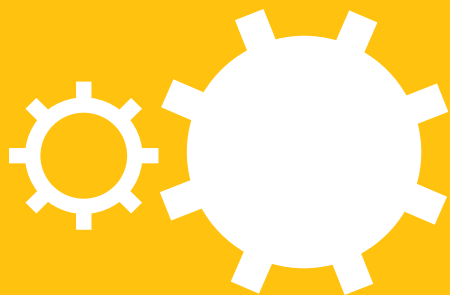

**UNDG BUSINESS
OPERATIONS
STRATEGY (BOS)**
EXECUTIVE SUMMARY



UNITED
NATIONS
DEVELOPMENT
GROUP



This Executive Summary complements the **UNDG Business Operations Strategy (BOS) User Manual: A Step by Step Guide to Building a BOS Framework**. It will be of particular use to UN Resident Coordinators, UN Country Teams, Operations Management Teams, Offices of the UN Resident Coordinator and other business operations practitioners with oversight and facilitation responsibility. The Executive Summary outlines the rationale for the BOS and the elements essential to planning and developing a results-based BOS framework.

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1. INTRODUCTION

Business operations are integral to effective delivery of United Nations development programmes. Business operations strengthen the link between UN programming operations and efforts to enhance programme delivery.

1.1 BACKGROUND

The Quadrennial Comprehensive Policy Review (QCPR) and the subsequent Economic and Social Commission (ECOSOC) resolution on Operational activities of the United Nations for international development cooperation (2011) call for simplification and harmonization of the United Nations system. The UN resolution “urges United Nations system organization to identify and accelerate 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

The conclusion of the Millennium Development Goals (MDGs), emergence of the Sustainable Development Goals (SDGs) and demands for the UN to be ‘Fit for Purpose’² have increased expectations for cost-effectiveness, timeliness and quality of service provision by the UN. Fast-changing development and financing landscapes have implications for the reform and cost-effectiveness of business practices required to support the UN’s operations and the way these services are developed and delivered.

Increased public scrutiny and the call for the UN to demonstrate tangible results have challenged the United Nations Development Group (UNDG) to think beyond the vertical policy and business models of the past and seek more streamlined and harmonized approaches. This will enable the UN to deliver efficient, cost-effective, impactful and relevant support at the country level.

The UNDG Business Operations Working Group³ developed the Business Operations Strategy (BOS) guidance and instruments in 2012 to operationalize the UN resolution and reinforce the linkages between the United Nations Development Assistance Framework (UNDAF) (the UN programme strategy at country level) and UN operations. Its goal is to enhance operational monitoring, evaluation and reporting efforts of these harmonization initiatives

and to advance the harmonization of business operations at the country level. The 2016 BOS User Manual is an updated version of the 2012 guidance note.

The BOS is a framework to support UNCTs to take a strategic, results-oriented approach to planning, management and implementation of harmonized business operations at the country level. The BOS is the backbone of the ‘Operating as One’ pillar of the UNDG Standard Operating Procedures for Delivering as One (DAO), approved by the executive heads of 18 UN agencies with field presence.⁴

BOS also facilitates UN operations in an integrated UN context (peacekeeping operations or special political missions) in support of an Integrated Strategic Framework, or other joint UN plans.

This Executive Summary aims to support senior level management responsible for the planning and development of results-based BOS frameworks – UN Resident Coordinators (RCs) and their Offices (RCOs), UN Country Teams (UNCTs), Operations Management Teams (OMTs), and other business operations practitioners.

1.2 WHAT IS THE BOS?

The BOS is a framework guiding UN business operations at the country level. The BOS facilitates the strategic planning, management, monitoring and reporting of the UNCT’s joint support to programme delivery through common business operations to support delivery of the UNDAF. The BOS is a flexible tool recommended for UN Country Teams that seeks to enhance the cost-effectiveness and quality of joint business operations.

