

---

# UNDG BUSINESS OPERATIONS STRATEGY (BOS) USER MANUAL

A STEP BY STEP GUIDE TO  
BUILDING A BOS FRAMEWORK

---

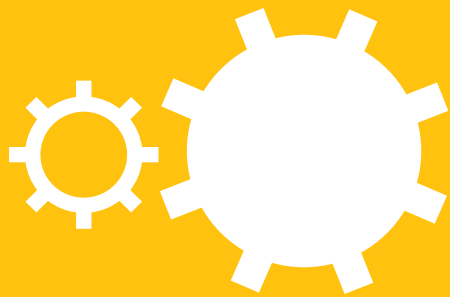


---

UNITED  
NATIONS  
DEVELOPMENT  
GROUP

---





The BOS User Manual is for Operations Management Teams (OMTs), operations practitioners, coordination staff and programme staff responsible for building, contributing to and/or implementing the **UNDG Business Operations Strategy (BOS)**. It provides a step by step guide to the BOS process and provides practical advice on how to use standard BOS templates, undertake a cost-benefit analysis, develop the BOS Results Framework, write the BOS document and prepare BOS Annual Work Plans. The user manual is supported by a BOS Toolkit containing tools and templates good practice examples from other countries and relevant policy guidance. This user manual is accompanied by the BOS Executive Summary, an overview intended to support those responsible for oversight and leadership of the BOS process such as UN Resident Coordinators and UN Country Teams. The publications are available at <https://undg.org/home/guidance-policies/business-operations/>

# TABLE OF CONTENTS

## 2 ACRONYMS

## 3 BACKGROUND AND CONTEXT

- 6 Value drivers of the Business Operations Strategy
- 6 Why develop the BOS?
- 7 What is the BOS?
- 9 The BOS process
- 10 BOS linkages with UNDAF
- 11 Support to UN Country Teams

## 12 STEP ONE: ROADMAP AND KICK-OFF

- 12 1.1 Writing the BOS Roadmap
- 13 1.2 The BOS kick-off meeting

## 14 STEP TWO: OPERATIONS ANALYSIS

- 16 2.1 Stock take
- 19 2.2 Needs analysis
- 23 2.3 Cost-benefit analysis (CBA)

## 28 STEP THREE: PRIORITIZATION

## 29 STEP FOUR: BUILDING THE BOS

- 29 4.1 The BOS document
- 32 4.2 BOS Results Narrative
- 34 4.3 BOS Results Framework
- 38 4.4 Management structures and accountability mechanisms
- 39 4.5 Budgetary Framework

## 41 STEP FIVE: VALIDATION AND SUBMISSION OF BOS DOCUMENT

## 42 STEP SIX: ANNUAL WORK PLANNING AND REPORTING

- 42 6.1 Standardized Common Services Packages
- 42 6.2 Monitoring AWP

## 45 STEP SEVEN: MONITORING AND EVALUATION

- 45 7.1 Annual monitoring
- 46 7.2 Evaluation (end of cycle)

## 48 APPENDIX A: ROLES AND RESPONSIBILITIES

## 50 APPENDIX B: TOOLS AND TEMPLATES

# ACRONYMS

|                |   |
|----------------|---|
| <b>AWP</b>     | Annual Work Plan  |
| <b>BOS</b>     | Business Operations Strategy                              |
| <b>BPM</b>     | business process map                                      |
| <b>CBA</b>     | cost-benefit analysis                                     |
| <b>CS</b>      | common service  |
| <b>DaO</b>     | Delivering as One   |
| <b>DESA</b>    | United Nations Department of Economic and Social Affairs  |
| <b>DOCO</b>    | UNDG Development Operations Coordination Office           |
| <b>DSA</b>     | daily subsistence allowance                               |
| <b>ECOSOC</b>  | United Nations Economic and Social Council                |
| <b>HACT</b>    | harmonized approach to cash transfers                     |
| <b>HLCM</b>    | High-Level Committee on Management                        |
| <b>HR</b>      | human resources   |
| <b>ICT</b>     | information and communications technology                 |
| <b>KPI</b>     | key performance indicator                                 |
| <b>LTA</b>     | long-term agreement                                       |
| <b>M&amp;E</b> | monitoring and evaluation                                 |
| <b>MOU</b>     | Memorandum of Understanding                               |
| <b>OMT</b>     | Operations Management Team                                |
| <b>QCPR</b>    | UN Quadrennial Comprehensive Policy Review                |
| <b>RBM</b>     | results-based management                                  |
| <b>RCO</b>     | Office of the UN Resident Coordinator                     |
| <b>SLA</b>     | Service Level Agreement                                   |
| <b>SMART</b>   | Specific, Measurable, Achievable, Relevant and Time-bound |
| <b>SOPs</b>    | Standard Operating Procedures                             |
| <b>TOR</b>     | terms of reference  |
| <b>TOT</b>     | training of trainers                                      |
| <b>UNCT</b>    | United Nations Country Team                               |
| <b>UNDAF</b>   | United Nations Development Assistance Framework           |
| <b>UNDG</b>    | United Nations Development Group                          |
| <b>UNEG</b>    | United Nations Evaluation Group                           |
| <b>UNGM</b>    | United Nations Global Marketplace                         |
| <b>UNSF</b>    | United Nations Sustainability Framework                   |
| <b>UNSSC</b>   | UN System Staff College                                   |
| <b>VoIP</b>    | Voice over IP (Internet Protocol)                         |
| <b>VSAT</b>    | Voice Satellite   |

# DEFINITIONS

## Activity

Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

## Baseline

Information gathered at the beginning of a project or programme from which variations found in the project or programme are measured. The baseline represents the status of the key performance indicator (KPI) at the beginning of the BOS cycle. A baseline acts as a reference point against which progress or achievement can be assessed.

## Common services

Common services are common business operations provided to two or more UN agencies (clients), inclusive of joint procurement activity and management of long-term agreements (LTAs).

## Common business operations

Common business operations are the jointly executed back office support processes and the harmonization and simplification priorities that support UN programme implementation at the country level undertaken by one agency on behalf of two or more agencies. This includes harmonization processes such as the harmonized approach to cash transfers (HACT) and LTAs.

## Common premises

A common premises entails the co-location of two or more resident United Nations entities present in a country. One (or more than one) common premises can be established at national and subnational level, usually supported by a range of common services enabled by agency co-location. Common premises are an integral part of the United Nation's efforts to harmonize common operations at the country level.

## Impact

Impact includes changes in programme delivery through enhanced operational support, and therefore ultimately, in people's lives. Impact can include changes in

knowledge, skills, behaviours, health or conditions for children, adults, families or communities. Impact are positive and negative long-term effects on identifiable groups produced by a development intervention, directly or indirectly, intended or unintended.

## Inputs

The financial, human, material, technological and information resources used for development interventions.

## Key Performance Indicator (KPI)

A key performance indicator (KPI) provides a unit of measurement that specifies what is to be measured along a scale but does not indicate the direction or change. KPIs are a qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of a programme or investment. KPIs are supported by verifiable baselines and targets. KPIs can be outcome or output indicators:

- Outcome indicators measure intended cost avoidance or quality enhancement of institutional or systemic business operations change;
- Output indicators measure avoided cost or quality enhancement of change in skills, abilities, products or services.

## Outcomes

Outcomes describe the intended institutional or systemic changes in business operations conditions (resulting from BOS implementation) so as to reach a desired target within a specified time period. They are specific, strategic and clearly contribute to the achievement of business operations. Outcomes must be linked to and supported by BOS outputs.

## Outputs

Outputs are changes in skills or abilities, or the availability of new products or services that are achieved with the resources provided within the time period specified, and within the control of those involved. They are achieved

# DEFINITIONS

with the resources provided and within the time-period specified. Outputs must contribute to the achievement of designated outcomes.

## **Performance**

Performance is the degree to which a development intervention or a development partner operates according to specific criteria/standard/guidelines or achieves results in accordance with stated plans.

## **Performance monitoring**

Performance monitoring is a continuous process of collecting and analyzing data for key performance indicators, to compare how well a development intervention, partnership or policy reform is being implemented against expected results (achievement of outputs and progress towards outcomes).

## **Results**

Results are changes in a state or condition that derive from a cause-and-effect relationship. There are three types of such changes – outputs, outcomes and impact – that can be set in motion by a development intervention. The changes can be intended or unintended, positive and/or negative.

## **Results-based management (RBM)**

RBM is a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the desired results (outputs, outcomes and higher level goals or impact) and use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting.

## **Results chain**

A results chain is the causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results – beginning with inputs, moving through activities and outputs, and culminating in outcomes, goal/impacts and feedback.

It is based on a theory of change, including underlying assumptions.

## **Results framework**

The results framework explains how results are to be achieved, including causal relationships and underlying assumptions and risks. The results framework reflects a more strategic level across an entire organization, for a country programme, a programme component within a country programme, or even a project.

## **Risks and assumptions**

Risks are potential future events that are fully or partially beyond control and may (negatively) affect the achievement of the results. Assumptions are the variables or factors that need to be in place for results to be achieved. They can be internal or external to the organization.

## **Target**

A target specifies a particular value for an indicator to be accomplished (annually and at the end of the BOS cycle) by a specific date in the future, e.g. total recruitment time reduced by 75 percent by the year 2010.

## **Transaction costs**

Transaction costs are the costs associated with the processes and activities that the United Nations system engages in to deliver its programmes at country level. For business operations these transaction costs are mainly internal to the system. Transaction costs are defined as direct and indirect costs and include staff and non-staff costs. Transaction costs are one of those variables through which the efficiency and effectiveness of UN country operations can be measured, supplemented by an assessment of quality of operations support to programme delivery

## BACKGROUND AND CONTEXT

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

The Quadrennial Comprehensive Policy Review (QCPR) and the subsequent Economic and Social Council (ECOSOC) resolution on Operational Activities of the United Nations for international development cooperation (2011) call for simplification and harmonization of the United Nations system. The UN resolution “urges United Nations system organization to identify and accelerate the implementation of those business processes that promise the highest return from simplification and harmonization” and “encourages United Nations system organizations within their existing planning, budget and evaluation systems to report on their cost savings resulting from improvement of their business operations”.<sup>1</sup>

The UNDG Business Operations Working Group<sup>2</sup> developed the Business Operations Strategy (BOS) guidance and instruments in 2012 to operationalize the UN resolution with the aim to reinforce the linkages between the UN programme strategy at country level (UNDAF) and UN operations. Its goal is to enhance operational monitoring, evaluation and reporting efforts of these harmonization initiatives and to advance the harmonization of business operations at the country level. This 2016 user manual is an updated version of the 2012 guidance note; it reflects the lessons learned from the BOS pilot projects and the past four years of BOS implementation.

The BOS is part of the UNDG approach set forth in the Standard Operating Procedures for Countries Adopting the “Delivering as One” Approach (UNDG 2014).<sup>3</sup>

**For each United Nations Country Team (UNCT), the BOS is the results-based framework for the strategic planning, management, monitoring and reporting of business operations to support programme delivery.** It supports implementation of the United Nations Development Assistance Framework (UNDAF), also titled the United Nations Sustainability Framework (UNSF). The BOS applies in every country context. It is highly recommended to undertake the BOS process in conjunction with the development of the UNDAF to ensure both programme and operational strategies can inform one another, reinforcing the linkages between the

two. Section 2.2 on needs analysis explains how to align these two processes.

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

‘Common business operations’ are defined as the operational support services and the harmonization and simplification priorities required to implement UN programmes that are developed jointly by UN agencies and that are managed by one service providing agency on behalf of two or more client agencies.<sup>4</sup> Common business operations under the BOS are structured around six possible common services lines: 1) common procurement services; 2) common information and communication technology (ICT) services; 3) common human resources (HR) services; 4) common logistics services; 5) common finance services; and 6) common facility services (including common premises).

The UNDG Business Operations Strategy (BOS) User Manual: A Step by Step Guide to Building a BOS Framework is designed for Operations Management Teams, operations practitioners, coordination and programme staff responsible for building, contributing to and/or implementing a BOS Framework. It provides a step by step guide to the BOS process and provides practical advice on how to use the standard BOS templates, undertake the cost-benefit analysis, develop the BOS Results Framework, write the BOS document, prepare BOS annual work plans and undertake a BOS evaluation. This user manual is complemented by the UNDG BOS Executive Summary and supported by a toolbox of BOS tools and templates along with good practice examples from other countries and relevant policy guidance.

<sup>1</sup> ECOSOC resolution E/2011/L.35, sections 11 and 12. [www.un.org/Docs/journal/asp/ws.asp?m=E/2011/L.35](http://www.un.org/Docs/journal/asp/ws.asp?m=E/2011/L.35)

<sup>2</sup> The Joint Funding and Business Operations Network (JFBO) was known previously as the Country Office Business Operations Network (COBO).

<sup>3</sup> From here onwards, this is referred to as “the UNDG approach”. For more information about the SOPs, see <https://undg.org/home/guidance-policies/delivering-as-one/standard-operating-procedures-non-pilots/>

<sup>4</sup> Common business operations should be seen as distinct from bilaterally-provided services where one agency engages another agency to provide services on the other agencies behalf (e.g. one provider, one client agency).



## VALUE DRIVERS OF THE BOS

The overall value set for common business operations is the 2030 Agenda for Sustainable Development, with 17 Sustainable Development Goals and related targets and indicators. While planning and implementing the Business Operations Strategy, the Operations Management Team (OMT) should look to ensure these value drivers are in place:

### 1 ► Effectiveness (programme delivery):

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

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

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

### 3 ► Access to services and quality:

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

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

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

## WHY DEVELOP THE BOS?

The strategy supports the development of harmonized business operations to achieve the following results:

### 1 ► Enhanced linkages between 'programme' and 'operations':

The linkages between programme and operations are established by analyzing the programme strategy and identifying the business operations required to deliver that programme. As both the UNDAF and the BOS are on the same cycle, linkages between the UNDAF and UN operations strengthen the programme strategy. Furthermore, by executing the UNDAF and BOS evaluation in parallel, any bottlenecks related to business operations identified during the UNDAF evaluation can inform the next cycle of the BOS so the quality of operational support to the UNDAF implementation is reinforced.

### 2 ► Reduced costs:

The BOS focuses on reducing the staff time it takes to carry out processes by streamlining or simplifying the process and reducing direct costs. With a stronger bargaining position, the OMT can procure goods and services at a lower price, with reduced duplication and with lower transaction costs (time spent on activities).

### 3 ► Enhanced quality:

The BOS enhances quality of service delivery in support of programmes. Quality can be broken down into timeliness, responsiveness, flexibility, professionalism or other aspects as defined at the local level. Examples of enhancement include improved timeliness of response of the ICT helpdesk to user issues, swifter preparation of documentation and improved cleanliness of common premises.

### 4 ► Enhanced operational focus and prioritization:

Instruments such as cost-benefit analysis, transaction cost analysis and business process analysis provide light, easy-to-use tools to identify and prioritize high-impact harmonization initiatives and facilitate monitoring and evaluation of harmonization initiatives against pre-established baselines.

### 5 ► Enhanced ability to monitor progress and track results:

The strategy, specifically the BOS Results Framework, provides a plan against which progress is measured, reported and recommended for adjustment where needed.

