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High Level Committee on Management (HLCM)

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

FUNDING PROPOSAL

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Executive Summary

HISTORY & RATIONALE

At the fall 2007 session of CEB, the Executive Heads of UN system organizations endorsed a Plan of Action for the Harmonization of Business Practices in the UN system, which had been developed through an inter-agency process by the High Level Committee on Management and its functional networks.

The HLCM plan of action builds on the belief that, within a system structured around a variety of mandates, **an increased coherence in the working modalities of the member organizations would contribute significantly to their ability to deliver better programmatic results**, while in the medium and long term allowing for a substitution/reduction of costs to be derived by individual organizations.

The HLCM plan represents an attempt at translating the principles of accountability, focus on results and transparency of processes around which UN system organizations have developed their own management reforms into a parallel re-design of working modalities at the system-wide level, **with the specific objective of enhancing harmonization in the context of the delegation of authority to Executive Heads by their respective Governing Bodies**.

The plan developed by HLCM takes into account previous recommendations made by the internal and external oversight bodies of member organizations and already endorsed by their Governing Bodies. **Its scope is limited to functions and processes whose responsibility rests within the purview of Executive Heads**.

SCOPE

The HLCM plan **places a particular focus on the needs emerging at the country level** which require comprehensive consideration and adjustments and, thus, harmonization, at the central level.

The plan addresses a number of **key areas, covering all the major management functions of United Nations system organizations** (human resources, information communication & technology, finance and budget, and procurement), **and would evolve to include projects that have not yet been developed**, such as initiatives in the area of legal affairs. The goal is to have some of the projects completed in as little as nine months, with the most complex ones taking two to three years to be completed.

The overall plan is broken down in **three groups of initiatives**: 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 or to decide for alternative solutions.

Initiatives belonging to the first group would produce the expected outcomes within the indicated timeframe through the actual implementation of the activities for which funding is sought. The chosen approach is two-level, with an HLCM guidance role in support of individual commitments by organizations, replicating the successful model in place for the adoption of IPSAS, adapted to the specific requirements of each intervention. **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.

GOVERNANCE STRUCTURE AND PROGRAMME ADMINISTRATION

The selected approach points to the importance of strong, aware and engaged central direction. The guiding role of the Chief Executives Board in this initiative gives it the necessary collective authority so that all staff of the respective United Nations system organizations support and add value to ensure that implementation takes place. The just completed integration of UNDG into the CEB framework also 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.

The member organizations of HLCM are the guiding force behind the overall plan. The governance of the plan is built around a Steering Group which is led by the HLCM vice-chair and comprises the chairs of the HLCM Networks, the HLCM representatives of UNDP and UNICEF, the Director of the CEB Secretariat and the Secretary of HLCM.

For each project there is a Lead Agency or a lead entity, determined following consultations within the relevant HLCM Network. **The Lead Agency carries ultimate responsibility for delivery.**

HLCM organizations can voluntarily commit their participation in any of the proposed initiatives (cluster approach). Working groups of interested organizations are then formed around the Lead Agency.

The **overall resource requirements** for the HLCM plan are estimated at a level of **US\$ 21,700,000**. This includes separate, ad-hoc funding for the professional evaluation of activities performed within the proposed plan of action, a provision for programme management and coordination, and indirect programme support costs.

1. History and Rationale

● HISTORY AND RATIONALE

A new level of political momentum has emerged in recent years towards developing a closer match between the need for the United Nations system to deliver as one and the reality of its structure and functioning. However, as early as 1977, Member States have been concerned with the need for coherence among organizations of the United Nations system.

The landmark General Assembly resolution 32/197 of 1977 recommended that *“measures should be taken to achieve maximum uniformity of administrative, financial, budgetary, personnel and planning procedures, including the establishment of a common procurement system, harmonized budget and programme cycles, a unified personnel system, and a common recruitment and training system”* pursuing the objective of *“optimum efficiency and the reduction of administrative costs with a consequent increase in the proportion of resources available to meet the assistance requirements of recipient countries”*.

Inspired by those same ideas, political demand is growing to translate the principles of accountability, focus on results and transparency of processes around which UN system organizations have developed their own management reforms into a parallel, harmonized re-design of working modalities at the system-wide level, **with the specific objective of enhancing harmonization in the context of the delegation of authority to Executive Heads by their respective Governing Bodies.**

These ideas have become strongly rooted in the intergovernmental and inter-agency processes, as demonstrated by General Assembly resolution 62/208 on the **“Triennial comprehensive policy review of operational activities for development of the United Nations system”** (TCPR), through which the UN General Assembly explicitly encouraged *“...the continuing development of harmonized approaches such as the adoption of the International Public Sector Accounting Standards, the standardization of audit definitions and ratings, and the harmonized approach to cash transfers, calls upon the United Nations funds, programmes and specialized agencies to further harmonize and simplify their business practices, and recognizes the importance of harmonizing human resources management, enterprise resource planning systems, finance, administration, procurement, security, information technology, telecommunications, travel and banking...”*.

The logic behind the HLCM plan of action is that **investing in one practice makes investment in another more profitable, setting off a potential virtual circle**. Changing only a few elements of the system at a time may not come close to achieving all the benefits that are available through a fully coordinated move. A fragmented approach would compromise the feasibility and value of each of the actions undertaken and would lose any potential for efficiency.

The potential value of such effort is multiplied by the fact that, within a system of sister organizations, there are normally no costs of replication, other than the ones linked to actual implementation. **There is willingness and pride in sharing successful experiences.**

The selected approach points to the **importance of strong, aware and engaged central direction**. The guiding role of the Chief Executives Board in this initiative gives it the necessary collective authority so that all staff of the respective United Nations system organizations support and add value to ensure that implementation takes place. The just completed integration of UNDG into the CEB framework also 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.

2. The Plan

● DEVELOPMENT PROCESS

At their spring 2007 session, Executive Heads endorsed an HLCM proposal to develop a plan of action for the Harmonization of Business Practices in the UN system, through an inter-agency steering group led by the HLCM vice-chair (Denis Aitken, WHO) and comprising the chairs of the HLCM Networks - Dyane Dufresne-Klaus (UNESCO), Steven Allen (UNICEF), Sean Hand (UNFPA), Gary Eidet (IAEA), Jay Karia (UN), Martha Helena Lopez (UN), Susana Malcorra (UN) - the Director of the CEB Secretariat and the Secretary of HLCM. Following the integration in the HLCM framework of the networks of Procurement Chiefs and of Legal Advisors, and in recognition of the instances of organizations with strong field presence, the Steering Group has been expanded as of March 2008 to include the chairs of the two new networks (Dominik Heinrich, WFP, and Patricia O'Brien, USG for Legal Affairs) and the HLCM representatives of UNDP (Akiko Yuge) and UNICEF (Omar Abdi).

The plan of action developed by the HLCM Steering Group was subsequently considered and approved by the Committee in September 2007. During the entire process, the HLCM Networks reviewed several draft versions of the plan, contributing their input into it, assessing the quality, scope and consistency of proposed activities, indicating priorities, suggesting additional/revised items. **At its fall 2007 session CEB endorsed the plan of action.**

Two principles guided the assessment of priorities that were included in the plan: (1) achieving efficiencies and (2) facilitating the operations of the United Nations Country Teams, so as to provide the most efficient support to the national partners.

The development of the HLCM plan of action provided an opportunity for sharing perspectives on the internal efforts of member organizations in management development and on the conclusions reached in recent years by member organizations on some of the major issues facing the UN system, so as to **avoid duplications and overlapping while, at the same time, responding actively to emerging intergovernmental guidance by the respective Governing Bodies and taking advantage of the experience gained** and already available that can be shared among the organizations.

● SCOPE

The **plan developed by HLCM is of inter-disciplinary nature** and addresses a number of key areas, covering all the major management functions of United Nations system organizations: human resources, procurement, information, communication & technology, finance and budget, and would evolve to include projects that have not yet been developed, such as the creation of an independent system-wide capacity for evaluation and initiatives in the area of legal affairs. **The scope of the plan is limited to functions and processes whose responsibility rests within the purview of Executive Heads. The goal is to have some of the proposals completed in as little as nine months, with the most complex ones taking two to three years to be finalized.**

The plan is expected to be largely financed through extra-budgetary funding as there are limited regular budget resources available for system-wide activities. Once the feasibility studies and pilot work are completed, follow-up action would be mainstreamed into the work of the United Nations system organizations.

The overall plan is broken down in **three groups of initiatives**: 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 or to decide for alternative solutions.

Initiatives belonging to the first group would produce the expected outcomes within the indicated timeframe through the actual implementation of the activities for which funding is sought. The chosen approach is two-level, with an HLCM guidance role in support of individual commitments by organizations, replicating the successful model in place for the adoption of IPSAS, adapted to the specific requirements of each intervention. **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. **The breakdown of all projects into these three groups is reflected in the snapshot tables 1 through 4 provided in the plan.**

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. Some are new, others expand on already existing initiatives and programmes that are being brought to scale through central coordination and support.

The main thrust of the initiatives in the area of human resources management is to build a more coherent UN system which will emanate from an increased consistency in performance evaluation systems, employment arrangements and HR management practices. A system whose staff is more mobile, is rewarded for good performance and not only for seniority, and is motivated with a renewed investment in training and career development programmes that allow them to maintain and upgrade the appropriate professional skills.

The core project in this area is a **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.** This initiative is aimed at bringing greater harmony to the human resources management practices of the organizations of the United Nations common system and also to their application. Hence to make the policies and procedures governing the management of human resources in the organizations of the United Nations common system consistent across these organizations. UN system organizations will be able to build on the results of this project to re-align their staff rules and practices, promote consistency, equity, and transparency, and increase mobility across the system. The comparative analysis would help identifying discrepancies and divergences in respect of individual organizations' provisions, and facilitate the development of educated recommendations for greater harmonization. The

output of the review of the employment arrangements would identify current employment practices and good practices, and provide for harmonizing these across the UN system.