¹ ECOSOC resolution E/2011/L.35, sections 11 and 12. www.un.org/Docs/journal/asp/ws.asp?m=E/2011/L.35

² ‘Fit for Purpose’ – being able to influence change in all countries based on agreed global normative agenda, the production and protection of global goods and drive sustainable outcomes in all countries, regardless of geography or income status (UN, 2014).

³ The Joint Funding and Business Operations Network (JFBO) was known previously as the Country Office Business Operations Network (COBO).

⁴ UNDG is comprised of 32 entities however not all have country presence.

The BOS achieves its goals by improving business operations at the country-level. This can be accomplished in several ways: eliminate the duplication of processes within business operations, leverage the common buying positions of the UN and maximize economies of scale.

The BOS only reflects common services that are developed jointly, and does not include or replace individual agency operations plans. UNCTs can choose to develop a comprehensive BOS or a more focussed BOS with a smaller subset of common services, the choice depending on local need and capacity.

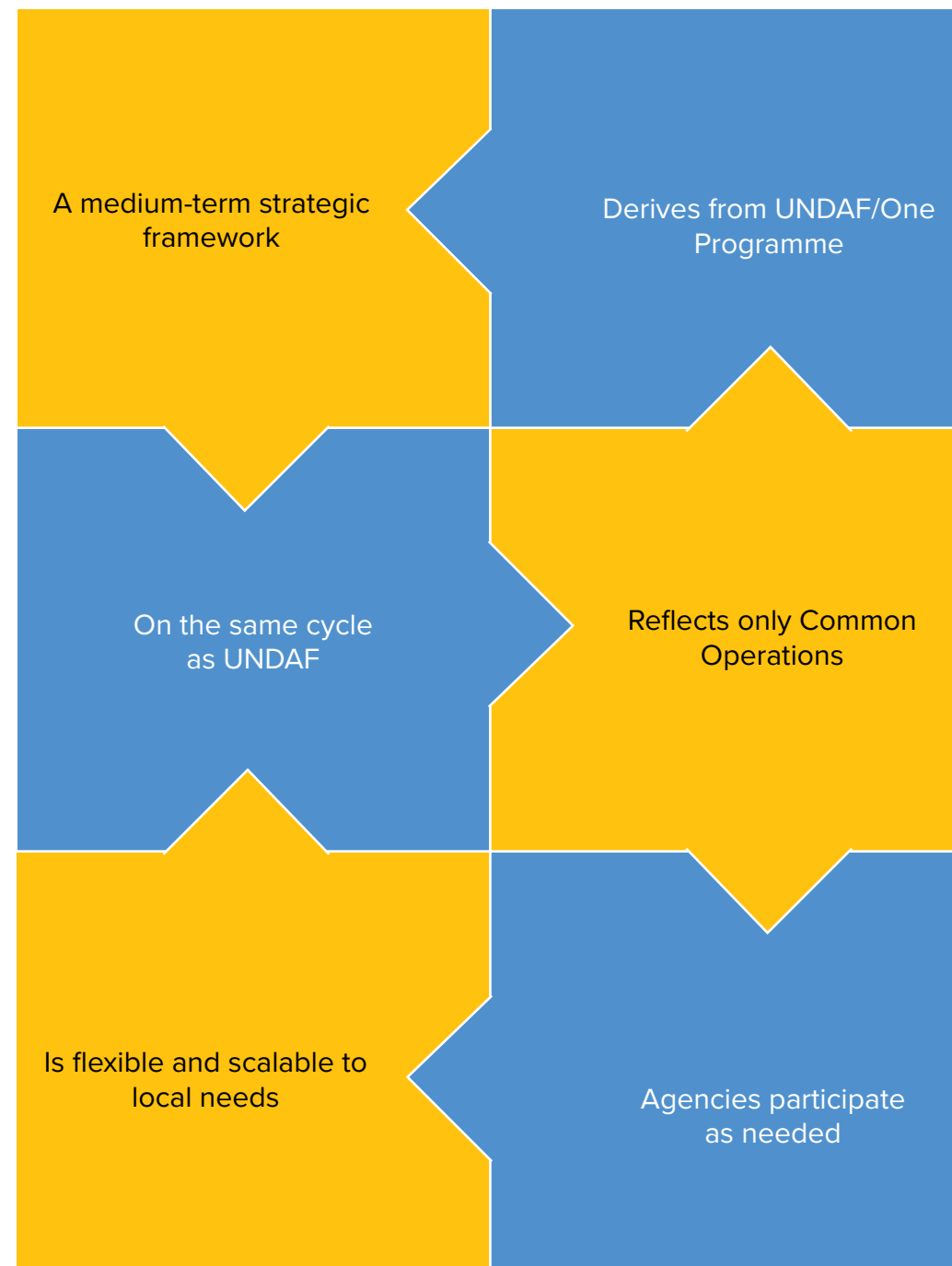
The BOS supports innovation in common business operations⁵ and yields impact when it is combined with new ways of delivering quality and cost-effective services that support programme implementation. This means UN Country Teams implementing the BOS have a choice and can source services that meet their need for flexibility, cost-effectiveness and quality.