## WHAT IS THE BOS?

The Business Operations Strategy is a document that outlines the medium-term strategic focus of United Nations business operations at the country level in support of UNDAF implementation. It has two main components:

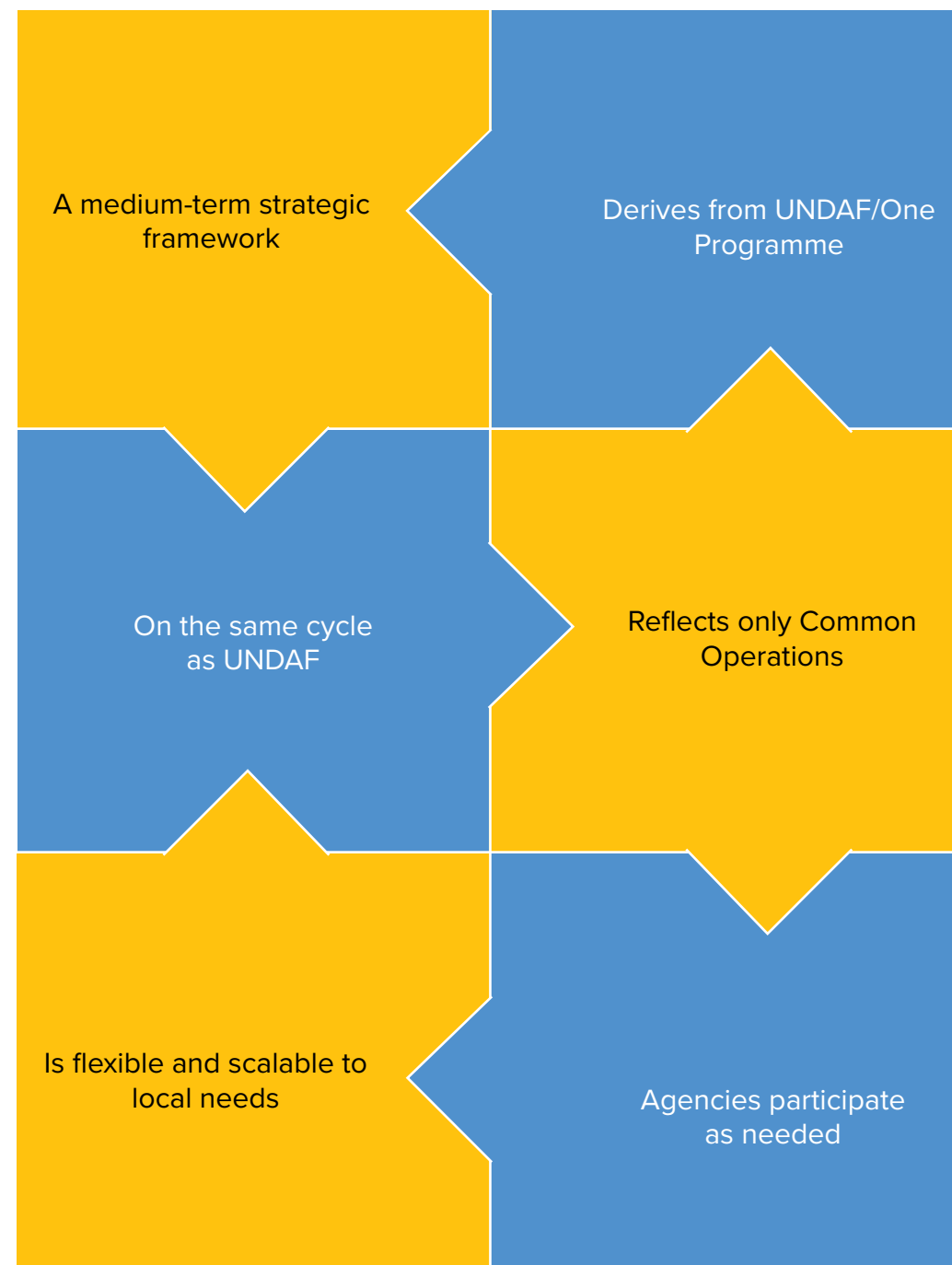
- **BOS Results Narrative:** The narrative provides the country context, synthesis of operational analysis, documentation of prioritized common services, an outline of all governance and accountability structures and systems, and the agreed joint BOS Budgetary Framework.
- **BOS Results Framework:** This is the monitoring and evaluation framework. It presents outcome- and output-level statements with corresponding key performance indicators, baselines, targets and means of verification. The BOS Results Framework allows for monitoring and evaluation of progress in the impact and results of joint business operations.

For the purpose of the BOS, 'business operations' are defined as **jointly executed** back-office support processes that support UN programme implementation at the country level.<sup>5</sup> Figure 1 lists the characteristics of the BOS:

The BOS is structured around a choice of six possible lines of common services (see Table 1). The exact number of lines the UN Country Team chooses to use is based on specific country-level need. All such services contribute to the aim of simplification and harmonization of business practices in the UN system.

**FIGURE 1: WHAT IS THE BUSINESS OPERATIONS STRATEGY?**

<sup>5</sup> The Business Operations Strategy does not include individual agencies' business operations; it only reflects those business operations processes that are jointly executed.



**TABLE 1: COMMON SERVICES ARE GROUPED IN SIX 'LINES' AT COUNTRY LEVEL**

Table 1 provides examples of the standard common services lines and the many different common services established by countries and included in their BOS Framework. This is a sample list and is not exhaustive. **NO** common services are mandatory; **ALL** are determined by country-specific need.

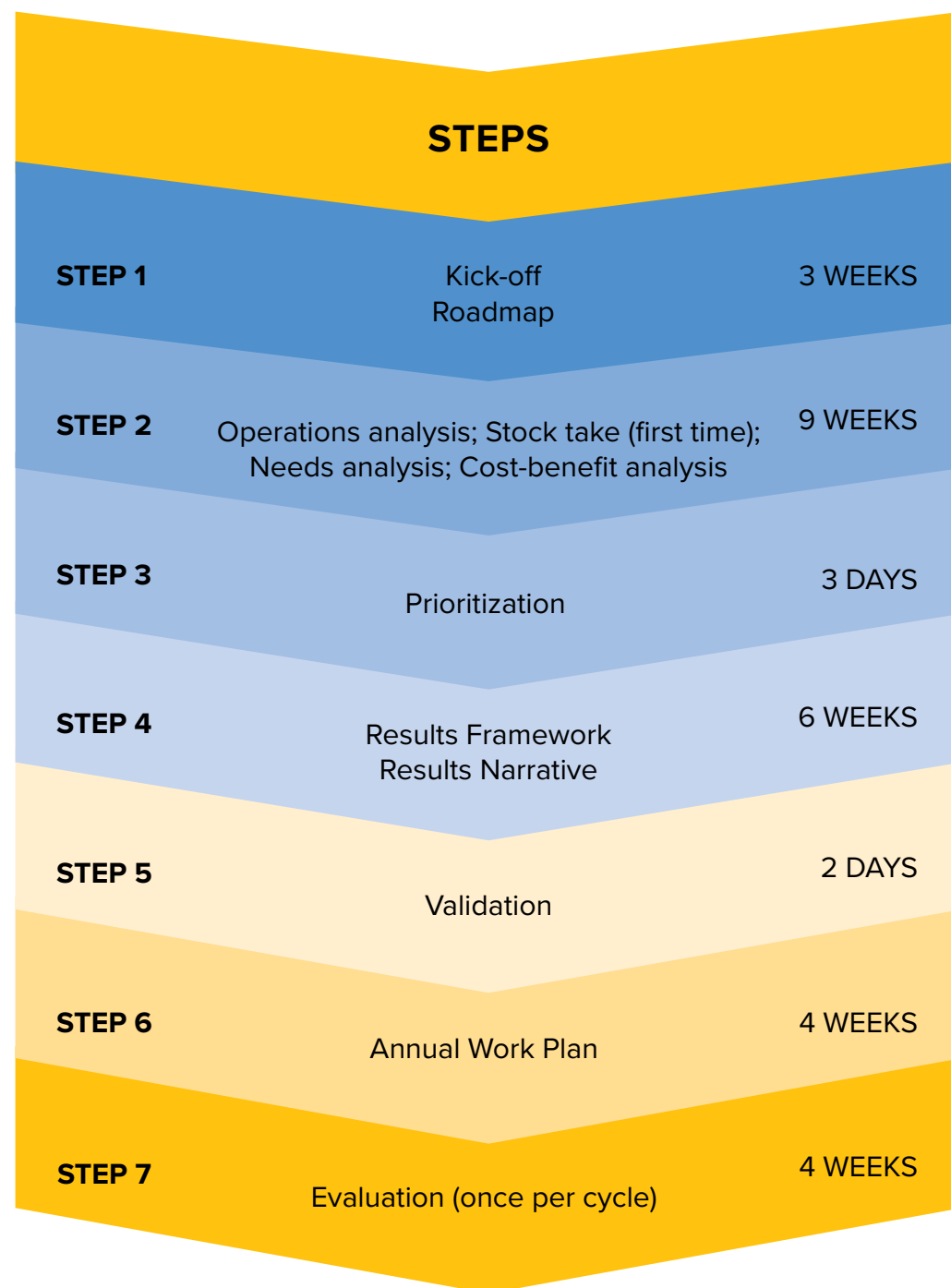
| COMMON SERVICES LINES                                | EXAMPLES OF COMMON SERVICES DRAWN FROM COUNTRIES IMPLEMENTING THE BOS   |
|--|---|
| Common procurement services                          | Office supplies<br>LTAs for workshop and conference facilities, standard business supplies, etc.<br>Joint Procurement Review Committee procurement<br>LTA database (UNGM)<br>Common UN procurement (guidelines)<br>Local insurance<br>Management and evaluation consultancy services  |
| Common ICT services                                  | ICT support desk<br>Common VSAT<br>Joint VoIP infrastructure<br>Radio and telecommunications<br>Common domain and website   |
| Common human resources services                      | Staff counseling and training<br>DSA harmonization for national staff when on official travel within the country of the duty station<br>Harmonized post descriptions<br>Interagency recruitment (in accordance with agency internal policies)<br>Common UN consultant rosters (recognizing that selection/approval will continue to be done in accordance with agency policy and procedures)<br>Common learning systems<br>Management consulting and evaluation consulting services |
| Common finance services                              | Banking<br>HACT – financial transfers to partners   |
| Common logistics services                            | Travel services<br>Domestic freight forwarding and transit storage<br>Warehousing and distribution<br>Air charter services<br>Common light vehicle fleet and fuel management<br>Translation services  |
| Common facility services (including common premises) | Agency co-location (UN Common Premises/UN House)<br>Common field and provincial offices<br>Common field housing and hotel/hostel arrangements<br>Mail, express mail and pouch services<br>Protocol services<br>Receptionist /registry services<br>Building maintenance, e.g. cleaning, garbage disposal and landscape services  |

## THE BOS PROCESS

The BOS process is comprised of seven steps (see Figure 2). It takes a minimum of 19 weeks to develop and then a further four weeks each for annual monitoring and end-of-cycle evaluation, for an estimated total of 27 weeks. The BOS process includes development of a roadmap at the kick-off stage and resembles the UNDAF in many ways: it follows a process of analysis, prioritization, building of a joint results framework to reflect the key performance indicators (KPIs) against which common business operations will be planned, measured and evaluated. The BOS aligns with the same planning and implementation period as the UNDAF and is informed by the country context and programme priorities of the UNDAF.

**FIGURE 2: SEVEN STEPS OF THE BOS PROCESS**

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

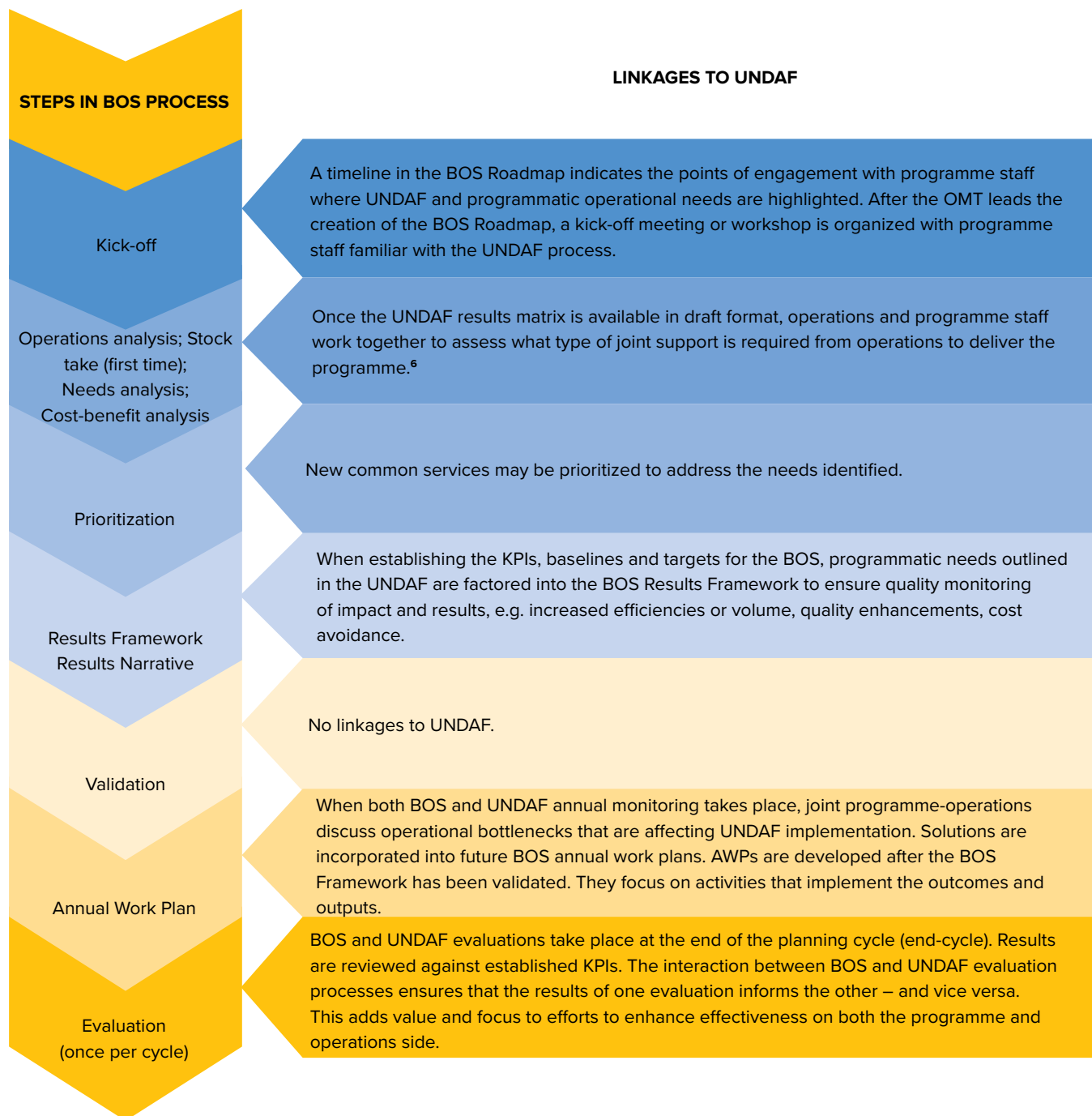


## BOS LINKAGES WITH UNDAF

The impact of UN programmes at the country level is directly related to the effectiveness, efficiency and cost of the operations that support them. The lower the cost of business operations, the more resources remain within the programme budget. It is therefore highly recommended that operations support, as managed by the Operations Management Team, is in line with the programmatic planning cycle of UNDAF and both operations and programme staff interact on that basis. This interaction is important throughout the life cycle of both the UNDAF and the BOS and there are specific points where this interaction is particularly valuable (see Figure 3).

**FIGURE 3: BOS LINKAGES WITH THE UNDAF**

<sup>6</sup> In cases where a UNCT opts for an outcome level only UNDAF, the links to the UNDAF will not be as strong and will not specifically reflect programme needs in detail. In such cases the BOS will be based more heavily on non-programmatic needs, as outlined in section 4.2.2 Needs Analysis



## SUPPORT TO UN COUNTRY TEAMS

**A range of resources, advisory and technical support is available to UN Country Teams undertaking the BOS, starting the present publication: Business Operations Strategy (BOS) User Guide: A step by step guide to building a BOS Framework.**

The support available to UNCTs and OMTs includes:

### UNDG DOCO

The Business Operations Team in UNDG DOCO is the ‘first point of contact’ for all enquiries related to BOS. The Business Operations Team is able to provide technical advice and resources relevant to submitting documentation, planning and implementing a BOS. The team is also the focal point for High-Level Committee on Management (HLCM) policy guidance. The team coordinates and maintains a BOS Toolkit of resources on the UNDG website and the UNDG Business Operations Expert Roster.

### Regional UNDG Teams

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

### BOS-trained UN staff

An increasing number of UN staff working at the country level have BOS experience and have received BOS-related training through participation in UN Business Operations or BOS-specific Training of Trainers (TOT) courses. This UN staff resource is valuable for supporting peer-to-peer networks; leading and/or participating in BOS Task Teams; and leading and/or supporting accurate data gathering, analysis, training and prioritization exercises. OMTs can contact the Business Operations Team in UNDG DOCO for more information about contacting BOS-trained UN staff.

### BOS-trained independent consultants

OMTs also have the opportunity to access trained independent consultants to support and assist their BOS process where needed. Independent consultants have facilitated BOS training, kick-off meeting and prioritization exercises, and augmented the analytical work of the BOS process. The services of a consultant are cost-shared by the UNCT. OMTs can contact the Business Operations Team in UNDG DOCO for more information about contacting BOS-trained independent consultants.

### UNDG Business Operations Expert Roster

The UNDG Business Operations Expert Roster was established to meet the training, coordination and facilitation needs of agencies, OMTs and UNCTs. The roster includes UN staff and independent consultants trained in BOS. The BOS process is designed to be planned and implemented independently and with locally available human resources; however, the UNDG Business Operations Expert Roster provides options for augmenting local capacity. Before utilizing the roster, please note that a BOS Roadmap already endorsed by the UNCT and submitted to UNDG DOCO (see section 1.1) must be in place. OMTs and UNCTs can contact the Business Operations Team at UNDG DOCO to discuss their needs and to ask for advice regarding available resources through the roster.