The business case for enhanced networking at the leadership level across agencies, funds and programmes (**Senior Management Network — SMN**) builds on the recommendations of the HLCM, the CEB and various reform initiatives, particularly in the realm of Human Resources management, addressing a long standing need to improve leadership and management across the United Nations system. This is by no means a new initiative, but it has now reached a stage where all the pieces for implementation are in place and the UN system is poised to move forward in a tangible manner. The key objectives of the Senior Management Network in connection with the present effort to increase system-wide coherence are to be found in the aim at building a common corporate culture in order to heighten the *esprit de corps*; in facilitating the devolution of responsibility, authority and accountability in relation to core managerial functions; and in promoting increased mobility and learning across the system.

The **Senior Management Network Leadership Development Programme** is one means of developing a shared UN-wide leadership *esprit de corps* among the senior UN system staff who constitute the Senior Management Network, that is built around the willingness and ability to share best practices and collaborate across agencies. Experience in a considerable number of public and private organizations which have introduced approaches to leadership and management development indicates that focusing on the leadership competencies of the most senior echelon in an organization can have a powerful positive impact on the rest of the staff of the organization. The introduction of leadership and management development tools through this programme will be expected to cascade to other groups of staff and improve overall organizational performance.

In the area of financial management, the planned adoption by UN system organizations of International Public Sector Accounting Standards (IPSAS) has been unanimously praised as an important basis for simplifying and harmonizing business practices. The joint implementation of IPSAS is already at an advanced stage and is raising a number of related issues, whose analysis and follow-up are also part of the HLCM plan. This includes a project for system-wide approach for the **Training to support IPSAS adoption across the UN system**, to ensure consistency in the implementation of the Standards across the System and to facilitate the implementation of IPSAS training initiatives efficiently and effectively. This would be achieved by coordinating the development and delivery of training products to be shared by organizations thereby reducing the overall costs of training relating to IPSAS adoption.

Among issues requiring further study to be carried out at the system-wide level to ensure consistent conclusions and, where necessary, coordinated action, is **how the adoption of IPSAS will impact on budgeting practices in the United Nations system** and, specifically, what the implications of adopting accrual-based budgeting would be. The proposed study also aims at developing capital budgeting solutions for the UN system. The expected output of the project is a report containing the analysis of and recommendations on the budget basis and comprehensive working models of capital and accrual budgeting, upon which UN system organizations would be able to decide their specific course of action on budgeting practices.

Outside the IPSAS-related domain, another initiative in this area is the **establishment of common cost recovery policies across UN system organizations**. The main objective is

to improve the level of consistency and harmonization in relation to the rules and procedures governing the attribution of administrative and support cost charges for extra-budgetary activities. This project is important for the improvement of programme delivery at the country level, especially in the context of the “Delivering as One” pilots, where consistent and comparable methodologies for the calculation and charging of programme support cost (PSC) rates are a pre-requisite for the success of the pilots. The completion of this project would help develop a common understanding of the cost categories associated with project implementation and the methodologies to directly or indirectly charge costs to projects, thereby promoting transparency and accountability towards Member States and donors with regard to the extra-budgetary activities they fund.

A project to **enhance the scope and detail of the CEB UN system-wide financial statistics database and reporting system** addresses the need for harmonized, system-wide data warehouses for reporting, in particular for information related to UN activities, programme delivery, budgets, staffing and cost-effectiveness, for a more transparent overview of UN system results and financial figures. Expected results include the creation of a one-place access to comprehensive, reliable, manageable and ready-to-use financial information on the entire UN system, as well as the improved visibility of extra-budgetary contributions, including those from non-state donors, with particular reference to the provisions contained in the financial agreements of UN system organizations with the European Commission.

Two additional projects have received the preliminary endorsement of both the Finance and Budget Network and of the HLCM Steering Group for inclusion in the Plan of Action. Upon finalization, they will be submitted to the Committee’s Steering Group for a complete review and evaluation:

- a) A Feasibility study for putting in place **“Common Treasury Services”**, with particular reference to (a) creating a sort of UN netting system for foreign exchange needs of different organizations; and (b) seeking significant reduction of the spread on foreign exchange transactions with banks, as a result of increased volumes when operating/negotiating as the UN system instead of as individual organizations;
- b) The completion of a **Comparative analysis of organizations’ Financial Regulations and Rules**, leading to an **action plan for system-wide harmonization**. This project would represent an expansion of the scope of the current effort by the UNDP, UNICEF, UNFPA, WFP and the United Nations Secretariat to develop one common set of Financial Regulations and Rules.

Most projects in the **Information, Communication & Technology** area address the need for a common and coherent effort to enhance knowledge sharing, internally - across functional borders – and externally - across organizations. Initiatives in this area aim at increased harmonization through the identification and sharing of best practices within the three main Enterprise Resource Planning (ERP) platforms, Oracle, Peoplesoft, and SAP; examine the potential value of common technology services, in particular data centers and data communications; and provide for the development of standardized knowledge sharing practices and a common communication platform for an improved and consistent image for the UN system.

The **Harmonization of ERP operational and administrative practices and processes** has an objective of harmonizing business practices through the use of ERPs in order to achieve commonality of process based on UN best-practice. It would achieve this by the establishment of UN ERP exploitation groups for each of the main ERP solutions - Oracle, Peoplesoft, SAP, and other systems adopted by UN system organizations - each group containing functional and technical sub-groups. The functional sub-groups would define UN best practice processes within the context of the ERP systems that many UN agencies are, or will soon be, using, and agencies would commit to moving their processes to the UN best practice at the next major upgrade of their ERP system. The technical sub-groups would identify and develop opportunities to share the costs of running ERP applications amongst UN system organizations with a strong focus on finding appropriate solutions that are cost effective and efficient.

The **Development of regional inter-agency shared service centers** proposes a full inter-Network based study to determine the feasibility of, and develop a business case for, the establishment of Regional Inter-Agency Shared Service Centers, as a major efficiency compared to current individual agency based services, as a driver for greater harmonization of business practices, as a valid and economic basis for inter-agency administrative service provision in general, and as a valuable option for provision of administrative services to “Delivering as One” country offices. The study would require considerable external expertise and would not be inexpensive or quick to complete. However, the potentially far-reaching impact of its findings in terms of administrative efficiencies, as a potential basis for administrative services provision to “Delivering as One” offices, and its potential as a catalyst to improved harmonization of business practices, would indicate that such a study should be at the centre-piece of the HLCM contribution to a more coherent management of organizational administrative activities.

The **UN system Portal** has the objective of facilitating an improved and consistent image for the UN system through the introduction of standardized knowledge sharing practices and a common communication platform. Rather than placing emphasis on a technology upgrade, this business case establishes a framework, by which information and technology specialists work in unison to inform the public on the priorities and activities furthered by the UN system as a whole. It aims to achieve clarity in message delivery, streamlining of content management, an improved, well-rounded, image for the UN system and new opportunities for enhancing the visibility of all organizations.

The development of **Common standards and costing approaches for ICT services and investments** has objectives to deliver common standards for ICT investment decision-making and also to recommend common costing mechanisms for ICT services. The planned activity is to expand on existing efforts by agencies to put new ICT project proposals into their proper business context for the benefit of agencies without such tools, and to work towards a common approach to business case development. It would also develop common costing definitions of ICT services and benchmarking on a service-by-service basis.

The **Consolidation of operations of UN data centers** has the objective of determining the value of such consolidation, including the opportunities afforded by such an initiative to improve disaster recovery capabilities. The study will produce recommendations on feasibility and cost benefits of implementing such shared data center facilities.

The **ICT Internationally Recognized Standards** initiative has an objective of harmonizing ICT business practices through the use of internationally recognized standards. Activity in this area is already underway and the initiative would support these efforts by the development of UN-specific training programmes and inter-agency knowledge-sharing mechanisms, as well as by the establishment of minimum standards for best practices.

A feasibility study for a **UN system directory** has just been completed by UNDG with the full support of the HLCM ICT Network. The project, which has the objective of providing access to contact information for all UN system Organization personnel, can now move to the implementation stage. This project is particularly relevant at the country level, since the ability to locate contacts across agencies has become crucial for inter-agency activities, especially in “Delivering as One” offices.

The United Nations system collectively has reached an annual business volume of more than USD 9 billion of **Procurement** to support its operations. A number of proposed projects in this area have the objective of achieving the required level of harmonization in support of field operations and reach out to the UN procurement practitioners worldwide. Ultimately, these combined initiatives would positively enhance the professionalism of United Nations system procurement practitioners.

A multilayer project for a **common framework in support of field operations** would provide a solid foundation for procurement functions in the “Delivering as One” scenarios, create cohesive approaches, and improve and regulate the quality of procurement procedures and processes in UN system organizations. This project would also provide for a demystification of the procurement process for suppliers and other stakeholders, as well as developing guidelines and training materials for practitioners and suppliers.

A second initiative in this area provides for the **development, implementation and support of a common framework for dealing with suspect vendors**. Ethics features as a standing item on the procurement agenda. Guidelines and training materials have been developed and shared among agencies and are centrally available to staff and suppliers via the United Nations Global Marketplace. It is a necessary next step for the UN system to have a common framework for effectively dealing with suspect vendors, i.e. actual and potential suppliers with proven records of wrong-doing including business practices, corruption and involvement in terrorist activities. The proposed project would provide the UN system with common administrative procedures, supported by tools available on the United Nations Global Marketplace, that would allow procurement practitioners to follow the same approach and share information on such potentially problematic business partners.

A final initiative to **increase access of suppliers from developing countries and countries with economies in transition** is aimed at enhancing the appropriateness of products, cost and delivery time to the programmes’ requirements and beneficiaries’ needs, while ensuring transparent and fair competitive conditions. Buying from the beneficiary countries contributes to the growth of local economies by providing additional markets to enterprises, increasing quality standards and investments in developing countries, promoting regional trade, and creating employment. UN system organizations can benefit from an increased access of suppliers from developing countries and countries with economies in transition countries because these countries’ competitive and unexploited supply capacities located close to operation fields can produce a more timely and cost-efficient delivery of aid and, through reduced transport, abate costs and carbon emissions of UN system programmes. In the medium and long term, buying locally and regionally would also

facilitate the development of a competitive network of suppliers (i.e. rising number of suppliers, increased competition, improved competitiveness of enterprises). For many markets the UN system is considered a “preference setter” hence the project approach which, leveraging existing expertise and established relationships and contributing technical expertise (thorough analysis, market studies etc), would refine and complement the efforts of UN agencies, trade missions and chambers of commerce.