The Business Operations Strategy presents agreed common services lines (outcomes) through which common services (outputs) are prioritized and implemented. The common services lines within any one BOS may include:

- Common procurement services
- Common finance services
- Common information, communication and technology (ICT) services
- Common logistics services
- Common human resources services
- Common facility services, including Common Premises

FIGURE 1: WHAT IS THE BUSINESS OPERATIONS STRATEGY?

⁵ Common business operations includes jointly provided operations support services such as common services, common premises and harmonization activities such as the harmonized approach to cash transfers (HACT). Common services does not have to be common to all agencies, it can be a shared service for a subset of more than two agencies.



1.3 VALUE DRIVERS OF THE BOS

The UNDG's operational change agenda is driven by a set of priority 'value drivers' to support implementation of the BOS at the country level. These are:

1 ► Effectiveness (programme delivery):

The ability to meet programming needs through business operations support is the primary driver for common business operations. A key factor in effectiveness is the ability of business operations to meet programme demands in a timely manner and with quality standards.

2 ► Efficiency (cost and speed of service – labour):

Common business operations focus on greater efficiency in meeting programmatic demands through a competitive price, or increased speed in service. This occurs without reducing the quality or timeliness of the required service. This includes the flexibility of business operations processes and staff to adjust the speed of service delivery to meet changing demands from the programme.

3 ► Access to services and quality:

Some interventions in business operations may look to enhance quality or create access to new support services for programme implementation, which may not be accessible or feasible without partnership or joint buy-in. Common business operations embrace effective service delivery practices, including systemic review of service quality and cost recovery practices.

4 ► Moving towards a risk-based approach and away from mechanical compliance with rules:

Business operations support is structured in line with local needs considering the circumstances and dynamics of country programmes. Identifying and managing risks allows for greater flexibility to respond based on needs, embracing cultural and operational change.

1.4 IMPACT OF THE BOS

The BOS has a positive impact on the UN's work at the country level. The BOS can help avoid costs, enhance quality support, improve efficiency of operations and strengthen programme delivery. The BOS prioritises scarce resources to ensure the highest impact and enhance transparency. This will allow for the tracking of quality service delivery against client expectations (see Figure 2).

FIGURE 2: IMPACT OF BOS ON UN AT COUNTRY LEVEL



1.5 LINKS TO THE UNDAF/UN STRATEGIC FRAMEWORK

The effectiveness and impact of UN programme is directly linked to the effectiveness and efficiency of business operations at the country level. As such, it is important that UNCTs align the planning and implementation cycle of BOS and the UNDAF or UN Strategic Framework (UNSF).

