



# **BUSINESS OPERATIONS STRATEGY**

**A Partnership for Sustainable Development:  
United Nations – Lao PDR  
Partnership Framework 2017 - 2021**

Vientiane, February 2017

## Foreword

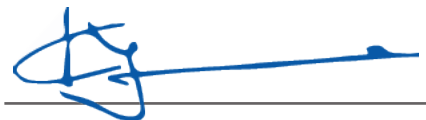
In the spirit of Delivering as One, the UN and its partners have embarked on a dynamic journey to put into practice the Lao PDR – UN Partnership Framework 2017 – 2021, to support the country in its progress towards the graduation from Least Developed Country status and the achievement of the Sustainable Development Goals with equity. This requires not only programmatic solutions, but also a strong business operations backbone to support their delivery.

The increasing global demand for harmonization and reform in the UN calls to strengthen strategic focus, coordination, result-orientation, efficiency and cost-effectiveness of business operations. This in turn requires the UN agencies to go beyond the traditional business models and work more closely together to jointly identify and implement impactful and innovative common business operations solutions.

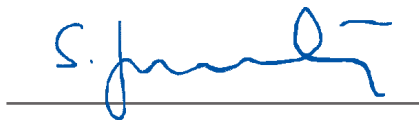
In this context, the Business Operations Strategy articulates the shared vision and common strategic priorities of the UN Country Team in Lao PDR for 2017 – 2021 in five key areas of business operations: procurement; human resources; information and communication technologies; finance; and logistics and facility services, including common premises.

This Strategy, unprecedented in Lao PDR, introduces results-based and innovative solutions in business operations founded on a thorough analysis and broad consultations. It sets forward an ambitious goal to save at least US\$ 2 million and enhance the quality of operations services over the five-year period, thus strengthening programme delivery.

I would like to commend the UN Operations Management Team and its Sub-groups, supported by the Office of the UN Resident Coordinator, on developing such a strategy.



Ms. Kaarina Immonen  
UN Resident Coordinator



Ms. Sarah Gordon-Gibson  
WFP Country Director and Representative /  
Chair of the Operations Management Team

## Table of Contents

Foreword.....	2
Acronyms .....	4
1. Introduction .....	5
2. Business Operations Analysis.....	6
Stock take of the Existing Common Services .....	6
Needs and Opportunities Analysis.....	10
Cost-Benefit Analysis and Prioritization.....	20
3. Business Operations Results Framework.....	23
4. Monitoring and Evaluation .....	35
5. Governance Structure and Accountability Mechanisms.....	35
6. Common Budgetary Framework.....	36
7. Annex 1. Terms of Reference of the Operations Management Team.....	36

## Acronyms

BOS	Business Operations Strategy 2017 - 2021
ICT	Information and Communication Technology
LTA	Long-Term Agreement
M&E	Monitoring and Evaluation
QCPR	Quadrennial Comprehensive Policy Review
UNPF	Lao PDR – UN Partnership Framework 2017 - 2021

### UN System in Lao PDR

FAO	Food and Agriculture Organization
IAEA	International Atomic Energy Agency
IFAD	International Fund for Agriculture Development
ILO	International Labour Organization
ITC	International Trade Centre
IOM	International Organization for Migration
UN-Habitat	United Nations Human Settlements Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNV	United Nations Volunteers
WFP	World Food Programme
WHO	World Health Organization

Asian Development Bank (ADB), International Monetary Fund (IMF) and World Bank also have a presence in Lao PDR.

## 1. Introduction

The General Assembly Resolution [71/243](#) on Quadrennial Comprehensive Policy Review (QCPR) of operational activities for development of the UN system calls for a better harmonization together with mutual recognition. The 2016 QCPR highlights the need to strengthen interagency collaboration by having a clear division of labour, enhancing joint interagency approaches to programming and operations and by introducing the principle of mutual recognition (and potential use) of best practices in terms of policies and procedures among others. It also recognizes the importance of continuing to implement the [Standard Operating Procedures](#) for Countries Adopting the Delivering as One Approach, including the formulation of Business Operations Strategies, at the country level.

The Delivering as One approach has been formally adopted and strongly supported by Lao PDR, providing the basis for the work of the UN Country Team to reduce institutional barriers, utilize shared data, analyses and advocacy to support integrated solutions, and improve standards and common operating systems.

The UN Country Team is committed to transparency, results and accountability, avoiding duplication and ensuring that coordination, synergies and reduced transaction costs are achieved. This Business Operations Strategy (BOS) supports the realization of the above-mentioned commitment of the UN Country Team through taking a strategic, results-oriented approach to planning, management and implementation of harmonised business operations in support of the Lao PDR – UN Partnership Framework 2017 – 2021.

The BOS is based on a thorough business operations analysis, comprising a stocktake of the existing common business operations; a needs and opportunities analysis and a cost-benefit analysis. It provides a strategic and results-oriented outlook on business operations in five key areas: common procurement; human resources; information and communication technologies (ICT); finance; and logistics and facility services, including common premises – with a strong focus on cost effectiveness and improved quality of services across the UN agencies. The BOS estimations forecast savings of around US\$ 2 million, of which US\$ 1 million through new initiatives, over the five-year programme period, under the results summarized in Figure 1.

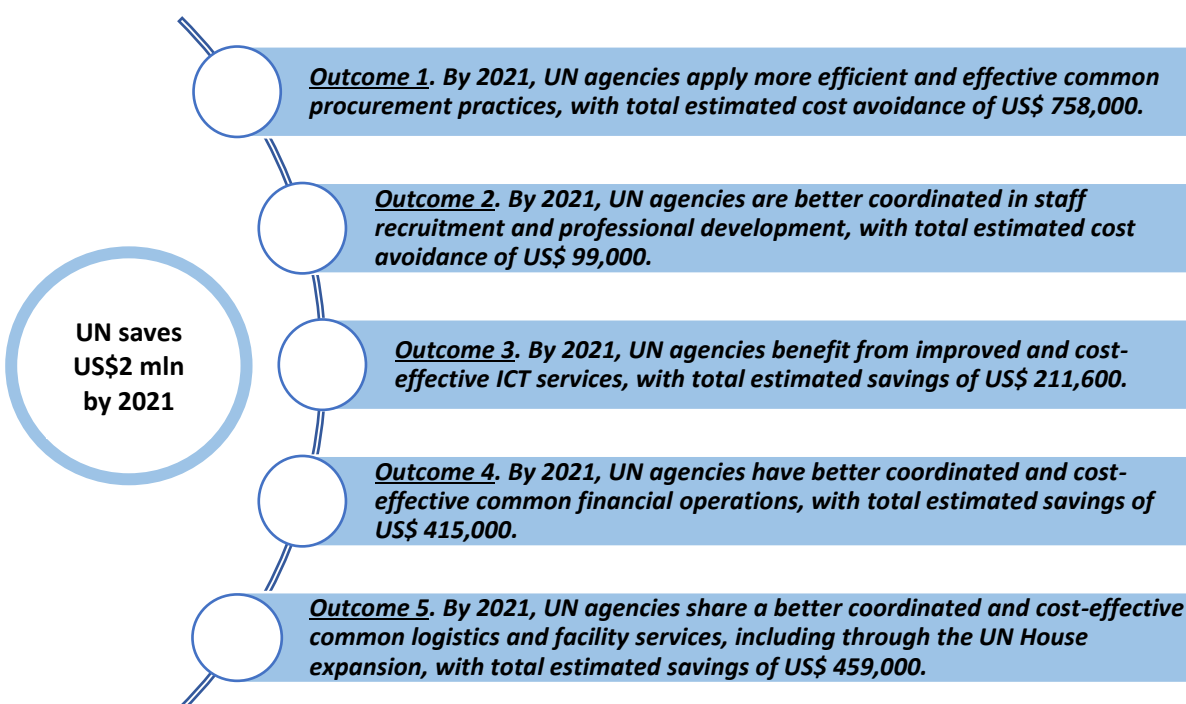


Figure 1. Outcomes of the Business Operations Strategy 2017-2021

The BOS 2017 – 2021 has been developed in conjunction with the Lao PDR – UN Partnership Framework 2017 – 2021 “A Partnership for Sustainable Development” by the Operations Management Team in consultation with the UN Country Team.

## 2. Business Operations Analysis

Under WFP lead, the Operations Management Team, including its task force members, convened for its first ever Retreat facilitated by an independent adviser in September 2016. The objective was inter alia to kick off the operations analysis for the development of the BOS for 2017 – 2021. The retreat concluded to focus on the common business operations in five areas - common procurement; human resources; ICT; finance; and logistics and facility services, including common premises.

The retreat and the follow-up work comprised stocktaking of the existing common business operations services and assessing their performance to explore a potential for expanding to other UN agencies. The process also included needs and opportunities analysis. This triggered the Operations Management Team to think outside the box, helping to bring forward new ideas for more harmonized business operations and prioritize them under the above-mentioned areas. The subsequent sections of this Chapter elaborate on the operational analysis in four steps.

### Stock take of the Existing Common Services

The UN agencies have four ongoing common long-term agreements (LTAs), for travel, fuel tax exemption, internet and translation services as well as the new LTA for stationery and office supply services. These LTAs has been enabling the participating UN agencies reduce costs in terms of the overall service fees and staff time for better quality services.