● OBJECTIVES

The outcomes expected from individual projects can be combined in a matrix of higher-level objectives highlighting the value of the plan through its built-in complementarities. These objectives are summarized as follows:

1. Adopt International Standards & Replicate Best Practices
2. Facilitate Knowledge & Resource Sharing
3. Enhance Transparency & Accountability
4. Enhance Public Trust and Engage Stakeholders
5. Facilitate Effective Inter-agency Coordination
6. Achieve Efficiency Gains

The **adoption of international standards and the replication of best practices** are mainly sought through comprehensive reviews and comparative analyses of business processes related to the different management functions, as well as through the identification and selection of internationally recognized standards which can be successfully applied to the business models and structures of UN system organizations.

A cross-cutting objective for most of the projects included in this plan is to **enhance knowledge and resource sharing**, internally – across functional borders – and externally – across organizations. All the projects that have a training element (the SMN Leadership Development Programme, the IPSAS and the procurement initiatives) or a specific focus on the collection, analysis and publication of information of system-wide nature, such as the UN system Portal, the financial statistics database, the procurement harmonization project in support of field operations, or the initiative aimed at increasing supplier access, contribute directly to diffusing and making available, through a harmonized inclusive system, to all the stakeholders of the UN system (the Member States, the public, and the organizations) the enormous capital of knowledge that the UN system produces or generates.

Better **transparency and accountability** are key drivers of modern management and are strictly interlinked with the availability of comprehensive and reliable information on the UN system. Data warehouses and Internet-based platforms designed to host this information and make it accessible in an immediate and modern fashion, also address such needs and represent a core component of the HLCM proposal. Accountability and transparency are also pursued for internal business processes through identifying and adopting international standards in the various management areas of work, such as financial management of an organization, or in its ICT structure and mechanisms,

Strengthening the confidence and trust that the public and the stakeholders in general place in the UN system are critical underpinnings to its legitimacy to act in the vast and delicate domains to which its activity extends. Enhancing procurement and the supply

chain function of the UN system organizations in a forward looking, strategic and coherent approach that is transparent can help establish such confidence and trust. Similarly, a coordinated and structured approach towards increasing supplier access for developing countries and countries with economies in transition reinforce the commitment to exploring all avenues to serve these countries. The UN system Portal can be the “one” public face to communicate with the outside world on what is happening in this UN system. Tools like the financial statistics database can provide the means for the external world to take a closer look into the UN system and support legitimacy claims with actual numbers.

Because **effective inter-agency coordination** is a job and not only a concept, it requires the means to actively pursue it. To seek coherence while having to rely on structures, mechanisms, procedures that are not comparable or even conflicting is hardly an achievable goal. The HLCM plan addresses a number of areas where the functioning of UN system organizations can be harmonized along best practices or according to models designed to address the requirements of a UN system as envisioned by Member States as early as 1977, in the General Assembly resolution 32/197. Consortium procurement, coordinated approach to the business community in developing countries, cost recovery policies, employment arrangements, and ERP operational solutions are among the areas that the HLCM is ready to explore to achieve better coherence as a means for more effective inter-agency programme delivery guided by national ownership of the respective Member States.

Finally, the UN system must operate using its resources at the maximum of their potential. Any waste represents a diminished delivery in the programmatic mandate of an organization. For these reasons HLCM believes it is its duty to **seek maximum efficiency and reduction of administrative costs** wherever possible, in favour of greater resources for programme priorities. Feasibility studies, cost/benefit analyses and actual implementation of new supply chain options or common services such as Treasury or any other administrative functions represent a concrete answer to this need. An answer that is a serious one, because possibly difficult choices must be supported by evidence-based, educated, scientifically sound and financially wise arguments, and should not be empty declarations of intent.

The extent to which each of proposed activities contributes to achieving these objectives is summarized in the matrix below (Table 1). Table 2 and Table 3 summarize the proposed activities and the expected outcomes for each project.

All tables also reflect the breakdown of projects into the three groups of initiatives: 1) projects ready for implementation (**IMP**); 2) analyses and reviews leading to the implementation of one of the alternative options that will be identified (**REV**); and 3) feasibility studies whose outcome would determine whether to proceed to any implementation phase or to decide on alternative solutions (**FST**).

Table 1. Value Matrix: Complementarities and High-level Objectives

PROJECTS	OBJECTIVES	Category	Adopt International Standards & Replicate Best Practices	Facilitate Knowledge & Resource Sharing	Enhance Transparency & Accountability	Enhance Public Trust & Engage Stakeholders	Facilitate Effective Inter-agency Coordination	Achieve Efficiency Gains
1.	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	REV	✓	✓	✓	✓	✓	✓
2.	Senior Management Network (SMN)	IMP		✓			✓	
3.	SMN Leadership Development Programme	IMP		✓			✓	
4.	UN system-wide Financial Statistics Database and Reporting System	IMP		✓	✓	✓	✓	✓
5.	UN System Cost Recovery Policy	REV	✓		✓	✓	✓	
6.	Implications of IPSAS on UN System Budgeting Practices	FST	✓		✓			✓
7.	IPSAS System-wide Training	IMP	✓	✓				✓
8.	Comparative Analysis of Organizations' Financial Regulations and Rules, leading to an Action Plan for System-wide Harmonization*	REV			✓		✓	
9.	Feasibility Study for Putting in Place Common Treasury Services*	FST						✓
10.	Harmonization of ERP operational and administrative practices and processes	REV	✓	✓			✓	✓
11.	Common Services – Inter-Agency Shared Service Centers	FST		✓			✓	✓
12.	UN System Portal – One Source: Business Case for a Unified UN System Internet Presence	IMP		✓	✓	✓	✓	✓
13.	Common Standards & Costing Approaches for ICT Services and Investments	IMP	✓		✓	✓	✓	✓
14.	Consolidation of Operations of UN Data Centers	FST	✓				✓	✓
15.	ICT Internationally Recognized Standards	IMP	✓		✓	✓	✓	
16.	UN System Directory	IMP		✓	✓		✓	
17.	(a) Procurement harmonization in support of field operations: <i>Comparative Analysis of organizations' procurement practices and processes</i>	REV	✓		✓	✓	✓	✓
	(b) Procurement harmonization in support of field operations: <i>Review and Assessment of Procurement at two of the Delivering as One pilot country offices</i>	REV		✓	✓	✓	✓	✓
	(c) Procurement harmonization in support of field operations: <i>Integration of sustainable procurement within UN system procurement practices</i>	IMP		✓		✓		✓
18.	Common framework to deal with suspect vendors	IMP	✓	✓	✓	✓	✓	✓
19.	Enhanced access of suppliers from developing countries and countries with economies in transition	IMP		✓	✓	✓	✓	✓

* pending finalization.

Table 2. Proposed activities by project

PROJECTS	Category	PROPOSED ACTIVITIES			
1. 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	REV	Analyse staff regulations & rules and current employment and contractual practices	Identify discrepancies and divergences in provisions, and good practices	Recommend on: harmonization, good practices, integration of field-staff skills	Recommend on: elimination of barriers to mobility, joint performance improvement;
2. Senior Management Network	IMP	Develop core competencies for effective managers	Set up a system-wide programme for leadership development	Develop managerial tools and resources to support SMN members	Create Global Management Fora and thematic conferences
3. SMN Leadership Development Programme	IMP	Develop the programme	Deliver Leadership Development programme		
4. UN system-wide Financial Statistics Database and Reporting System	IMP	Define the basic premise of the database and reporting system	Pilot and implement the project plan	Launch the database in the public domain	Expand with reporting tools and interfaces
5. UN System Cost Recovery Policy	REV	Review cost components of PSC	Understand and compare costing methods used	Propose standardized cost classification	Identify standard project budget structures to be used
6. Implications of IPSAS on UN System Budgeting Practices	FST	Review budget basis issues	Assess viability of accruals based budgeting	Assess implications of change	Evaluate capital budgeting solutions
7. IPSAS System-wide Training	IMP	Assess organization's training needs	Develop training modules	Develop and deliver customized training	
8. Comparative Analysis of Organizations' Financial Regulations and Rules, leading to an Action Plan for System-wide Harmonization*	REV	Comprehensively analyse and review the latest financial regulations and rules	Identify discrepancies and divergences in rules and practices	Recommend on: harmonization & good FRR	
9. Feasibility study for putting in place Common Treasury Services*	FST	Analyse and compare treasury-related costs	Compare spreads on foreign exchange transactions with banks	Identify criteria and ranges of negotiation on spreads	Assess feasibility of UN netting system for foreign exchange needs
10. Harmonization of ERP operational and administrative practices and processes	REV	Establish functional and technical specialist groups for each major ERP system across agencies.	Groups to develop technical and administrative best practice models for each ERP.	Groups to identify and develop opportunities to share the costs of operating each major ERP application.	Groups to develop strategies for implementing best practice models within agencies.
11. Common Services – Inter-Agency Shared Service Centres	FST	Study to determine feasibility of one shared centre to provide administrative services.	Evaluate potential impact on administrative activities.	Standardize and consolidate the management of desktop PC services.	
12. UN System Portal – One Source: Business Case for a Unified UN System Internet Presence	IMP	Analysis of current publishing platforms, practices, standards, infrastructure and authoritative sources.	Evaluation of best practices, standards, business needs, technology trends and writing of gap analysis.	Clustering of organizations by capacity and expertise in the content management area.	Initial implementation followed by phased releases that add value to content collection, relation, delivery and presentation.

