common ISP**

\$449,421

ANNEX 3 PROCUREMENT ACTIVITY MAPPING PROCESS

Procurement transaction costs

			Without LTA			With LTA		
Procurement transaction cost		Level	Time (hrs)	Proforma	Total cost	Time (hrs)	Proforma	Total cost
Prepare requisition	Proj Asst	G5	0.5	11.98	5.99	0.5	11.98	5.99
Review Requisition	Proj Head	NOA	0.5	21.98	10.99	0.5	21.98	10.99
Prepare RFQ	Proc Assist	G7	3	17.41	52.23	0	17.41	0.00
	Proc head	NOA	1	21.98	21.98	0	21.98	0.00
	OM	NOC	1	37.69	37.69	0	37.69	0.00
Publish Advertisement	Proc Assist	G7	1	17.41	17.41	0	17.41	0.00
Receive and sort proposal	Admin Assit	G5	1	11.98	11.98	0	11.98	0.00
Open & Sign proposals	Proc Assist	G7	0.5	17.41	8.71	0	17.41	0.00
	Proc Head	NOA	0.5	21.98	10.99	0	21.98	0.00
	Admin Assit	G5	0.5	11.98	5.99	0	11.98	0.00
	Finance Assit	G7	0.5	17.41	8.71	0	17.41	0.00
Technical evaluation	Proc Assist	G7	2	17.41	34.82	0	17.41	0.00
	Proc Head	NOA	2	21.98	43.96	0	21.98	0.00
	Admin Assit	G5	2	11.98	23.96	0	11.98	0.00
	Finance Assit	G7	2	17.41	34.82	0	17.41	0.00
Financial evaluation	Proc Assist	G7	0.5	17.41	8.71	0	17.41	0.00
	Proc Head	NOA	0.5	21.98	10.99	0	21.98	0.00
	Admin Assit	G5	0.5	11.98	5.99	0	11.98	0.00
	Finance Assit	G7	0.5	17.41	8.71	0	17.41	0.00
Ref check	Proc Anal	NOB	1.5	30.37	45.56	0	30.37	0.00
Site visits	Proc Assist	G7	1	17.41	17.41	0	17.41	0.00
	Proc Anal	NOB	1	30.37	30.37	0	30.37	0.00
Review by Contract committee (CAP)	Proc head	NOA	0	21.98	0.00	0	21.98	0.00
	OM	NOC	0	37.69	0.00	0	37.69	0.00
	PM	NOB	0	30.37	0.00	0	30.37	0.00
	PM	NOB	0	30.37	0.00	0	30.37	0.00
	PM	NOB	0	30.37	0.00	0	30.37	0.00
Endorsement by HoA.		D1	0.5	139.79	69.89	1	37.69	37.69
Create PO	Proc Assist	G7	0.5	17.41	8.71	0.5	17.41	8.71
Award contract/Prepare PO	Proc Assist	G7	0.5	17.41	8.71	0.5	17.41	8.71
Delivery confirmation	Proc Assist	G7	0.5	17.41	8.71	0.5	17.41	8.71
TOTAL			25.5		\$554	3.5		\$81
Amount saved in transaction cost when utilizing LTAs							\$473	

LTA Purchase Orders in agencies per year

	UNFPA	ILO	WFP	UNICEF	UNHCR	UNDP	WHO	UNESCO	Total	Cost saved USD
2008	19	*	2	21	135	42	56	*	275	130,075.00
2009	50	4	12	152	123	182	50	*	573	271,029.00
2010	34	11	8	267	63	933	53	*	1,369	647,537.00
2011	258	*	98	350	*	702	9	*	1,417	670,241.00
2012	226	*	33	567	146	350	11	155	1,488	703,824.00
*No data available										2,422,706.00

LTA usage in percentage

	Total no of PO 2012	Total no of LTA PO 2012	LTA usage in % 2012
WFP	278	33	12%
Unicef	1,271	567	45%
UNDP	562	350	62%
UNESCO	260	155	60%
UNFPA	426	226	53%
UNHCR	929	146	16%
WHO	58	11	19%
Total	3,784	1,488	39%

