

**Plan of Action for the  
Harmonization of Business Practices  
in the United Nations System  
STATUS REPORT**

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## Overview

This report is the second donor report developed to report on progress of the HLCM Harmonization of Business Practices Plan of Action. It is clear that in 2011, has seen significant developments. Several initial projects have been completed, others are near completion or on track and several new initiatives are in the pipeline. This document will provide an update with details of each project presented in Annex I. Annex II contains a list of pipeline projects.

### Background

In the fall of 2007, the full CEB, led by the Secretary General, endorsed the Plan of Action for the Harmonization of Business Practices. The plan was developed by the HLCM through its substantive networks with the full contribution of the entire UN system. The overarching objective of the Plan is to deliver better programmatic results, through an increased coherence in management practices.

The original Funding Proposal (CEB/2008/HLCM/10) was submitted to potential donors, in October 2008. The funding proposal originally requested 21.7 Million and a total of approximately 10.5 Million have been received between April 2008 and March 2011. The donors to the project are New Zealand, Norway, Sweden, the Netherlands, and the UK.<sup>1</sup>

### Initial Priorities

The original funding proposal included a number of prioritized activities. However, the gap in time between the original circulation of the funding proposal and the receiving of resources led to adjustments to the priorities identified in the original document. Based on guidance from Member States in several intergovernmental fora during the course of 2009, HLCM reviewed the projects included in the Plan to ensure their relevance, and selected priorities among the activities included in the original Funding Proposal. The relevance of many of the prioritized projects to improve field operations was later confirmed through the findings of a joint UNDG/HLCM mission to review bottlenecks to management reform initiatives in the field. Donors to the HBP Plan of Action were consulted throughout the prioritization process under the coordination of DFID.

Some of the initiatives included in the Plan were an integral part of the already existing HLCM programme of work and were already under way. HLCM Networks identified areas where work could proceed independently of external funding and organizations committing the necessary financial and human resources to such priority areas; hence, during the time between the proposal and the receipt of funds some of the activities, like IPSAS training and Common Budgetary Approaches (Capital Budgeting) were completed with savings and internal resources invested by organizations. Also, a senior management leadership programme was set up at the UN System Staff College and a UN system directory was established. It can therefore also be stated that the projects selected for funding were of such nature that they could not be carried out without additional resources from the HBP.

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<sup>1</sup> A full history of the project is available in the 2010 Donor report (CEB/2010/HLCM-HBP/3)

sent as an attachment along with this report.



## Continuity and Ensuring Relevance

To ensure continuity, maintain momentum and support the efficient development and priority setting of new initiatives, a joint UNDG-HLCM high-level mission was undertaken between March and July 2010 to four Delivering as One countries, Malawi, Mozambique, Vietnam and Albania to address country-level bottlenecks in business practices.

The mission also responded to the continuing requests of Member States both in the context of the Triennial Comprehensive Policy Review (TCPR) and the System-wide Coherence discussions and resolutions for further simplification and harmonization of business practices with a focus on improved UN at the country level. The mission built on the on-going efforts of the UNDG and HLCM to work together to take to scale approaches to harmonization in business practices already developed and available to UN country teams, recognizing the scope of operational innovations developed locally, including those which can be taken to scale, and identifying further challenges that need to be addressed for increased operational efficiency and effectiveness of the UN development system at the country level.

The mission's report: "Addressing Country-Level Bottlenecks in Business Practices" (CEB/2010/HLCM-UNDG/1) outlines the key observations on progress made by the UN Country Teams and the challenges and opportunities that can be addressed with local or headquarters support. It presents a number of actionable recommendations and proposes modalities to carry them forward through coordinated action by HLCM and UNDG. Based on this report, an Implementation Plan (CEB/2010/HLCM-UNDG/1/Add.1) has been developed to translate the recommendations of the High Level Mission into concrete actions specifying timeframes and responsibilities. In the course of 2010 and 2011, UNDG and HLCM, through their various networks and working groups/task teams, have worked to implement the agreed priorities. The Harmonization of Business Practices Plan of Action has provided a unique opportunity for the system to carry out joint harmonization initiatives. HLCM networks and others have been and are developing proposals, directly designed to address operational obstacles identified in country level coherence initiatives, to be financed through the HBP Trust Fund.