Table 2. Proposed activities by project (continued)

PROJECTS	Category	PROPOSED ACTIVITIES			
13. Common standards and costing approaches for ICT services and investments	IMP	Establish inter-agency group to create a standard ICT business case methodology.	Develop costing definitions of ICT services and benchmarking on a service-by-service basis.		
14. Consolidation of operations of UN Data Centres	FST	Undertake Data Centre consolidation study.	Develop business case for consolidation of data centre operations		
15. ICT Internationally Recognized Standards	IMP	Agree on standard models for ICT governance, security, service delivery, etc.	Through training, achieve minimum levels of compliance with ICT standards.	Integrate training requirements into the curriculum of the UN System Staff College.	
16. UN System Directory	IMP	Develop governance and implantation mechanisms	Pilot the solution in several one-UN country offices	Deploy the solution to all agencies wishing to participate	
17. (a) Procurement harmonization in support of field operations: <i>Comparative Analysis of organizations' procurement practices and processes</i>	REV	Review procurement manuals and other practices of top 10 UN system agencies	Review procurement-related financial rules and regulations	Develop a standardized procurement toolkit	Update Procurement Practitioners Handbook
(b) Procurement harmonization in support of field operations: <i>Review and Assessment of Procurement at two of the Delivering as One pilot country offices</i>	REV	Analysis of the requirements of procurement and programmes at the two pilot offices	Identify objectives, risks, timing and estimated costs of all procurement for the forthcoming budgeting period	Identify best procurement options.	
(c) Procurement harmonization in support of field operations: <i>Integration of sustainable procurement within UN system procurement practices</i>	IMP	Develop Sustainable Procurement Guide for UN Practitioners	Develop sustainable guidelines for top 20 common user items	Develop and deliver 3-day sustainable procurement course	Update Procurement Practitioners' Handbook
18. Common framework to deal with suspect vendors	IMP	Develop policy framework and prescriptive content, tools to ensure common approach to suspect vendors	Capture, avail and internally distribute information regarding suspect vendors through UN Global Marketplace (UNGM)	Develop and improve UNGM interface to enable organizations to search UNGM seamlessly	Produce guidelines and training materials
19. Enhanced access of suppliers from developing countries and countries with economies in transition	IMP	Analysis of supply capacities of mentioned countries	Develop and deliver dedicated training programme for suppliers from mentioned countries	Coordinate networking between mentioned countries and UN procurement officers	Adjust UN procurement requirements in mentioned countries' context

* pending finalization.

Table 3. Expected outcomes by project

PROJECTS	Category	EXPECTED OUTCOMES			
1. 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	REV	Greater consistency of conditions of service and cohesion across the system.	Reduction of impediments to mobility and increased integration of field-staff skills into organizational capacity	Implementation of good practices in all organizations and simplification and clarity of processes	Greater accountability and transparency and enhanced trust among stakeholders
2. Senior Management Network	IMP	Strong and professional managerial and leadership capacity.	A common corporate culture	Devolution of responsibility, authority and accountability for core managerial functions.	Increased inter-agency cohesion and coordination
3. SMN Leadership Development Programme	IMP	Shared, UN-wide <i>esprit de corps</i>	Increased networking and multi-stakeholder collaboration. Upgrading of leadership skills.	Commitment to the building and leveraging of the SMN.	
4. UN System-wide Financial Statistics Database and Reporting System	IMP	One-place access to financial information on the UN	Facilitation of work of interagency and coordination bodies	Improved visibility of extra-budgetary contributions	
5. UN System Cost Recovery Policy	REV	Harmonized guidelines on cost recovery	Increased transparency on XB-funded activities		
6. Implications of IPSAS on UN System Budgeting practices	FST	Informed decisions on accrual-based budgeting	Working models for capital budgeting	Working models for accrual budgeting	
7. IPSAS System-wide Training	IMP	System-wide training on IPSAS in the UN	Comprehensive suite of training materials		
8. Comparative Analysis of Organizations' Financial Regulations and Rules, leading to an Action Plan for System-wide Harmonization*	REV	Implementation of good practices in all organizations.	Increased transparency on XB-funded activities	Simplification of processes and increase of cost-savings.	
9. Feasibility study for putting in place Common Treasury Services*	FST	Create a sort of UN netting system for foreign exchange needs of different organizations	Obtain significant reduction of the spread on foreign exchange transactions with banks, as a result of increased volumes		
10. Harmonization of ERP operational and administrative practices and processes	REV	Development and implementation of ERP best-practice processes.	Reduced cost, risk and time to implement administrative changes.	Consolidation of operational processes, across ERP platforms.	Mechanisms for agencies to share ERP implementations.
11. Common Services – Inter-Agency Shared Service Centres	FST	Improved support to One-UN offices at country level.	Mechanism to support harmonization of business practices.		
12. UN System Portal – One Source: Business Case for a Unified UN System Internet Presence	IMP	Improved message delivery and image for UN system	Streamlined content management and publishing processes.	New web publishing platform and related services.	Support for knowledge sharing and related initiatives.

Table 3. Expected outcomes by project (continued)

PROJECTS	Category	EXPECTED OUTCOMES			
13. Common Standards and Costing Approaches for ICT Services and Investments	IMP	Standard business case template for clearly defining ICT projects	Common cost elements for ICT activities and assets.		
14. Consolidation of Operations of UN Data Centres	FST	Cost/benefit analysis for common data centres.	Improved understanding of requirements for sharing ICT infrastructure components		
15. ICT Internationally Recognized Standards	IMP	Improved ICT service delivery within an organization.	Enhanced interchange of ICT staff.	Enhanced capability to benchmark ICT services across organizations.	
16. UN System Directory	IMP	Methodology for sharing contact data.	Fully functional contact directory		
17. (a) Procurement harmonization in support of field operations: <i>Comparative Analysis of organizations' procurement practices and processes</i>	REV	Deliver common and best practice tools to UN procurement practitioners	Standardised procurement toolkit for field operations in response to the needs identified.	Common definitions and terminology, standard templates, standard specifications for common user items, access to long-term agreements, risk management tools	
(b) Procurement harmonization in support of field operations: <i>Review and Assessment of Procurement at two of the Delivering as One pilot country offices</i>	REV	Recommendations in response to outcome findings	Recommendations with practical tools for implementation and action plan at field level	Inclusion in best practices guide as applicable for further roll out to other locations	
(c) Procurement harmonization in support of field operations: <i>Integration of sustainable procurement within UN system procurement practices</i>	IMP	Legal and procedural modifications to include sustainability considerations in UN procurement activities	Knowledge and culture change: increased capacity in relation to environmental and social issues among procurement practitioners and requisitioners	A comprehensive toolkit to facilitate procurement practitioners to choose more sustainable options	Communications system established for both in-house and external communication on UN corporate environmental/social performance
18. Common framework to deal with suspect vendors	IMP	Handling of suspect vendors in a coherent and coordinated manner, without contradictions across the UN system	Allow procurement practitioners to follow the same approach and share information on such potentially problematic business partners	Support policy framework through enhancements to UNGM	
19. Enhanced access of suppliers from developing countries and countries with economies in transition	IMP	Increase fair and easy access of suppliers and facilitate the development of a competitive network of suppliers	Enhance effectiveness of and complement gaps in of existing initiatives	More timely and cost-efficient delivery of aid	Abatement of costs and carbon emissions of UN system programmes through reduced transport

* pending finalization

● GOVERNANCE STRUCTURE AND PROGRAMME ADMINISTRATION

Governance goes hand-in-hand with accountability. Achieving optimal results in all the projects that make up the HLCM plan will require establishing full accountability by all parties involved. As underlined by the Secretary General when introducing his new accountability compact, we must “... *look at accountability not as a narrow technical issue, but as a fundamental organizing principle and operational guideline for the Organization and Member States*”.

The member organizations of HLCM, on their part, signed on to this plan with a full understanding that the quality of the design and, subsequently, **the successful implementation of any project** aimed at the harmonization of business practices across the UN system, **would heavily depend on their commitment to contribute the time and skills of their internal resources to such effort**. The availability of the necessary financial means and of human resources acquired on the external market would be complementary to and in support of the organizations’ internal commitment to make these projects happen. No single initiative can be accomplished without the active backing by the top management of each organization and without the participation of knowledgeable UN staff members.

The member organizations of HLCM are the guiding force behind the overall plan. The governance of the plan is built around a Steering Group which is led by the HLCM vice-chair and comprises the chairs of the HLCM Networks, the HLCM representatives of UNDP and UNICEF, the Director of the CEB Secretariat and the Secretary of HLCM.

It is important to note that the Staff Representatives and the International Civil Service Commission (ICSC) expressed appreciation for the work done by the Committee as an important step towards enhanced coherence for better programmatic delivery of the UN system organizations, and have assured their support and commitment to the implementation of this initiative.

The Steering Group, based on input from the full membership of HLCM gathered in the Networks, determines the prioritization and sequencing of the projects included in the plan, according to financial resources provided by Member States.

For each project there is a lead agency or a lead entity, determined following consultations within the relevant HLCM Network. **The lead agency carries ultimate responsibility for delivery**: it develops an implementation plan, puts together a detailed cost plan, and designs corresponding governance mechanisms.

HLCM organizations can voluntarily commit their participation in any of the proposed initiatives (cluster approach). Working groups of interested organizations are then formed around the lead agency.

The financial responsibility for each component of the plan resides with the lead agency, along the following mechanisms:

- The lead agency must seek and obtain the endorsement of detailed project budgets by the HLCM chair and the HLCM Steering Group;

- **The lead agency retains formal financial authority on the resources allocated to the project** for which it is responsible;
- The lead agency reports semi-annually to HLCM on the status of expenses against proposed budgets and on results achieved against stated objectives, with a clear indication of accountabilities.

The Steering Group updates the HLCM plenary on progress at each session, raising critical issues for discussion and guidance. CEB is also briefed by the HLCM chair on progress, at each session.

The CEB Secretariat reports annually to the contributors on the status of the overall plan of action.

● MONITORING AND EVALUATION

Each of the projects in the action plan will be monitored and evaluated separately in accordance with an overall results-based monitoring and evaluation framework to be developed for each project. The aim is to ensure accountability and transparency in the use of project resources, the tracking of project implementation and progress towards achieving the expected benefits, identification of areas in need of adjustment and to ensure that lessons learned in the implementation of the projects are distilled and widely shared within HCLM. **The resources required for monitoring and evaluation, including an independent end-of-project evaluation, will be clearly earmarked in the project budgets as a direct cost.**

The HLCM entity responsible for each individual project will be held accountable for ensuring that monitoring and evaluative information is acted upon as appropriate to ensure an effective implementation of the project and that such information is reported regularly to the HLCM plenary and to other stakeholders, as appropriate.

The results-based monitoring and evaluation framework for each project will be based on a set of activity and output indicators (timeliness of implementation, quality of outputs, use of resources...) as well as performance indicators for each of the expected benefits, respectively. Baselines on each of the performance indicators will be established as appropriate at the outset of each project in order to facilitate the tracking and evaluation of progress and achievement of results.