Available LTAs

Local LTAs	UN common local LTAs	Agency specific LTAs ⁶	Hotels and conference LTAs	Total number of local common LTAs (excluding individual contracts for hotels)
82	58	24	17	42

⁶ Agency specific LTAs can be available for other agencies as piggy backing according the UN guidelines on: *Common UN Procurement at Country Level*

ANNEX 4 HARMONIZATION OF CASH TRANSFER PROCESS COST ANALYSIS

Transaction cost for audits and micro assessments					
Activity	Staff	Level	Time (hrs)	Proforma	Total
Prepare audit plan	Proj Fin	G7	8	11.98	95.84
Review audit plan	DCD (OP)	P5	2	122.17	244.34
CMT approval	CMT				
Prepare TOR/RFQ	Proj Fin	G7	16	21.98	351.68
Review	DCD (OP)	P5	3	122.17	366.51
	Admin Assit	G7	1	17.41	17.41
Technical evaluation	Proj Fin	G7	2	17.41	34.82
	Proc Head	NOA	2	21.98	43.96
	Admin Assit	G5	2	11.98	23.96
	Finance Assit	G7	2	17.41	34.82
Financial evaluation	Proj Fin	G7	2	17.41	34.82
	Proc Head	NOA	0.5	21.98	10.99
	Admin Assit	G5	0.5	11.98	5.99
	Finance Assit	G7	0.5	17.41	8.71
Briefing of selected firms	DCD (OP)	P5	4	122.17	488.68
Exit meeting after audit	DCD (OP)	P5	5	122.17	610.85
Coordination of drafts reports	Proj Fin	G7	40	17.41	696.40
Total			90.8		3,070

Cost savings from joint micro assessments and audits

Micro Assessment					
Year	Micro assessment performed	No of MA if done individually	No of agencies involved	Savings achieved through joint tendering (No of agencies involved-1)	Savings achieved though joint execution (each MA cost 5,000 USD)
2011	24	34	8	21,490	50,000
2012	25	26	9	24,560	5,000
Audits					
Year	Audits performed	No of audits if done individually	No of agencies involved	Savings achieved through joint tendering (No of agencies involved-1)	Savings achieved though joint execution (each audit cost 5,000 USD)
2011	27	34	6	15,350	35,000
2012	21	31	5	0*	50,000
Total cost savings 2011 and 2012					\$201,400

*Managed by National Audit Office

ANNEX 5 HUMAN RESOURCE INTERNAL TRANSACTION COST SAVINGS

Agency Recruitment vrs Joint Recruitment

			Without Joint Recruitment			With Joint Recruitment		
Recruitment transaction costs		Level	Time (hrs)	Proforma	Total	Time (hrs)	Proforma	Total
Prepare job description	Finance Ana	NOB	4	30.37	121.48	4	30.37	121.48
Review job description/Funding	Head of Op	P5	2	122.17	244.34	2	122.17	244.34
Approval of Job description	Head of Office	D1	1	139.79	139.79	1	139.79	139.79
Advertise job description	HR Assoc	G7	1	17.41	17.41	0	0	0
Receive responses	HR Assoc	G6	4	14.67	58.68	0	0	0
Long listing	HR Assoc	G7	6	17.41	104.46	0	0	0
Short listing	Finance Ana	NOB	6	30.37	182.22	0	0	0
	Prog Fin.	G7	6	17.41	104.46	0	0	0
	Adm Assoc	G7	6	17.41	104.46	0	0	0
Review of short listing	Head of Op	P4/5	2	122.17	244.34	0	0	0
Approval of short listing	HoA	D2	0.5	149.94	74.97	0	0	0
Prep interview Question	Fin Analyst	NOB	2	30.37	60.74	0	0	0
Written Test	HR Assoc	G7	6	17.41	104.46	0	0	0
Interview	Prog Finan	G7	5	17.41	87.05	0	0	0
	HR Assoc	G7	5	17.41	87.05	0	0	0
	Prog Ana	NOB	5	30.37	151.85	0	0	0
	Head of Op	P4/5	5	122.17	610.85	0	0	0
Interview report	HR Assoc	G7	5	17.41	87.05	5	17.41	87.05
Review /endorsement interview report	Prog Fin.	G7	5	17.41	87.05	0	0	0
	Head of Op	P4/5	0.5	122.17	61.09	0	0	0
	Prog Analyst	NOB	0.5	30.37	15.19	0	0	0
Reference checks	HR Assoc	G7	3	17.41	52.23	0	0	0
CRP Meeting	Head of Op	P4/5	1	122.17	122.17	0	0	0
	Prog Spec	NOC	1	37.69	37.69	0	0	0
	Prog Spec	NOC	1	37.69	37.69	0	0	0
	Finance Ana	NOB	1	30.37	30.37	0	0	0
	HR Assoc	G7	1	17.41	17.41	0	0	0
CRP report	HR Assoc	G7	1	7.41	7.41	0	0	0
Endorsement of report	HoA	D2	0.5	149.94	74.97	0.5	149.94	74.97
Issue of offer letter	HR Assoc	G7	0.5	17.41	8.71	0.5	17.41	8.71
Medical clearance	HR Assoc	G7	4	17.41	69.64	4	17.41	69.64
Appointment letter	HR Assoc	G7	0.5	17.41	8.71	0.5	17.41	8.71
Hire in the system	HR Assoc	G7	3	17.41	52.23	3	17.41	52.23
TOTAL			95		3,268.20	20.5		806.91