# 1

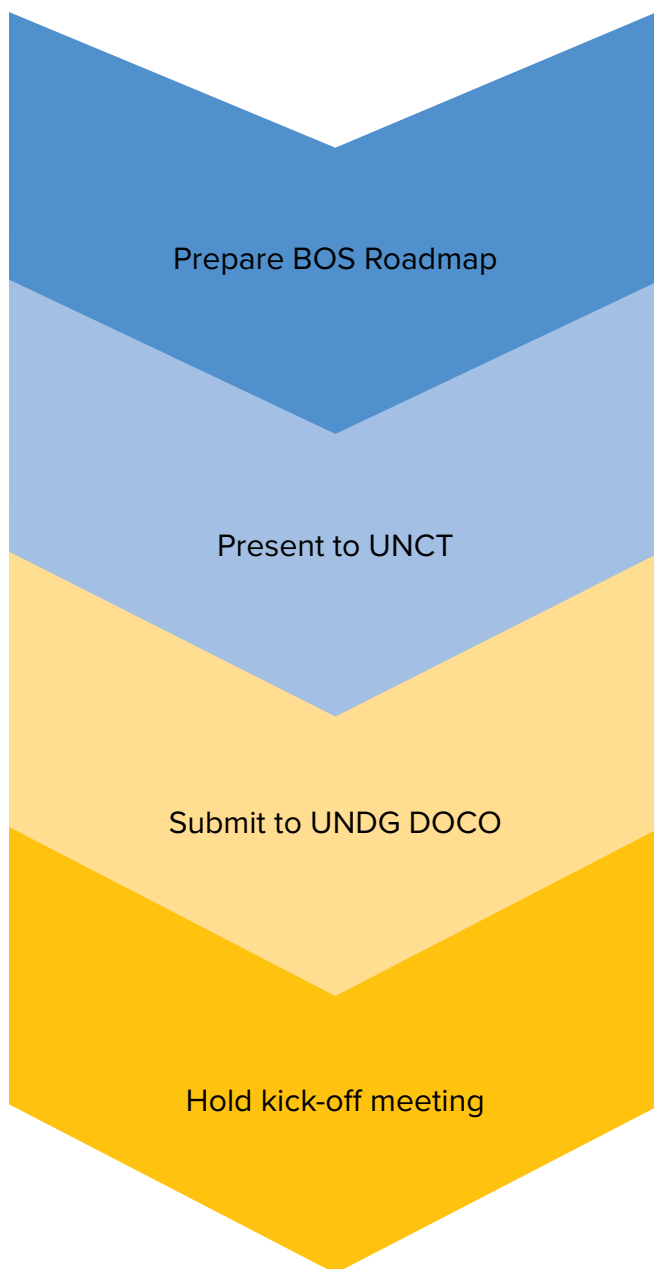
## STEP ONE THE BOS ROADMAP AND KICK-OFF MEETING

### 1.1 WRITING THE BOS ROADMAP

The BOS Roadmap reflects the UNCT's collective agreement to jointly lead and resource a BOS process. It locks-in agreement to the methodology and timeframe for implementation of the strategy (roll out). It is between four to six pages in length. The BOS Roadmap table of contents includes several sections (see Table 2).

TABLE 2: TABLE OF CONTENTS FOR THE BOS ROADMAP

| SECTION | CONTENT              | DETAIL   |
|---------|----------------------|--|
| A       | Introduction         | Outlines the country context for BOS   |
| B       | Value drivers of BOS | Lists the value drivers<br>(see the Background and Context section of this user manual)  |
| C       | Rationale            | Outlines what the UNCT aims to achieve with the BOS. This may include: <ul style="list-style-type: none"> <li>● <b>enhanced linkages</b> between programme (UNDAF) and operations</li> <li>● <b>increased cost avoidance</b> of common operations support</li> <li>● <b>enhanced quality</b> of common operations support</li> </ul> (see Step Two of this user manual re Operations Analysis) |
| D       | Calendar timeline    | Outlines the order of milestones for BOS framework development, indicating who is responsible and who engages in each step   |
| E       | Governance structure | Describes the structure that oversees and undertakes the BOS framework development process (OMT, BOS task force, working group links and lines of reporting between working groups, the OMT, RCO and UNCT); also, defines the roles and responsibilities of different stakeholders developing the BOS  |
| F       | Budget               | Outlines the proposed costs and available human and cash resources for BOS development along with an indication of the cost sharing mechanism to be applied  |
| G       | Annexes              | <ol style="list-style-type: none"> <li>1. TORs of the OMT and any supporting task teams or working groups</li> <li>2. Membership lists relevant to the OMT, BOS task team and or working groups</li> </ol>   |



## STEPS TO TAKE ONCE THE BOS ROADMAP IS FINALIZED

### 1 ► Present the BOS Roadmap to the UNCT:

The Operations Management Team confirms its leadership of the BOS process, identifies the timeframe and the budget/resource requirements for its development and seeks the UNCT's endorsement and approval of the way forward.

### 2 ► Submit the BOS Roadmap to UNDG DOCO:

Endorsement of the BOS Roadmap to UNDG DOCO by the UN Resident Coordinator triggers access to all BOS resources and technical advice and support to the OMT from the UNDG DOCO Business Operations Team.

## 1.2 THE BOS KICK-OFF MEETING

The roadmap process concludes with a kick-off meeting or workshop where all involved OMT members, technical operations and relevant staff from the Office of the UN Resident Coordinator meet with relevant programme staff. The meeting is held in order to take the following actions: (a) review the BOS introductory training by UNDG DOCO; (b) ensure familiarization with the BOS Roadmap; (c) review in detail the planned approach to build the BOS Framework; (d) review and take note of the timeframe for the BOS process; and e) assign all tasks stated within the roadmap so as to ensure immediate commencement of the BOS process.

### CHECKLIST FOR BOS ROADMAP AND KICK-OFF MEETING

- ☐ BOS Roadmap document is finalized by OMT, including all annexes
- ☐ BOS Roadmap is presented to the UNCT for approval
- ☐ BOS Roadmap is submitted to UNDG DOCO
- ☐ Kick-off meeting or workshop undertaken to introduce all BOS practitioners to the BOS process, the technical tools available, and to agree on the tasks ahead, assignment of tasks and the timeframe for completion of the BOS Framework document.

### RESOURCES IN THE BOS TOOLKIT

Sample BOS Roadmaps  
 Sample cover letter for submission of BOS Roadmap to UNDG DOCO  
 Kick-off meeting or workshop sample programme

FIGURE 4: PROCESS FOR THE ROADMAP AND KICK-OFF



# 2

## STEP TWO OPERATIONS ANALYSIS: STOCK TAKE, NEEDS & OPPORTUNITIES ANALYSIS AND COST-BENEFIT ANALYSIS

The operations analysis stage aims to assess the performance of existing common business operations services<sup>7</sup> and prioritize suggested new services based on a cost-benefit analysis (CBA). Common business operations services or 'common services' are inclusive of all current joint business operations and from here on in this User Manual are entitled 'common services'. This stage consists of three analyses that inform the BOS prioritization exercise: stock take, needs analysis and CBA (see Table 3).

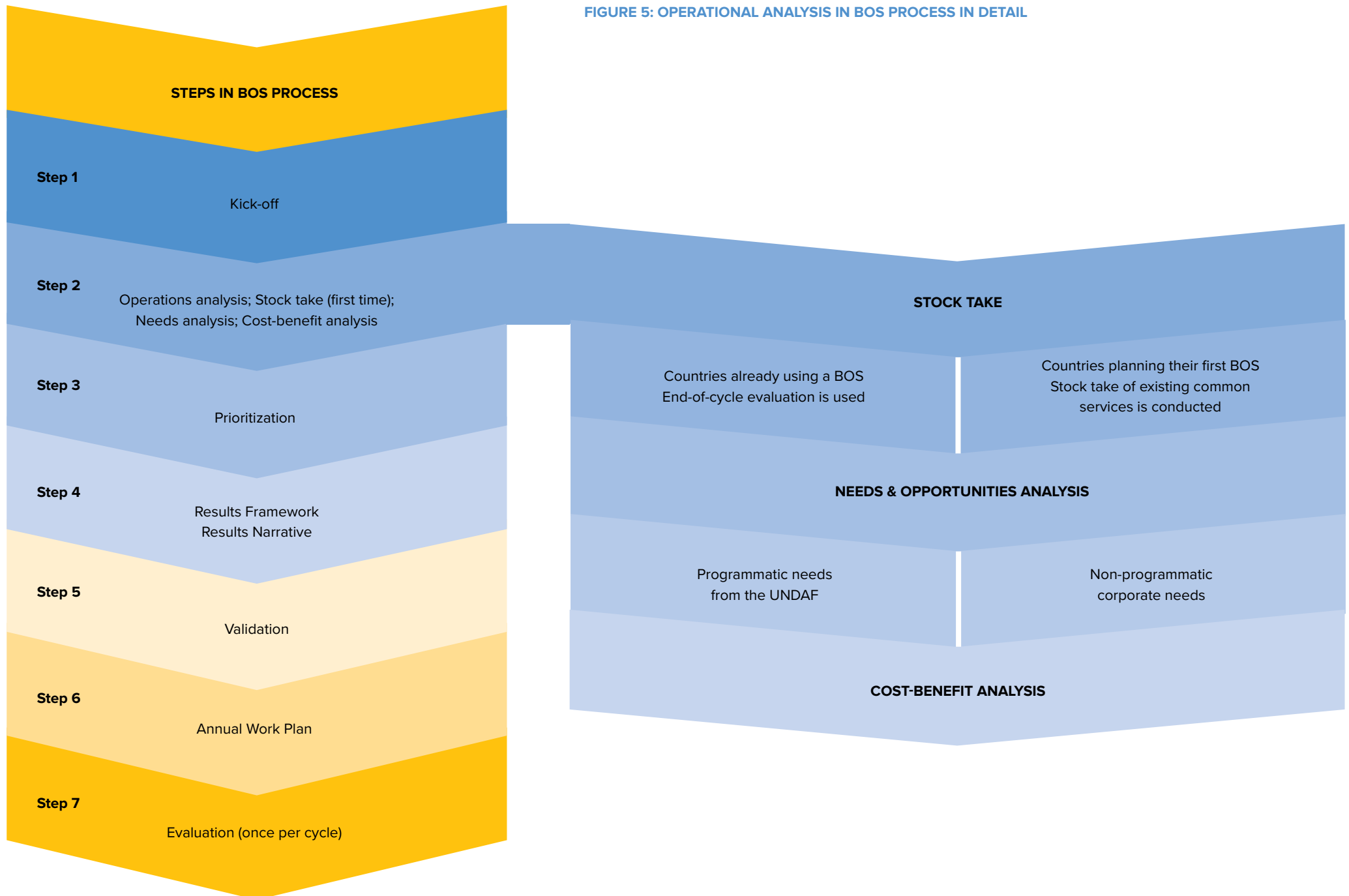
TABLE 3: ELEMENTS OF THE OPERATIONAL ANALYSIS

| TYPE OF ANALYSIS               | FUNCTION  |
|--------------------------------|---|
| Stock take                     | <p>Maps existing common services</p> <ul style="list-style-type: none"> <li>● <b>Countries already using a BOS:</b> results of the previous cycle BOS evaluation</li> <li>● <b>Countries planning their first BOS:</b> information on existing common services</li> </ul> |
| Needs & opportunities analysis | <p>Identifies the opportunities and the need for new services</p> <ul style="list-style-type: none"> <li>● Programme-related needs (determined from the UNDAF)</li> <li>● Non-programme related needs (based on corporate requirements)</li> </ul>                        |
| Cost-benefit analysis          | <p>Analyses new common services identified in the needs analysis, by determining the investment needed in time and financial resources and calculates the projected benefits in terms of avoided cost or enhanced quality of operations</p>                               |

Based on the analysis, the OMT prepares the BOS Results Framework including both existing and prioritized new common services. The BOS Results Framework then guides development of annual work plans for implementation and monitoring of the BOS in the next programming cycle.

<sup>7</sup> The term 'common services' is used to refer to all common business operations inclusive of joint LTA/procurement management. Therefore, the stock take incorporates all of these 'existing' elements of joint business operations.

FIGURE 5: OPERATIONAL ANALYSIS IN BOS PROCESS IN DETAIL



## 2.1 STOCK TAKE

The first activity in the Business Operations Analysis is a stock take. This links BOS planning with the previous cycle of BOS evaluation (for countries already using a BOS) or captures existing common services (for countries planning their first BOS). The stock take assesses the performance of each, building on strengths and addressing any bottlenecks.

- **Countries already using a BOS:** Use the BOS evaluation from the previous cycle. Add details from the BOS Results Framework (e.g. KPIs, baseline, targets) and BOS evaluation (results).
- **Countries planning their first BOS:** Use the stock take to capture existing common services, establishing KPI, baseline and targets based on current performance, and ranking their performance prior to introducing the BOS.
- **Optional procurement activity scan:** Data about procurement volumes can inform a country's stock take. If countries have the resources and wish to do so, they may choose to augment the stock take with additional information using a 'procurement productivity scan' tool [INSERT <hyper-link>]. This information can inform planning by illustrating both current workloads and potential gains from common operations.

A number of actions are required to finalize a stock take. Table 4 provides a snapshot of the basic template that countries must complete.

TABLE 4: BOS STOCK TAKE TEMPLATE

| STOCK TAKE OF CURRENT SERVICES (WITH OR WITHOUT A BOS) |                           |                                   |                                      |   |  |                                   |   |
|--|---------------------------|-----------------------------------|--------------------------------------|---|--|-----------------------------------|---|
| A  | B                         | C                                 | D                                    | E   | F  | G                                 | H   |
| COMMON SERVICES LINES (OUTCOME AREAS)                  | COMMON SERVICES (OUTPUTS) | MANAGING ENTITY (SERVICE MANAGER) | CLIENTS (AGENCIES USING THE SERVICE) | KEY PERFORMANCE INDICATORS (KPIs) INDICATOR BASELINE TARGET | PERFORMANCE RANKING AGAINST KPI<br>● TARGET MET<br>● TARGET NOT MET BUT PROGRESS<br>● TARGET NOT MET AND NO PROGRESS | MODALITY (OUTSOURCED OR IN-HOUSE) | RECOMMENDED ACTION<br>CONTINUE AS IS<br>SCALE UP<br>SCALE DOWN<br>DISCONTINUE<br>MODIFY |
| COMMON SERVICES – WITHIN AN EXISTING BOS               |                           |                                   |                                      |   |  |                                   |   |
| COMMON PROCUREMENT                                     |                           |                                   |                                      |   |  |                                   |   |
| COMMON ICT   |                           |                                   |                                      |   |  |                                   |   |
| COMMON HUMAN RESOURCES                                 |                           |                                   |                                      |   |  |                                   |   |
| COMMON FINANCE   |                           |                                   |                                      |   |  |                                   |   |
| COMMON LOGISTICS                                       |                           |                                   |                                      |   |  |                                   |   |
| COMMON FACILITY (INC. COMMON PREMISES)                 |                           |                                   |                                      |   |  |                                   |   |

## STEPS TO COMPLETE THE BOS STOCK TAKE TEMPLATE

**Note:** In completing the table, OMTs either take the information directly from their BOS Results Framework (for countries already using a BOS) or fill out all columns of the template using their collective judgement about existing common services (for countries planning their first BOS).<sup>8</sup>

### 1 ► Column A Common services line (outcome):

Take note of the six common services lines against which all relevant common services may be categorized.

### 2 ► Column B Common service (output):

Insert the name of the existing common service either from the existing BOS Results Framework or from existing common services (for countries planning their first BOS). Multiple common services (outputs) may be listed under one common services line (column A).

### 3 ► Column C Managing entity:

Insert the name of the UN agency that provides this service on behalf of other UN agencies; or the agency that is managing the contract with an outside service provider (in case of outsourcing).

### 4 ► Column D Clients:

List all of the agencies that use this service.

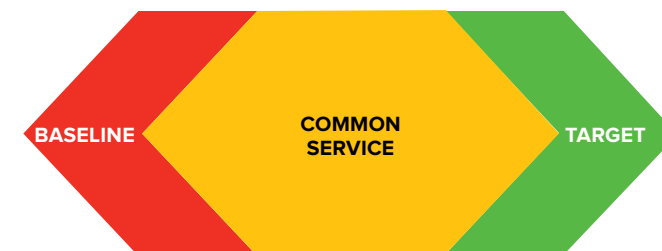
### 5 ► Column E Key performance indicator, baseline and target:

Insert the KPIs (for avoided cost and quality enhancement), baseline and target for each common service listed from the existing BOS Results Framework or existing common services. See section 4.3 of this User Manual for more information regarding the establishment of KPIs, baselines and targets.

### 6 ► Column F Performance ranking against key performance indicator:

Insert the color that best represents the performance of the common service as per the KPI. The performance is determined by comparing the KPI against the target and baseline. The baseline is the starting point; the target is the goal to be reached. The ranking is determined by assessing the performance of the common service against the baseline and the target (see Figure 6).

FIGURE 6: COLOR CODING OF THE PERFORMANCE OF A COMMON SERVICE



#### KEY

**Green** ► If the target is reached, performance is green.

**Yellow** ► If the target is not met but progress is recognized, performance is yellow. Performance may be at any point along the continuum between the baseline and the target.

**Red** ► If the target is not met, and there is no progress or declined progress against the baseline, performance is red.

<sup>8</sup> The use of the term 'common services' is used to refer to all common business operations inclusive of joint LTA/procurement management. Therefore, the stock take incorporates all of these 'existing' elements of joint business operations.

**7 ► Column G Modality: Insert a description of how the common service is currently provided.**

- 'Outsourced' is where a party external to the UN system provides the service.
- 'In-house' is where an agency provides the service on behalf of two or more other BOS-participating agencies.

**8 ► Column H Recommended action:**

Insert the agreed recommended action for each common service based on assessment of the performance (column F) and its agreed future added value. This recommendation will determine the targets established for the common service in the next BOS Results Framework.