Project monitoring reports covering implementation aspects (resources, activities and outputs) shall be prepared on a six monthly basis. Delivery of services by consultants will be monitored against deliverables and benchmarks included in contracts. Project progress reports covering both implementation and results aspects (progress as measured on the performance indicators) shall be prepared on an annual basis and submitted to the HLCM plenary as feedback in order to ensure that issues identified that need corrective action are acted upon.

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.

● ASSUMPTIONS AND RISKS

The main risk associated with the successful implementation of the HLCM plan is that principle actors in this process do not see value in acting as one, but instead place their own interests first; business continues as normal, within the boundaries of individual organizations. This scenario would be all the more likely in absence of clearly communicated results and the longer-term potential to benefit each participating organization. Therefore, the commitment of organizations must be assured by underlining the legitimacy of the initiative and what it represents fundamentally to the UN system's ability to deliver results. **The strong leadership of the Secretary General and the other Executive Heads who have reviewed the proposal and endorsed it, and who will receive updates as appropriate, will be critical to ensure the success of this initiative.**

● INDICATIVE RESOURCE REQUIREMENTS AND TIMEFRAMES

In many cases, the most valuable resources required for the implementation of the HLCM plan would be UN system staff member inputs, and many initiatives propose the use of secondments as well as external consultants where staffing inputs are required. This means that funding would be required to compensate the seconding organizations so that they can fill the resulting staff gaps, as well as for external consultancy fees.

Separate ad-hoc funding for the professional evaluation of activities performed within the proposed plan of action is provided for in the overall funding requirements, as a direct cost, together with a provision for programme management and coordination (one senior programme officer and one administrative assistant) for the entire timeframe of the plan, and indirect programme support costs providing for the costs of infrastructure, equipment, financial reporting, recruitment, procurement, etc.

Project budgets have been formulated using the latest available United Nations Secretariat's standard salary costs for New York and Geneva and are, therefore, subject to re-costing as per normal budgeting practices. Estimates for consultancy vary very much depending on the specific requirements and on whether the expected tasks will be performed by individual consultants or by specialized companies.

The overall resource requirements for the HLCM plan are estimated at a level of US\$ 21,700,000. The breakdown by project is provided in Table 4, together with corresponding timeframes and leading responsibilities.

Table 4 - Estimated resource requirements, timeframe and responsibilities

	Category	Estimated Cost (USD)	Timeframe	Leading Responsibility**
1. 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	REV	400,000	9 months	HR Network
2. Senior Management Network (<i>start-up phase only</i>)	IMP	840,000	2 years	UNSSC - CEB Secretariat
3. SMN Leadership Development Programme (<i>start-up phase only</i>)	IMP	890,000	2 years	UNSSC
4. UN System-wide Financial Statistics Database and Reporting System	IMP	750,000	2 years	CEB Secretariat
5. UN System Cost Recovery Policy	REV	660,000	1.5 years	UNDG – FB Network-UNESCO
6. Implications of IPSAS on UN System Budgeting Practices	FST	1,040,000	2 years	UNDP – IAEA – UN Secretariat
7. IPSAS System-wide Training	IMP	1,600,000	2.5 years	UN Secretariat - IPSAS Team
8. (<i>To be further developed</i>) Comparative Analysis of Organizations' Financial Regulations and Rules, leading to an Action Plan for System-wide Harmonization*	REV			
9. (<i>To be further developed</i>) Feasibility study for putting in place Common Treasury Services*.	FST			IFAD - WHO
10. Harmonization of ERP operational and administrative practices and processes	REV	4,160,000	3 years	UN Secretariat – UNDP-ILO-WFP
11. Common Services – Inter-Agency Shared Service Centers	FST	2,080,000	1 year	WFP
12. UN System Portal – One Source: Business Case for a Unified UN System Internet Presence	IMP	1,700,000	2.5 years	CEB Secretariat

* Pending finalization

** Assignment of lead responsibilities will evolve over time and may be adjusted by HLCM in light of experience gained

Table 4 - Estimated resource requirements, timeframe and responsibilities
(continued)

	Category	Estimated Cost (USD)	Timeframe	Leading Responsibility**
13. Common Standards and Costing Approaches for ICT Services and Investments	IMP	750,000	1 year	UN Secretariat
14. Consolidation of UN Data Centers	FST	520,000	6 months	UNHCR
15. ICT Internationally Recognized Standards	IMP	840,000	2 years	UN Secretariat
16. UN system directory	IMP	370,000	2 years	UNDP
17. (a) Procurement harmonization in support of field operations: <i>Comparative Analysis of organizations' procurement practices and processes</i>	REV	380,000	18 months	UN Secretariat
(b) Procurement harmonization in support of field operations: <i>Review and Assessment of Procurement at two of the Delivering as One pilot country offices</i>	REV	300,000	18 months	UNICEF
(c) Procurement harmonization in support of field operations: <i>Integration of sustainable procurement within UN system procurement practices</i>	IMP	410,000	18 months	UNDP
18. Common framework to deal with suspect vendors	IMP	170,000	8 months	UNDP
19. Enhanced access of suppliers from developing countries and countries with economies in transition	IMP	850,000	2 years	ITC
Subtotal - operational costs		18,710,000		
Independent Final Evaluation		560,000		
Programme Management & Coordination		1,030,000	3 years	CEB Secretariat
TOTAL direct costs		20,300,000		
Indirect costs		1,400,000		
TOTAL		21, 700,000		

* Pending finalization

** Assignment of lead responsibilities will evolve over time and may be adjusted by HLCM in light of experience gained

Appendix

ONE-PAGE EXECUTIVE SUMMARIES

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1. 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 DUTY STATIONS

Objective

To bring greater harmony to the human resources management practices of the organizations of the United Nations common system and also to their application, in order to make the policies and procedures governing the management of human resources consistent across the UN system. Overall, this project represents a significant move towards greater accountability and transparency and enhanced trust among stakeholders.

Expected benefits

One of the main benefits is the greater cohesion across the UN common system which will allow for the reduction and eventual elimination of administrative impediments to mobility between organizations of the UN system, thus creating greater cross-fertilization. This is also an opportunity for all organizations to examine their human resources policies and practices in the light of good practice in the United Nations system and outside it, so as to ensure that UN organizations are employers of choice in the international marketplace. A second major benefit is the simplification of processes and achievement of efficiencies, especially in those organizations which are in the process of re-engineering their human resources management functions. The results of these analysis and review would trigger the potential application of common service processes based on identified potential standards – e.g. the centralized processing of education grant claims. This project would provide the conditions for less competition for high-quality staff among UN organizations and more inter-agency mobility, resulting in improved ‘Delivering as One’ at country level. It will also increase integration of field-staff skills into organizational capacity and strengthen unified performance across the system at the point of programme delivery.

Proposed activity

The set of activities under this project consists of a comparative analysis of the staff regulations and rules of the organizations of the UN common system and a comprehensive review of the employment arrangements pertaining to staff in each organization with particular attention to those working in the contingent workforce and those in non-headquarters locations. The comparative analysis will allow for identification of discrepancies and divergences in individual organizations’ provisions and recommendations for greater harmonization. It will also identify good HRM practices, enable organizations to introduce staff rule changes at minimal or no cost and enable organizations to identify those areas where they could join together in cost-saving common HR services. The comprehensive review will identify current employment practices and good practices, provide for coherence across the UN common system and thus promote equity and transparency, and help eliminate perceived and real barriers to staff mobility.

Timeframe and costs

The comparative analysis of staff regulations and rules will be undertaken as a consultancy during a period of six months. Cost: US\$ 120,000. The comprehensive review will be undertaken during nine months by two consultants. Cost: US\$ 280,000, including travel.

2. SENIOR MANAGEMENT NETWORK

Objective

The Senior Management Network (SMN) has five inter-related objectives, with the goal of improving organizational performance: strengthening managerial and leadership capacity; building a common corporate culture; facilitating the devolution of responsibility, authority and accountability; enhancing inter-agency cohesion and coordination; and, promoting increased mobility, learning and commitment to the professionalism of the management function.

Expected Benefits

The expected results of the various initiatives detailed below are to create a cohesive network of senior leaders in the United Nations who will contribute to the effectiveness and efficiency in the way the United Nations does business. Senior managers will develop links with their counterparts across agencies and collaborate on matters relating to management and leadership. Furthermore they will have a context for continuous learning, improve their personal competencies, make a difference and play a strategic role in managing reform in their agencies and across the UN system. They will gain a better understanding of other agencies which will in turn build relationships across agencies and facilitate mobility.

Proposed Activity

The Senior Management Network comprises a number of inter-related components:

- a. A set of core competencies which provide a common language defining the qualities required of an effective manager in the UN system and support the creation of a common management culture which strengthens the cohesion of the system;
- b. A system-wide programme for leadership development drawn from institutions with expertise in the field of executive development;
- c. Managerial tools and resources to support members;
- d. A Global Management Forum which will bring together members of the Network for knowledge sharing and building esprit de corps across the system.

Timeframe and Costs

The SMN itself has been launched by the Secretary-General through an invitation letter to Executive Heads to nominate members of the SMN. While the project is ongoing, the critical development period will be the remainder of 2008, after which progress can be determined and the consolidation phase assessed, planned and budgeted. The estimated cost for 2008-2009 is US\$ 840,000 for the Network Managerial tools, the Global Management Fora and a Project Manager to oversee the SMN membership and its activities.

At the completion of the first two years and following an assessment of the work carried out and the results achieved, the full ongoing cost of the SMN should be mainstreamed in the regular budget of the CEB Secretariat.

3. SENIOR MANAGEMENT NETWORK LEADERSHIP DEVELOPMENT PROGRAMME

Objective

The United Nations Leadership Development Programme (SNMP) is one component of the Senior Management Network (SMN). It is an important vehicle for the transformation of leaders across the United Nations system because of its focus on collaborative learning.

The objective of the SMNP is the development of a shared UN-wide leadership *esprit-de-corps* that is built around a willingness and ability to collaborate across agencies and a common understanding of the theory and mastery of skills linked to the SMN competencies.

Expected Benefits

One of the pillars of the Reform Agenda of the United Nations, as expressed in Secretary General's 2006 report "Investing in the United Nations: for a stronger Organization worldwide" was "investment in leadership". The then Secretary General noted the desire to enhance creativity, enterprise, innovation and leadership at all levels including the senior management level, through a range of proposals, including more effective leadership recruitment as well as training and development activities to build a cadre of senior and middle managers.