In the area of common financial services, the UN agencies have succeeded in negotiating a full waiver from the bank charges for incoming funds.

Since 2008, the establishment of the UN House benefited 12 UN agencies in terms of cost avoidance and efficiency due to cost-sharing of the services for cleaning, security and maintenance of the compound among others. The existing common premises also enable more frequent exchange of information and partnership building among the UN agencies, thus contributing to development effectiveness and synergies in programme interventions.

In 2016, the six largest UN agencies – FAO, UNDP, UNFPA, UNICEF, WFP and WHO - launched a fleet-sharing pilot as part of a broader global effort to introduce an inter-agency use of UN cars and to ensure transportation of UN staff is better coordinated, cost-effective, safer and more environmentally friendly. A comparative analysis of the kilometers driven/month before and after the fleet-sharing has estimated the monthly reduction by more than 10 percent. In addition, UNICEF and UNODC have an LTA for the car rental services to ensure contingency transportation arrangements.

More details on the results of the stock take of the common business operations services are provided in the Table 1 with key performance indicators under five priority areas and the recommended follow-up actions for 2017-2021.

Table 1. Stock-take Matrix of the Existing Common Services

Common Service Lines (outcome)	Common Services (outputs)	Managing Entity (Service Manager)	Clients (agencies using the service)	Key Performance Indicators (KPIs) Indicator Baseline Target	Performance Ranking against KPI	Modality (outsourced/ In-house)	Recommended Action Continue as is Scale up Scale down Discontinue Modify
<b>Common Procurement Services</b>	LTA for travel agent	UNDP	UNDP, WFP, UNFPA, UNICEF	KPI: # of days spent on average for travel arrangements Baseline: 5 days (2015) Target: 3 days (2017-2021)  KPI: Annual cost savings from air tickets procurement through LTA Baseline: US\$0 (2015) Target: US\$103,000/year	In progress	Outsource	Scale up, encouraging more UN agencies to join.
	LTA for Fuel TAX exemption	UNDP	UNDP, WFP, UNFPA, UNICEF, WHO, UNODC	KPI: Annual cost savings Baseline: US\$0 (2015) Target: US\$16,000/year; US\$80,000 by 2021	In progress	Outsource	Scale up, encouraging more UN agencies to join.
	LTA Interpreting and Translation Service	UNICEF	UNICEF, UNODC	KPI: Time spent in engaging interpretation / translation service Baseline: on average 5 days (2015) Target: ≤1day (2017)	In progress	Outsource	Scale up, encouraging more UN agencies to use the LTA.
	LTA Stationery and Office Supply Service	UNICEF	UNICEF, UNODC	KPI (cost): Cost savings in procurement of stationery (US\$/per year) Baseline: US\$ 0 out of US\$ 38,800 spent on 19 cases by UNICEF and UNODC (2015)	In progress	Outsource	Scale up, involving more UN agencies.

				Target: US\$3,880, 10% of savings estimated for UNICEF and UNODC due to discount from LTA (2017)			
<b>Common ICT Services</b>	Internet Services	UNDP	UNDP WFP UNICEF UNFPA UNODC WHO	<p>KPI: Average cost of the internet services (per Mbps/year) and the total cost savings from the LTA use (US\$/year)</p> <p>Baseline: US\$1,560/1Mbps/year; US\$0 savings (2015)</p> <p>Target: US\$971/1Mbps/year; US\$ 205,000 of savings by 2021 (US\$41,000/year) based on the volume of bandwidth each UN agency receives</p> <p>KPI (quality): # of agencies utilising LTA</p> <p>Baseline: 0 (2015)</p> <p>Target: 6 (2021)</p> <p>KPI (quality): # of agencies under LTA having internet connection redundancy</p> <p>Baseline: 2 (2016)</p> <p>Target: 6 (2021)</p>	In progress	Outsource	Continue as it is and try to scale it up by inviting more UN agencies to join the LTA to bring down the cost and increase negotiating power with internet service providers.
<b>Common Finance Services</b>	Waiver for bank fee for incoming funds	WFP	FAO, IOM, UNDP, UNICEF, WFP, WHO	<p>KPI: Percentage reduction of bank fee for incoming funds</p> <p>Baseline: 0.05%</p> <p>Target: 0%</p>	Achieved, 0.05% of bank fee waived	Outsourced	Continue as is
<b>Common Logistics and Facility Services (including</b>	Fleet-sharing	Operations Management Team of the participating agencies	FAO, UNDP, UNFPA, UNICEF, WFP, WHO	<p>KPI: # of kilometers driven per year and money spent for fuel (in US\$)</p> <p>Baseline: 374,978 km driven and US\$40,366 spent on fuel (2015)</p>	In progress	outsourced	Modify – it is suggested to adjust the existing system (or use another one) based on the lessons learned



common premises)				<p>Target: # of kilometers driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year) jointly by FAO, UNDP, UNFPA, UNICEF, WFP and WHO, enabling these agencies reduce their CO2 emissions by 5,625kg<sup>1</sup> (equivalent to planting 256 trees/year<sup>2</sup>).</p> <p>KPI: Staff satisfaction with the fleet-sharing pilot on the scale from 1-5 (through a survey) Baseline: 0 (2015) Target: &gt;3 on average (2016)</p>			from the pilot phase-1. A number of issues have been identified in the phase-1, including lack of cost-sharing mechanism for inter-agency use of cars; pool management and overall user-friendliness of the system (e.g. the set-up; lack of mobile app).
	LTA for Car Rental Service	UNICEF	UNICEF, UNODC	<p>KPI: Annual transportation cost by vehicle (per agency) Baseline: US\$14,760 (2015) – estimation of GS2-level driver post and vehicle maintenance Target: US\$10,800 (annual), reduced due to use of LTA</p>	In progress	Outsource	Scale up by introducing to other UN agencies
	Common Premises	UNDP	UNDSS, UNOPS/SGP, UNIDO, UN-Habitat, UNACT, IFAD, IOM, UN Women, IMF, UNAIDS, UNV, UNCDF	<p>KPI: UN agencies staff satisfaction with the common premises (through a survey) Baseline: 0 (2015) Target: &gt;3 on average (2016);</p>	In progress	Most of the services are outsourced, except minor maintenance works that are managed in-house	Scale up by encouraging other UN agencies to join the common premises

<sup>1</sup> The calculation is based on 150 CO2 g/km, click [here](#) for source.

<sup>2</sup> A single mature tree can absorb CO2 at a rate of 48 lb. (or 22kg) per year, click [here](#) for source.

## Needs and Opportunities Analysis

The needs and opportunities analysis by the Operations Management Team and its sub-groups has identified new and innovative ways of delivering quality and cost-effective common business operations services to support implementation of the Lao PDR – UN Partnership Framework 2017 - 2021.

Given the common demand for certain services, the analysis has revealed more opportunities to jointly use the LTA mechanism to leverage cheaper and benefit from more efficient services, including for customs clearance of the imported goods, procurement of stationery, publishing vacancy announcements, ICT troubleshooting and equipment maintenance.

Further needs for additional common services include introducing the practice of Common Annual Learning Plan, which, considering the shrinking financial resources and the absence of Learning budget per se, will enable the UN to better coordinate and maximise cost-effectiveness and quality of the staff professional development in the areas of common interest. It is also proposed to expand the electronic banking services (currently used only by UNDP) to at least five UN agencies and to agree on a common bank for currency exchange with a more favorable rate.

In addition, there is a significant room for upscaling the current common logistics and facility services, including the expansion of the UN House and the roll out of the fleet-sharing pilot into a full-scale practice.

The above-mentioned opportunities - elaborated in the Table 2 - are based on both programmatic and organizational needs for common business operations services.

Table 2. Needs and Opportunities Analysis Matrix

Service Lines	Common Service	Needs and Opportunities statement	Key performance indicator (KPI)
<b>Common Procurement Services</b>	LTA for customs clearance	<p><b>Background:</b> UN agencies import goods to support programme implementation in Lao PDR, and the UN continuously deals with import and export of the shipments of international staff.</p> <p>A key part of the import procedures is the customs clearance. Customs clearance for import and export of goods has become a concern for UN agencies, as it takes substantial time to process. Currently it ranges from one to twelve weeks, and different agencies pay different service fee rate varying from \$350 to \$439 per shipment. In 2015, seven UN agencies including UNDP, UNICEF, UNFPA, WFP, WHO, FAO, UNODC, have jointly processed 150 cases through customs clearance.</p>	<p><b>KPI (cost):</b> Cost savings in customs clearance process, including the staff time from use of LTA (USD)</p> <p><b>Baseline:</b> US\$62,850 spent for 150 cases (2015), based on US\$419/case</p> <p><b>Target:</b> Approximately US\$ 25,000 is saved annually from 150 cases, based on US\$ 169 savings/case. By 2021, about US\$125,000 is saved from using LTA.</p>

