
QUESTIONS AND ANSWERS

How was the business practices proposal developed and who is supporting it?

- Developed by Chief Executives Board’s High Level Committee on Management (HLCM) through its substantive networks with the active and full contribution of the entire UN system (UN Secretariat, Funds and Programmes and Specialized Agencies).
- The business practices proposal was endorsed by the full CEB membership at the Executive Heads level led by the Secretary General in the Fall of 2007.

What is the proposal trying to achieve?

- The overarching objective of the plan is to achieve improved effectiveness and efficiency by enhancing harmonization of practices in the context of the delegation of authority to the Executive Heads by their respective Governing Bodies.
- Increased coherence in the working modalities of the member organizations would contribute significantly to their ability to deliver better programmatic results.
- A major side benefit of the Plan is the cooperative spirit and proven commitment that has developed among different agencies to take on harmonization projects jointly.

Does the proposal impinge on the authority of the General Assembly and 5th Committee?

- No, the proposed initiatives are fully in line with the 2007 TCPR and numerous existing GA resolutions including a 1977 resolution (32/197) on harmonization within the UN system. The project scope is limited to functions and processes whose responsibility rests within the purview of Executive Heads – that is the business practices.
- The Operational Activities Segment of the Economic and Social Council last July included a session on “Simplification and Harmonization: how far the UN system has gone”. During that session, Norway, Sweden, the UK and The Netherlands expressed support for the initiative and confirmed their pledges towards the Plan, for an approximate total amount of US$5.5 Million.
- In its Resolution on “Progress in the implementation of General Assembly resolution 62/208 on the TCPR” of July 2009, under the subject “Simplification and harmonization
of business practices”, the Economic and Social Council, while acknowledging that “progress is being achieved” noted that many procedures require further harmonization, as identified in the Plan of Action for the Harmonization of Business Practices, and “requested the United Nations funds and programmes and the specialized agencies to explore sources of financing to support the implementation of this Plan, including discussion with their respective governing bodies on the allocation of funds through their respective support budgets”.

- The subsequent General Assembly Resolution on System-wide Coherence (A/RES/63/311) “Calls on the Secretary-General, in cooperation with members of the United Nations System Chief Executives Board for Coordination, to continue progress in the simplification and harmonization of business practices within the United Nations development system, and requests the Secretary-General, in consultation with the United Nations System Chief Executives Board for Coordination, to regularly inform the Economic and Social Council about progress being made and challenges encountered in this regard and to refer any matter requiring an intergovernmental decision to the relevant intergovernmental bodies”.

Scope of the Plan

- The original Funding Proposal (CEB/2008/HLCM/10) was submitted to 54 potential donors, including Gulf Cooperation Council countries, the Delivering as One Pilot Countries, and other countries such as Russia, China, Brazil and South Africa, by the former HLCM Chair in October 2008.

- The projects included in the Plan fall in three categories: 1) Projects ready for implementation, 2) Analyses and reviews leading to the implementation of one of the alternative options that will be identified, and 3) Feasibility studies whose outcome would determine whether to proceed to any implementation phase.

- The results of feasibility studies, comparative analyses and reviews would trigger the next phase of the HLCM plan, i.e. translating the recommendations that will emerge into a harmonized re-design of the business practices of UN system organizations in each of the areas considered, leading to the ultimate achievement of the outcomes identified for each project.

- In the light of the support and guidance received by Member States, HLCM recently reviewed the projects included in the Plan to ensure their relevance in the current context of financial difficulties, and selected its priorities among the activities included in the original Funding Proposal, so as to take into consideration the initial work that had already been undertaken and carry the activities forward from a better starting position.

- The list of priority projects emerged from the HLCM review is provided in Annex I to this document.

- The first initiative that has been launched from the HLCM Plan of Action, thanks to the first contribution of $270,000 received from New Zealand, is a project intended to produce procedures and guidelines with regard to vendor eligibility and due process dealing with vendors suspected, accused of, and/or proven guilty of misconduct in line with the Supplier Code of Conduct (Vendor Eligibility Project). The HLCM Procurement and Legal Networks are working in close cooperation on this project, for which UNDP is the lead agency.
How does the proposal relate to existing reforms in the UN Secretariat and in other UN system organizations?

- The proposal builds on ongoing management reform with the UN Secretariat and other CEB members through a concurrent re-design of business practices at the system-wide level.