Inspired to such ideas, the expected result of the SMNP is to create a cohesive network of senior managers and leaders in the United Nations who will:

- Develop links with their counterparts across agencies and participate in meaningful discussion and collaboration on matters relating to management and leadership;
- Find a context and means for continuous learning and intellectual discovery with their peers and external experts in a safe environment;
- Improve their competencies (skills, knowledge and attitudes);
- Recognized the importance of ongoing managerial reform and appreciate that they are empowered to make a difference and play a strategic role in their agencies and across the UN system; and
- Gained an understanding of the benefits of greater mobility as well as a better understanding of other agencies, funds and programmes. Newly built relationships across agencies will facilitate inter-agency mobility.

Proposed Activity

The SMNP will build on the lessons learned from the first cohort of the Senior Management Network Programme which took place in November 2007, thanks to generous contributions by the Governments of Italy, Sweden and the Netherlands.

In light of the objectives originally set by CEB and of the assessments of the SMNP's first cohort, the United Nations System Staff College (UNSSC) is now developing a re-designed Programme for full scale delivery across the UN system.

Among the content areas that will be covered over the course of the programme, the following can be highlighted: Results-based collaborative leadership, Leveraging diversity, Influencing and negotiating, Sustainable change in an ambiguous and complex multi-stakeholder environment, Social networking.

Timeframe and Costs

The full scale implementation of the new Programme would begin in 2009. Based on an estimate of four cohorts of up to 50 participants in each year, the estimated resource requirements, including monitoring and evaluation costs, amount to \$890,000 for 2009-2010, as follows:

1. Development costs for the refinement of the Programme and for programme management costs, for an amount of \$400,000;
2. Running costs (integration of participation fee, not to undermine the interagency nature of the Programme): \$450,000.

At the completion of the first two years and following an assessment of the work carried out and the results achieved, the ongoing cost of the Leadership Development Programme should be entirely covered through the course fees.

4. UN SYSTEM-WIDE FINANCIAL STATISTICS DATABASE AND REPORTING SYSTEM

Objective

This project addresses the need for harmonized, system-wide data warehouses for reporting, in particular for information related to UN activities, programme delivery, budgets, staffing and cost-effectiveness, for a more transparent overview of UN system results and financial figures. Specific objectives include: to homogenise and strengthen the methodological consistency of financial data collected by the CEB secretariat from UN system organizations, and to develop an advanced and easy-to-use on-line means for the compilation, reporting and analysis of UN system-wide data.

Expected Benefits

Expected benefits include the creation of a one-place access to comprehensive, reliable, manageable and ready-to-use financial information on the entire UN system, as well as the improved visibility of extra-budgetary contributions, including those from non-state donors, with particular reference to the provisions contained in the financial agreements of UN system organizations with the European Commission (FAFA).

Proposed Activity

The proposed solution is based on the centralized collection and analysis of financial data. Using common data exchange standards, reporting requirements and derived business rules, organizations would be provided with one platform to manage the submission, validation and reporting of their financial data. This service will be made available on the Internet (or Extranet) and a publishing workflow will control publishing rights and which reports are made available to which stakeholder group. A centralized web content management solution with financial reporting capabilities would implement one standard for the categorization and subsequent reporting of financial data.

A number of questions would have to be answered in order to clearly determine the scope and boundaries of the exercise:

- Is it possible to extract from the organizations' accounts the amount of resources spent by beneficiary country AND by areas of interventions (destination)? If not, is it feasible to do manual elaborations to obtain this data?
- How can we define a breakdown of areas of interventions (destination) against which it is meaningful and sustainable to match contributions and expenditures?
- What other breakdowns and elaborations could be proposed to improve and to enrich the current CEB financial statistics (analysis on non-core resources' destination, breakdown of resources by MDG, etc.)?

Timeframe and Costs

With a timeframe of two years, the project is budgeted at US\$ 750,000, including monitoring and evaluation costs. Software costs assume the selection of an Open Source content management solution, with minimum licensing costs and the potential to extend the selected platform's functionality.

5. UN SYSTEM COST RECOVERY POLICY

Objective

The cost recovery project builds on the coordination efforts done in recent years by the HLCM working group on “Support Costs for Extra-budgetary Activities” and by the UNDG Management Group and intends to enlarge the debate from programme support costs (PSC) to cost recovery policies, and identify possible areas for further harmonization of UN Organizations' cost recovery policies.

Expected benefits

In the context of "Delivering as One" which *de facto* reinforces the trend towards harmonization between UN Organizations, the main expected benefits from the project are:

- To ensure that core/regular resources do not subsidize the projects financed by non-core/extra-budgetary funding, in line with the recommendations of the TCPR 2004 and 2007,
- To ensure adequate and sustainable funding to UN Organizations for the implementation of their programme of work, and improve results-delivery of both the core/regular programme and the non-core/extra-budgetary projects,
- To improve the transparency of the cost recovery process to Member States and donors and ensure their fair treatment,
- To contribute to effective Results-Based Management (RBM) by adequately charging costs to the core/regular programme and the non-core/extra-budgetary projects,
- To further standardize and harmonize the concepts, practices and cost classifications related to transaction costs and cost recovery, while maintaining the principle of full cost recovery in the administration of all non-core/extra-budgetary contributions.

Proposed activities

The project presents the plan of activity for the recently reconstituted HLCM working group on cost recovery policy, in a joint effort with UNDG. The activity of this joint working group will be informed by the following objectives:

- (a) Promote the maximum transparency and accountability by the UN system organizations to member states and donors in relation to extra-budgetary activities/projects costs recovery.
- (b) Develop a common understanding of the cost categories associated with project implementation and the methodologies to directly or indirectly charge costs to projects, which includes:
 - ❖ The development of Common Guidelines for the direct charging of costs, covering:
 - Common standards and criteria for direct costs, together with tools to help country staff to identify direct costs more easily, such as a list of generally-accepted direct costs among UN Organizations.
 - Price lists per country for direct costs (with ranges if necessary), including common standard staff rates for UN Organizations.
 - ❖ The development of a common set of rates for the partial recovery of indirect variable costs.
 - ❖ The development of a common methodology for the calculation of fixed indirect costs since the way these costs are built has an impact on the levels of the other cost categories (indirect variable costs and direct costs).
- (c) Agree on a Common Contribution Agreement for small contributions, which are more costly to administer.
- (d) Agree on common guidelines for project budgeting (structure of the budget, cost/allocation lines, etc.) to present to donors, and build a common standard budget *proforma* based on results.
- (e) Conduct a comprehensive communication programme with all interested stakeholders, both internal and external, and build a training package to be used by UN Organizations.

Timeframe and Costs

The expected length of the project is eighteen months. The total cost is US\$ 660,000; the main part is related to specialized support for the analysis, preparation of proposals and delivering of communication and training activities (internal project manager, business analysis & accounting specialists and external consultants). Travel costs and training and communication costs are the other main components related to project implementation.

6. IMPLICATIONS OF IPSAS ON UN SYSTEM BUDGETING PRACTICES

Objective

To carry out a study on how the adoption of IPSAS will impact on budgeting practices in the United Nations system. The proposed study also aims at developing capital budgeting models for the UN system. The expected output of the project is a report containing the analysis of and recommendations on the budget basis and comprehensive working models of capital budgeting and accrual budgeting, upon which UN system organizations would be able to evaluate their specific course of action on the issue of budgeting practices.

Background

Since 2006, the IPSAS Adoption Task Force has started to evaluate the possibility to align budgeting processes to the accrual basis, but has not yet developed conclusive recommendations on either direction. Cash accounting is a consolidated form for budgeting in the public sector, mainly because its figures are well known and easy to interpret by donors and Member States. The experience of some national governments with accounting system reforms shows that the consistency between budgeting and reporting is one of the fundamental conditions for getting the reforms right. On the other hand, many governments maintain the budgeting on cash basis for the reasons stated above. The budget is the most important accounting document, since it is the main tool for decision-making. The lack of alignment of this document with the accrual-based accounting reports could limit the beneficial effects of the transition to IPSAS, such as the capacity to evaluate the costs of the activities delivered and to evaluate the long-term economic impacts of the day to day management.

Given the specificity of the UN system environment and the importance of accounting as a language linking organizations and donors' community, a comprehensive feasibility project is needed.

Expected Output

The project includes an analysis of the benefits, limitations and challenges of the different forms of budgetary accounts - cash, modified accrual, full accrual. It would then provide an evaluation of accrual budgeting in the context of the UN system and of the potential impact that any transition to such method would imply vis-à-vis the current UN system organizations' budgeting practices. The study would also examine modalities and options for tailored capital budgeting models. At the end of this first phase, the UN system would have the elements for a sound assessment of the budgeting practices options available and most suitable for UN system organizations in the context of accrual accounting and IPSAS. Any impact on financial rules and regulations resulting from a possible adoption of accrual budgeting models would also be assessed by the project team.

Timeframe and costs

The expected cost of the project, which is developed over two years, is US\$ 1,040,000, mainly related to the project management of the initiative and the cost of an external consultant.

7. IPSAS SYSTEM-WIDE TRAINING

Objective

The objectives of a system-wide approach to training are to support consistency in implementing IPSAS across the United Nations System and to implement IPSAS training initiatives efficiently and effectively.

Expected benefits

- System-wide consistency in implementing IPSAS (because training will be consistent across different organizations);
- Reduction in the total costs of training (because the investment in training products occurs only once);
- Flexible, scaleable approach to meet the individual training needs of organizations allowing them to determine the timing, location, delivery approach, quantity and content of training (by selecting appropriate modules);
- Higher quality of training products and more options for training delivery than might otherwise be possible for individual organizations given limited funding;
- Increased relevance of training for participants (since the training products will be infused with a United Nations System flavour);
- Knowledge learned may be directly applied, because the learner will not be required to assess the extent to which the course material is applicable (courses are customized rather than ‘off-the-shelf’);
- Training products are long-term resources which can be developed and refined to keep pace with further changes in IPSAS.