		<p>If the UN establishes a common LTA for customs clearance based on the best existing current practices across the UN, it is expected to help the UN agencies reduce the administrative work, shorten the duration of the process and the associated staff time, and lower the service fee rate.</p> <p><b>Need:</b> There is a need to conclude the LTA for customs clearance for interested UN Agencies. Once the LTA is activated by 2017, the UN agencies will have an option to instruct a shipping company to proceed with the fast-track import procedure and clear the paper work after goods are imported. This is expected to reduce the average time for import of goods from the current 8 weeks to 2 weeks (data is based on the estimation by seven UN agencies, including UNDP, UNICEF, UNFPA, WFP, WHO, FAO, UNODC).</p> <p>The use of the LTA will approximately result in US\$25,000 of annual savings from customs clearance (based on estimated new cost of US\$ 250/case for 150 cases a year) and US\$8,400 savings from demurrage. In five years, the total amount of savings from customs clearance is estimated to be US\$125,000.</p>	<p><b>KPI (mix):</b> Average time required for import of goods (weeks)</p> <p><b>Baseline:</b> 8 weeks depending on import categories experienced by seven UN agencies (2015)</p> <p><b>Target:</b> 2 weeks by using the fast track (2017-2021)</p>
	LTA for stationery	<p><b>Background:</b> Every year UNDP, UNICEF, UNFPA, WFP, WHO, FAO, UNODC spend approximately US\$ 81,000 (including US\$ 2,800 estimated in terms of staff time) for stationeries to support day-to-day work and to organize various events/workshop within the respective programmes and projects.</p> <p>The current procurement arrangement requires more administrative work, as each UN agency conducts a procurement process. Through the BOS analysis, it has become apparent that the average cost paid by UN organizations is approximately 3-5% higher compared to the cost paid by UNICEF through their LTA.</p> <p>There is accordingly a potential to improve the overall situation for the UN organizations in Lao PDR, by expanding the scope of the UNICEF LTA and enable all UN organizations to benefit from it. By increasing the demand volume for stationaries (economies of scale) for an LTA bidding, it is also likely that the UN can succeed in negotiating even lower prices due to the increased volume of the procurement.</p> <p><b>Need:</b> There is a need to establish a common LTA for stationery (based on UNICEF's model) for the interested UN Agencies by 2017. This is estimated to</p>	<p><b>KPI (cost):</b> Cost savings in procurement of stationery (USD/per year)</p> <p><b>Baseline:</b> US\$0 out of US\$ 81,000 (2015)</p> <p><b>Target:</b> US\$ 8,000 out of US\$81,000 (annual) – 10% saved against the base estimated amount</p> <p><b>KPI (quality):</b> Time spent for procurement of stationery</p> <p><b>Baseline:</b> 3 days (2015)</p> <p><b>Target:</b> &lt;1 day (2021)</p>

		reduce the annual expenditure for stationary procurement by 10% from the current base of US\$81,000 for seven UN agencies, equaling to approximately US\$8,000/year (rounded figures) given the foreseen lower price offered for bigger volume through the LTA.	
<b>Common Human Resources Services</b>	Common Job advertisement: <ul style="list-style-type: none"> <li>LTA on publishing of vacancy announcements with Vientiane Times</li> <li>LTA on publishing of vacancy announcements with Vientiane Mai</li> </ul>	<p><b>Background:</b> Currently every agency advertises for vacant positions individually. In 2015-16, the UN agencies spent up to US\$27,000 on newspaper advertisements. Over the new programme cycle period 2017 - 2021, the volume of advertising is expected to increase owing to the number of personnel / consultants that will be required to perform different tasks across the various agencies.</p> <p>According to data from 2015, 7 agencies spend annually about US\$27,000 on publication of vacancy announcements based on the following breakdown:</p> <ul style="list-style-type: none"> <li>US\$16,000 in Vientiane Times newspaper;</li> <li>US\$8,000 in Vientiane Mai;</li> <li>US\$3,000 on 108 Jobs website.</li> </ul> <p>There is a potential to negotiate a reduced rate across the board if the UN long-term agreement is concluded with the local newspapers/publishers as a common service. A discussion with the two newspaper companies – Vientiane Times and Vientiane Mai – revealed their preliminary readiness to offer a preferential price depending on the volume of publications. If all UN agencies use this service, the volume is expected to be considerable.</p> <p><b>Need:</b> Therefore, it is proposed to conclude a long-term agreement with the local newspapers/publishers by mid-2017 to reduce the associated costs by US\$2,700 (10%) per year among seven agencies.</p>	<p><b>KPI (quality):</b> # of UN agencies conducting joint advertising</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> 7 (2021)</p> <p><b>KPI (cost):</b> Cost savings from joint advertising (USD/year)</p> <p><b>Baseline:</b> US\$0 out of US\$27,000 (2015)</p> <p><b>Target:</b> US\$2,700 or 10% out of US\$27,000 is saved annually, estimated as US\$13,500 by 2021 for 7 UN agencies</p>
	Common Annual Learning Plan (Capacity Building /Staff Professional Development/Joint Trainings)	<p><b>Background:</b> UNICEF, UNDP and WFP have jointly spent US\$36,154 for staff training in 2015. Implementation of the Lao PDR - UN Partnership Framework 2017-2021 will require relevant skills and expertise from the UN staff. Therefore, there is a need for the joint comprehensive training plan that can help adequately prepare UN staff to better coordinate, implement and monitor the new Partnership Framework.</p> <p>The most common types of training currently organized by individual UN agencies include the Competency Based Interview (CBI) trainings for interviewers/interviewees, the Result Based Management (RBM) workshops</p>	<p><b>KPI (quantity):</b> # of common staff training sessions/workshops conducted</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> 2/year (10 by 2021)</p>

		<p>and the English courses. These trainings can be organized jointly by sharing the costs, as the content is the same and they are of common interest. The cost of each training is on average US\$6,000 for 30 participants for 5 days (including expenses for venue, lunch, coffee breaks). The facilitator fees, including DSA and travel expenses, equal approximately US\$5,500 based on the recent experiences. Thus, the cost of a five-day training for 30 staff is estimated at US\$11,500 (including the facilitation fee).</p> <p><b>Need:</b> It is proposed to develop a Common Annual Learning Plan to jointly plan and budget cost-sharing of staff professional development and learning opportunities across the agencies for the trainings/workshops of common interest and regular need, such as CBI and RBM workshops. This is expected to maximise cost-effectiveness and quality. The potential to save costs by organizing trainings jointly depends on the number of UN agencies interested. For instance, if five UN agencies decide to organize an RBM workshop for their staff at least once a year, they will pay five times less the usual facilitation and venue fee. This will also allow engaging the world-class technical experts for trainings/workshops.</p>	<p><b>KPI (quality):</b> Staff satisfaction with the jointly organized trainings/workshops on the scale from 1-5 (rated through annual surveys)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (annual)</p> <p><b>KPI (cost):</b> Cost savings due to the Common Annual Learning Plan (%/US\$)</p> <p><b>Baseline:</b> 0% of US\$11,500/training (2015)</p> <p><b>Target:</b> 75% saved from the base cost due to joint trainings (annual). The estimated amount saved from jointly organizing 10 trainings/workshops equals US\$86,000 by 2021.</p>
<p><b>Common Information and Communication Technology Services</b></p>	<p>ICT Helpdesk - LTA(s) for equipment maintenance / installation and support trouble-shooting</p>	<p><b>Background:</b> Currently UN House accommodates 13 UN agencies, including IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDP, UNDSS, UNIDO, UNOPS/SGP and UNV. These agencies have been using UNDP's ICT staff services for trouble-shooting the ICT related issues and installation/maintenance of the ICT equipment by pooling funds (no-cost for UNCDF and UNV). The agencies face challenges in receiving these services in case of absence of the UNDP's ICT staff, which usually happens when they are on stand-by at events/workshops.</p> <p>UNICEF has a long-term agreement (LTA) with a company providing a good quality services for ICT equipment maintenance (besides ICT staff). Other UN agencies outside of the UN House use maintenance services by individual contractors whose quality of services varies case by case.</p> <p>It is estimated that the ICT staff of UNDP and UNICEF spend on average 15 hours/month for ICT support/trouble-shooting and 15 hours/month for</p>	<p><b>KPI (mixed):</b> # of UN agencies using the common LTA for ICT equipment maintenance and the costs avoided (US\$)</p> <p><b>Baseline:</b> UNICEF is using the LTA and there is no cost-avoidance yet (2015)</p> <p><b>Target:</b> 13 UN agencies are using the LTA and the costs avoided equal about US\$ 1,300 (annual). Cost avoidance by 2021 is estimated at US\$ 6,500.</p> <p><b>KPI (cost):</b> # of UN agencies using the common LTA for ICT helpdesk (support</p>