## Governance

The implementation of the Plan of Action is overseen by the Harmonization of Business Practices (HBP) Steering Committee, which is chaired by the HLCM Vice-Chair, Ms. Jan Beagle, Deputy Executive Director, UNAIDS, and composed of the Chairs of the HLCM Networks, plus UNDP, UNICEF, the Director of the CEB Secretariat and the Secretary of HLCM. Current members of the Steering Committee are (as of October 2010):

The Spokespersons of the Human Resources Network:

- Catherine Pollard, ASG for Human Resources Management, UN Secretariat
- Shelly Pitterman, Director, Division of HR Management, UNHCR
- Ana Luiza Thompson-Flores, Director, Bureau of HR Management, UNESCO

The Co-Chairs of the Finance and Budget Network

- Darshak Shah, Deputy Assistant Administrator, Deputy Director & CFO, UNDP
- Nick Jeffreys, Comptroller, WHO

The Chair of the Procurement Network

- Vanja Ostojic, Senior Procurement Adviser, ILO

The Chair of the Information and Communication Technology Network

- Angela Kane, Under-Secretary-General for Management, UN Secretariat

And:

- Martin Mogwanja, Deputy Executive Director, UNICEF
- Akiko Yuge, Assistant Administrator and Director, Bureau of Management, UNDP
- Remo Lalli, Secretary, High Level Committee on Management
- Ronny Lindstrom, Business Practices Senior Coordinator, CEB Secretariat

Project implementation is arranged through a cluster approach, meaning that HLCM organizations can voluntarily commit to participation in any of the proposed projects. Working groups of interested organizations are then formed around a lead agency, which carries ultimate responsibility for delivery of results and retains financial authority over, and accountability for, the resources allocated to the project for which it is responsible.

## Current Priorities and Project Status

Several projects under the HBP initiative have been completed or are near completion: . These are:

- The creation of a Model Policy Framework (MPF) for vendor eligibility was completed in the spring of 2011(the project was started with the first funds from New Zealand ahead of other projects). The MPF is an important step towards ensuring that only vendors that comply with high integrity standards participate in procurement actions. The MPF provides the foundation and tools for a heightened administrative review with due process safeguards that are the foundation for improved oversight and transparency in procurement. Allocation: \$170,000  
Status:
  - Completed. Organizations are in the process of incorporating the framework into their own procedures.
- Human Resource Initiatives including a comparative analysis and review of the staff regulations and rules of the organizations of the UN system with particular attention to employment arrangements of staff in non-headquarters locations, review of arrangements for non-staff; review of entitlements in the event of death and injury due to malicious acts and service incurred accidents and Safety and Security of Staff are all close to completion. Follow up activities by the Human Resource Network in the areas of performance appraisal, post classification and staff mobility are under way. These were also areas of concern identified by the joint mission. Allocation \$386,200  
Status:
  - Near completion.
  - Follow up activities are being designed as proposals to the HBP
- A feasibility study for putting in place common treasury services was foreseen in the original document and is completed. The project has enabled the Budget and Finance Network to take a detailed look at possible savings and for the system in the area of treasury services and actionable proposals for decision are expected by the end of June 2011. The participating organizations are

committed to moving forward on a number of initiatives and these are expected to be launched in early 2012 and significant quantifiable savings are foreseen. Allocation: \$904,000

Status:

- Activities completed in May. A report with actionable proposals was presented on time in mid-July.
  - A follow up meeting on 6 December will define lead organizations and methods for follow up. Implementation of several recommendations is expected, but in some cases additional funding will not be needed as organizations are trying to incorporate it into their normal work.
  - Final project evaluation expected Quarter one 2012
- As a conclusive step of the three-year effort by the HLCM Steering Committee on Safety and Security to review and revise the UN security management system in response to the recommendations of the Report of the Independent Panel on Safety and Security (IPSS), the HLCM requested the HR network to carry out a comprehensive review of the benefits and entitlements in the event of death, injury and disability due to malicious acts and service incurred incidents, and to develop proposals for harmonization of staff compensation in such events. A project was created under the HR network to this effect and was completed in 2010. Allocation. \$75,000

Status:

- Completed and recommendations made
- To improve leadership and to support the implementation of other harmonization initiatives, which was found necessary during the joint mission, the HLCM and the UNDG have collaborated with the United Nations System Staff College to ensure that an integrated approach to programmes and operations is implemented at the country level by adding implementation of management reform to the UNDAF roll out support structure. Allocation: \$208,000

Status:

- Completed and numerous UNCTs created work-plans for the UNDAF process that includes the Operations Management Team and a focus on business practices.

## On-going projects:

- A project on procurement harmonization in support of field operations was started in 2010 and is on-going and responds to the needs in the system to remove administrative obstacles to collaboration in procurement. It also responds to key needs of UNCTs identified by the joint mission. Allocation: \$628,000

Status:

- The project is on-going and has ten work packages. A progress report was provided to the Procurement Network in late September.