Proposed Activities

The activity involves the system-wide IPSAS adoption team working with organizations to develop and deliver a system-wide training approach to address the identified needs. The system-wide team will facilitate the implementation of IPSAS training initiatives through coordinating the development and delivery of training products to be shared by organizations, thereby reducing the overall costs of training relating to IPSAS adoption. Working with the selected supplier, the team will ensure that the training materials meet specifications by reviewing progress in product development, participating in pilot testing and evaluation, and monitoring subsequent delivery.

Timeframe and costs

The timeframe for full implementation of the system-wide approach to training will extend until during the entire implementation process, and provide for any necessary post-implementation support.

A preliminary costing of US\$ 1,600,000 is based on the development and supported delivery of 20 training courses identified as a result of the initial needs analysis.

10. HARMONIZATION OF ERP OPERATIONAL AND ADMINISTRATIVE PRACTICES AND PROCESSES

Objective

To harmonize business practices through the use of ERPs in order to achieve commonality of process based on UN “best-practice”.

Expected benefits

- Harmonized and streamlined common administrative and operational processes, leading to cost savings;
- Lower cost, lower risk and speedier introduction of system-wide administrative changes in response to new requirements (e.g. ICSC reform of pay and benefits, UN system accounting standards);
- Greater opportunity to consolidate the operation and support of ERP systems.

Proposed Activity

The proposed activity is to establish fully funded and supported UN ERP Exploitation Groups for the main ERP systems in use, Oracle, Peoplesoft and SAP. The Groups would be established for a fixed period of three years and each group would contain functional and technical sub-groups.

An ERP functional sub-group will capitalize on opportunities to improve, streamline and integrate administrative and operational processes within each ERP solution, with a focus on knowledge sharing and exchange of best practice in current ERP systems and to seek administrative process commonality based on a common “UN best practices” model.

A second ERP technical sub-group will identify and develop opportunities to share the costs of running ERP applications amongst UN system organizations with a strong focus on outsourcing and offshoring of ERP solutions at both hosting and application service provision levels.

Each UN ERP Exploitation Group will be fully funded to organize meetings and commission research, and will be composed of representatives from information technology, finance, human resources, legal, procurement, and logistics. Representatives of the audit function should also be represented in the Groups to ensure that recommendations arising for streamlined processes fully comply with audit requirements.

Timeframe and Costs

It is anticipated that this study will require 3 years to complete, consulting widely with individual agencies and covering a wide range of administrative processes. The secondment of 4 UN staff for 3 years, together with consultancy support, monitoring and evaluation, and travel costs, yields a total estimated cost of US\$ 4,160,000 for this initiative.

11. COMMON SERVICES – INTER-AGENCY SHARED SERVICE CENTERS

Objective

To consider the feasibility of, and develop a business case for, the establishment of Regional Inter-Agency Shared Services Centres, based in lower cost locations, as a major efficiency compared to current individual agency based services, as a driver for greater harmonization of business practices, as a valid and economic basis for inter-agency administrative services provision in general, and as a valuable option for provision of administrative services to One-UN country offices.

Expected benefits

The first major benefit would be an improved ability to provide support to One-UN offices at country level, overcoming a major barrier to effective country level operations - individual agency administrative support provision. In addition, the existence of inter-agency shared service centres would provide a direct economic incentive for harmonization of business practices, as the costs of the shared service centres would be reduced if client organizations adopted common practices.

Proposed Activity

Consideration of inter-agency regional administrative services provision will require a full inter-Network based study to determine its feasibility and potential. The study would require considerable external expertise and would not be inexpensive or quick to complete. However, the potential far-reaching impact of its findings in terms of administrative efficiencies, as a potential basis for administrative services provision to Delivering as One offices, and its potential as a catalyst to improved harmonization of business practices, would indicate that such a study should be at the centre-piece of the HLCM contribution to a more coherent management of organizational administrative activities. This study would include a full consultation with staff associations in accordance with existing agreements between staff and management. Furthermore, each agency could consult, as appropriate, with their respective governing bodies to ensure alignment with strategic goals. Naturally, individual organizations would participate as their needs and interests require.

As a first step in this broad-based study, an ICT initiative to standardize and consolidate the management of personal computer services throughout the United Nations can serve to establish the central service concept. The streamlining of basic computing platform is one of the key opportunities in UN system coherence efforts, and could be considered a quick-win in the area of ICT infrastructure consolidation. This “One Desktop” initiative envisages the creation of a management system that will gradually lead to a common desktop standard operating environment (Desktop SOE) to bring the same desktop infrastructure to all United Nations staff, irrespective of location or agency. This will be implemented through an inter-agency service centre defined explicitly to manage the UN desktop fleet, using best-practice desktop deployment processes available in industry.

Timeframe and Costs

The larger study would be lead by a panel of 4 senior UN system staff in the relevant disciplines, seconded from their organizations for the one year period of the study, supported by external experts. The initial component to standardize PC services will be led by one UN system agency with the participation of several others to demonstrate the initial concept. The total estimated cost is in the region of US\$ 2,080,000 million covering staff costs, consultancy, monitoring and evaluation, and travel.

12. UN SYSTEM PORTAL – ONE SOURCE: BUSINESS CASE FOR A UNIFIED UN SYSTEM INTERNET PRESENCE

Objective

Facilitate an improved and consistent image for the UN system through the introduction of standardized knowledge-sharing practices and a common communication platform. The business driver is to lessen the burden on UN system stakeholders (in particular, the general public) searching for relevant, up-to-date information required to evaluate progress, efficiency or impact of ongoing decisions, programmes and projects.

Expected Benefits

Principle benefits derive from the introduction of a common communication platform (resulting in streamlined content management and publishing processes) and include greater clarity in message delivery; an improved, well-rounded, image for the UN system and new opportunities for enhancing the visibility of all organizations. Other benefits include an improved understanding of cross-cutting, programmatic and regional issues; the ability to reduce duplication, identify conflicting information sources, capture institutional knowledge and support knowledge discovery thereby improving staff efficiency. Expected results from this framework include a strengthened publishing capacity of the UN system as a whole, adding value to information published by UN system organizations by centralizing access to updates, generating synergies between related material and by providing flexibility to the way key messages are delivered. Impact may best be measured by an improved public image and perceived relevance of the UN system. Basing this solution on the principles of information sharing (and related standards) will assure its practical value and lay the basis for new opportunities to emerge in the long-term.

Proposed Activity

Rather than place emphasis on a technology upgrade, the solution establishes a framework by which information and technology specialists work in unison to inform the public of the priorities and activities furthered by the UN system. The objective is to facilitate an improved and consistent image for the UN system through the introduction of standardized knowledge sharing practices and a common communication platform. The solution supports clarity by consolidating disparate information sources and by providing intuitive navigational paths to information of topical and regional relevance. The solution's architecture leverages an existing infrastructure and readily available web services. The proposed solution scales on the basis of the chosen target audience (functional requirements), derived content coverage (data exchange schema and formats) and delivery mechanism (web service architecture).

Timeframe and Costs

The proposed timeframe for this study is 2 ½ years comprising three stages: Discovery and planning 6 months, pilot and evaluation 12 months, full implementation 12 months. The costs cover the secondment of 5 UN staff, consultancy, monitoring and evaluation, travel and hardware costs equate to US\$ 1,700,000 over the 2 ½ year period.

13. COMMON STANDARDS AND COSTING APPROACHES FOR ICT SERVICES AND INVESTMENTS

Objective

- To achieve common standards for ICT investment decision-making;
- To achieve commonality of costing approach for ICT services.

Expected benefits

- Improved ICT investment decision-making at the institutional level;
- Ability to more accurately calculate organizational and system-wide costs of operation for ICT activities.

Proposed Activity

Many organizations have already developed and adopted tools that put new ICT project proposals into their proper business context. The first element of this initiative seeks to expand on those efforts for the benefit of agencies without such tools, and to work towards a common approach to business case development. To accomplish this, an inter-agency group of dedicated ICT management specialists, together with representatives of key functional areas, would create a standard methodology, likely based on existing tools, which organizations can adopt. This tool would include not only the business case template, but also the appropriate guidelines and return-on-investment (ROI) criteria for ICT investments.

The second component of this initiative would develop common costing definitions of ICT services and benchmarking on a service-by-service basis, beginning with those costs associated with data centres and telecommunications networks, which are required for the studies to determine the feasibility and cost benefits of consolidated data centres and telecommunications network. This would be accomplished through a dedicated working group, assisted by financial specialists, from across the system.

Timeframe and Costs:

The study has a suggested timeframe of one year, and costs include the secondment of 3 UN staff, monitoring and evaluation, and travel costs, providing a total estimated project cost of US\$ 750,000.

14. CONSOLIDATION OF OPERATIONS OF UN DATA CENTERS

Objective

Determine the value of cooperatively consolidating the operation of UN Data Centres, based on the need to create more effective ICT services and improve disaster recovery capabilities.

Expected benefits

- More effective and responsive data centre operations;
- Cost savings;
- Improved disaster recovery arrangements.

Proposed Activity

The ICT Network has taken steps to engage a consultant to complete a Data Centre consolidation study, which includes recommendations on feasibility and cost benefits. This activity represents the first step in consolidating these facilities, with the actual implementation of a shared service centre following from the study. In some locations, organizations are already exploring the feasibility of sharing these facilities, and the study will take these activities into consideration.

The study would limit its investigation to data processing facilities that can physically exist in a location other than headquarters, excluding such facility-dependent communication infrastructure services like local-area networking, routers, switches, etc, as well as application development, user support and other support services. The study would consider both fully-centralized as well as regional models for consolidations, and include as a key component existing shared-service arrangements within the UN family, (service hosting lead agencies and the International Computer Centre), to determine their role in consolidating facilities. Since consolidations of this nature can result in a significant increase in data communications costs the study includes an analysis of these issues to ensure that service levels are maintained, and possibly improved, in a consolidated model. Beyond clearly identifying and quantifying the financial savings and potential service enhancements that organizations may realize, the study includes an analysis of the obstacles to consolidating data centres across agencies of the UN, along with the risks organizations may face when utilizing such facilities.

Timeframe and Costs

The project costs have been estimated at US\$ 520,000 and comprise consultancy and monitoring and evaluation costs only. The project should complete within 6 months of contract issuance.

15. ICT INTERNATIONALLY RECOGNIZED STANDARDS

Objective

Harmonize ICT business practices through the use of internationally recognized standards.