	<p>equipment installation/maintenance, which is equivalent to about US\$19,500 in total (2015).</p> <p>The operational analysis revealed a need for alternate ICT support provider, especially to ensure uninterrupted operations at times of absence/unavailability of the UNDP's ICT personnel for 12 UN agencies accommodated at the UN House (including IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDSS, UNIDO, UNOPS/SGP and UNV). The UNICEF's LTA for the ICT equipment maintenance could be expanded and used by other UN agencies. In addition, a possibility of a common LTA for the overall ICT trouble-shooting and other support services could be explored.</p> <p><b>Need:</b> There is a need to have the ICT helpdesk based on the LTA(s) to provide ICT support and equipment maintenance services to all interested UN agencies.</p> <p>The current costs shared collectively by the UN agencies at the UN House are estimated at US\$ 4,000/year for ICT equipment maintenance and support services/trouble-shooting services provided by UNDP. The calculation is based on the staff time and the common premises budget breakdown for items that can be outsourced.</p> <p>Meanwhile, UNFPA experience in outsourcing ICT services indicates a rate of US\$ 100 / month. By using the LTA for the common ICT equipment maintenance at this rate, 12 UN agencies at the UN House (IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDSS, UNIDO, UNOPS/SGP and UNV) can collectively save about US\$ 6,500 by 2021. The cost avoidance equals a difference between the current base expenditure by 12 UN agencies and the annual estimated payment to LTA holder. The ICT staff could dedicate the freed up time for the ICT system improvement and programme software development for organizational effectiveness.</p> <p>In addition, assuming the cost of the LTA for ICT support services will have a similar unit price (US\$ 100/month), the total savings could potentially be US\$ 8,000 (59% less) by 2021 for UN agencies accommodated at the UN House (both for ICT equipment maintenance and general support services). The LTA for ICT support services/trouble-shooting would be particularly useful for all agencies, besides those at the UN House, in the absence of ICT staff.</p>	<p>services/trouble-shooting) and the costs avoided (US\$)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> 13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the costs avoided equal about US\$ 300 (annual). Cost avoidance by 2021 is about US\$ 1,500.</p> <p><b>KPI (quality):</b> User satisfaction with the quality and efficiency of the ICT services provided by the LTA holders (rated through annual surveys on the scale from 1-5)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (annual)</p>
--	---	---

	VHF radio communication improvement	<p><b>Background:</b> currently all UN agencies are using the analogue VHF frequencies that belong to three UN agencies. The systems are differently configured and maintained by in-house technicians; as a result, the signal is poor, which causes poor communication, blind spots in communication during the testing and actual usage by all UN staff.</p> <p><b>Need:</b> There is a need for a common LTA for maintenance of the VHF radio. UNDSS is proposed to lead on specifying the standard requirements. The common LTA will need to ensure all participating UN agencies get service at a better response time and the VHF radios are well maintained (with the right spare parts provided). This will help improving the functions of the Emergency Communication Tree.</p>	<p><b>KPI (quantity):</b> # of UN agencies using the common LTA for VHF radio maintenance</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> 13 UN agencies (annual)</p> <p><b>KPI (quality):</b> User satisfaction with the quality of the VHF radio communications (rated through annual surveys on the scale from 1-5)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (annual)</p>
<b>Common Finance Services</b>	Common Electronic Banking	<p><b>Background:</b> All agencies use BCEL. But only UNDP is currently using I-Banking services of BCEL. Other UN agencies use manual transactions and commute to the bank at least twice a week (using UN vehicles and spending at least two hours per trip at BCEL). Based on 2015 data, this costs US\$16,468 of staff time and US\$3,250 in terms of transportation with a total of US\$19,737/year for UNDP, UNICEF, FAO, WFP and WHO. It is estimated that in 5 years' time the existing practice will cost these five UN agencies US\$98,683 in total.</p> <p><b>Need:</b> It is recommended that all five UN Agencies operating accounts with BCEL use I-banking from January 2017 onwards in order to increase efficiency and to save costs. The transition to the I-Banking services is estimated to save 58% of staff time and 45% of transportation costs annually spent on the financial transactions.</p>	<p><b>KPI (cost):</b> Staff time spent for processing transactions via BCEL among UNDP, UNICEF, FAO, WFP and WHO (US\$/year)</p> <p><b>Baseline:</b> US\$16,468 (2015)</p> <p><b>Target:</b> US\$6,900 (~58% annual reduction is achieved); equals to US\$ 47,800 in savings by 2021.</p> <p><b>KPI (cost):</b> Transportation costs for transfer of staff to BCEL among UNDP, UNICEF, FAO, WFP and WHO (US\$/year)</p> <p><b>Baseline:</b> US\$3,250 (2015)</p> <p><b>Target:</b> US\$1,800 (~45% annual reduction is achieved); equals to US\$ 7,300 in savings by 2021.</p>

	Common bank for currency exchange	<p><b>Background:</b> Most agencies use BCEL and exchange currency directly at BCEL based on the bank's rate. The comparative data analysis on the exchange rates in different banks in Lao PDR identified that the private banks such as Phongsavanh Bank and ST Bank always offered a higher rate (LAK18 more) than BCEL or other state-owned banks.</p> <p>Based on 2015 data, six agencies - UNDP, UNICEF, WHO, FAO, IOM and WFP - exchanged US\$32,040,938 to local currency (LAK) using the BCEL services. These UN agencies could have gained LAK576,736,884 (US\$72,092) in 2015 from the currency exchange, have they used the services of any of the above-mentioned private banks. The estimated gains in 5 years' time equal to US\$360,460 for six UN agencies.</p> <p><b>Need:</b> The UN Agencies are suggested to exchange money at Phongsavanh Bank and ST Bank, which will generate extra US\$360,460 USD in 5 years. The analysis is based on the data from 6 agencies - UNDP, FAO, UNICEF, WHO, IOM and WFP.</p>	<p><b>KPI (cost):</b> Gains from new common practice of currency-exchange at the private banks (US\$)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> US\$360,000 (2021) based on estimated annual gains of US\$72,000</p>
<b>Common Logistics and Facility Services (including common premises)</b>	Common Roster of vetted suppliers. (printing, goods transportation, cleaning, translation, car rental, special hotel rates for UN)	<p><b>Background:</b> The previous experience shows that the time needed to identify a suitable supplier through the comparative review process is approximately 4 hours per service. This transaction is normally carried out by GS-6 staff, whose four-hours' time equals US\$ 40.</p> <p>There is a potential to reduce the internal transaction cost, i.e. time spent to identify and select a suitable supplier by establishing a common UN roster of vetted suppliers of goods and services, such as printing, transportation, cleaning, translation, car rent and special hotel rates.</p> <p><b>Need:</b> It is proposed to establish a common UN roster of suppliers, which is estimated to reduce the time spent for processing this transaction to 10 minutes. The GS-6 staff cost for 10 minutes is US\$ 2.</p>	<p><b>KPI (cost):</b> Time spent for identifying a suitable supplier</p> <p><b>Baseline:</b> 4 hours/transaction (2015)</p> <p><b>Target:</b> Reduced to 10 min/transaction (2017-2021)</p> <p><b>KPI (cost):</b> # of transactions with the vetted vendors</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> at least 50/year, leading to US\$1,900 of annual savings in terms of staff time</p>
	Fleet-sharing (phase-2, following modification)	<p><b>Background:</b> A stock-take of the UN fleet revealed that in Vientiane capital alone (an area of 3,920 km<sup>2</sup>), the UN runs its operations using about 87 cars of 15 different agencies (data from February 2016). This is a rough estimate including Government-run project vehicles. Consistent information has been</p>	<p><b>KPI (mix):</b> Total reduction in # of kilometers driven per year and in money spent for fuel by FAO, UNDP,</p>



		<p>missing on the total number of cars, fuel consumption and other key benchmarks. The pre-existing vehicle booking systems of different agencies varied ranging from phone calls and email exchange to a whiteboard in the hallway. Smaller agencies who cannot afford their own vehicles often have to rent cars, while cars of another agency in the same location are idle.</p> <p>Inspired by mushrooming mobile applications such as Uber, Lyft and Didi Chuxing, the Operations Management Team (OMT) proposed to have a GPS-based and user-friendly fleet sharing application allowing easy vehicle booking and providing back-office data. Drawing from UNDG innovation funding, six agencies have thus been participating in the global fleet sharing pilot in Lao PDR since 15 September 2016 to make the UN more efficient, cost-effective and green. In addition to UNDP, UNFPA and UNICEF, these are FAO, WFP and WHO. The agencies are in different locations in Vientiane, clustered close to each other. 25 cars are participating in the pilot phase-1, of which 19 as part of the general pool and 6 representative cars.</p> <p>The new booking system, provided by MiX Telematics (the vendor selected for the global pilot), allows for systematic inter-agency use of vehicles, enabling staff to reserve a UN car online. The system tracks fleet movement in real-time, while the back-office processes allow an in-depth analysis of fleet use and performance, highlighting high-risk events such as harsh acceleration, harsh breaking and accidents.</p> <p><b>Need:</b> There were a number of risk factors identified from the early stages of the system use, including the overall user acceptance, in-house IT capacity (e.g. most drivers do not have smartphones) and limited incentives for the UN agencies to put their vehicles into the pool given the global pilot's free-of-charge arrangements for fleet-sharing. Based on these risk factors and the initial observations, the OMT suggested to introduce the following modifications:</p> <ul style="list-style-type: none"> <li>- Introduce a cost-sharing mechanism (US\$0.57/km + GS2 equivalent/in time);</li> </ul>	<p>UNFPA, UNICEF, WFP and WHO (in USD)</p> <p><b>Baseline:</b> 374,978 km driven and US\$40,366 spent on fuel (2015)</p> <p><b>Target:</b> The # of kilometers driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). FAO, UNDP, UNFPA, UNICEF, WFP and WHO are jointly able to reduce their CO<sup>2</sup> emissions by 5,625kg<sup>3</sup>/year (equivalent to planting 256 trees/year<sup>4</sup>).</p> <p>By 2021, FAO, UNDP, UNFPA, UNICEF, WFP and WHO cumulatively save around US\$28,000 by consuming less fuel and reduce their CO<sup>2</sup> emissions by 28tons (equivalent to planting 1,278 trees).</p> <p><b>KPI (quality):</b> Staff satisfaction with the fleet-sharing pilot on the scale from 1-5</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (2017-2021)</p> <p><b>KPI (cost):</b> # of cars reallocated or written off and the value of savings (including from staff costs)</p>
--	--	---	--

<sup>3</sup> Click [here](#) for carbon footprint calculator.