- This approach is guided by the fact that the General Assembly is not the only legislative body for the UN system, and that each specialized agency has its own governing body as well. Therefore, although decisions made in the GA carry an important weight for the entire UN system, they are not applicable and enforceable across the board.

- HLCM is merely looking at harmonizing practices under existing rules and regulations. For example, in the area of human resources, the proposed “Comparative analysis and review of the staff regulations and rules” places a particular attention to employment arrangements of staff working in the contingent workforce and those in non-headquarters locations, with the objective of identifying discrepancies and divergences, as well as good practices; and make recommendations on harmonization, elimination of barriers to mobility, joint performance improvement.

- Upon any change/revision of rules and regulations by any Governing Body, the existence of already harmonized practices would make it easier to adopt and implement the changes.

How do the initiatives in the proposal relate to the work undertaken through the UNDG and in the eight Delivering as One pilots?

- The HLCM Plan was prepared based on the experience coming out of the Delivering as One pilots and the projects in the proposals will build on the ad-hoc solutions that are being developed through UNDG to address bottlenecks in the pilots with a view to find and agree on system-wide solutions.

- This approach ensures the alignment of country level operations with the strategic directions and priorities pursued at the policy level. It also further ensures that the needs of country operations are one of the cornerstones for harmonization of the business practices at the global level.

- HLCM and CEB Secretariat representatives have also engaged in frequent participation in direct exchanges with representatives of Delivering as One pilots, lastly at the Seminar for UNDP Operations Staff from the Delivering as One pilots on the Harmonisation of Business Operations (New York, 9-13 February 2009). The UNDP Seminar was organized for senior operations staff at the level of Country Directors/ Deputy Resident Representatives/ Operations Managers. The key objective of the Seminar was two-fold: (i) based on pilots’ experience, discuss identified solutions to obstacles in business operations and review feasibility of their replication; and (ii) agree on next steps to identify solutions for remaining obstacles (either UNDP specific or through inter-agency mechanisms).

- HLCM will continue this engagement as project design is finalized, as well as during implementation.

- The direct relationship between the HLCM initiative and the work undertaken through the UNDG and in the eight Delivering as One pilots is evident from a snapshot of those projects from the plan of action that have a more immediate link with the needs and issues that have emerged at the country level, as follows:
Comparative analysis and review of the staff regulations and rules of the organizations of the UN common system leading to a progressive harmonization, with particular attention to employment arrangements of staff working in the contingent workforce and those in non-headquarters locations (for greater consistency of conditions of service and cohesion across the system, as well as reduction of impediments to mobility and increased integration of field staff skills into organizational capacity)

- Development of a UN system-wide Statistics Database and Reporting System (providing a One-place compilation and access point to financial and any other type of system-wide information on the UN system)
- UN System Cost Recovery Policy (for harmonized guidelines on cost recovery and increased transparency on XB-funded activities)
- UN System Portal – One Source: Business Case for a Unified UN System Internet Presence (for an improved message delivery and image for UN system; and support for knowledge sharing and related initiatives)
- Procurement harmonization in support of field operations (for standardized procurement toolkit for field operations in response to the needs identified; and common definitions and terminology, standard templates, standard specifications for common user items, access to long-term agreements, risk management tools)
- Enhanced access of suppliers from developing countries and countries with economies in transition (to increase fair and easy access of suppliers and facilitate the development of a competitive network of suppliers)

How are project results measured and evaluated?

- For each project expected outcomes and benefits have been clearly identified at an aggregate level already in CEB/2008/HLCM/10. Upon receipt of resources, detailed individual project plans will be developed, in accordance with a results-based monitoring and evaluation framework for each project, with precise accountabilities, under the ultimate responsibility of the implementing agency(ies) for each project. The proposal includes funding for individual self-evaluations and for an independent end-of-project evaluation.

- At the completion of each project a self-evaluation report shall be prepared. Evaluation methodologies shall be fully consistent and compliant with evaluation methodologies used within the UN system. The self-evaluations will complement the project monitoring reports and will inform a final evaluation report of the entire HLCM Plan of Action to be prepared following an independent evaluation to be conducted upon completion of the overall initiative by external evaluation experts. Such independent evaluation shall also be conducted in accordance with evaluation methodologies used within the UN system.
Is the Plan of Action looking at producing efficiency savings?

- HLCM has developed its plan with efficiency and reduction of administrative costs as one of its primary criteria, conscious that any waste represents a diminished delivery in the programmatic mandate of an organization.