Expected benefits

- Improved ICT service delivery within an organization;
- Enhanced interchange of ICT staff across UN system organizations;
- Enhanced capability to benchmark ICT services across organizations.

Proposed Activity

The proposed activities are focused on achieving an agreed-upon level of expertise and compliance across organizations within a selected series of standards models. Through UN-specific training programs and inter-agency knowledge-sharing mechanisms, organizations would achieve competence in the areas of:

- IT Governance;
- Project Management;
- ICT Service Delivery and Service Support;
- Information Security;
- Technical architecture.

The principal activity involves training for staff, primarily in the ICT divisions, on the appropriate standards and practices. Utilizing established inter-agency mechanisms, organizations would share their practices across organizations with a view towards harmonizing them as much as possible.

Timeframe and Costs

The project is anticipated to complete in 2 years and the project costs include the secondment of 1 UN staff, plus training, consultancy, monitoring and evaluation, and travel costs, totalling US\$840,000.

16. UN SYSTEM DIRECTORY

Objective:

To provide access to contact information for all UN system personnel.

Reason:

The ability to locate contacts across agencies has become crucial for inter-agency activities, especially at the country level in “Delivering as One” offices.

Benefits Expected:

Improved inter-agency communication

Proposed Activity:

The first phase will focus on developing the policy and infrastructure environment for a common, cross-agency contact directory, along with a pilot programme that includes several one-UN country offices. If successful, the second phase would deploy the solution to all interested agencies while the third phase is intended to build upon the solution to deliver more functionality such as secure inter-agency access to shared data repositories and applications. This initiative proposes support for Phase 1 and 2 of the project.

Timeframe and Costs:

The project is expected to take 6 months from commencement of activities for phase 1 with phase 2 expected to take a further 18 months, contingent upon agency participation. Project costs are estimated to total \$370,000, including costs for software and equipment, monitoring and evaluation, and consulting services.

17. HARMONIZATION OF PROCUREMENT PROCESSES AND PRACTICES IN SUPPORT OF FIELD OPERATIONS

Objective

To invest in the procurement and supply chain management function of the UN by creating a common framework for doing business through harmonization of regulations and rules, streamlining of processes, improving business practices and fostering a division of labour that meets the needs of beneficiaries and builds upon existing expertise among the various UN entities. To deliver uniform best practice tools to UN procurement practitioners based on insights gained from Delivering as One pilots, and documenting outcomes and best practices in support of Delivering as One. To leverage and expand on the work initiated by the EMG for the mainstreaming of sustainable procurement and ensuring that sustainable procurement and climate neutrality interventions are embedded in the procurement of the UN system.

Expected benefits

The main benefit derived from the introduction of a set of common rules, regulations and practices is to avoid duplication of effort and to facilitate timely, appropriate and cost effective delivery of goods and services to the beneficiaries. System wide efficiency gains with regard to supply chain functions, facilitating inter-agency operations and joint support to operations (programmes, projects and missions). Support of the United Nations' quest for environmental sustainability of its offices and operations.

Proposed activities

1. Activity 1 — Comparative Analysis of organizations' procurement practices and processes

Review of commonalities and differences in procurement manuals and guidelines. Review procurement-related financial rules and regulations in coordination with HLCM Finance & Budget Network. Develop a standardized procurement toolkit for field operations in response to the needs identified through Activity 2 of this initiative. Toolkit to include common definitions and terminology, standard templates, standard specifications for common user items, access to long-term agreements, risk management tools, etc. Update the Practitioners Handbook and disseminate information through internal networks and UNGM.

2. Activity 2 — Review and Assess Procurement at two of the Delivering as One pilot country offices

Analysis of the requirements of procurement and programmes at each pilot office to identify the objectives, risks, timing and estimated costs of all procurement in prospect for the forthcoming budgeting period identifying best procurement options. Recommendations with practical tools for implementation and action plan at field level. Evaluation of the outcomes of procurement objectives supporting operational and programme delivery at pilot offices. Recommendations in response to outcome findings and inclusion in best practices guide as applicable for further roll out to other locations.

3. Activity 3 — Integrate sustainable procurement within UN system procurement practices

Developing a Sustainable Procurement guide for UN system procurement practitioners; Increase from 10 to 20 the number of sustainable product guidelines including the environmental specifications and evaluation criteria for the direct use in solicitation documentation. Develop and deliver a comprehensive sustainable procurement course of approximately 3-day duration, addressing the needs of procurement practitioners when implementing sustainable procurement. In addition develop a half-day sustainable procurement module for integration into the existing 'Fundamentals of Procurement' training course. Update the UN Practitioners' Handbook.

Timeframe and Costs

The overall responsibilities for these activities lie with three agencies. UN secretariat will take responsibility for Activity 1; UNICEF for Activity 2, and UNDP for Activity 3. The Management Board for the HLCM Procurement Network will take responsibility for oversight and monitoring of all activities, deliverables and costs. The overall initiative is costed at USD 1,090,000 in a timeframe of eighteen months, including programme management, monitoring and evaluation.

18. COMMON FRAMEWORK TO DEAL WITH SUSPECT VENDORS

Objective

- To develop a policy framework of administrative processes that is common across the UN system, with respect to the handling of suspect vendors¹ (i.e. unethical and/or corrupt);
- That this policy framework is supported by further enhancement of the UN system business portal shared by the UN procurement community, the UN Global Marketplace (UNGM at www.ungm.org). These enhancements will introduce a mechanism for sharing of decisions by its members on unethical and/or corrupt behaviour by a vendor.

Expected Benefits

Principle benefits derive from the development and communication of the relevant policy frameworks needed by UN system organizations in order to implement a common approach to suspect vendors. These benefits are realized by the introduction of a knowledge-sharing platform that will provide a UN system-wide ability to communicate decisions relating to suspect vendors amongst the UN procurement community. This will in turn enhance professionalism and co-ordination within the UN procurement community by facilitating operations and due diligence by procurement officials both in the field and at HQs and by reducing duplication and capturing institutional knowledge. Further, it will demonstrate the continued strengthening of the UN's procurement function and improve stakeholder confidence in the professionalism of UN system procurement operations. Expected results include an improvement in the quality of procurement outcomes and an increase in transparency.

Proposed Activities

- Development of the policy frameworks, prescriptive content and other tools needed by UN system agencies to implement a common approach against suspect vendors.
- Enhancement of the UNGM Database to enable recording of agency decisions concerning any individual vendor
- Ability to capture information concerning any suspect vendor that may not be currently registered with UNGM.
- Development of UNGM's interface functionality to enable organizations to search UNGM for suspect vendors seamlessly from within their own IT systems.
- Development of functionality which enables automatic screening of all new vendor applications against the lists, and UN agency administrators to be notified when suspended vendors apply for registration.
- Production of guidelines and training material and a communication/training programme.

Timeframe and Costs

To undertake the actions outlined above and have them completed in a timeframe of eight months, the estimated resources for policy expertise, project analysis and coordination, ICT development, communication, and monitoring and evaluation amount to USD 170,000.

¹ Actual and potential suppliers with proven records of wrong-doings (incl. unethical business practices, corruption and involvement in terrorist activities)

19. ENHANCED ACCESS OF SUPPLIERS FROM DEVELOPING COUNTRIES AND COUNTRIES WITH ECONOMIES IN TRANSITION TO THE UN MARKET PLACE

Objective

To increase fair and easy access of suppliers from developing countries and countries with economies in transition to the United Nations (UN) market place through coordinated, harmonized and sustainable actions which enhance effectiveness of already existing initiatives² or complement gaps.

Expected benefits

- Demonstrate the ability to implement coherent activities and achieve the impact inherently implied by the UN mandate by providing better support to the decentralized operations of the UN, country teams and local procurement officers, as well as leverage on the existing trade promotion by chambers of commerce.
- Respond to the General Assembly's call to increase procurement opportunities for vendors from developing countries and countries with economies in transition as well as enable the procurement function to effectively adapt to issues arising out of globalization.
- Continued development and capacity building of suppliers in developing countries and countries with economies in transition.
- Significant savings in transport costs through local suppliers for UN programmes and operations. Meaningful contribution to sustainable procurement.

Proposed activities

Activities will be undertaken at regional level for ensuring economies of scale, higher impact, more equity and efficiency. International Trade Centre UNCTAD/WTO (ITC) will be responsible for the implementation with the HLCM PN Management Board having responsibility for monitoring and oversight.

- *Activity 1:* Analyze the supply capacities of mentioned countries for the products and services purchased by the UN. Some of the deliverables planned are 1) a detailed list of products and services purchased by the UN and with supply capacities in these countries, 2) desk and field research to prepare market studies for the selected products and services. Surveys will identify enterprises, focusing on SME manufacturers.
- *Activity 2:* Develop and deliver dedicated training programme for suppliers complete with tailor-made training documentation, tools, and seminars on how to do business with the UN, including UN procurement procedures, principles and values. Tailor-made capacity building envisaged for developing countries' trade support institutions to improve their services to enterprises and finally identifying the bottlenecks and making recommendations for follow-up actions.
- *Activity 3:* Enabling networking between suppliers and UN procurement officers by organizing networking meetings once a year in the respective regions. Products/services will be selected according to UN agencies' needs and requirements for their operations globally and particularly in the host region and according to the host region's supply potential, to guarantee maximum networking and business opportunities. Participating enterprises will be pre-selected according to transparent and well-defined criteria. Preparatory activities to start 9 months to one year before each meeting.
- *Activity 4:* Adjustment of UN procurement requirements to developing countries' context through development of a dedicated UN database, publication of local/regional tenders in local/regional newspapers and in TSIs' newsletters/websites; creation of a dedicated webpage within the UNGM with tailor-made advice for developing country suppliers, harmonization of the product technical specifications for a selected number of products commonly purchased by the UN, adapting them to local supply capacities where possible, and gathering all for use by suppliers and UN staff.

Timeframe and costs

The proposed timeframe for this project is a two-year pilot phase with total budget of USD 850,000, covering training programmes, networking meetings, project management, and monitoring and evaluation.

² The UN Global Marketplace (UNGM), the "Buying from Africa for Africa" initiative of the International Trade Centre (ITC), the UN Secretariat's business seminars, the business contact days organized by the HLCM PN and individual UN agencies' activities.