<sup>4</sup> A single mature tree can absorb CO<sub>2</sub> at a rate of 48 lb. (or 22kg) per year, click [here](#) for source.

		<ul style="list-style-type: none"> <li>- Centralize the pool management, i.e. reduce the number of Pool Managers;</li> <li>- Adjust MiX Telematics system by adding algorithms to enable “join the ride” function for existing bookings; online check-in/check-out by drivers &amp; users; booking two legs with one reservation; a user-friendly mobile app with an automatic prompt of an available UN vehicle based on geo-proximity and a request for rating the user satisfaction upon completion of each ride. If these modifications are not feasible in the MiX Telematics system, it is suggested to consider alternate service providers that would fully satisfy the functional requirements.</li> </ul> <p>The fleet-sharing is estimated to lead to up to 10% fleet reduction (by 2 cars) in a rather short time, as it helps to reduce the number of idle vehicles and rationalize acquisition/replacement of official vehicles. The fleet-sharing also allows to centralize the UN-wide fleet monitoring, coordination, security and maintenance; reduce staff down time and the UN’s carbon footprint.</p> <p>The modification of the current pilot is therefore important, as it will make it fit to draw more thorough conclusions in terms of costs and benefits of fleet-sharing for potential scale-up across all agencies.</p>	<p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> 2 cars; approximately US\$ 166,000 is saved in total from resale, including staff costs. Considering the investment costs of US\$ 33,000, the savings will equal to US\$133,000 (2021)</p>
	LTA Car Rental Service	<p><b>Background:</b> Rent of vehicles is common need for some UN agencies, especially in case of those whose presence is too small in the country to afford a UN vehicle/sufficient number of it. The car rental service however takes staff time to procure.</p> <p>UNICEF and UNODC have concluded a long-term agreement (LTA) for car rental service at a monthly rate of US\$900/car (2015). This practice is estimated to be 7% cheaper than a combined cost of US\$1,230/month for a UN vehicle maintenance and a full-time driver position (calculation includes fuel, maintenance fee and GS-2 level salary). The estimations are based on the long-standing practice of decentralized fleet management, which does not include the possible implications of the fleet-sharing pilot and the related cost-recovery.</p> <p>There is a potential to scale up the existing LTA for car rental service, currently used by UNICEF and UNODC, to a broader number of UN agencies.</p>	<p><b>KPI (cost):</b> Annual transportation cost by vehicle (per agency)</p> <p><b>Baseline:</b> US\$14,760 (2015)</p> <p><b>Target:</b> US\$10,800/year by using the common LTA</p> <p><b>KPI (quality):</b> Users satisfaction with the car rental services on the scale from 1-5.</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (2017-2021)</p>

		<p><b>Need:</b> Establishing a common LTA will save staff time in transportation arrangements when there are no available cars in the pool (especially during the emergency situations, busy schedules or field trips). The car rent will be the matter of a phone call without any procurement process.</p>	
	<p>Common Premises (expanded)</p>	<p><b>Background:</b> The UN House was established in Vientiane in mid-2008. The move to one compound has resulted in a number of gains in terms of efficiency, such as reduced costs associated with the cleaning, security and maintenance of the premises. In addition, it enables a range of new common services such as ICT, fleet sharing, etc.</p> <p>There are currently 13 UN agencies (with 90 staff in total) in the UN House, including IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDP, UNDSS, UNIDO, UNOPS/SGP and UNV. Each UN agency pays US\$490 per head/month for the UN House maintenance, common ICT, support staff (e.g. cleaners, receptionist), common security and utilities.</p> <p><b>Need:</b> The UN House is not fully occupied, so there is a potential to share the common premises with other interested UN agencies, which would lead to further reduction of costs, increase of efficiency and opportunities for greater collaboration among UN agencies. It is estimated that if at least one UN agency joins the UN House, the costs per head will decrease by 10%, leading to savings of \$54,000/year for 90 staff of the 13 UN agencies.</p>	<p><b>KPI (cost):</b> Cost per head/year</p> <p><b>Baseline:</b> US\$5,880 per head (2016)</p> <p><b>Target:</b> US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joining the UN House. This allows the existing 13 UN agencies to save US\$ 54,000/year (US\$ 270,000 by 2021) in total.</p> <p><b>KPI (quality):</b> UN agencies satisfaction with the common premises on the scale from 1-5 (rated through annual surveys)</p> <p><b>Baseline:</b> 0 (2015)</p> <p><b>Target:</b> &gt;3 on average (annual)</p>

## Cost-Benefit Analysis and Prioritization

The cost-benefit analysis informs the Operations Management Team decision and helps determine which new service lines have the potential to bring value for money. The overall impact of the new common services, proposed as a result of the needs and opportunities analysis, is estimated to bring the net total benefits in the amount of US\$ 1.1 million by 2021. This estimation is based on the total value of savings minus the investment costs required to set up and integrate the new common services.

The cost-benefit analysis also ranks the proposed services in terms of cost avoidance considering both monetary and non-monetary benefits, including direct savings, enhanced quality of services, efficiency and the value of staff time that otherwise would have been spent.

In view of the significantly high ratio of the estimated benefits over the investment costs, the cost-benefit analysis recommends to pursue all new service lines. Further details of the cost-benefit analysis are provided in the Table 3.

Table 3. Cost-Benefit Analysis Matrix

Estimated total net savings from new initiatives equal US\$ 1.1 million by 2021					
Common Service Lines (outcome)	Proposed new common services (output)	Total direct cost (monetary & labor)	Total direct benefit (monetary & labor)	Estimated Savings by 2021, incl. investment	Priority ranking
<b>Common Procurement Services</b>	The UN agencies enjoy more cost-effective and efficient customs clearance of goods.	One-time cost: US\$ 600 LTA set-up cost and US\$ 200 of the associated staff time	60% of cost avoidance is estimated for customs clearance, equaling in US\$ 169 of savings/case. The total benefit depends on the number of cases/year, e.g. US\$ 25,000 could be saved for 150 cases annually, i.e. US\$ 125,000 by 2021.	<b>US\$ 124,200</b>	1
	UN agencies are more cost-effective in procurement of stationery.	One-time cost: US\$ 600 LTA set-up cost and US\$ 200 of the associated staff time	10% of cost avoidance is estimated of approximately US\$ 8,000/year for seven UN agencies, including FAO, UNDP, UNFPA, UNICEF, UNODC, WFP and WHO. This equals US\$ 40,000 in 5 years.	<b>US\$ 39,200</b>	2
<b>Estimation of net total costs avoided by 2021 = US\$ 163,400</b>					

<b>Common Human Resources Services</b>  <b>Estimation of net total costs avoided = US\$ 98,400</b>	<p>The UN agencies are more cost-effective in posting vacancy announcements.</p>	<p>US\$ 600 LTA set-up cost and US\$ 200 of the associated staff time</p>	<p>US\$ 2,700 is saved annually; US\$ 13,500 by 2021.</p>	<p><b>US\$ 12,700</b></p>	<p>2</p>
	<p>The UN staff benefit from quality and cost-effective professional development opportunities.</p>	<p>US\$ 300 of staff time is estimated in total by 2021 for consolidating learning plans (1hr*GS-7 for 5 UN agencies). The amount is subject to increase / decrease depending on the number of participating UN agencies.</p>	<p>US\$ 17,200 is saved if two trainings are jointly organized for UN staff per annum (75% of the baseline cost of US\$ 11,500/training).  The estimated amount saved from jointly organizing 10 trainings / workshops equals US \$86,000 by 2021.</p>	<p><b>US\$ 85,700</b></p>	<p>1</p>
<b>Common ICT Services</b>  <b>Estimation of net total costs avoided = US\$ 6,600</b>	<p>UN agencies have cost-effective contingency arrangements for the ICT equipment maintenance and support services.</p>	<p>One-time cost of US\$ 1,400 including:  US\$ 600 LTA set-up cost and US\$ 800 of the associated staff time</p>	<p>US\$ 8,000 could be saved by 2021 through use of LTA for ICT equipment maintenance and support services/trouble-shooting.</p>	<p><b>US\$ 6,600</b></p>	<p>1</p>
<b>Common Finance Services</b>  <b>Estimation of net total costs avoided = US\$ 415,000</b>	<p>The cost-effective and better-coordinated e-banking practice is established across UN agencies.</p>	<p>No cost</p>	<p>US\$ 55,000 of savings  This is the estimation of total savings for five agencies in 5 years, following the transition to e-banking.</p>	<p><b>US\$ 55,000</b></p>	<p>2</p>
	<p>The UN agencies benefit from more cost-effective currency exchange operations.</p>	<p>No cost</p>	<p>US\$ 360,000  This is the estimation of total gains for six UN agencies (UNDP, UNICEF, WHO, FAO, IOM and WFP) in 5 years.  UN agencies may need to sign an agreement with private banks. There is no need to carry cash from BCEL to private banks but issue a cheque and deliver it to the private banks who</p>	<p><b>US\$ 360,000</b></p>	<p>1</p>