On the basis of the assessment made for each common service, a country will take a certain action:

- **Continue as is (maintain status quo):** No issues were noted and the common service is performing as anticipated. No action required, beyond continuing the service as is.
- **Scale-up (increase volume/activity):** The common service is exceeding expectations in terms of cost avoidance and increased quality. Other agencies may be invited to participate. There is a plan to expand volume for this particular service package by adding additional service users or branching into other aspects of this service.

- **Scale-down (reduce volume/activity):** Some areas of the common service are not meeting expectations in terms of cost avoidance or quality enhancement. Demand for the common service has reduced, and therefore the scope of the common services needs to be reduced.
- **Discontinue:** There are unanticipated events or challenges that have prevented this common service from adding value in terms of cost avoidance or quality. As a result, the recommendation is to discontinue this service.
- **Modify (change the way it works and/or fix the bottleneck):** The common service is generating quality or but there are issues to be addressed to further increase its added value. Bottlenecks are associated with the common service that would be eliminated with modification.

**CHECKLIST FOR STOCK TAKE**

- ☐ BOS Stock Take Template completed and includes all existing common services
- ☐ Optional procurement activity scan
- ☐ Completed BOS Stock Take Template is submitted to the OMT and confirmed as complete

**RESOURCES IN THE BOS TOOLKIT**

BOS Stock Take Template  
Sample BOS Stock Take Template  
Examples of quality surveys  
Tool – procurement activity scan



## 2.2 NEEDS & OPPORTUNITIES ANALYSIS

Changes in country contexts and development priorities also changes the UN's presence and the type of humanitarian and development programmes that are provided by the UN at the country level.

The needs analysis identifies the opportunities for **new** common business operations and focusses on 'what you need' and 'when you need it'. Changes in the environment in which the UN operates create opportunities to design common approaches or new ways of delivering joint operations responses. Progressive technologies, for example, may create opportunities to do new things in new ways and more jointly. The needs analysis is all about new services that allow for new efficiencies, reduced cost (avoided cost) and better quality of support to the programme.

Several situations may call for using a common service:

- More than two agencies need the service – one agency implements on behalf of at least two other agencies;
- The monetary and non-monetary benefits of implementing the service jointly outweigh the cost of developing and delivering the service individually;
- There is a quality benefit in implementing the service jointly.

The needs analysis identifies the opportunities and the need for new services in two areas:

- **Programme-related needs** (determined from the UNDAF);
- **Non-programme related needs** (based on corporate requirements).

### PROGRAMME-RELATED NEEDS FOR COMMON BUSINESS OPERATIONS

The UNDAF is the main reference for identifying new opportunities for common business operations. The UNDAF focuses at the outcome level or includes both outcomes and outputs. These outcomes and outputs are one reference for the needs analysis<sup>9</sup> in addition to new opportunities identified. The analysis may include review of the UNDAF, One Plan, joint programme documents, and other programmatic plans. The analysis may be strengthened through the coordination of dialogue with programme-related staff and UNDAF planning teams at this stage.

The BOS and the UNDAF planning cycles align. Therefore, the UNDAF planning process helps to pinpoint new programme-related operational demands that need a common business operations solution (common service).

UNDAF programme-related needs analysis focuses on changes in the programme, and the implications for business operations support as a result. Examples of changes include geographic expansion or reduction of programme scope; new or larger programmes being introduced; countries with a mission that is scaling up or down. These kinds of programme-related changes potentially have implications for business operations.

### NON-PROGRAMMATIC NEEDS FOR COMMON BUSINESS OPERATIONS

In addition to programme-related services, the OMT explores new opportunities for additional services that may not derive directly from the UNDAF. This category includes services that may be currently executed on an agency basis (i.e. by an individual UN agency); however, due to scaling up or involvement of additional agencies, the service may be more cost effective or quality-enhancing as a common service. Also, new technologies or additional agency engagement may present opportunities for new ways of working.

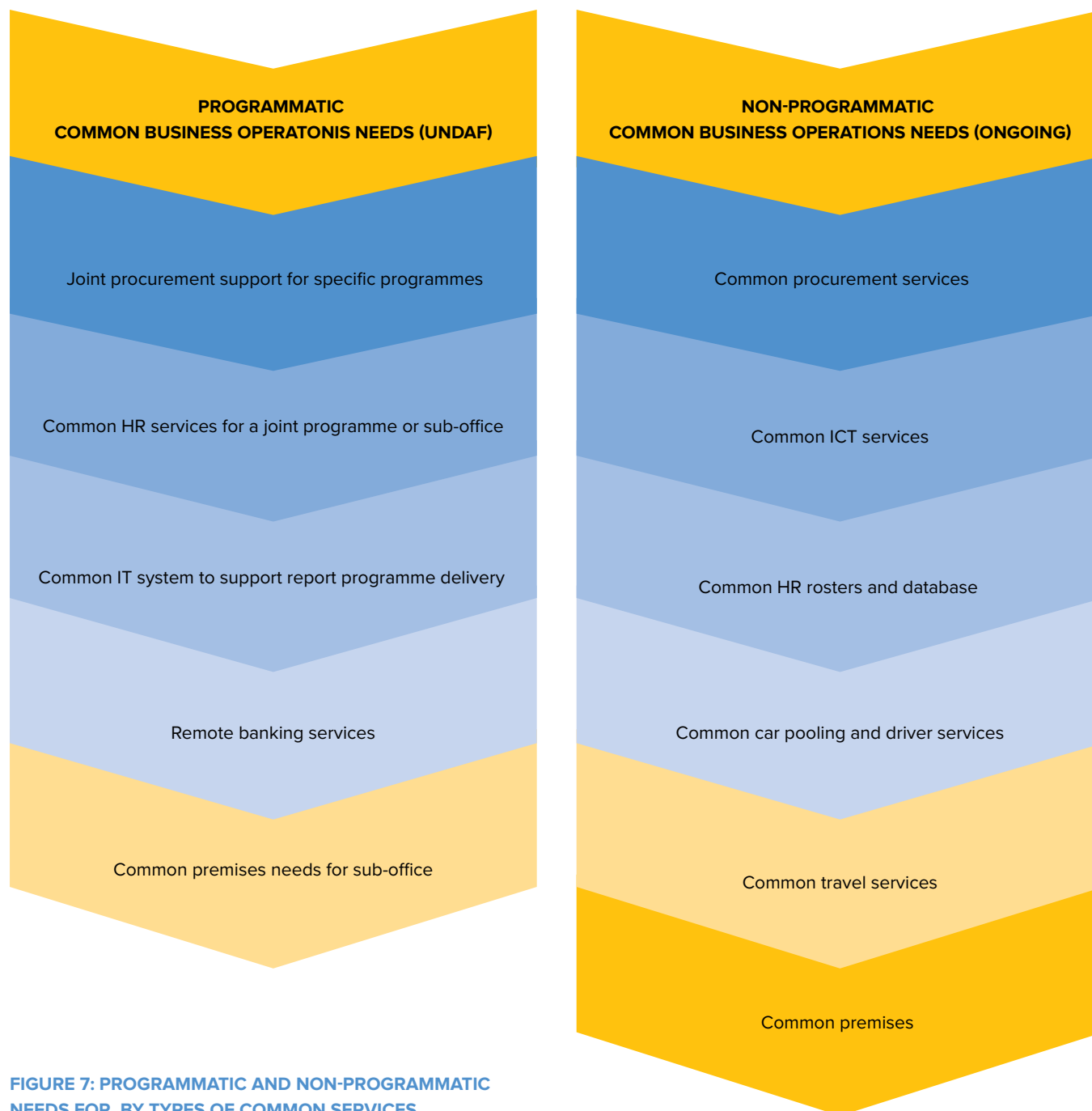
Examples of non-programmatic needs include procurement of generic office supplies or fuel (common procurement services); establishment of a common reception or registry (common facility services); management of car pools (common logistics services); and establishment of human resource databases, joint recruitment processes and learning (common human resources services).

#### BOX 1 EXAMPLE OF PROGRAMMATIC NEEDS FOR A COMMON SERVICE

Programme priority: UNDAF Output 1: "By 2025, 80% of the most vulnerable groups in the three most vulnerable provinces will have access to malaria prevention instruments, including bed nets and preventative chemical solutions."

Identified need: In considering the above UNDAF output, programme staff discussed possible cost savings or increased quality. It was decided that joint procurement of bed nets and chemicals would lead to considerable cost savings.

<sup>9</sup> For more information about the UNDAF results-based management methodology, see the UNDG RBM Handbook at [www.undg.org](http://www.undg.org).



**FIGURE 7: PROGRAMMATIC AND NON-PROGRAMMATIC NEEDS FOR, BY TYPES OF COMMON SERVICES**

## STARTING THE NEEDS & OPPORTUNITIES ANALYSIS

The needs & opportunities analysis commences with discussion amongst operations colleagues and between operations and programme teams.

The discussion includes the needs of sub-offices where relevant. It follows the process of reviewing the UNDAF and all relevant planning documents (programme-related needs) and considering all ongoing operational demands (non-programmatic needs) agreeing on identified needs against all or any of the six common services lines: 1) common procurement services; 2) common information and communication technology (ICT) services; 3) common human resources (HR) services; 4) common logistics services; 5) common finance services; and 6) common facility services (including common premises).

After agreeing on the identified new needs, the OMT drafts a brief 'needs statement' to explain each proposed new service. At this time, the OMT develops the KPIs that would be used to monitor the proposed new common service within the planned period of implementation.

Needs statements:

- Explain the background: For each service, write a short explanation of the context for the need or the reason why it has arisen;
- Describe clearly what the service must deliver: For each service, explain the need, stating what it is and how it was identified, and to which programmatic or operational demands it is responding;
- Specify by when the service must be ready to deliver: For each service, explain when the need is required and why.
- Include a way to measure the service over time: For each service, note how its performance or progress will be measured.

| NEEDS & OPPORTUNITIES ANALYSIS            |                |   |  |
|---|----------------|---|--|
| A   | B              | C   | D  |
| COMMON SERVICES LINES<br>(OUTCOME AREAS)  | COMMON SERVICE | NEEDS STATEMENT<br>(THE 'WHAT' AND 'WHEN')<br>PROGRAMMATIC AND<br>NON-PROGRAMMATIC<br>NEEDS | KEY PERFORMANCE<br>INDICATOR (KPI)<br>COST AVOIDED<br>QUALITY OF SERVICE |
| COMMON PROCUREMENT                        |                | BACKGROUND:<br>NEED (WHAT; WHEN):   | KPI (COST):<br>KPI (QUALITY):  |
| COMMON ICT                                |                |   |  |
| COMMON HUMAN<br>RESOURCES                 |                |   |  |
| COMMON FINANCE                            |                |   |  |
| COMMON LOGISTICS                          |                |   |  |
| COMMON FACILITY<br>(INC. COMMON PREMISES) |                |   |  |

The needs & opportunities analysis does not state the 'how'. BOS Annual Work Plans (AWPs) describe 'how' the outcomes and outputs will be achieved through activities implemented each year (see Step 6). Needs statements go in column C of the needs analysis template (see Table 5).

**TABLE 5: BOS NEEDS & OPPORTUNITIES ANALYSIS TEMPLATE**



## STEPS TO COMPLETE THE BOS NEEDS & OPPORTUNITIES ANALYSIS TEMPLATE

### 1 ► **Column A Common services lines:**

Take note of the common services lines. Under this, the identified specific common services for which there is a need (column B and C) will be listed.

### 2 ► **Column B Common services:**

Identify the specific common service needed and ensure it is entered against the relevant common services line (column A). This will ultimately represent the common service described in the BOS.

### 3 ► **Column C Needs & opportunities analysis narrative (the 'what' and the 'when'):**

Describe the needs of each new common service in narrative form, formulating a needs statement by explaining the 'what' and the 'when'. Write a needs statement for each service (see above for directions) and insert it in column C.

### 4 ► **Column D formulate the KPIs:**

Do this for each new common service need identified. Each common service need ideally will have one KPI that measures cost avoidance and one KPI that measures quality enhancement. See section 4.3 for further detail on the formulation of KPIs.

## CHECKLIST FOR NEEDS & OPPORTUNITIES ANALYSIS

- ☐ Programmatic needs for common business operations are considered
- ☐ Organizational operational needs for common business operations are considered
- ☐ Needs statements explain 'the what' and 'the when' for each identified new need
- ☐ Key performance indicators for each new need are drafted
- ☐ The BOS Needs Analysis Template is completed and submitted to OMT and confirmed as complete

## RESOURCES IN THE BOS TOOLKIT

BOS Needs Analysis Template



## 2.3 COST-BENEFIT ANALYSIS (CBA)

The CBA is a mandatory step of the BOS. It helps OMTs decide whether common business operations are cost beneficial, and informs the prioritization of new initiatives, based on either **avoided cost** or **enhanced quality** of the proposed service.

Cost-benefit analysis considers the overall impact of different proposed new services identified at the needs analysis stage and ranks them accordingly. It compares benefits-to-costs in a ratio. This means the total monetary value of benefits (savings) is compared with the total monetary value of costs. The cost-benefit analysis translates all inputs (e.g. staff time, money) and all outcomes (e.g. staff time savings, money savings) into a common unit of comparison (dollars). It is then possible to determine if the OMT wishes to pursue a common service, compare different services<sup>10</sup> and rank their overall value according to which is more cost effective.

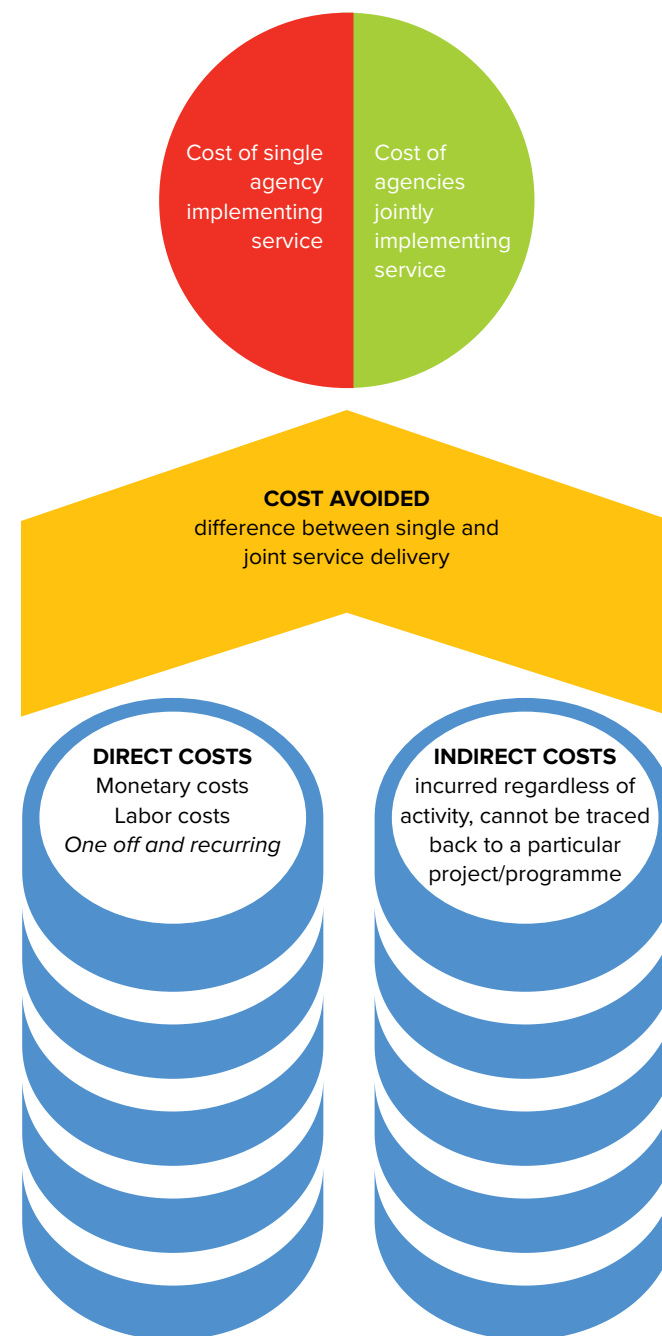
In cases where initiatives may require up-front investment (such as investment in IT equipment), the cost-benefit analysis provides details on the required investment cost (both labour time and/or monetary cost). This may influence the prioritization of each initiative. As such, the cost-benefit analysis aims to assess the cost avoidance ('money not spent') of a proposed solution.

**Cost avoidance** is when an action is taken to avoid future costs. Such actions may cost more in the short term, but will reduce overall costs in the long-term. Avoided costs make more resources available to implement programme initiatives. They are one way common business operations can contribute to programme delivery. Avoided cost may be monetary (e.g. direct cost savings in joint procurement initiatives) or non-monetary in nature (e.g. quality enhancements of services or reduced lead times for processes resulting in less staff time involved in executing a process).

The CBA compares the cost and quality of a function or service undertaken by a single agency, with the cost and quality of providing a service jointly. The difference between these two are the savings made (benefit) from doing a common service (see Figure 8). The CBA uses this comparison to determine money or time not spent (avoided cost) and to prioritize the highest impact common services proposed.

The CBA analyzes each proposed new common service and identifies the costs and the benefits from both a monetary perspective (direct dollar costs or benefits) and from a labour perspective (labour time saved converted into a dollar value).