- The creation of a UN System-wide Financial Statistics Database and Reporting System was started in late 2010 and is on-going. This project which will improve transparency and information flows related to UN system finances and is expected to lead to the improved joint reporting in 2012. Allocation: \$794,000

Status:

- On-going and on track

- Common standards and costing approaches for ICT services and investments is the focus of the ICT network. This project will produce the foundation for more efficient planning in the area of ICT. It is also the foundation for further harmonization of standards. Allocation: \$565,000

Status:

- On-going and on track

A number of projects have been approved in principle by the Steering Committee and these are expected to commence during Quarter one of 2012. A list of these projects can be found in Annex II.

**Table 1. On-going Projects: snapshot of responsibilities and resource requirements**

Description	Category	Allocation based on estimated cost US\$	Lead Agency	Timeframe	Expected completion	Status
<b>HUMAN RESOURCES INITIATIVES</b>						
<b>HR Initiatives:</b> <ul style="list-style-type: none"> <li>• Comparative analysis and review of the staff regulations and rules, practices &amp; procedures, particularly in field duty stations;</li> <li>• Review of arrangements for non-staff personnel;</li> <li>• Review of entitlements in the event of death and injury due to malicious acts and service incurred accidents</li> </ul>	REV	386,200	HR Network and WFP	18 months	April 2012	Several components completed
<b>FINANCIAL MANAGEMENT INITIATIVES</b>						
Feasibility study for putting in place Common Treasury Services	FST	904,150	WHO & IFAD	32 months	May 2011	<b>HBP Project Completed</b> Options report completed and follow up to commence in Quarter one of 2012
UN system-wide financial statistics database and reporting system	IMP	794,700	CEB Secretariat	2 years	Dec 2012	Collaboration with UN organizations and OECD is on-going and the project is on track
<b>ICT AND KNOWLEDGE SHARING INITIATIVES</b>						
Common Standards Costing Approaches for ICT Services and Investments	IMP	565,000	UNODC	18 months	Jan 2012	On-going and on track
<b>PROCUREMENT AND SUPPLY-CHAIN INITIATIVES</b>						
Vendor Eligibility Project	IMP	174,132	UNDP	15 months	Mar 2011	<b>HBP Project Completed Spring 2011</b> Model Policy Framework completed and approved by HLCM at its spring session 2011
Procurement Process and Practice Harmonization in support of field operations	REV	628,819	UNICEF	18 months	December 2011	On-going
	IMP		UNICEF	18 months	September 2012	On-going
Collaborative Procurement of Vehicles <sup>2</sup>	IMP	990,000	UNDP	18 months	June 2013	To start January 2012
<b>OTHER</b>						
<b>GENERAL SUPPORT TO ALL HBP IN THE FIELD</b> Support to UNCT Implementation of HBP	IMP	215,600	UNSSC	3 Months	May 2011	Completed May 2011 Follow up proposal for support in 2012 is expected.
		4,658,601 <sup>3</sup>				

See Annex II for New Approved Projects as of July 2011

<sup>2</sup> Final signing of project MoU is imminent pending final review by UNOG Finance.

<sup>3</sup> All expenditures will be subject to administrative over-head costs as outlined in the original HBP Funding Proposal.

**Table 2. Funding Status as of November 2011**

Value Date	Payment			Payor Name	Remarks	FY
	Curr	Amount	Amount in US\$			
22/12/2008	CHF	318,200.00	266,499.16	New Zealand	Contribution to HLCM for Business Practice Harmonization	2008
02/11/2009	CHF	1,163,992.08	1,141,168.71	Sweden	Contribution to HLCM for Business Practice Harmonization	2009
01/12/2009	USD	2,617,314.27	2,617,314.27	Norway	Norway Contribution Trust Fund for Harmonisation of Business Practices	2009
24/12/2009	USD	4,706,000.00	4,706,000.00	Mission Permanente du Royaume des Pays-Bas	HCLM Plan of Action 2009-2012, PNUM 1383.003733 PR. 20761	2009
12/04/2010	GBP	300,000.00	453,172.21	UK	CEB MOU OAYME- CEB SECRETARIAT	2010
12/01/2011	GBP	390,000.00	601,851.85	UK	DFID MOU Contribution Due "Leading the UK Government's fight against world poverty"	2011
08/03/2011	GBP	300,000.00	481,540.93	UK	DFID MOU Contribution Due "Leading the UK Government's fight against world poverty"	2011
<b>Total</b>			<b>10,267,547.13</b>			