			will then credit LAK to the agencies accounts at BCEL. Another way is to transfer USD to private banks from BCEL accounts and then private banks will transfer LAK to agencies BCEL accounts.		
<b>Common Logistics and Facility Services (including common premises)</b>  <b>Estimation of net total costs avoided = US\$ 459,300</b>	UN agencies have a common roster of vetted suppliers for services including but not limited to printing, transportation of goods, cleaning, translation, car rental, special hotel rates.	US\$ 200 of the associated staff time	At least US\$ 1,900/year in terms of staff time for 50 transactions (GS-6); US\$ 9,500 by 2021.	<b>US\$ 9,300</b>	4
	UN fleet-sharing enables a better coordinated, cost-effective and more environmentally friendly transportation of staff (phase-2, following modification).	The system maintenance cost of US\$ 30/month/car; the total investment would thus equal US\$ 33,000 by 2021.	Conservatively, the total benefits of US\$ 194,000 include: <ul style="list-style-type: none"> <li>- 14% annual reduction in fuel consumption (equaling savings of US\$ 28,000 by 2021);</li> <li>- 10% reduction in fleet size, i.e. 2 cars (equaling savings of US\$ 166,000 from sale &amp; two drivers' posts abortion by 2021);</li> <li>- reduction of 28tons in CO<sup>2</sup> emissions (equals to planting 1,280 trees). Staff time is not included.</li> </ul> The total direct cost depends on the arrangements for system maintenance; further increase of the total direct benefit depends on further fleet reductions/write off.	<b>US\$ 161,000</b>	2
	UN agencies have cost-effective contingency transportation arrangements through a	US\$ 600 LTA set-up cost and US\$ 200 of the associated staff time	US\$ 3,960 is saved annually/car; US\$ 19,800 by 2021.	<b>US\$ 19,000</b>	3

	long-term agreement for car rental.				
	The UN House accommodates more UN agencies, reducing the overall burden of associated costs per agency.	No cost	US\$ 270,000 of savings from 10% cost reduction (US\$ 600 savings/head*90 staff of 13 existing UN agencies/year).	<b>US\$ 270,000</b>	1

### 3. Business Operations Results Framework

The Business Operations Results Framework describes the key results in terms of cost avoidance and quality enhancement that the BOS aims to achieve by 2021 in five areas - common procurement; human resources; ICT; finance; and logistics and facility services, including common premises. The BOS Results Framework is shaped based on the recommendations of the business operations analysis (Chapter 2), thus incorporating the existing and new common priority services.

As outlined in Chapter 1, the BOS aims to achieve five outcomes through implementing 17 outputs with savings over the five-year period estimated at around USD 2 million, of which USD 1 million through new initiatives. The Table 4 provides an annual breakdown of the estimated savings by the BOS outcomes.

Table 4. Total estimated cost avoidance<sup>5</sup>

Outcome definitions	Target year 1 (2017)	Target year 2 (2018)	Target year 3 (2019)	Target year 4 (2020)	Target year 5 (2021)	TOTAL (2017-2021)
Outcome 1. Common Procurement	\$150,000	\$152,000	\$152,000	\$152,000	\$152,000	\$758,000
Outcome 2. Common HR Management	\$19,000	\$20,000	\$20,000	\$20,000	\$20,000	\$99,000
Outcome 3. Common ICT	\$41,200	\$42,600	\$42,600	\$42,600	\$42,600	\$211,600
Outcome 4. Common Finance	\$83,000	\$83,000	\$83,000	\$83,000	\$83,000	\$415,000
Outcome 5. Common Logistics & Facility Services	\$65,000	\$154,000	\$80,000	\$80,000	\$80,000	\$459,000
<b>TOTAL</b>	<b>\$358,200</b>	<b>\$451,600</b>	<b>\$377,600</b>	<b>\$377,600</b>	<b>\$377,600</b>	<b>\$1,942,600</b>

<sup>5</sup> The amounts are estimated in view of the investment costs.

The Business Operations Results Framework serves the Operations Management Team as the basis for the annual work planning and for monitoring and evaluation of the BOS. It articulates 35 Output indicators with annual targets in the Results Matrix (Table 5), enabling the OMT and its Sub-groups to measure progress towards the achievement of the BOS results.

Table 5. BOS Results Framework

<b>BOS outcome area 1: Common Procurement</b>								
<b>Lead Entity</b>	UNDP as Chair of the Operations Managers' Team Sub-Group on Procurement							
<b>Participating UN Agencies</b>	FAO, UNDP, UNFPA, UNICEF, UNODC, WFP and WHO							
<b>Coordination Mechanisms</b>	UNCT, OMT and Sub-Group on Common Procurement							
<b>Outcome Budget</b>	US\$ 1,600							
<b>Outcome Budget Gap</b>	US\$ 0							
<b>Outcome 1. Common Procurement</b>	<b>By 2021, UN agencies apply more efficient and effective common procurement practices, with total estimated cost avoidance of US\$ 758,000</b>							
<b>Outcome Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>				
<b>KPI 1.1:</b> Estimated savings (US\$) through collaborative procurement (considering investment costs)	UN agency records	US\$ 0	US\$ 758,000	<b>Risks:</b> <ul style="list-style-type: none"> <li>- Lack of sufficient buy-in and participation in common procurement from the UN agencies side;</li> <li>- Fluctuation in market price of goods and services challenging the achievement of the common procurement outcome.</li> </ul> <b>Assumptions:</b> <ul style="list-style-type: none"> <li>- The UN agencies conclude long-term agreements for the common service lines to satisfy the recurring demand for goods/services in a cost-effective and efficient way.</li> <li>- The long-term agreements allow to negotiate reduced price of goods/services and accelerate procurement process, decreasing the overall costs and the existing administrative burden.</li> </ul>				
<b>KPI 1.2:</b> UN agencies satisfaction with the common procurement practices on the scale from 1-5 (e.g. client survey)	UN agency records	0	>4					
<b>Output 1.1: Common LTA for travel agency services</b>	<b>The UN agencies have more efficient and cost-effective travel arrangements in place.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 1.1.1:</b> # of days spent on average for travel arrangements	UN agency records	5 days	3 days	3 days	3 days	3 days	3 days	<b>Risk:</b> market price fluctuation  <b>Assumption:</b> the LTA is used by all seven participating UN agencies for staff travel arrangements.
<b>KPI 1.1.2:</b> Annual cost savings from air tickets procurement through LTA	UN agency records	US\$0	US\$ 103,000	US\$ 103,000	US\$ 103,000	US\$ 103,000	US\$ 103,000; cumulatively US\$ 515,000 is saved by 2021.	



<b>Output 1.2: Common LTA for fuel tax exemption</b>	<b>The UN agencies benefit from fuel tax exemption.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 1.2.1:</b> Annual cost savings	UN agency records	US\$0	US\$ 16,000	US\$ 16,000	US\$ 16,000	US\$ 16,000	US\$ 16,000; cumulatively US\$ 80,000 by 2021.	<b>Assumption:</b> the LTA is used by all seven participating UN agencies.
<b>Output 1.3: Common LTA for Interpretation/translation services</b>	<b>The UN agencies are more efficient in procuring interpretation and translation services through using common LTA.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 1.3.1:</b> Time spent in engaging interpretation / translation services	UN agency records	on average 5 days	≤1day	≤1day	≤1day	≤1day	≤1day	<b>Risk:</b> Low level of use of LTA by the UN agencies.  <b>Assumptions:</b> The LTA is concluded with the best service providers, ensuring buy-in from the UN agencies side.  The LTA holders provides competitive market price without compromising the quality of the service.
<b>Output 1.4: Common LTA for customs clearance</b>	<b>The UN agencies enjoy more cost-effective and efficient customs clearance of goods.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 1.4.1:</b> Cost savings in customs clearance process, including the staff time from use of LTA (US\$/year)	UN agency records	The cost is US\$ 62,850 per 150 cases, based on US\$ 419/case	Approximately US\$ 24,000 is saved from 150 cases, based on US\$ 169 savings/case (minus one-	Approximately US\$ 25,000 is saved from 150 cases, based on US\$ 169 savings/case	Approximately US\$ 25,000 is saved from 150 cases, based on US\$ 169 savings/case	Approximately US\$ 25,000 is saved from 150 cases, based on US\$ 169 savings/case	Cumulatively US\$ 124,000 is saved from 750 cases, based on US\$ 169 savings/case	<b>Risks:</b> Lack of input from UN agencies in solicitation processes; Fluctuation in demand;  <b>Assumption:</b> The establishment of the common LTA lowers the