FIGURE 8: HOW 'COST AVOIDED' IS CALCULATED



<sup>10</sup> M&E Training resources, UNICEF, 2004.

## ESTIMATED OR EXACT APPROACH

Not all services require the same level of analysis. It is recommended that the level of detail corresponds to the complexity and/or investment cost associated with the common service. The more costly or more complex the investment, the more detailed the CBA needs to be. Cost can be assessed using two different approaches: the exact approach and the estimated approach.

**Exact approach:** If the data is available and it is cost effective to do so, an exact approach draws on actual and quantitative data from agency databases, actual data from business process maps (BPM) such as time expenditure/labour cost, and quality surveys. This data supports the establishment of cost-saving targets within the BOS Results Framework. The advantage is more accurate data. The disadvantage is higher transaction cost.

**Estimated approach:** If exact data is not available an estimated approach provides a valuable indication of trends and potential change. The CBA draws on approximate figures from alternate regional or country data for similar costs. The estimated

approach provides more 'directional data', meaning a rough idea of the anticipated impact or change over time. The advantage is a faster transaction and lower transaction cost. The disadvantage is lower accuracy of data.

The OMT decides which approach to use in their specific country context. Local needs, capacity and the cost of data collection generally influence which combination of approaches are used. Some services are analysed with the exact approach, e.g. using actual procurement figures. Some services are analysed using the estimated approach, e.g. business process maps or activity based costing using standard data for HR, or general costs for ICT from an alternate country or region.

## ONE-TIME AND RECURRING COSTS AND BENEFITS

**One-time costs and benefits** occur only once when implementing the common service. Examples of one time costs include the purchase of PaBX servers for the implementation of a VoIP solution for the UN; the purchase of consultancy services of a company managing the PaBX implementation; or the cost of a

Request for Proposal (PFP) process for a joint procurement initiative. An example of a one-time benefit may be the selling of the old servers that are replaced by the new PaBX servers.

**Recurring direct costs and benefits** recur every period, for example in every billing cycle.<sup>11</sup> Recurring costs and benefits are calculated over the full cycle of the BOS. If the cycle of the BOS is five years, recurrent annual costs and benefits need to be multiplied by five. An example of a recurring cost is the service fee for a joint backup facility for the participating agencies or a license fee for a software package. An example of a recurring benefit is the implementation of a common procurement initiative for fuel: assume it yields a cost reduction of \$12,000 every time fuel is procured (4 times a year). The cycle time for the BOS is 5 years, the total recurrent benefit used for the CBA is  $4 \times \$12,000 = \$48,000$  per year  $\times 5$  years = \$240,000 for the cycle for one common service.

<sup>11</sup> Billing cycle = the time period of service provision covered by a single invoice.

TABLE 6: EXAMPLE OF DIRECT COSTS – RECURRING VS. ONE TIME

|          |  | RECURRING | ONE TIME |
|----------|--|-----------|----------|
| MONETARY | Project equipment purchase               |           | ✓        |
|          | Project infrastructure                   |           | ✓        |
|          | Short term consulting services           |           | ✓        |
|          | Rental of project premises               | ✓         |          |
|          | License fees for software                | ✓         |          |
|          | Travel costs for project/programme staff | ✓         |          |
|          | Joint back-up facilities                 | ✓         |          |
|          | Procurement of goods and/or services     | ✓         |          |
| LABOUR   | Project personnel                        | ✓         |          |

**TABLE 7: EXAMPLE OF DIRECT BENEFITS – RECURRING VS. ONE TIME**

|                 |   | RECURRING | ONE TIME |
|-----------------|---|-----------|----------|
| <b>MONETARY</b> | Sale of obsolete equipment to be replaced                 |           | ✓        |
| <b>LABOUR</b>   | Reduction of labour costs in procuring goods and services | ✓         |          |

**Note: The CBA uses one total number for the ‘monetary and labour’ amount, one-time and recurring direct costs and direct benefits (see Column C and D in the CBA template below).**

#### Direct costs and direct benefits

The CBA looks at two cost elements: direct costs and indirect costs. These definitions are based on the UN cost categories agreed by the UN High Level Committee on Management (HLCM)<sup>12</sup>.

**Direct costs:** Direct costs are all costs that can be traced directly to the delivery of a service or project. Direct costs can be broken down into two types: monetary and labour (which is converted into a dollar value). Examples of direct costs include project personnel, project equipment/infrastructure, project premises, travel and any other input necessary to achieve the project or programme objectives.

Both one time and recurring direct costs (monetary and labour) and benefits (monetary and labour) are included in the CBA:

#### Direct cost – monetary:

This part refers to the direct monetary cost (if any) of the establishing the service. These costs are often associated with the procurement of goods or services in relation to the proposed service. For example, if Voice over Internet Protocol (VoIP) is to be implemented as a common service, one of the monetary costs for the procurement of goods would be the procurement of PaBX servers. An example of a service cost would be the recruitment of an ICT consultancy firm to develop the technical solution and the integration plan. Monthly fees paid to a service provider to host the PaBX servers would be an example of a recurrent cost. As noted above, recurrent costs are calculated over the duration of the BOS cycle. If the BOS cycle is five years, an annual recurrent cost would be multiplied by five.

#### Direct cost – labour:

Developing and implementing the common service will cost the time of one or more staff members. In order to ensure appropriate planning and allocation of human resources (time) to the development and implementation of the solution, including management of the business solution, an estimate of this labour cost is required. For example, the time spent on the design, procurement, implementation and management of the new business solution is converted into a dollar value using the Activity Based Costing (ABC) approach, which converts the time spent on an activity in the service into a dollar value using wage scales of the staff member(s) involved in each activity in the process.

#### Direct benefit – monetary:

Also referred to as cost savings, one potential benefit of the harmonization initiative is a reduction in the costs of a process. Savings may result from a reduction in prices (in the case of procurement) or reduction in operating costs (in the case of implementing VoIP it would be the reduction in telephone costs). In order to obtain an estimate of cost savings (current vs. projected costs), the cost of the proposed joint business solution will have to be compared with the cost of the existing individually implemented business solution. For example, procurement-related harmonization efforts such as establishment of LTAs use the combined procurement volume of the UN system at the country level to procure certain commodities or services jointly. This results in a lower average price per unit. The ‘existing business solution’ could include an existing joint solution (such as a common service) or the costs of each agency obtaining the service independently. The monetary benefit may be multiplied by the number of agencies participating in the proposed business solution, as the benefit applies to each individual agency.

#### Direct benefit – labour (time reductions/gains):

One of the anticipated benefits of developing and implementing a common service is a reduction in cycle time, e.g. the time required to execute a process. This is due to the elimination of duplicative activities that are otherwise executed by each agency, thereby individually freeing up staff time for other purposes.

The time reduction is converted into a dollar value. To do this, the OMT converts the time spent on an activity by a staff member into a dollar value using wage scales of the staff member/s involved.<sup>13</sup> The annual full salary cost of a staff member is broken down into a daily cost by dividing the annual salary by 12 (monthly cost), then dividing by 21.5 (working days in a month) to get to the daily cost.<sup>14</sup> The daily cost is then divided by 8 (for an 8-hour working day) to get the cost per hour of a staff member. The business process map provides an overview of each step in the process, including the time required to finish each step. This is subsequently used to calculate the cost of a process by identifying the time required to execute each step and applying the real labour cost rate (based on standard UN wage scales) to each of the steps/activities. This subsequently yields a dollar cost of the current process.

<sup>12</sup> Please refer to the UNDG BOS Mid-Term Evaluation Report, page 16, ‘Cost Definitions’ [https://undg.org/wp-content/uploads/2015/02/BOS\\_Evaluation\\_Report\\_July\\_2015.pdf](https://undg.org/wp-content/uploads/2015/02/BOS_Evaluation_Report_July_2015.pdf). More information can be found on the HLCM website: <http://www.unsceb.org/content/support-costs>

<sup>13</sup> The OMT makes an estimate if exact wage figures are not available.

<sup>14</sup> In the UN a working month consists of 21.5 working days.

TABLE 8: BOS COST-BENEFIT ANALYSIS TEMPLATE

| COST-BENEFIT ANALYSIS                         |                                       |                                      |   |   |                      |  |
|---|---------------------------------------|--------------------------------------|---|---|----------------------|--|
| A   | B                                     | C                                    | D                                       | E   | F                    | G  |
| COMMON SERVICE LINES (OUTCOME)                | PROPOSED NEW COMMON SERVICES (OUTPUT) | TOTAL DIRECT COST (MONETARY & LABOR) | TOTAL DIRECT BENEFIT (MONETARY & LABOR) | PRIORITY RATIO: TOTAL BENEFIT/ TOTAL COST (D/C) | OTHER CONSIDERATIONS | FINAL PRIORITIZATION OF SERVICES (RANKING) |
| PROCUREMENT SERVICES                          |                                       |                                      |   |   |                      |  |
| ICT SERVICES                                  |                                       |                                      |   |   |                      |  |
| HUMAN RESOURCE SERVICES                       |                                       |                                      |   |   |                      |  |
| FINANCE SERVICES                              |                                       |                                      |   |   |                      |  |
| LOGISTICS SERVICES                            |                                       |                                      |   |   |                      |  |
| FACILITY SERVICES (INCLUDING COMMON PREMISES) |                                       |                                      |   |   |                      |  |

#### BOX 2 EXAMPLE REAL-TIME COSTING TO DETERMINE DIRECT LABOUR BENEFIT

The total time requirement to procure a venue is **270 minutes** (4.5 hours). The activity is carried out by a P3 staff member. The salary scale of a P3 staff member in this duty station is roughly \$210,000. The monthly cost for this staff member is  $\$210,000/12 = \$17,500$ . The daily cost is  $\$17,500/21.5 = \$778$  per day. The hourly cost is  $\$778/9 = \$87$ . The labour cost associated with the process is simply the time spent on the process x the hourly cost: Therefore, the total labour cost for procuring the venue is  $4.5h \times \$87 = \mathbf{\$391.50}$ .

In order to obtain an estimate of direct labour benefits, the labour cost of the proposed joint service (with LTA) is compared with the costs of the non-joint existing business solution (without LTA) using Activity Based Costing and business process maps. A CBA tool, inclusive of Activity Based Costing is provided in the UNDG BOS Toolkit.

## STEPS TO COMPLETE THE BOS COST-BENEFIT ANALYSIS TEMPLATE

**Note: In completing the CBA, all figures need to be presented as an absolute number not a percentage.**

### 1 ► Column A Common services lines:

These are the common services line categories under which the OMT lists new common services (see section 2.2 on needs analysis).

### 2 ► Column B Proposed common service:

Indicate the name of the new common service identified in the needs analysis and enter it against the correct common services line.

### 3 ► Column C Total direct costs (monetary and labour):

Fill this column out with the OMT's calculations of the one time and recurrent direct costs (both monetary and labour) associated with the proposed new service.

### 4 ► Column D Total direct benefits (monetary and labour):

This column adds up the one time and recurrent direct benefits associated with the proposed service determined by calculating the benefits (savings) that will be realized if the service was delivered jointly.

### 5 ► Column E Priority ratio:

Total benefit/total cost (D/C) – is populated by a calculation that puts total benefit over total cost (total benefit/total cost). The higher the ratio, the higher the relative benefit of a solution and the greater the value of that particular common service to common business operations for the country. The services with the higher ratio reflect the higher cost avoidance.

### 6 ► Column F Other considerations:

This is the last step in the prioritization process. Populate this column with narrative description of other costs/benefits of the common services listed that need to be taken into consideration before prioritization is finalized. Other issues may include:

- Urgency of harmonization efforts in a particular field;
- Availability or lack of available financial resources required for up-front investment;
- Capacity available (time and competency of staff) at the country level to develop and implement business solutions;
- Opportunities for enhanced reputation and/or enhanced visibility for the UN system;
- Risk of deterioration of reputation or lower visibility if going ahead or discontinuing some services.

### 7 ► Column G Final prioritization of services:

This column is finalized with consideration for cost avoidance (dollar) ratios (Column E) and other considerations (Column F). The prioritization exercise considers these two elements and finalizes a priority ranking of the new common services recommended for inclusion in the next BOS. It is these agreed priority common services that are then included in the BOS Results Framework along with existing common services.

When doing the final evaluation and selection of proposed services, due consideration needs to be given to the sustainability of the service, both from a cost as well as labour perspective.

## BOX 3 CBA TOOL IN THE BOS TOOLKIT

The BOS CBA tool available in the UNDG BOS Toolkit was developed to assist with the calculations required in Column C and D. Additionally, the tool is used to calculate labour/staff direct costs the Activity Based Costing (ABC) or business process maps.

- The BOS CBA tool will instruct you to select the correct country in the drop down menu to populate the sheet with the correct staff costs;
- Review the standard process for the common service in question and adjust the business process map accordingly;
- Consider any one-time costs that need to be factored in to the calculation;
- Consider any recurring costs that require factoring in to the calculation.

The figures entered in Column C and D are single numbers that represent the calculations that add together the one time and recurring, monetary and labour costs of the common service. The BOS CBA tool will assist with this calculation.

# 3

## STEP THREE PRIORITIZATION

What new common services will be included in the next BOS? Deciding what kind of service will be a priority is an important step. This process is covered in Step Two because prioritization is an integral part of completing the BOS Cost-Benefit Analysis Template. It is also covered in Step 4 because the narrative identifies priority common services lines (outcomes) and priority common services (outputs) linked to outcomes. It is briefly summarized here.

### 3.1 THE PRIORITIZATION PROCESS

While performing the cost-benefit analysis, the priority ratio is calculated by taking the total benefit over the total cost (total benefit/total cost). The higher the ratio, the higher the relative benefit of a solution and the greater the value of that particular common service to common business operations for the country. The services with the higher ratio reflect the higher cost avoidance.

Additionally, there may be other costs and/or benefits that need to be taken into consideration, for example:

- Urgency of harmonization efforts in a particular field;
- Availability or lack of available financial resources required for up-front investment;
- Capacity available (time and competency of staff) at the country level to develop and implement business solutions;
- Opportunities for enhanced reputation and/or enhanced visibility for the UN system;
- Risk of deterioration of reputation or lower visibility if going ahead or discontinuing some services.

### 3.2 FINALIZING THE PRIORITIES

The prioritization process is finalized by taking both the ratio and other considerations – if any – and discussing with the UNCT which of the various options for new common services to include in the BOS. The agreed priority common services that are then included in the BOS Results Framework along with existing common services.

# 4

## STEP FOUR BUILDING THE BOS

### 4.1 THE BOS DOCUMENT

The BOS document reflects the building block approach to the strategy's development. Each chapter in the BOS document represent the results of the corresponding steps in the planning process, as outlined in this User Manual. An outline of the BOS document template is provided in Table 9. It represents the minimum (mandatory) requirements for a BOS Framework:

TABLE 9: OUTLINE OF THE BOS DOCUMENT

| BUSINESS OPERATIONS STRATEGY |                                       |   |                                |
|------------------------------|---------------------------------------|---|--------------------------------|
| CHAPTER/<br>SECTION          | TITLE                                 | DESCRIPTION   | SECTION IN THIS USER<br>MANUAL |
| <b>TITLE PAGE</b>            | Title page                            |   |                                |
| <b>FOREWORD</b>              | Foreword from UN Resident Coordinator | Usually drafted at the conclusion of the process and prior to collecting all signatories and submitting the document to UNDG DOCO   |                                |
|                              | Signatory page                        | Includes the signatures of all agencies participating in the BOS  |                                |
| <b>EXECUTIVE SUMMARY</b>     | Executive Summary                     | Introduces readers to the main features of the BOS  |                                |
| <b>CHAPTER 1</b>             | <b>INTRODUCTION</b>                   |   |                                |
| <b>1.1</b>                   | Country context                       | <ul style="list-style-type: none"> <li>- Provides a brief introduction to the global and country context of BOS, and the role the UN System has at the country level vis-à-vis the national development environment;</li> <li>- Includes a short statement on the positioning of the BOS in the national context and its links to the UNDAF</li> </ul> <p>[It may be useful to draw from the UNDAF's analysis of the national development situation.]</p> |                                |
| <b>1.2</b>                   | Value drivers of BOS                  | Lists the value drivers shown in the Background & Context of this user manual   | Background & Context           |
| <b>1.3</b>                   | BOS priority areas summary            | Provides a synopsis of the BOS priorities established as a result of prioritization and finalization of the BOS   | 2.3 and 3.1                    |



| CHAPTER 2 BUSINESS OPERATIONS ANALYSIS   |  |  |             |
|--|--|--|-------------|
| 2.1                                      | Stock take                             | Provides either BOS evaluation results for countries already using a BOS or stock take of existing common services for countries planning their first BOS [This chapter may include a short summary of the conclusions of the stock take with its standard template form inserted as annex.] | 2.1         |
| 2.2                                      | Needs & opportunities analysis         | Summarizes the conclusions of the needs analysis [See 4.3 on the BOS Results Framework for an outline of proposed common services lines (outcomes) and common services (outputs).]   | 2.2         |
| 2.3                                      | Cost-benefit analysis (CBA)            | Summarizes the conclusions of the cost-benefit analysis and prioritization of proposed new common services with consideration for cost avoidance and quality enhancement, with calculations presented as annex   | 2.3         |
| 2.4                                      | Prioritization                         | Presents the recommendations based on prioritization of proposed activities  | 2.3 and 3.1 |
| CHAPTER 3 RESULTS FRAMEWORK              |  |  |             |
| 3.1                                      | Overview of the BOS Results Framework  | Explains priority common services lines (outcomes) and common services (outputs) that form the structure of the BOS Results Framework [This is the BOS Results Narrative.]   | 7.1         |
| CHAPTER 4 MONITORING AND EVALUATION PLAN |  |  |             |
| 4.1                                      | Monitoring and Evaluation Plan outline | Provides information regarding all activities planned within the BOS implementation cycle to monitor and evaluate the BOS, including lines of reporting, roles and responsibility and timing of all BOS-related monitoring and evaluation activities   | 4.4         |

|  |  |  |     |
|--|--|--|-----|
| <b>CHAPTER 5</b>   |  |  |     |
| <b>GOVERNANCE STRUCTURES AND ACCOUNTABILITY MECHANISMS</b> |  |  |     |
| <b>5.1</b>   | Arrangements and structures for BOS – roles and responsibilities             | Describes the structure that oversees and undertakes the BOS framework development process and defines the roles and responsibilities of different stakeholders developing the BOS | 4.4 |
| <b>CHAPTER 6</b>   |  |  |     |
| <b>BUDGETARY FRAMEWORK</b>                                 |  |  |     |
| <b>6.1</b>   | Resource requirements, cost sharing arrangements and the budgetary framework | Describes the resource requirements, including a resource map of existing resources, the resource gap and a resource mobilization strategy   | 4.5 |
| <b>ANNEXES</b>   |  |  |     |
| <b>Annex 1</b>   | BOS Results Frameworks   | Includes one framework per outcome (template provided), completed by each individual BOS working group/task team   | 4.3 |
| <b>Annex 2</b>   | TORs for OMT and task teams and/or working groups                            | Includes TORs as per template provided   |     |
| <b>Annex 3</b>   | Membership list of OMT and task teams  | Provides name, title and agency of each individual listed, updated as needed   |     |
| <b>Annex 4</b>   | Worksheets, calculations (CBA)   | Includes the business process maps and cost-benefit analysis calculations as per CBA tool/templates, supporting the BOS Results Narrative (section 4.2) inserted as annex          |     |

This section of the User Manual provides the guidance needed to complete Chapter 3 of the BOS document. It provides directions on how to complete the BOS Results Framework, which often includes several separate templates inserted in Annex 1 (templates are available in the BOS Toolkit). It then provides guidance on how to prepare a written summary of the Results Framework, called the Results Narrative.