- The first expected outcome of feasibility studies and cost/benefit analyses for new supply chain options or common services such as Treasury or any other administrative functions is, in most cases, precisely to quantify the efficiency gains that would be generated upon implementation, supported by evidence-based, educated, scientifically sound and financially wise arguments. A feasibility study, though, may also result in a “no-go” recommendation, since harmonization is never seen as an end in itself and, in some cases, it may be simply too costly or impractical. Reviews and analyses, instead, assume that the initiative is feasible, on the basis of previous work undertaken on the respective subject, and aim at identifying – again with empirical and not just intuitive evidence – the options that would generate the greatest savings, along with achieving the other objectives pursued.

- Mechanisms for monitoring efficiency gains would represent a core deliverable of any study or review: they would produce baselines, measures, indicators, modalities and timelines against which recommendations for implementation would be considered. In other words, the overall outcome of any study would be 1) a convincing and defendable argument on “why” to go for the identified harmonized solution, and 2) the evidence and measures to describe the “before and after” scenarios.

- The Monitoring & Evaluation framework for the HLCM plan, developed under the guidance of the United Nations Evaluation Group (UNEG), would ensure that such overarching criteria inform all reviews and analyses while they are carried out.

Why does the funding not just come from each UN system organizations own, existing funding sources?

- Some of the proposed activities have already been explored to some level of detail by HLCM and its Networks, and are part of their programmes of work, but taking them further would require the investment of dedicated resources which organizations have found difficult to commit from their existing regular resources. In fact, most UN system organizations have zero-growth budgets and do not have additional financial resources to invest from their own budgets in this work. Hence traditional cost-sharing among all UN system agencies is not a viable option.

What concrete contributions are the various UN system organizations making from their own resources to the successful implementation of this proposal?

- UN system organizations and the CEB Secretariat have already committed and used significant staff time for the development of the proposal, without any external assistance. Organizations have also volunteered to lead various projects using existing staff resources, and will support each project through commitment of considerable internal staff time and through detachment/secondment of full-time resources. For this reason part of the funding allocated to projects would be required to compensate the seconding organizations so that they can fill the resulting staff gaps. Each organization will cover their own costs related to this proposal, e.g. for communications or travels, from their existing resources.
Many of the projects that are part of the Plan of Action have been included in this package to take their objectives to a higher level of ambition, thanks to dedicated extra-budgetary resources. Nevertheless, some of such projects are an integral part of the HLCM programme of work, and considerable work is already under way with projects where some initial activities could take place without additional funding, so that, when resources would come in, preliminary phases would already be at an advanced stage and work could proceed on a much stronger basis.

**What is the overall accountability framework for the Plan?**

- A Steering Group led by the HLCM Vice-Chair and the chairs of the HLCM Networks, UNDP and UNICEF is guiding the overall implementation of the Plan of Action.

- The Steering Group is responsible for the prioritization of allocations of funds for various projects, weighing the availability of funds with the urgency of the projects and the country level relevance and impact.

- The lead agency for each project 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. Working groups of interested organizations are formed around the lead agency.

- The CEB Secretariat retains responsibility for central oversight, coordination and reporting for the complete package of projects included in the plan of action, preserving unity of direction and central accountability to the CEB membership and to the Member States providing financial support.

- Donors will receive formal financial and substantive progress reports from the CEB Secretariat on a yearly basis.

**Features of the Trust Fund for Business Practices**

- The Trust Fund for Business Practices is formally established with the CEB Secretariat Geneva as the Implementing Office, and the Director of the CEB Secretariat Geneva as the Programme Manager of the Fund. The UN Controller will provide an annual financial statement showing income and expenditures as at 31 December for each year with respect to the funds pledged and received.

- The Trust Fund provides for a programme support cost rate of 7% (as opposed to the regular 13% rate), to be applied by the United Nations Secretariat for the recovery of all indirect costs in connection with the administration of the Trust Fund, and with the understanding that all direct costs would be charged to individual project budgets.

- For projects whose management and implementation would be assigned to a lead agency other than the United Nations Secretariat or the CEB Secretariat, funds would be channelled through the Trust Fund for Business Practices and then allocated to the lead agency. The United Nations Secretariat would charge a pass-through rate of 1% as “administrative agent”, with a common rate of 7% to be applied by the lead agency for the recovery of all indirect costs.
For any additional information regarding the proposal kindly contact

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