			time investment)					service fee rate for customs clearance; significantly reduces the administrative burden as well as the duration of the process, allowing to use fast-track import procedure.
<b>KPI 1.4.2:</b> Average time required for import of goods (weeks)	UN agency records	8 weeks depending on import categories	2 weeks by using fast track	2 weeks by using fast track	2 weeks by using fast track	2 weeks by using fast track	2 weeks by using fast track	
<b>Output 1.5: Common LTA for procurement of stationery</b>	<b>UN agencies are more cost-effective in procurement of stationery.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 1.5.1:</b> Cost savings in procurement of stationery (US\$/year)	UN agency records	US\$ 0 out of US\$ 81,000 base cost	US\$ 7,200 is saved out of base cost of US\$ 81,000 (due to 10% reduction of price)	US\$ 8,000 is saved out of base cost of US\$ 81,000 (due to 10% reduction of price)	US\$ 8,000 is saved out of base cost of US\$ 81,000 (due to 10% reduction of price)	US\$ 8,000 is saved out of base cost of US\$ 81,000 (due to 10% reduction of price)	Cumulatively US\$ 39,000 is saved	<b>Risk:</b> Fluctuations in demand and market price  <b>Assumption:</b> The UN agencies are able to negotiate reduced due to the increased volume of the procurement (economies of scale).
<b>KPI 1.5.2:</b> Time spent for procurement of stationery	UN agency records	3 days	<1 day	<1 day	<1 day	<1 day	<1 day	
<b>BOS Outcome Area 2: Common Human Resource Management</b>								
<b>Lead Entity</b>	UNICEF as Chair of the Operations Managers' Team Sub-Group on Human Resources Management							
<b>Participating UN Agencies</b>	FAO, UNDP, UNFPA, UNICEF, UNODC, WFP and WHO							
<b>Coordination Mechanisms</b>	UNCT, OMT and Sub-Group on Common Human Resource Management							
<b>Outcome Budget</b>	US\$ 1,100							
<b>Outcome Budget Gap</b>	US\$ 0							
<b>Outcome 2. Common HR Management</b>	<b>By 2021, UN agencies are better coordinated in staff recruitment and professional development, with total estimated cost avoidance of US\$ 99,000.</b>							
<b>Outcome Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>				
<b>KPI 2.1:</b> Estimated savings (US\$) through collaborative vacancy announcements and staff professional development (considering investment costs)	UN agency records	US\$ 0	US\$ 99,000	<b>Risks:</b> - Lack of sufficient buy-in and participation in organizing common annual learning initiatives from the UN agencies side; - Fluctuation in market price of goods and services challenging the achievement of the common HR management outcome.				
<b>KPI 2.2:</b> UN agencies satisfaction with the common	UN agency survey	0	>4	<b>Assumptions:</b>				

human resources management practices on the scale from 1-5 (e.g. client survey)					- The UN agencies conclude and use the long-term agreement for the joint vacancy announcements in local newspapers. - The long-term agreements allow to negotiate reduced price of services and accelerate the vacancy announcement process, decreasing the overall costs and the existing administrative burden.			
<b>Output 2.1: Common LTA for vacancy announcements</b>	<b>The UN agencies are more cost-effective in posting vacancy announcements.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 2.1.1:</b> # of UN agencies conducting joint advertising	UN agency records	0	7	7	7	7	7	<u>Risk:</u> Lack of input from UN agencies in solicitation processes; Fluctuation in demand;  <u>Assumption:</u> At least seven UN agencies – those participating in the common HR management – use the common LTA for vacancy announcements.
<b>KPI 2.1.2:</b> Cost savings from joint advertising (USD/year)	UN agency records	US\$ 0 out of the total cost of US\$ 27,000 for 7 UN agencies	US\$ 1,900 (or 10%) is saved out of US\$27,000, incl. one-time investment cost	US\$ 2,700 (or 10%) is saved out of US\$27,000	US\$ 2,700 (or 10%) is saved out of US\$27,000	US\$ 2,700 (or 10%) is saved out of US\$27,000	Cumulatively US\$ 13,000 (or 10%) is saved out of US\$ 135,000	
<b>Output 2.2: Common Annual Learning Plan</b>	<b>The UN staff benefit from quality and cost-effective professional development opportunities.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 2.2.1:</b> # of common staff training sessions/workshops conducted	UN agency records	0	2	Cumulatively 4	Cumulatively 6	Cumulatively 8	Cumulatively 10	<u>Risk:</u> Lack of sufficient buy-in and participation in organizing common annual learning initiatives from the UN agencies side.  <u>Assumptions:</u> The UN agencies are able to jointly plan learning activities based on staff needs;  The UN agencies attract the highly-qualified experts for joint workshops/trainings targeting key areas for staff professional development.
<b>KPI 2.2.2:</b> Staff satisfaction with the jointly organized trainings/workshops on the scale from 1-5 (rated through annual surveys)	UN staff survey results	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	
<b>KPI 2.2.3:</b> Cost savings due to the Common Annual Learning Plan	UN agency records	US\$ 0 out of base cost of US\$ 11,500 per training for approx. 30 persons	US\$ 16,900 (75%) is saved from the base cost of two trainings	US\$ 17,200 (75%) is saved from the base cost of two trainings	US\$ 17,200 (75%) is saved from the base cost of two trainings	US\$ 17,200 (75%) is saved from the base cost of two trainings	Cumulatively US\$ 86,000 (75%) is saved from the base cost of ten trainings	

### BOS Outcome Area 3: Common ICT

<b>Lead Entity</b>	UNFPA as Chair of the Operations Managers' Team Sub-Group on Common ICT							
<b>Participating UN Agencies</b>	FAO, IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDP, UNDSS, UNFPA, UNICEF, UNIDO, UNODC, UNOPS/SGP, UNV, WFP and WHO							
<b>Coordination Mechanisms</b>	UNCT, OMT and Sub-Group on Common ICT							
<b>Outcome Budget</b>	US\$ 1,400							
<b>Outcome Budget Gap</b>	US\$ 0							
<b>Outcome 3. Common ICT</b>	<b>By 2021, UN agencies benefit from improved and cost-effective ICT services, with total estimated savings of US\$ 211,600.</b>							
<b>Outcome Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>				
<b>KPI 3.1:</b> Estimated savings (US\$) through common ICT (considering investment costs)	UN agency records	US\$ 0	US\$ 211,600	<u>Risks:</u> <ul style="list-style-type: none"> <li>- Lack of UN agencies commitment and participation in the set-up and use of the new services;</li> <li>- Lack of qualified service providers for the identified initiatives.</li> </ul>				
<b>KPI 3.2:</b> UN agencies satisfaction with the common procurement practices on the scale from 1-5 (e.g. client survey)	Client satisfaction survey among UN agencies	0	>4	<u>Assumptions:</u> <ul style="list-style-type: none"> <li>- UN agencies provide inputs and use the established new service providers.</li> <li>- The quality of the LTA holders' services is adequate with the satisfactory user rating.</li> </ul>				
<b>Output 3.1: Common LTA for internet</b>	<b>The UN agencies benefit from the improved quality internet connection at a lower cost.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 3.1.1:</b> Average cost of the internet services (per Mbps/year) and the total cost savings from the LTA use (US\$/year)	UN agency records	US\$ 1,560 / 1Mbps; no savings yet	US\$ 971 / 1Mbps; US\$ 41,000 of savings annually based on the volume of bandwidth each UN agency receives	US\$ 971 / 1Mbps; US\$ 41,000 of savings annually based on the volume of bandwidth each UN agency receives	US\$ 971 / 1Mbps; US\$ 41,000 of savings annually based on the volume of bandwidth each UN agency receives	US\$ 971 / 1Mbps; US\$ 41,000 of savings annually based on the volume of bandwidth each UN agency receives	US\$ 971 / 1Mbps; US\$ 41,000 of savings annually (cumulatively about US\$ 205,000) based on the volume of bandwidth each UN agency receives	<u>Risks:</u> <ul style="list-style-type: none"> <li>- Lack of UN agencies participation in the LTA set-up;</li> <li>- Poor quality of the internet services is a challenge.</li> </ul> <u>Assumption:</u> <ul style="list-style-type: none"> <li>- UN agencies are able to negotiate reduced price for the internet services through the common LTA and actively participate in its set-up.</li> </ul>
<b>KPI 3.1.2:</b> # of agencies utilizing LTA	UN agency records	0	6	6	6	6	6	