## 4.2 BOS RESULTS NARRATIVE

The narrative is an important part of the BOS document. It goes in Chapter 3: Overview of the BOS Results Framework. By this point in the BOS process, the CBA and prioritization steps have concluded, and the outcomes and outcome that make up the structure of the BOS have been selected. The narrative explanation of the BOS Results Framework highlights these outcomes and outputs.

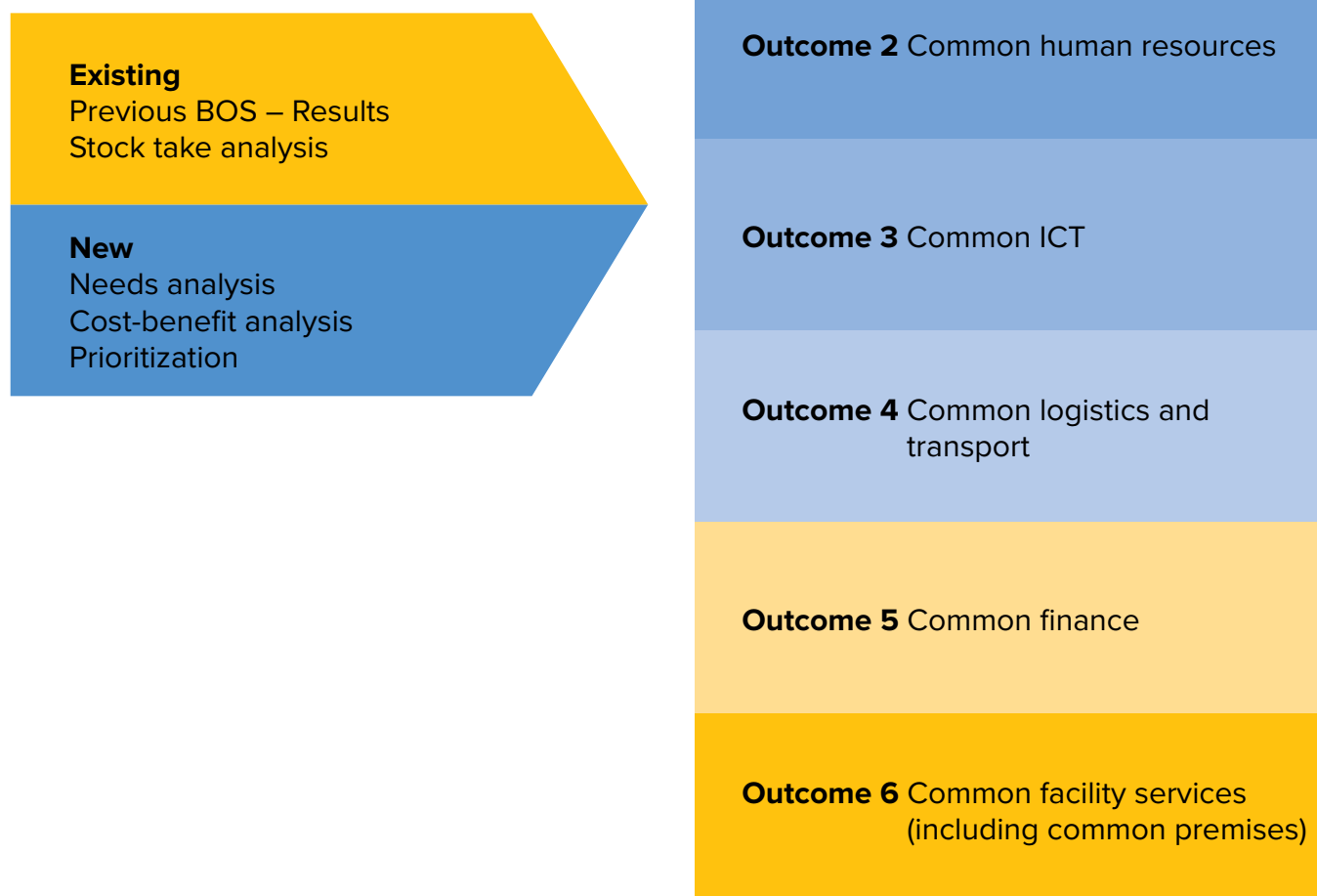
To draft the narrative, draw on the content and conclusions of the BOS operational analysis. The narrative explains the structure of the BOS Results Framework, identifies priority common services lines (outcomes) and priority common services (outputs) linked to outcomes. As shown in Figure 9, these priorities reflect a combination of **existing** outcomes and outputs (drawn from the previous BOS and/or the stock take) and **new** outcomes and outputs (drawn from the needs analysis, cost-benefit analysis and prioritization exercise).

The recommended length of the written explanation of each outcome is half a page per outcome. The written narrative incorporates the needs analysis and stock take information to prepare the 'outcome statement'.

The outcome statement:

- Describes the context of the issue;
- Identifies the common services that will be addressed;
- Specifies the intended result of the combination of outcome and outputs to provide solutions to an identified business operations issue.

FIGURE 9: EXISTING AND NEW BUSINESS OPERATIONS NEEDS FORM THE BODY OF THE BOS RESULTS FRAMEWORK



The BOS has two levels of results statements, 'outcome statements' and 'output statements', as noted above. This reflects the results chain, which is the causal effect of the planned interventions. The statements are included in the narrative and are also inserted into the BOS Results Framework.

**FIGURE 10: HOW TO DRAFT OUTCOME AND OUTPUT STATEMENTS: AN EXAMPLE**



#### **BOX 4 A NOTE ON FORMULATING RESULTS**

Outcomes and outputs should be described in 'change language' rather than 'action language'. Describe the changes in conditions that are expected, not the intended action/ methods to get to that point.

- Example action language: By 2020 a common procurement unit is established
- Example change language: By 2020, cost savings and quality enhancement achieved for agencies using the common procurement unit.

## 4.3 BOS RESULTS FRAMEWORK

The BOS Results Framework is the basis for monitoring and evaluation of the Business Operations Strategy, ensuring accountability in accordance with standard principles of UN Results Based Management (RBM). It captures the joint priorities of common business operations for cost avoidance and quality enhancement. The BOS Results Framework (Section 4.3) is the basis for annual work planning (Step Two) and development of the BOS Budgetary Framework (Section 4.5) and structures the BOS Results Narrative (Section 4.2).

### ELEMENTS OF THE BOS RESULTS FRAMEWORK

The BOS Results Framework includes the following elements:

#### ► BOS outcomes

- Describe the intended changes in business operations conditions resulting from BOS implementation;
- Are specific, strategic and clearly contribute to the achievement of business operations;
- Must be linked to and supported by BOS outputs.

#### ► BOS outputs

- Describe intended changes in skills or abilities, or the availability of new products or services that are achieved with the resources provided within the specified time period.

#### ► BOS key performance indicators

KPIs measure the performance of a service. A key performance indicator is a unit of measurement that specifies what should be measured, but by itself does not indicate the direction (the baseline and target are used for that purpose). It is recommended practice that two (2) KPIs are used for each service: one to measure **avoided cost** and one to measure **quality of service**. BOS KPIs:

- Measure BOS outcomes and outputs with some level of precision;

- Focus on cost avoidance and quality enhancement. 'Avoided cost' is determined on the basis of monetary or labour savings and can be either an exact number or an estimate. 'Quality of service' is measured by a simple quality survey.<sup>15</sup>

- Ensure that decision making regarding BOS is informed by relevant data;

- Are supported by verifiable baselines and targets;

- Do not indicate the direction of change, but do provide the unit of measurement.

#### ► BOS baselines

- Represent the 'starting point' or the status of the indicator at the beginning of the BOS cycle;
- Act as a reference point against which progress or achievements can be assessed;
- Can be backed up by verifiable data.


#### ► BOS targets

- Represent the goal or the planned value to be reached by a specified date, annually and at the end of the BOS cycle;
- Can be backed up by verifiable data.

#### ► Risks and assumptions

- Risks are potential future events that are fully or partially beyond control and may (negatively) affect the achievement of the results;
- Assumptions are the variables or factors that need to be in place for results to be achieved. They can be internal or external to the organization.

<sup>15</sup> Examples of quality surveys can be found in the UNDG toolkit on the UNDG website at [www.undg.org](http://www.undg.org)



The BOS Results Framework has a maximum of **six outcomes**, one for each of the common services lines. The actual number will depend on existing priorities and the conclusions of the prioritization step. Each outcome has **one high-level outcome statement** that reflects the intended result of that common services line over the five-year period. Each outcome statement has a maximum of three to five outputs that together contribute to the outcome being realized.<sup>16</sup>

### ESTABLISHING KEY PERFORMANCE INDICATORS

KPIs are a powerful tool for monitoring the continued added value (cost avoidance) and standards of quality over time, especially when compared to previous years (trend analysis). Within the BOS Results Framework each outcome and output will have at least two KPIs: one to measure **cost avoidance** and one to measure **quality enhancement**. In the BOS context, it is important to remember these points:

► KPIs establish a standard for both cost avoidance and quality;

- **Outcome indicators** measure cost avoidance or quality enhancement of institutional or systemic business operations change;
- **Output indicators** measure avoided cost or quality enhancement of change in skills, abilities, products or services.

► Formulation of two KPIs is recommended: one to measure **cost avoidance** and one to measure **quality enhancement**, unless the OMT determines the need to include more. The cost of monitoring goes up with each additional KPI.

► KPIs need to be SMART: Specific, Measurable, Attainable, Relevant and Time-bound. The cost of measurement and data collection is determined as acceptable to all participating OMT partners. If the cost is too expensive, OMTs may choose a 'proxy indicator'. A proxy indicator is an indicator (taken from another country or programme) that does not measure exact performance, but is considered a 'good enough' approximate indicator of performance.

► KPIs should use plain language, and not indicate the direction. For example, do state 'staff time spent on a procurement activity'; do not state 'reduced staff time spent on a procurement activity'. The intended direction is set in the difference between the baseline and the target.

► KPIs are written as the means to measure that a target has been reached, i.e. what the **cost avoidance** and **quality enhancement** has been. A KPI is accompanied by:

- A baseline that indicates the starting point for measurement and reflects current status;
- A target that indicates the goal to be achieved annually and per cycle;
- The source of verification that will be drawn on to provide the data to measure the outcome/output using the KPI.

Complete one BOS Results Framework Template per outcome area. In other words, use one template for procurement services and its outcomes, a fresh template for ICT services, and so on up to six (see Table 10). Each template is then used by the individual BOS working group/task team to build their Annual Work Plan.

<sup>16</sup> For more information refer to the document 'Results Based Management: Definition of Key Terms used in UN Country Programming and Business Operations' and the UNDG RBM Handbook at <https://undg.org/wp-content/uploads/2014/06/UNDG-RBM-Handbook-2012.pdf>

## BOX 5 EXAMPLES OF KPIs

### INDICATORS TO MEASURE QUALITY ENHANCEMENT

Time indicators for service quality such as timeliness of a service delivered: 'Response time of ICT helpdesk (in hours) on a request for support'

Perceived quality of a service to be delivered: 'Percentage positive response rate on cleanliness of office premises as per annual survey'

### INDICATORS TO MEASURE COST AVOIDANCE

Anticipated cost savings resulting from a joint service: 'Percentage travel cost of total annual travel volume'

Access to a specified service in contrast to undertaking costly individual training elsewhere: 'Number of staff received basic M&E training through the Common Learning Programme'

**TABLE 10: BOS RESULTS FRAMEWORK TEMPLATE (ONE PER OUTCOME AREA)**

| BOS OUTCOME AREA 1: COMMON PROCUREMENT    |  |          |               |                      |               |               |               |                      |
|---|--|----------|---------------|----------------------|---------------|---------------|---------------|----------------------|
| LEAD ENTITY                               | < Reflect the inter-agency group/coordination mechanism responsible for outcome area 1 >   |          |               |                      |               |               |               |                      |
| PARTICIPATING UN AGENCIES                 | < Reflect agency names participating in outcome area 1 >                                   |          |               |                      |               |               |               |                      |
| OUTCOME BUDGET                            | < Reflect the estimated total budget for this outcome >                                    |          |               |                      |               |               |               |                      |
| OUTCOME BUDGET GAP                        | < Reflect the budget gap = required resources minus available resources for this outcome > |          |               |                      |               |               |               |                      |
| OUTCOME 1                                 | < Reflect the outcome 1 statement >  |          |               |                      |               |               |               |                      |
| OUTCOME INDICATORS COST QUALITY           | SOURCE OF DATA   | BASELINE | TARGET YEAR 5 | RISK AND ASSUMPTIONS |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
| OUTPUT 1.1                                | < Reflect the output 1.1 statement >   |          |               |                      |               |               |               |                      |
| LEAD AGENCY                               | < Reflect name of the agency leading for this output >                                     |          |               |                      |               |               |               |                      |
| OUTPUT INDICATORS COST QUALITY            | SOURCE OF DATA   | BASELINE | TARGET YEAR 1 | TARGET YEAR 2        | TARGET YEAR 3 | TARGET YEAR 4 | TARGET YEAR 5 | RISK AND ASSUMPTIONS |
|   |  |          |               |                      |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
| OUTPUT 1.2                                | < Reflect the output 1.2 statement >   |          |               |                      |               |               |               |                      |
| LEAD AGENCY                               | < Reflect name of the agency leading for this output >                                     |          |               |                      |               |               |               |                      |
| OUTPUT INDICATORS COST QUALITY            | SOURCE OF DATA   | BASELINE | TARGET YEAR 1 | TARGET YEAR 2        | TARGET YEAR 3 | TARGET YEAR 4 | TARGET YEAR 5 | RISK AND ASSUMPTIONS |
|   |  |          |               |                      |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
| OUTCOME 2                                 | < Reflect the outcome 2 statement >  |          |               |                      |               |               |               |                      |
| OUTCOME INDICATORS (MAX 1-2) COST QUALITY | SOURCE OF DATA   | BASELINE | TARGET YEAR 5 | RISK AND ASSUMPTIONS |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |
| OUTPUT 2.1                                | < Reflect the output 2.1 statement >   |          |               |                      |               |               |               |                      |
| LEAD AGENCY                               | < Reflect name of the agency leading for this output >                                     |          |               |                      |               |               |               |                      |
| OUTPUT INDICATORS COST QUALITY            | SOURCE OF DATA   | BASELINE | TARGET YEAR 1 | TARGET YEAR 2        | TARGET YEAR 3 | TARGET YEAR 4 | TARGET YEAR 5 | RISK AND ASSUMPTIONS |
|   |  |          |               |                      |               |               |               |                      |
|   |  |          |               |                      |               |               |               |                      |

## STEPS TO COMPLETE THE BOS RESULTS FRAMEWORK TEMPLATE

### 1 ► BOS outcome area:

Insert the name of the common services line.