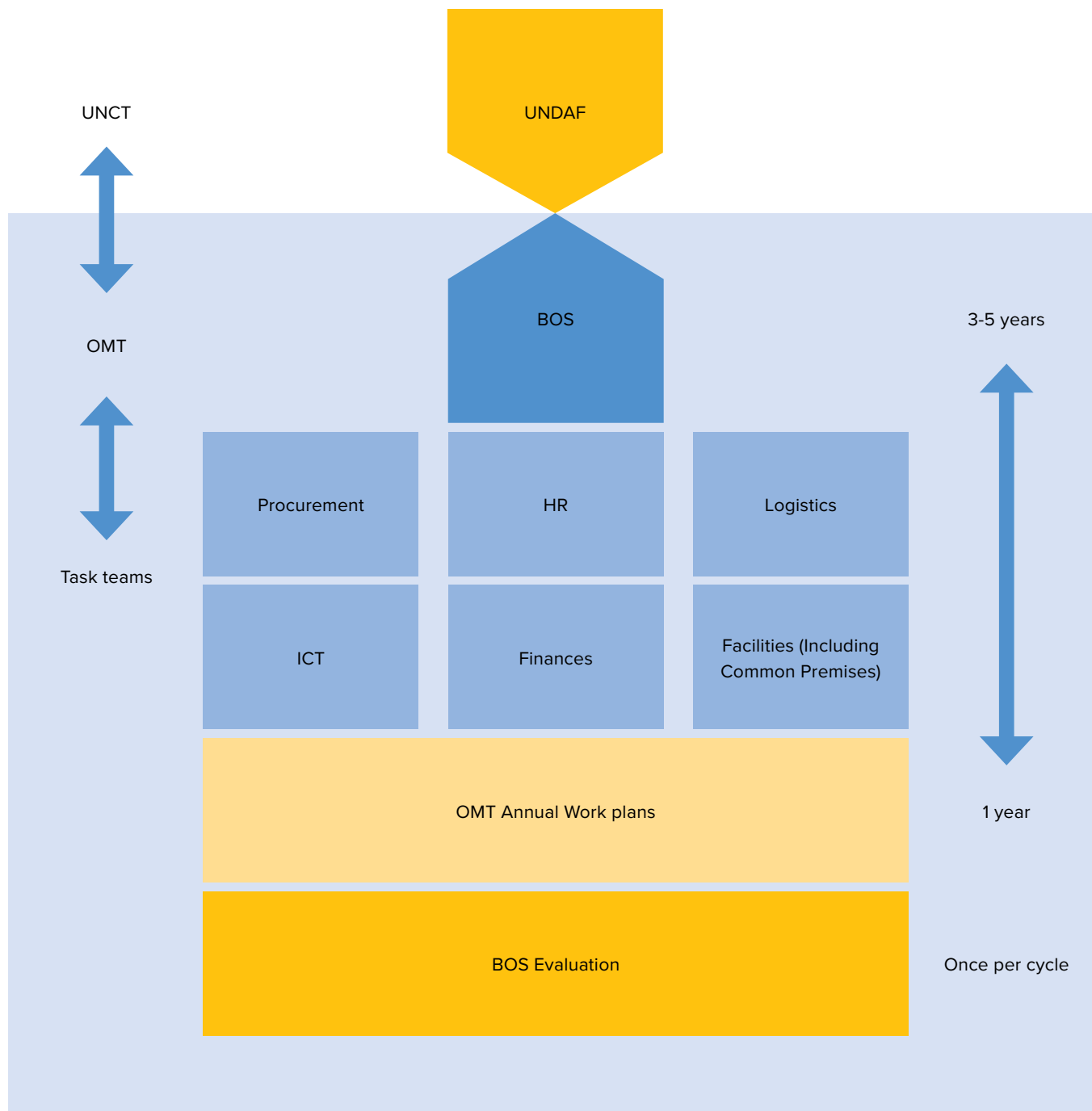
There are a number of BOS linkages with the UNDAF, including several key points within the planning and implementation timeline when operations and programme staff engage to ensure relevance:

- Drafting the BOS Roadmap and conducting the kick-off meeting, and undertaking training to brief operations and programme staff about BOS;
- Undertaking the needs analysis, when operations and programme staff work together to assess what type of joint support is required from operations to deliver the programme;
- Conducting end-of-cycle BOS evaluation⁶ in alignment with the UNDAF/UNSF programming cycle.⁷

FIGURE 3: BOS AND UNDAF HARMONIZATION

⁶ The BOS evaluation is a more concise and less lengthy process than the UNDAF evaluation, focussed on the BOS Results Framework assessing outcome level results achieved against key performance indicators (KPIs), baselines and targets (see BOS User Manual for details).

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2. THE BOS PROCESS

2.1 DEVELOPMENT AND IMPLEMENTATION

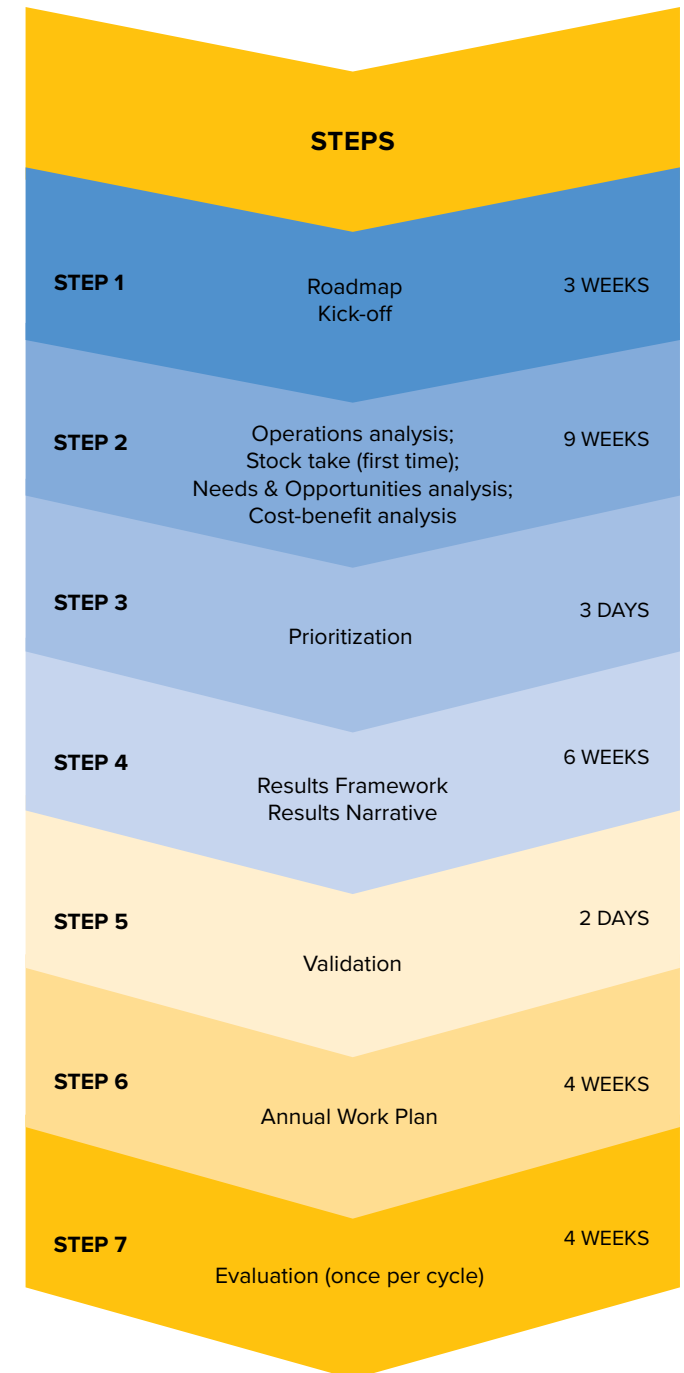
The development and implementation of the BOS generally follows seven (7) main steps, which are described in detail in the BOS User Manual. The development time for BOS varies from one country context to another and depends on three key factors:

- Time required for data collection and/or qualitative inputs;
- Availability and consistency of inputs of staff assigned to the BOS process;
- Time required for agreement on the final BOS document

The BOS Roadmap outlines a clear work plan for development of the BOS and can be used as a management tool to monitor deliverables and the overall efficiency of the process.

FIGURE 4: SEVEN STEPS OF THE BOS PROCESS

The time required for building the BOS is divided into seven steps: steps 1 through 5 (19 weeks), step 6 for annual work planning, monitoring and reporting on impact (four weeks), and step 7 for evaluation once every BOS cycle (four weeks).



3. OPERATIONALIZING THE BOS

3.1 PREREQUISITES

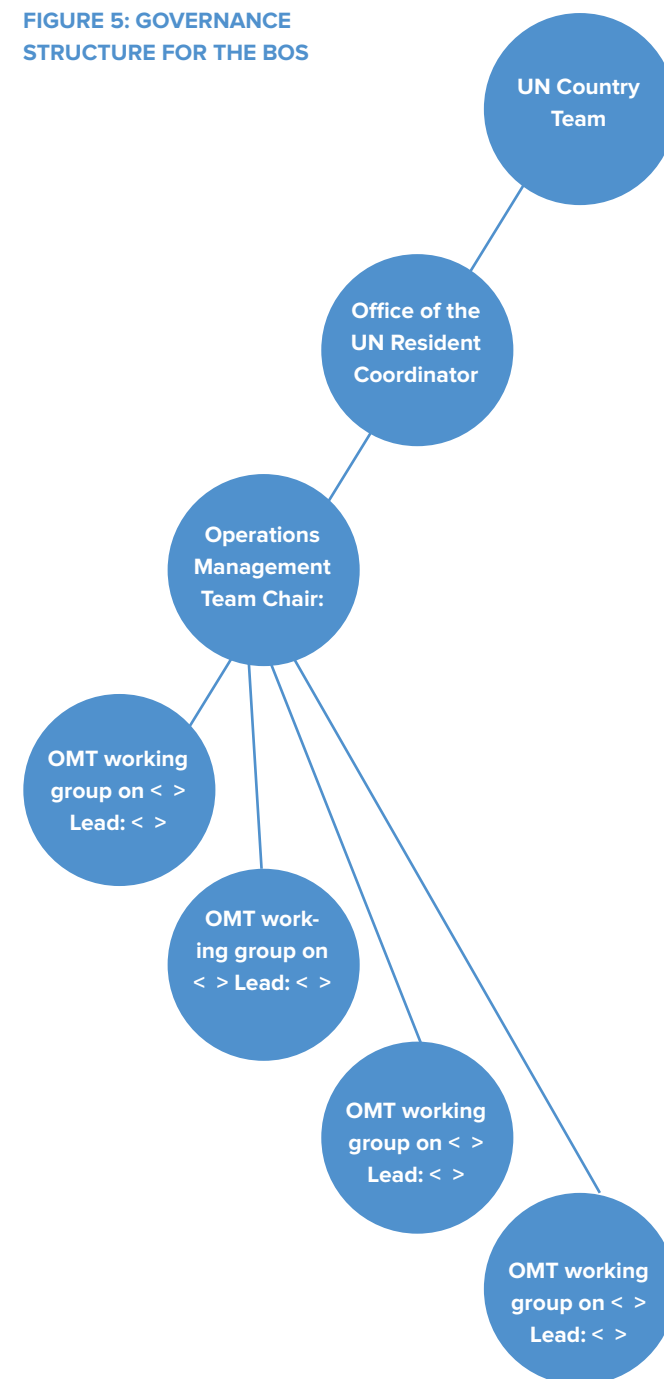
Before undertaking the BOS, UN Country Teams make a number of commitments and undertake initial planning to ensure joint support for the strategy. There are several prerequisites for beginning the BOS process:

- **Alignment:** The BOS and UNDAF/UNSF implementation cycles need to align; however UNCTs have the opportunity to initiate the development of a BOS at any time.
- **Leadership:** Willingness to lead the BOS process at the RC, UNCT and OMT level is critical to successful development and implementation of the BOS at the country level.
- **Resources:** The cost of developing and implementing the BOS is borne by the UN agencies, funds and programmes (both resident and non-resident) through assignment of relevant human resources and common services budgets managed by the OMT. Cost sharing of BOS draws on the current practices in place at the country level for calculation, contribution and reporting against common service budgets.
- **Roadmap:** The BOS Roadmap represents the joint commitment of the UNCT to provide leadership, resources and necessary data. UNDG makes its support structures available to a UN Country Team upon submission of the country-specific BOS Roadmap at the commencement of the BOS process.

3.2 GOVERNANCE

The BOS governance structures may differ from one context to another. Figure 5 outlines a generic structure for BOS governance, management and accountability and is a useful guide.

FIGURE 5: GOVERNANCE STRUCTURE FOR THE BOS



Governance of the BOS generally requires a number of key components to be considered. Important elements can be modified to suite the country context (both in terms of need and available human resources to do the BOS). Key elements include:

- An organogram that presents agreed lines of reporting and notes chairing roles and lead agencies;
- A standing agenda item for update on BOS by the OMT chair on the UNCT meeting agenda;
- Staff members of OMT, task teams and/or working groups acknowledged by the UNCT and formally nominated/agreed by Head of Agency;
- Job descriptions (and therefore annual performance appraisals of staff) to be updated to indicate leadership or technical support to BOS where relevant;
- Senior staff appointments (Agency Deputy level where possible) as chair of OMT working groups and task teams to facilitate strengthened management of the process and swifter decision-making;
- Performance feedback mechanisms, with programmes to award and recognize individual and group performance (including by individual agencies supervising jointly-recruited staff).

3.3 ACCOUNTABILITY

In most cases there are four elements of accountability for BOS at the local level:

Leadership – UN Country Team: Overall oversight of the BOS process, approval of the release of necessary agency and joint resources, endorsement of the BOS Roadmap and final validation before submission to UNDG DOCO by the OMT.

Coordination – Office of the UN Resident Coordinator: Facilitates communication between the UN Resident Coordinator and the OMT; where relevant, hosts jointly recruited Business Operations

Coordination staff; provides advice and facilitation and helps coordinate the logistics of the BOS process; liaises with UNDG DOCO on behalf of the OMT Chair or Resident Coordinator.

Management – Operations Management Team: Responsible for day-to-day implementation of the BOS Roadmap and supervision of OMT task teams and working groups planning and liaison and advice to the UNCT regarding the BOS.

Technical support and expertise – OMT task teams and working groups: Responsible for the technical inputs into the BOS, development of the BOS Framework document; and development, implementation and monitoring of Annual Work Plans.

3.4 MONITORING, EVALUATION AND REPORTING

Annual monitoring of the BOS is conducted by the OMT and its working groups and task teams with assistance from the Office of the Resident Coordinator, in alignment with annual UNDAF/ UNSF monitoring and included in the UN Annual Country Results Report. Achievements of the BOS are also reported in the Resident Coordinator Annual Report to the UN Secretary-General. BOS monitoring measures progress against agreed targets and identifies implementation challenges. The BOS Results Framework development process establishes baselines, targets and measurable indicators, recommending two to four indicators per outcome and output.