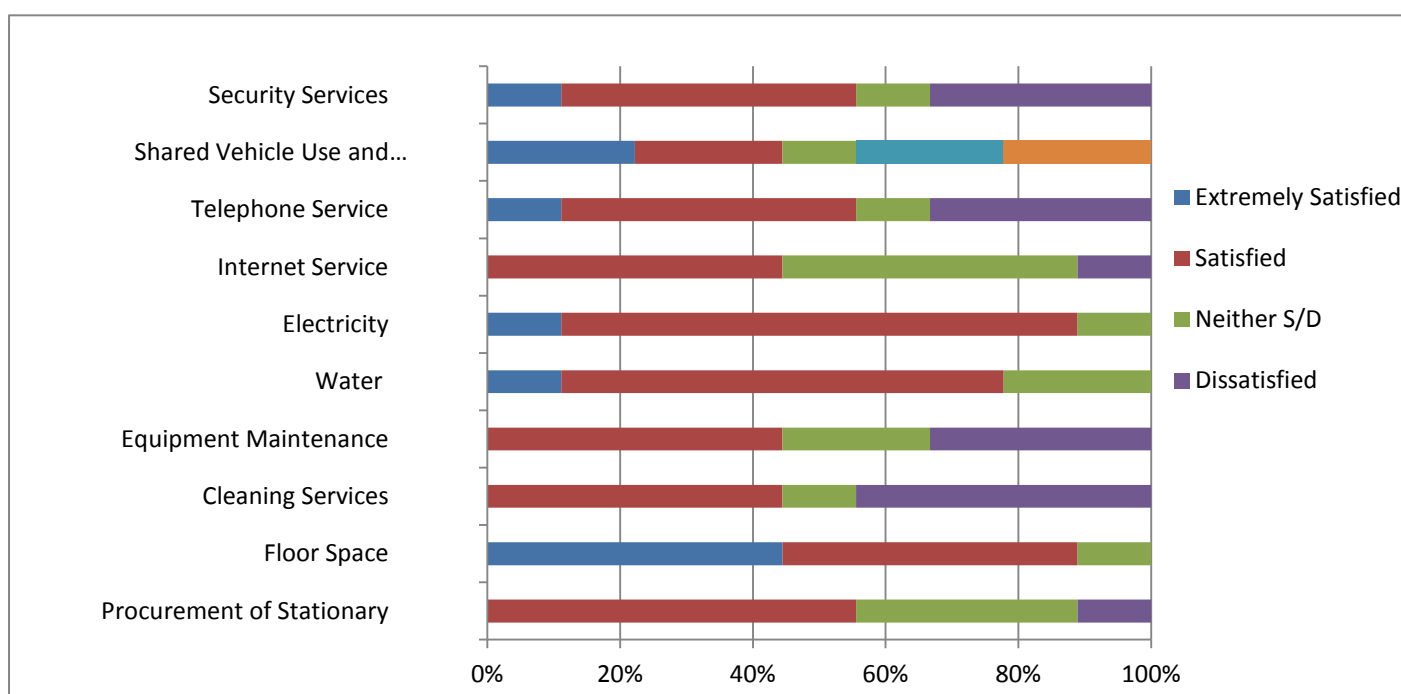
ANNEX 6 CUSTOMER SATISFACTION SURVEY COMMON SERVICES IN ZANZIBAR

Report 30 September 2013

Findings

A. Customer Satisfaction:

- The agencies are generally satisfied with all the common services (11% - Extremely Satisfied; 49% - Satisfied).
- Office/floor space got the highest “Extremely Satisfied” response (44%).
- Eleven percent (11%) has replied that the agencies are extremely satisfied for the following common services: floor space; water and electricity; telephone; shared vehicle use, and security.
- However, seventeen percent (17%) of the respondents replied that they are dissatisfied in the CS on: security services, telephone services, internet service, equipment maintenance, cleaning services, and procurement of stationary. Cleaning services got the most dissatisfied responses (44%), while security, telephone and equipment maintenance all came second at 33% dissatisfaction rating.
- Extreme dissatisfaction was conveyed only on the CS on shared vehicle use and maintenance, primarily because not all agencies cooperate in providing the service.



B. Comments on each CS:

- Procurement-
 - Dissatisfaction on procurement was due to delays in procurement and distribution and unsatisfactory quality of the procured items.
 - Suggestions to improve are:
 - Procurement to be done bi-annually
 - Decentralized procurement (subject to capacity).
- Office Space - CS which has received the highest level of satisfaction (44%). One respondent stated that some space could be done without.
- Cleaning of Office Space – Received the highest “Dissatisfied” response (44%).
 - Suggestions to improve are:
 - Need to clean twice a day

- More thorough cleaning of the comfort room including making available soap and toilet paper.
 - Need to review the procurement process so that the organization gets value of money.
- Maintenance of Equipment –
 - Suggestions to improve are:
 - Conduct maintenance annually/regularly
 - Extend the COs LTAs to maintenance of equipment in Zanzibar sub-office.
- Water Utilities – High satisfaction rating (11% - Extremely satisfied; 67% - Satisfied; None - dissatisfaction)
 - Suggestions:
 - Install water dispenser at the third floor