### 2 ► Lead entity:

Insert the name of the entity/coordination mechanism (e.g. OMT working group/task team) that will lead this outcome area, coordinating and engaging all other involved UN agencies.

### 3 ► Participating UN agencies:

insert the names of all UN agencies that will participate in this outcome area.

### 4 ► Outcome budget:

With reference to the BOS Budgetary Framework (refer to Section 4.5), insert the total estimated budget for this outcome.

### 5 ► Outcome budget gap:

With reference to the BOS Budgetary Framework, insert the total estimated budget gap for this outcome.

### 6 ► Outcome/output:

With reference to standard UNEG guidance in the drafting of outcome/output statements insert the Outcome/output statement for this Outcome area.

### 7 ► Outcome/output indicators:

Cost and quality. Enter the agreed outcome/output indicator for either new (see needs analysis) or existing (stock take) indicators remembering that:

- Outcome indicators measure costs avoided or quality enhancement of institutional or systemic business operations change;
- Output indicators measure costs avoided or quality enhancement of change in skills, abilities, products or services.

### 8 ► Source of data:

Enter the source of data that will be used by the KPI to determine progress towards the target, ensuring that the data is verifiable.

### 9 ► Baseline:

The baseline is drawn from the stock take analysis (existing) and needs analysis (new) data to establish a baseline that reflects the current situation.

### 10 ► Targets:

Targets are determined by scoping anticipated/wanted change by the end of the BOS cycle. The change from the baseline to the target must be able to be calculated/measured as per the requirement of the KPI based on the 'source of data' noted.

### 11 ► Risks and assumptions:

Enter the agreed risks and assumptions for this outcome/output.

The UNDG has developed a UNDG BOS Quality Assurance Checklist. Use of this checklist is strongly recommended to ensure that minimum quality standards of the BOS Framework are met.

## CHECKLIST FOR THE NARRATIVE AND RESULTS FRAMEWORK

☐ BOS Results Narrative is completed explaining the background and focus of each Outcome Area drawing on the information from the stock take, needs analysis and prioritization

☐ BOS Results Framework is prepared – one template completed per Outcome Area

☐ All BOS Results Frameworks comprise indicators, baselines and targets and identify verifiable data sources for evaluation.

☐ UNDG BOS Quality Assurance Checklist is completed

## RESOURCES IN THE BOS TOOLKIT

BOS Results Framework Template  
UNDG Quality Assurance Template  
UN RBM guidance at [www.undg.org](http://www.undg.org)



## 4.4 MANAGEMENT STRUCTURES AND ACCOUNTABILITY MECHANISMS

Governance of common business operations at the country level may differ from country to country, based on local needs and available resources. All responsibilities for governance of the BOS are outlined clearly in the BOS document, with relevant terms of reference (TOR). The BOS document includes: the organogram for governance of the BOS, a listing of the responsibilities of each element of the organogram, and (in the annex) TOR for the OMT and OMT task teams.

### STEPS TO PREPARING CONTENT ON BOS MANAGEMENT AND ACCOUNTABILITY FOR THE BOS DOCUMENT

#### 1 ► Organogram:

Use the below sample organogram (Figure 11) as a guide to draft an organogram for the BOS that matches the country context. The organogram identifies the four elements of the BOS governance: 1) Leadership; 2) Management; 3) Technical support and expertise; and 4) Coordination. The organogram specifies lines of reporting, the Chairperson of the OMT and the lead agency/chairperson for each working group.

#### 2 ► Roles and responsibilities:

In the body of the BOS document, outline the roles and responsibilities for each element of the BOS organogram. Use the generic lists provided in Annex A to finalize the agreed roles and responsibilities for the BOS.

#### 3 ► Terms of Reference (TOR):

Insert the TOR for the OMT and OMT task teams in the annex of the BOS document. Examples of pro-forma TOR can be found in the BOS Toolkit.

#### 4 ► Common Services Memorandum of Understanding (MOU):

The UNDG has developed and agreed upon a standard template for Common Services. This facilitates implementation and governance of the Business Operations and helps to ensure agreements on the level of cost sharing

by agencies for BOS. The standard template outlines the legal framework and management arrangements for individual services/business solutions. Use of this MOU proforma will drastically reduce transaction costs as it is pre-approved by UNDG and does not require review and approval from individual agency legal departments.

UNCT/OMTs are strongly encouraged to use this standard template for all MOUs related to common service management. The MOU is usually supplemented with Service Level Agreements (SLAs) detailing the specific arrangements for a particular Common Service. For the UNDG agreed template MOU for Common Services and/or an I-AWP template and example, kindly refer to the UNDG BOS Toolkit.

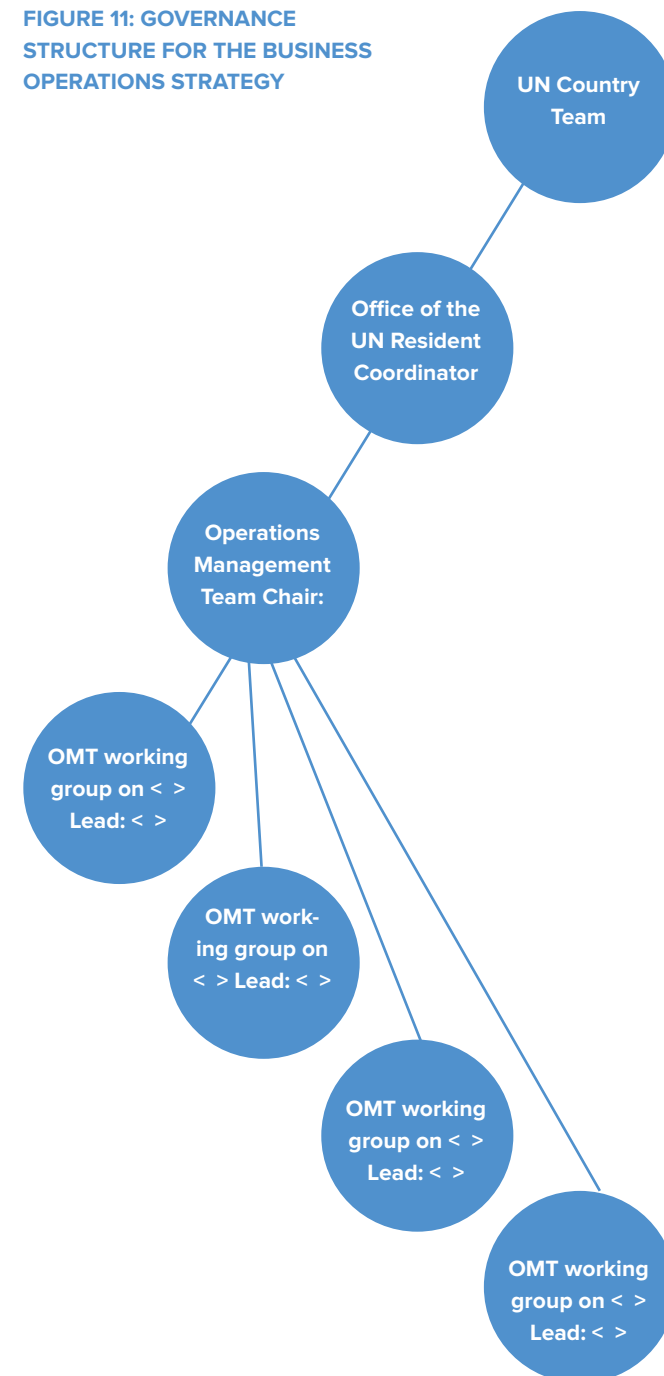
### CHECKLIST FOR MANAGEMENT AND ACCOUNTABILITY

- ☐ Organogram identifies the four components of BOS governance: 1) Leadership; 2) Management; 3) Technical support and expertise; 4) Coordination
- ☐ Organogram presents all lines of reporting, the Chairperson of the OMT and task team lead entity and Chairperson
- ☐ The BOS document outlines in narrative the roles and responsibilities of the four components of BOS governance
- ☐ The TORs for OMT and OMT task teams are drafted and attached to the BOS Framework Document in the annex

### RESOURCES IN THE BOS TOOLKIT

UNDG agreed MOU for Common Services Template  
Sample TOR for OMT and OMT task teams/working groups

FIGURE 11: GOVERNANCE STRUCTURE FOR THE BUSINESS OPERATIONS STRATEGY



## 4.5 BUDGETARY FRAMEWORK

This section will assist OMTs to complete Chapter 6 of the BOS document, which focuses on the financial resourcing needs of the BOS across the total programming cycle.<sup>17</sup> In the BOS document, a short narrative describes the BOS Budgetary Framework. The narrative outlines the total estimated budget resources, income and budget gap for the BOS across the multi-year implementation period. It provides an estimated cost of BOS and captures resources to be allocated to BOS by UN agencies at the start of the planning cycle. It also includes the cost of annual monitoring and evaluation of the BOS. More detailed annual budgeting takes place at the time of preparing annual work plans.

Resource mobilization for Business Operations is generally aimed at UN agencies that are contributing to cost sharing arrangements. A Common Services Account (see below) is established. In some cases, funds from agencies may be augmented with funds from alternative sources. The OMT usually discusses its plans regarding resource mobilization for the BOS with the UNCT at the time of validation.

### ELEMENTS OF THE BOS BUDGETARY FRAMEWORK:

#### 1 ► Short narrative:

No more than half a page, this written narrative outlines:

1) the total cost of the BOS; 2) if there is a gap between resources mobilized and resources required; and 3) strategies to support resource mobilization by the OMT and/or UNCT (a resource mobilization strategy).

#### 2 ► BOS Budgetary Framework Table:

This table includes four columns (see Table 11):

- **Outcome area:** Insert the outcomes (common services lines) listed in the BOS Results Framework Template;
- **Cost per outcome:** Insert the resources required to realize the outcomes as outlined in the BOS Results Framework Template. This combines projected costs associated with implementing the outcome rolled up into a single figure;

- **Total UN resources committed:** All core and non-core agency contributions to the BOS;

- **Total resource gap:** The gap is the short fall that may exist and for which additional resources mobilization is needed.

### COMMON SERVICES ACCOUNT

A common tool for financial management in support of joint Business Operations is the Common Services Account. Based on the Annual Work Plan budget, agencies pay into the account at the start of the year to cover the anticipated costs of implementing BOS, with differences in actual costs being reimbursed or credited against the budget of the following year.

The UNDG has developed the Common Services Account to facilitate the management of resources transferred by agencies to a common services budget. The account is to be used as a joint bank account to pool cost share contributions from UN agencies to cover the expenditures incurred in the provision of particular services. The Common Services Account is managed by an administrative agent (AA) (usually an agency at the country level). The AA is responsible for the day-to-day administrative management of the account for the Common Business Operations portfolio.

<sup>17</sup> The BOS is a medium term plan that aligns with the same programming cycle as the UNDAF. Generally, four to five years depending on the specific country context.

TABLE 11: BOS BUDGETARY FRAMEWORK TABLE<sup>18</sup>

| A                       | B                | C                            | D              |
|-------------------------|------------------|------------------------------|----------------|
| OUTCOME AREA            | COST PER OUTCOME | TOTAL UN RESOURCES COMMITTED | BUDGET GAP BOS |
| PROCUREMENT             |                  |                              |                |
| HUMAN RESOURCES         |                  |                              |                |
| ICT                     |                  |                              |                |
| LOGISTICS AND TRANSPORT |                  |                              |                |
| FINANCE                 |                  |                              |                |
| FACILITY SERVICES       |                  |                              |                |
| TOTAL                   |                  |                              |                |

## CHECKLIST FOR THE BUDGETARY FRAMEWORK

- ☐ BOS Budgetary Framework Table is completed and inserted in draft BOS document
- ☐ Short half-page summary narrative is complete and inserted in draft BOS document
- ☐ Footnote regarding estimation and confirmation of funds is inserted in the document: "It contains estimated amounts, and confirmed amounts will depend on availability of UN system agencies' resources and contributions from any other sources"
- ☐ BOS resource mobilization requirements and strategies discussed and agreed with all partners
- ☐ Preparations are made to present the BOS Budgetary Framework to the UNCT at the time of validation explaining its link to the OMT Common Services Account

## RESOURCES IN THE BOS TOOLKIT

BOS Budgetary Framework Table  
 undg Common Services Account instrument

<sup>18</sup> When presented in the BOS Framework, this table includes a footnote stating: "It contains estimated amounts, and confirmed amounts will depend on availability of UN system agencies' resources and contributions from any other sources".

# 5

## STEP FIVE VALIDATION AND SUBMISSION OF BOS DOCUMENT

Validation involves the OMT presenting the finalized BOS document to the United Nations Country Team. The formal meeting and presentation to the UNCT involves all OMT members, task team members and relevant programme staff. Validation includes recognition of an agreement to the implementing arrangements for the BOS:

- risks and mitigation measures;
- resource mobilization approaches;
- confirmed leadership in the various governance structures of the BOS; and
- commitment to ongoing links between operations and programme.

The OMT seeks the UNCT's endorsement of the BOS Framework followed by all involved UN agencies proceeding to sign the final document prior to its submission to UNDG DOCO. A cover letter from the UN Resident Coordinator to the Head of the UNDG DOCO is submitted along with the validated and signed BOS Framework.

A sample letter for submission of the validated BOS Framework to UNDG DOCO is included in the BOS Toolkit.

### CHECKLIST FOR VALIDATION AND SUBMISSION

- ☐ Validation workshop held, at which the BOS Framework document is presented to the UNCT to gain final endorsement.
- ☐ BOS Framework document is signed by each participating agency
- ☐ BOS Framework document is submitted, with covering letter from the UN Resident Coordinator to the head of UNDG DOCO

### RESOURCES IN THE BOS TOOLKIT

Sample validation workshop programme

Sample cover letter from UN Resident Coordinator to head of UNDG DOCO

# 6

## STEP SIX ANNUAL WORK PLANNING AND REPORTING

**BOS Annual Work Plans (AWPs) describe how the outcomes and outputs will be achieved through activities implemented each year. They are also used to monitor impact at the end of the year.**

This section focuses on the preparation of BOS Annual Work Plans. Once the BOS has been completed and endorsed, the work of implementation begins. The OMT will need an AWP in order to achieve all the outcomes and outputs outlined in the BOS. The Annual Work Plans are developed after the BOS Framework has been validated by the UNCT and submitted to UNDG DOCO. BOS Annual Work Plans are **not** part of the BOS Framework document but a separate annual planning tool prepared once the BOS is complete; they are reported against annually. The AWP is the 'how'. The AWP **defines the activities** that need to be implemented at the start of the year in order to achieve outputs, and **monitors impact** at the end of the year.

The OMT working groups/task teams are required to prepare annual work plans for approval by the OMT. Annual work plans describe **how** the Business Operations Strategy will be implemented annually. AWP focus on the activity level in the defined calendar year as well as the budget allocations required to undertake the planned activities.

### 6.1 STANDARDIZED COMMON SERVICES PACKAGES

The UNDG has been developing standardized Common Services Packages since 2015, based on existing and emerging UN country practices developed across the system. Examples include 'Sustainable Energy: Solar Panels (part of facility services under the BOS) and GPS tracking for vehicles (part of fleet management under the BOS).

By standardizing the services, duplication of effort is reduced at the country level. This not only reduces cost, but also saves the country office a considerable amount of time developing the common service, providing a basis from where the country office can start to work and adapt the package to meet local needs. Further, this process also enhances quality of services

by facilitating access to tested practices in other countries. The standardized packages are an important enabling factor in terms of knowledge sharing and mainstreaming of good practices across the system. The standardized common services packages are based on the latest HLCM harmonized policies, rules and regulations, and as such play an important role for cost effective implementation of up-to-date common services at the country level. The packages can be downloaded from the UNDG website at <https://undg.org/home/guidance-policies/business-operations/>.

In addition, the HLCM has developed detailed guidance on interagency collaboration for business operations, including guidelines on joint procurement, joint ICT and joint human resources. It is a good idea to review the interagency guidelines related to the common services selected under the BOS. These guidelines can be found on the HLCM website at [www.unsceb.org/content/reports-hlcm](http://www.unsceb.org/content/reports-hlcm).

### 6.2 MONITORING AWPS

At the conclusion of the calendar year, the OMT and its task teams use the BOS Annual Work Plan to monitor the impact of planned activities. Annual monitoring reports from the OMT task teams use the same proforma reporting on the status of activities (achieved; in progress; or not started) and end of year expenditure (actual).