The primary tools for monitoring, evaluation and reporting are the BOS Results Framework and supporting BOS Annual Work Plans.

3.5 COMMON BUDGETARY FRAMEWORK

The BOS Results Framework captures the estimated costs required to carry out the activities specified for each BOS outcome area. The outcome areas are also known as the common services lines (there are six). The BOS is predominantly supported through cost share contributions from UN agencies to the

OMT common services budget. In some cases the UNCT/OMT may receive external funds to support BOS implementation.

BOS Annual Work Plans outline the BOS activities to be carried out in the specified calendar year and the submission of BOS Annual Work Plans to the UNCT for approval usually consolidates the formal annual request for resources through the OMT common services budget.

Common services budgets represent pooled resources kept in a joint Common Services Account, managed by a nominated lead agency or common services unit responsible for providing an annual financial report to contributing agencies and the UNCT.

4. SUPPORT TO UN COUNTRY TEAMS

In addition to the guidance and resources provided in the **BOS User Manual** a range of resources, advisory and technical support is available in the **BOS Toolkit**:

UNDG DOCO

The Business Operations Team in UN DOCO is the ‘first point of contact’ for all questions related to the BOS. The team is able to provide technical advice and resources, and also services as the focal point for HLCM policy guidance. The team coordinates and maintains a BOS Toolkit of resources on the UNDG website and the UNDG Business Operations Expert Roster.

Regional UNDG

Regionally-based specialists positioned to support UNCTs on business operations, provide specialist skills and support the flow of good practice examples across the region, between regions and UNDG/ UN DOCO. BOS -related training and networking events at the regional level take place where resources allow.

BOS-trained UN staff

An increasing number of UN staff working at the country level have BOS experience and have received BOS-related training. OMTs can contact the Business Operations Team in UN DOCO for further advice as to how to request and access BOS-trained UN staff.

BOS-trained independent consultants

BOS trained independent consultants support and assist the BOS process where needed. Independent consultants have been used to facilitate BOS training, kick-off and prioritization exercises, and to augment the analytical work of the BOS process. OMTs can contact the Business Operations Team in UN DOCO to gain information on BOS-trained independent consultants. The services of a consultant are cost-shared by the UNCT.

UNDG Business Operations Expert Roster

The roster was established to meet the training, coordination and facilitation needs of agencies and OMTs/UNCTs. The roster includes UN staff and independent consultants trained in BOS. It provides options for augmenting locally available BOS capacity. OMTs can contact the Business Operations Team at UN DOCO to discuss their needs and to ask for advice regarding available resources through the roster.

5. SOME LESSONS LEARNED FROM THE BOS PILOT PROGRAMME

The BOS pilot programme evaluation undertaken in 2015 concluded a number of lessons learned relevant to the quality implementation of BOS at the country level:

Cost-benefit analysis

Strengthening the cost-benefit analysis methodology to harmonize with the High Level Committee on Management (HLCM) cost categories of direct and indirect cost will strengthen system-wide approaches to the harmonization of common business operations.

Monitoring and evaluation

There is a need for standard indicators within the BOS results framework to support the aggregation of results at the country, regional and global level. This will strengthen monitoring and significantly increase the quality of monitoring and reduce the time and cost of preparing BOS Results Frameworks.

Joint BOS human resources

BOS coordination is significantly improved when UNCTs invest in a central human resource responsible for coordination of BOS development, implementation and monitoring. As such, staff capacity is best considered at the kick-off phase.

Quality benefits of BOS

Not to be underestimated, quality benefits include strengthened inter-agency collaboration, and improved quality of programme and operations.

Added value of BOS

The value of a joint strategic framework was demonstrated, in comparison to discreet joint common service activities.

Equal value of common services requiring investment

High up-front investments in common services are worth considering in light of longer-term savings. For example, higher up-front investment in ITC will bring strong long-term (not short-term) gains.



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