 - Install hand dryer in every washroom.
- Electricity – High satisfaction rating (11% - Extremely satisfied; 78% - Satisfied; None-dissatisfaction)
 - Suggestions:
 - Encourage staff to reduce use of electricity.
- Internet services – Generally satisfactory response. Although, technical problems are encountered, these are not within the control of the CS staff.
- Telephone services - High dissatisfaction response (33%)
 - Suggestions to improve:
 - Extension line should be established
 - System to trace calls needed (for billing purposes)
 - Each agency to just take care of its own system.
 - Additional comment: Use of IP telephone system is a failure because of unreliable internet service.
- Share Vehicle Use and Maintenance – Only CS that received a response of “Extremely Dissatisfied.”
 - Suggestion to improve:
 - All agencies should cooperate/share their vehicle.
- Security – High dissatisfaction response (33%); New security company, so trust and confidence are not yet there. Some incidents of bad behaviour have been reported.
 - Suggestions to improve:
 - Installation of security equipment as budgeted, such as installation of the CCTV cameras and a functional scanning machine.
 - Security guards should know not how many staff and visitors are in the building.

C. Suggested additional common services:

The following are the suggested additional common services:

- Common roster of consultants and service providers
- Canteen.

D. Final comments:

- More cooperation from all agencies and staff to cut costs.
- Overall, services are not bad, but needs improvement.
- If service provision is not cost effective, it would do no harm for the agencies to deal with it separately.

CONCLUSIONS

There is over-all satisfaction among the agencies/customers of the current common services, although there is room for improvement.

1. Cooperation among agencies is important to ensure collective satisfaction of a common service.

RECOMMENDATIONS

Work on areas for improvement; consider suggestions from the survey.

1. Find ways to ensure cost-efficiency in existing common services and in exploring additional common services.
2. Conduct regular customer satisfaction surveys to guide plans/policies on common services.