TABLE 12: SAMPLE TEMPLATE FOR PREPARING BOS AWP PER OMT TASK TEAM

| <b>COORDINATION MECHANISM</b>                 | <Reflect the coordination/governance mechanism- usually UNCT-OMT-Task Team working on Common Procurement> |                                |          |             |                                |        |            |  |
|---|---|--------------------------------|----------|-------------|--------------------------------|--------|------------|--|
| <b>BOS OUTCOME 1:</b>                         | <Reflect the Common Procurement outcome 1 statement from the BOS results framework >                      |                                |          |             |                                |        |            |  |
| <b>BOS OUTCOME 1 INDICATORS</b><br>(MAX 1-2)  | <Reflect the Common Procurement outcome 1 indicators from the BOS results framework >                     |                                |          |             |                                |        |            |  |
| <b>BOS OUTPUT 1.1</b>                         | <Reflect the Common Procurement output 1.1 statement from the BOS results framework>                      |                                |          |             |                                |        |            |  |
| <b>BOS OUTPUT 1.1 INDICATORS</b><br>(MAX 2-5) | <Reflect the Common Procurement output 1.1 indicators from the BOS results framework >                    |                                |          |             |                                |        |            |  |
| KEY ACTIVITY DESCRIPTION                      | END YEAR STATUS<br>OF ACTIVITIES<br>● ACHIEVED<br>● IN PROGRESS<br>● NOT STARTED                          | TIMELINE (START DATE/END DATE) |          | LEAD AGENCY | ANNUAL BUDGETARY FRAMEWORK     |        |            |  |
|   |   | START DATE                     | END DATE |             | BUDGET<br>AMOUNT<br>(ESTIMATE) | FUNDED | BUDGET GAP | END OF YEAR<br>EXPENDITURE<br>(ACTUAL) |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |
| <b>BOS OUTPUT 1.2</b>                         | <Reflect the Common Procurement output 1.2 statement from the BOS results framework>                      |                                |          |             |                                |        |            |  |
| <b>BOS OUTPUT 1.2 INDICATORS</b><br>(MAX 2-5) | <Reflect the Common Procurement output 1.2 indicators from the BOS results framework >                    |                                |          |             |                                |        |            |  |
| KEY ACTIVITY DESCRIPTION                      | END YEAR STATUS<br>OF ACTIVITIES<br>● ACHIEVED<br>● IN PROGRESS<br>● NOT STARTED                          | TIMELINE (START DATE/END DATE) |          | LEAD AGENCY | ANNUAL BUDGETARY FRAMEWORK     |        |            |  |
|   |   | START DATE                     | END DATE |             | BUDGET<br>AMOUNT<br>(ESTIMATE) | FUNDED | BUDGET GAP | END OF YEAR<br>EXPENDITURE<br>(ACTUAL) |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |
|   |   |                                |          |             |                                |        |            |  |

## STEPS TO COMPLETE THE BOS ANNUAL WORK PLANNING

- 1 ► **Coordination mechanism:** Insert the name of the OMT task team responsible for this outcome area.
- 2 ► **BOS outcome/output statements and indicators:** Refer to the BOS Results Framework and insert the relevant BOS outcome/output statements and indicators.
- 3 ► **Key activities:** List the key activities to be undertaken in that year to achieve the output  
**Example:**  
Procurement Output – Avoided cost through X number of LTAs to be established that year  
Key Activities – RFP developed, advertising placed, selection process complete
- 4 ► **End of year status:** This constitutes part of the process of monitoring each output at the activity level by focusing on the status of that activity. Task teams therefore enter: Achieved, In Progress or Not Started in the column against the relevant activity. Complete at the end of the year.
- 5 ► **Timeline:** This requires the start and the end date of the activity to be entered in the relevant column.
- 6 ► **Lead agency:** Enter the name of the UN agency and the contact person in charge of the key activity. The aim is to increase accountability for the activity planned.
- 7 ► **Annual Budgetary Framework:** This is comprised of four components:
  - **Budget amount for the key activities:** Insert the budgeted amount for the activity, if any.
  - **Funded:** Insert what monies are available for the activity, if any, from an individual agency, donor or cost share budgets.
  - **Budget gap:** State the unfunded amount that needs to be mobilized to undertake the activity.
  - **End of year expenditure:** At the end of the year, insert the actual expenditure against this activity.

## CHECKLIST FOR ANNUAL WORK PLANNING AND REPORTING

- ☐ BOS Annual Work Plan Template is filled out for each BOS task team/outcome
- ☐ OMT approves all annual work plans and required budget
- ☐ At the end of the year the 'End of Year Status of Activity' column and the 'End of Year Expenditure' columns are completed to support BOS annual monitoring

## RESOURCES IN THE BOS TOOLKIT

BOS Annual Work Plan Template  
UNDG RBM Handbook at [www.undg.org](http://www.undg.org)

# 7

## STEP SEVEN MONITORING AND EVALUATION

This section provides guidance on how to complete Chapter 4 of the BOS document, which outlines the monitoring and evaluation plan and outlines all M&E activities that will take place within the lifecycle of the BOS. The M&E plan includes all activities and their timing; it explains who is involved and what roles and responsibilities they have, and what data is required. Two key elements of the M&E plan are annual monitoring and the end-of-cycle evaluation.

BOS annual monitoring and reporting activities need to be undertaken in parallel with the UNDAF annual monitoring and reporting activities. When reviewing the annual BOS and UNDAF process, engage programme and operations staff who can help establish to what degree bottlenecks in the UNDAF originate from the operational support processes and vice versa, so these can be addressed in the next year. This also ensures the UNCT has a comprehensive overview regarding the state of both programmes and operations, reinforcing management control of the UNCT over both strategic planning and implementation of programmes and operations in the country.

### 7.1 ANNUAL MONITORING

The annual monitoring of the Business Operations Strategy focuses on **impact** and utilizes the BOS Annual Work Plan Template to determine:

- End of year status of activities – Achieved, In progress, Not started
- End of year expenditure – actual

Depending on the status of activities, any bottlenecks or delays in expenditure are considered, with adjustments or solutions brought forward into the next year BOS Annual Work Plan and budget.

#### CHECKLIST FOR MONITORING

- ☐ BOS Annual Work Plan is completed in the area of 1) status of activities; 2) end of year expenditure – actual
- ☐ Status of BOS annual impact assessment is considered by the OMT and submitted to the UNCT
- ☐ Annual impacts of the BOS are included in the Resident Coordinator's annual report

#### RESOURCES IN THE BOS TOOLKIT

BOS Annual Work Plan Template



## 7.2 EVALUATION (END OF CYCLE)

The BOS evaluation undertaken at the end of a BOS cycle is a mandatory assessment of the outcomes and outputs outlined within the BOS. It utilizes **cost avoidance** and **quality enhancement** KPIs along with the standard criteria for evaluation. Where possible, the BOS and UNDAF evaluations link. The BOS evaluation provides the OMT and the UNCT with objective information about performance and good practices that can help improve the BOS in a future planning cycle. Inputs into the evaluation include quantitative data specific to the data sources identified, or through quality surveys.

As defined by the UN Evaluation Group (UNEG) an evaluation is “an assessment [of BOS] that focuses on expected and achieved accomplishments, examining the results chain, processes and contextual factors to understand the achievements”.<sup>19</sup> Evaluation feeds into the management and decision-making processes of BOS.

The BOS end-of-cycle evaluation has three objectives:

- Evaluate the status of results against KPIs (feeding into the BOS stock take at the start of the next BOS planning cycle) in relation to cost avoidance and quality enhancement;
- Consider the organization, coordination, relevance, efficiency, effectiveness, impact and sustainability of the BOS<sup>20</sup> (feeding into OMT and UNCT dialogue around future management of the BOS);
- Review BOS budget expenditure as a multi-year total, drawing on the expenditure reporting undertaken on an annual basis.

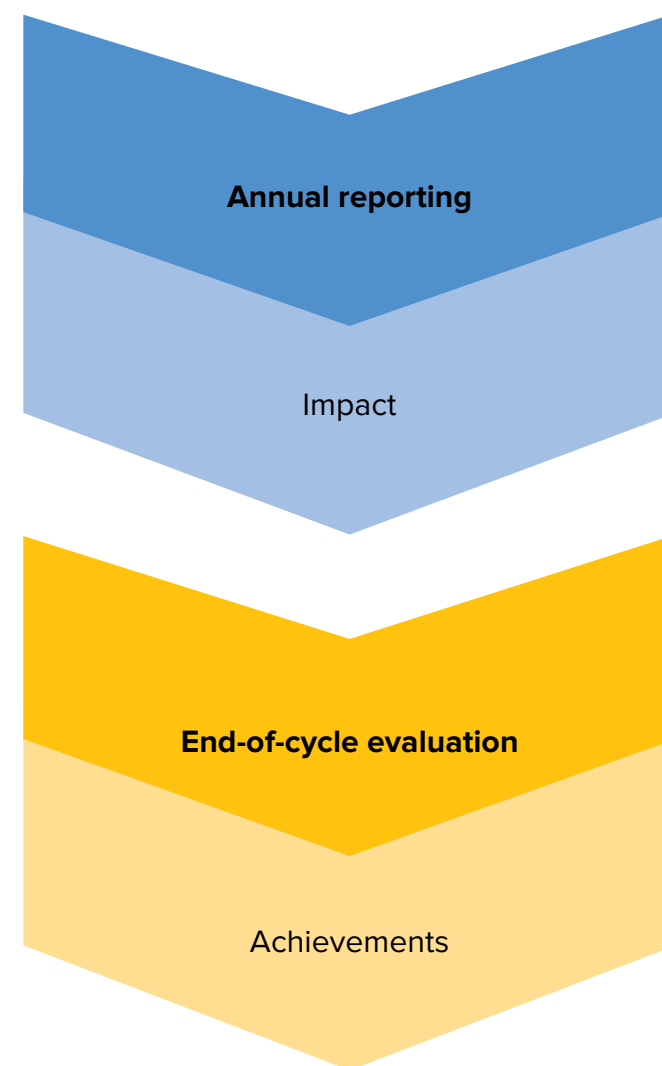
### EVALUATING QUALITY ENHANCEMENT

All outcomes and outputs with the BOS Results Framework are assigned both a **cost avoidance** and a **quality enhancement** KPI. Some of these KPIs can be measured quantitatively and others require a qualitative method of assessment. The use of quality surveys is a recognized method of qualitative assessment.

Quality surveys under the BOS measure client perception on a scale from 1-5. A standard annual survey is sent to all users of the common service asking them to rate the common service. This rating subsequently informs the KPI performance. The **BOS Toolkit** provides sample quality surveys for each common services line under the BOS.

In addition to the two mandatory BOS indicators on cost avoidance and quality enhancement, the UNDG has approved a BOS M&E guide, which provides examples of additional indicators that can be considered to reinforce the M&E framework of the BOS. The BOS M&E guide can be found on the UNDG website at [www.undg.org](http://www.undg.org)

FIGURE 12: BOS MONITORING AND EVALUATION



<sup>19</sup> UNEG Norms for Evaluation in the UN System, [www.uneval.org](http://www.uneval.org).

<sup>20</sup> UNEG recommends that evaluations should consider relevance, efficiency, effectiveness, impact and sustainability.

## SATISFACTION WITH COLLABORATIVE PROCUREMENT AT COUNTRY LEVEL: USER SURVEY

User satisfaction ratings: Please rate the following user satisfaction statement on a scale of 1 to 5 (where 5 is high and 1 is low)

1. The common procurement service provides effective, high quality, and cost-efficient procurement services to the client UN agencies.

2. The common procurement service provider gives appropriate advice and support when I need help in sourcing or ordering goods and services.

3. There is a consistent and easy to follow process for ordering goods and supplies.

4. The goods and supplies that we are given are appropriate quality.

## CHECKLIST FOR EVALUATION

- ☐ All BOS annual impact and financial expenditure reports are compiled for reference by the BOS evaluation
- ☐ All BOS working groups utilize the BOS Results Frameworks and verifiable data sources identified in the BOS Results Framework to determine the status of indicators in quantitative terms based on the attainment of targets from the baseline
- ☐ Quality surveys are designed, distributed and collated to support qualitative analysis of quality enhancement indicators within the BOS Results Framework
- ☐ Evaluation is instigated as per the UNEG guidance and linked to UNDAF evaluation where required.
- ☐ The outcome and recommendations of the evaluation are submitted to the OMT and UNCT to inform management decisions regarding BOS

## RESOURCES IN THE BOS TOOLKIT

UNEG guidance regarding Results Based Management and Evaluation  
 UNDG BOS M&E framework at [www.undg.org](http://www.undg.org)  
 Quality survey samples

FIGURE 13: SAMPLE OF A QUALITY SURVEY

## APPENDIX A

### ROLES AND RESPONSIBILITIES

#### **Leadership – United Nations Country Team (UNCT)**

The generic responsibilities of the UNCT for the BOS are:

- Ultimate decision making for all matters related to common business operations
- Responsible for ensuring the alignment between the BOS and UNDAF
- Responsible for finalization of the BOS and the achievement and reporting on agreed results
- Responsible for outlining the medium-term vision for common business operations and provides guidance to the OMT with regards to the operationalization of the BOS
- Final decision making on issues that cannot be resolved at the OMT level
- Final endorsement of agreed annual work plans and budgets
- Endorsement of the BOS Roadmap and submission to UNDG DOCO
- Final validation of the BOS document and submission to UNDG DOCO

#### **Coordination – Office of the UN Resident Coordinator (RCO)**

The generic responsibilities of the RCO are:

- Support to the OMT in coordination of the BOS development process
- Support for coordination of annual work planning and budgeting and presentation to the UNCT for approval
- Advising UNCT agenda to ensure matters related to common business operations are reported by the OMT
- Assisting with BOS resource mobilization as required
- Advice to the OMT and UNCT regarding latest UNDG DOCO guidance related to common business operations
- Provision of M&E expertise in support of BOS monitoring

#### **Management – Operations Management Team (OMT)**

The generic responsibilities of the OMT for the BOS are:

- Management and coordination of the development and implementation of the BOS

- Oversight of the annual monitoring of the BOS to ensure that service delivery is in line with the agreed KPIs
- Review and endorsement of Annual Work Plans and budgets of individual BOS task teams
- Regular reporting (by OMT Chairperson) to the UNCT<sup>21</sup> on progress and issues regarding the implementation of the BOS. Progress updates based on the KPIs and targets reflected in the BOS Results Framework;
- Implementation of required resource mobilization strategies and the reporting of resource mobilization opportunities and issue to the UNCT
- Provides, or coordinates provision of M&E guidance to OMT task teams for quality monitoring of the BOS and the development of Annual Work Plans (inclusive of annual targets)
- Oversees the work of OMT working groups/task teams
- Oversees the work of any time-bound BOS task force<sup>22</sup>

#### **Technical support and expertise – OMT task teams/working groups**

The generic responsibilities of the OMT task teams/working groups are:

- Participate in the BOS development through provision of data, BOS planning, identification of risks and limitations and development of the BOS Results Framework
- Responsibility for the annual work planning, budgeting, implementation and monitoring of their assigned BOS outcome area
- Provision of specialized technical expertise
- Highlighting of any resource mobilization opportunities for the BOS to the OMT
- Regular reporting to the OMT (by the task team/working group chairperson) on progress against the relevant annual work plan, highlighting any challenges and bottlenecks faced and proposed solutions
- Create links with programme staff working to increase dialogue and collaboration around identification of common business operations needs linked to UNDAF implementation

<sup>21</sup> It is recommended that the OMT chair attends UNCT meetings to provide a regular update on common business operations

<sup>22</sup> BOS task forces are generally time bound with the responsibility of developing and finalizing the BOS on behalf of the full OMT. In some cases, BOS task force membership includes programme staff.

## APPENDIX B

### TOOLS AND TEMPLATES

#### **Roadmap and kick-off meeting:**

Sample BOS Roadmaps  
Sample cover letter for submission of BOS Roadmap to UNDG  
DOCO  
Kick-off meeting or workshop sample programme

#### **Stock take:**

BOS Stock Take Template  
Sample BOS Stock Take Template  
Examples of quality surveys

#### **Needs & opportunities analysis:**

BOS Needs & Opportunity Analysis Template

#### **Cost-benefit analysis:**

BOS Results Framework Template  
UNDG RBM Handbook <https://undg.org/wp-content/uploads/2014/06/UNDG-RBM-Handbook-2012.pdf>

#### **Management structures and accountability mechanisms:**

UNDG agreed MOU for Common Services Template  
Sample TOR OMT and OMT task teams/working groups

#### **Budgetary Framework:**

BOS Budgetary Framework Table  
UNDG Common Services Account instrument

#### **Validation and submission:**

Sample validation workshop programme  
Sample cover letter from UNRC to head of UNDG DOCO

#### **Annual Work Plan:**

BOS Annual Work Plan Template  
UNDG RBM Handbook <https://undg.org/wp-content/uploads/2014/06/UNDG-RBM-Handbook-2012.pdf>

#### **Annual monitoring:**

BOS Annual Work Plan Template

#### **Evaluation:**

UNEG guidance regarding Results Based  
Management and Evaluation  
Quality survey samples





UNITED  
NATIONS  
DEVELOPMENT  
GROUP

---

The United Nations Development Group (UNDG) unites the 32 UN funds, programmes, specialized agencies, departments, and offices that play a role in development. Since 2008, the UNDG has been one of the three pillars of the UN System Chief Executives Board for Coordination, the highest-level coordination forum of the United Nations system.

At the regional level, six Regional UNDG Teams play a critical role in driving UNDG priorities by supporting UN Country Teams with strategic priority setting, analysis and advice.

At the country level, 131 UN Country Teams serving 165 countries and territories work together to increase the synergies and joint impact of the UN system.

The UN Development Operations Coordination Office (DOCO) is the secretariat of the UNDG, bringing together the UN development system to promote change and innovation to deliver together on sustainable development.

---

@UNDGDOCO WWW.UNDG.ORG