<b>KPI 3.1.3:</b> # of agencies under LTA having internet connection redundancy	UN agency records	2	6	6	6	6	6	
<b>Output 3.2: Common LTA for ICT equipment maintenance &amp; support</b>	<b>UN agencies have cost-effective contingency arrangements for the ICT equipment maintenance and support services.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 3.2.1:</b> # of UN agencies using the common LTA for ICT equipment maintenance and the costs avoided (US\$)	UN agencies records	UNICEF is using the LTA and there is no cost-avoidance yet	13 UN agencies are using the LTA and the costs avoided equal about US\$ 0 (considering investment cost for LTA setup)	13 UN agencies are using the LTA and the cumulative costs avoided equal about US\$ 1,300	13 UN agencies are using the LTA and the cumulative costs avoided equal about US\$ 2,600	13 UN agencies are using the LTA and the cumulative costs avoided equal about US\$ 3,900	13 UN agencies are using the LTA and the cumulative costs avoided equal about US\$ 5,000	<u>Risks:</u> <ul style="list-style-type: none"> <li>- Lack of qualified vendors / inadequate qualifications of ICT companies.</li> <li>- Lack of participation from the UN agencies side.</li> </ul> <u>Assumptions:</u> <ul style="list-style-type: none"> <li>- The selected vendor provides satisfactory ICT services as needed.</li> <li>- UN agencies provide inputs to set up the common LTA and keep each other informed on the existing services.</li> </ul>
<b>KPI 3.2.2:</b> # of UN agencies using the common LTA for ICT helpdesk (support services/trouble-shooting) and the costs avoided (US\$)	UN agencies records	0	13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the costs avoided equal about US\$ 300	13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the cumulative costs avoided equal about US\$ 600	13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the cumulative costs avoided equal about US\$ 900	13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the cumulative costs avoided equal about US\$ 1,200	13 UN agencies are using the LTA for ICT helpdesk (support services/trouble-shooting) and the cumulative costs avoided equal about US\$ 1,500	
<b>KPI 3.2.3:</b> User satisfaction with the quality and efficiency of the ICT services provided by the LTA holders (rated through annual surveys on the scale from 1-5)	Client satisfaction survey among UN agencies	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	

<b>Output 3.3: Common LTA for VHF maintenance</b>	<b>The VHF communication quality is improved by use of a common maintenance service provider.</b>							
<b>Lead Agency</b>	UNDSS							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 3.3.1:</b> # of UN agencies using the common LTA for VHF radio maintenance	UN agency records	0	13 UN agencies	13 UN agencies	13 UN agencies	13 UN agencies	13 UN agencies	<u>Risk:</u> - Lack of participation and inputs from UN agencies to set up the LTA; - Lack of leadership. <u>Assumption:</u> - UN agencies provide the required inputs and use the VHF system. - UNDSS takes lead in providing guidance on the VHF maintenance.
<b>KPI 3.3.2:</b> User satisfaction with the quality of the VHF radio communications (rated through annual surveys on the scale from 1-5)	Client satisfaction survey among UN agencies	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	
<b>BOS Outcome 4: Common Finance</b>								
<b>Lead Entity</b>	WFP as Chair of the Operations Managers' Team Sub-Group on Finance							
<b>Participating UN Agencies</b>	FAO, IOM, UNDP, UNFPA, UNICEF, UNODC, WFP and WHO							
<b>Coordination Mechanisms</b>	UNCT, OMT and Sub-Group on Finance							
<b>Outcome Budget</b>	US\$ 0							
<b>Outcome Budget Gap</b>	US\$ 0							
<b>Outcome 4. Common Finance</b>	<b>By 2021, UN agencies have better coordinated and cost-effective common financial operations, with total estimated savings of US\$ 415,000.</b>							
<b>Outcome Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 5 (2021)</b>			<b>Risk and Assumptions</b>		
<b>KPI 4.1:</b> Estimated savings (US\$) through collaborative financial operations (considering investment costs)	UN agency records	US\$ 0	US\$ 415,000			<u>Risks:</u> - Lack of sufficient buy-in and participation of the UN agencies in soliciting and negotiating common financial services; - Fluctuations in bank policies and services compromising achievement of the outcome.		
<b>KPI 4.2:</b> # of UN agencies participating in new common financial operations and their level of satisfaction on the scale from 1-5	Client satisfaction survey among UN agencies	0	At least 7 UN agencies participate in common financial operations with the level of satisfaction >4			<u>Assumptions:</u> - UN agencies follow through the transition to e-banking and new currency exchange services. - UN agencies maintain the favorable service fee at the local banks.		
<b>Output 4.1: Bank-fee waiver for incoming funds</b>	<b>The UN agencies have a bank-fee waiver for incoming funds.</b>							

<b>Lead Agency</b>	WFP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 4.1.1:</b> Percentage reduction of bank fee for incoming funds	UN agency records	0.05%	0%	0%	0%	0%	0%	<p><u>Risk:</u> Change of bank policy</p> <p><u>Assumption:</u> The UN agencies continue to benefit from this existing service in the next five years.</p>
<b>Output 4.2: Common e-banking</b>	<b>The cost-effective and better-coordinated e-banking practice is established across UN agencies.</b>							
<b>Lead Agency</b>	WFP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 4.2.1:</b> Staff time spent for processing transactions via BCEL among UNDP, UNICEF, FAO, WFP and WHO (US\$/year)	UN agency records	US\$ 16,468	US\$ 6,900 (reduced by 58% annually)	US\$ 6,900 (reduced by 58% annually)	US\$ 6,900 (reduced by 58% annually)	US\$ 6,900 (reduced by 58% annually)	US\$ 6,900 (reduced by 58% annually); cumulatively equals to US\$ 47,800 in terms of savings.	<p><u>Risk:</u> Delays or lack of transition to e-banking by all participating UN agencies.</p> <p><u>Assumption:</u> E-banking helps to reduce time spent on processing transactions at BCEL.</p>
<b>KPI 4.2.2:</b> Transportation costs for transfer of staff to BCEL among UNDP, UNICEF, FAO, WFP and WHO (US\$/year)	UN agency records	US\$ 3,250	<US\$ 1,800 (reduced by 45% annually)	<US\$ 1,800 (reduced by 45% annually)	<US\$ 1,800 (reduced by 45% annually)	<US\$ 1,800 (reduced by 45% annually)	<US\$ 1,800 (reduced by 45% annually); cumulatively equals to US\$ 7,300 in savings.	
<b>Output 4.3: Common bank for currency exchange</b>	<b>The UN agencies benefit from more cost-effective currency exchange operations.</b>							
<b>Lead Agency</b>	WFP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 4.3.1:</b> Gains from new common practice of currency-exchange at the private banks (US\$)	UN agency records	US\$ 0	US\$ 72,000	Cumulatively US\$ 144,000	Cumulatively US\$ 216,000	Cumulatively US\$ 288,000	Cumulatively US\$ 360,000	<p><u>Risk:</u> Fluctuations in the private banks' currency exchange rate</p> <p><u>Assumption:</u> All participating UN agencies start exchange of currency through private banks at a more favorable rate.</p>

## BOS Outcome Area 5: Common Logistics and Facility Services (including common premises)

<b>Lead Entity</b>	UNDP as Chair of the Operations Managers' Team Sub-Group on Common Logistics and Facility Services							
<b>Participating UN Agencies</b>	FAO, IFAD, IMF, IOM, UN-Habitat, UN Women, UNACT, UNAIDS, UNCDF, UNDP, UNDSS, UNFPA, UNICEF, UNIDO, UNODC, UNOPS/SGP, UNV, WFP and WHO							
<b>Coordination Mechanisms</b>	UNCT, OMT and Sub-Group on Common Logistics/Facility Services (including common premises)							
<b>Outcome Budget</b>	US\$ 38,000							
<b>Outcome Budget Gap</b>	US\$ 33,000 (TBC – system maintenance cost of fleet-sharing)							
<b>Outcome 5. Common Logistics &amp; Facility Services</b>	<b>By 2021, UN agencies share a better coordinated and cost-effective common logistics and facility services, including through the UN House expansion, with total estimated savings of US\$ 459,000.</b>							
<b>Outcome Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>				
<b>KPI 5.1:</b> Estimated savings (US\$) through common logistics and facility services (considering investment costs)	UN agency records	US\$ 0	US\$ 459,000	<u>Risks:</u> <ul style="list-style-type: none"> <li>- Lack of buy-in and cooperation from the UN agencies to expand the existing and to establish new common logistics services (e.g. the fleet-sharing pilot and common roster of vetted suppliers).</li> <li>- Fluctuations in the costs of the envisaged services.</li> </ul>				
<b>KPI 5.2:</b> UN agencies satisfaction with the common logistics and facility services (including UN House) on the scale from 1-5	UN agency survey	0	>4	<u>Assumptions:</u> <ul style="list-style-type: none"> <li>- The UN agencies decide to support the phase-2 of the fleet sharing pilot.</li> <li>- At least one additional UN agency joins the UN House, thus reducing the overall cost per head.</li> <li>- The UN agencies contribute to establishing a common roster of vetted suppliers and a common LTA for car rental.</li> </ul>				
<b>Output 5.1: Fleet-sharing</b>	<b>UN fleet-sharing enables a better coordinated, cost-effective and more environmentally friendly transportation of staff.</b>							
<b>Lead Agency</b>	FAO, UNDP, UNFPA, UNICEF, WFP and WHO are leading with support from UN Resident Coordinator's Office							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 5.1.1:</b> Total estimated savings from fleet-sharing (US\$)	UN agency records; system-generated reports	US\$ 0	US\$ 5,600	US\$ 95,100 (incl. investment)	US\$ 20,100 (incl. investment)	US\$ 20,100 (incl. investment)	US\$ 20,100; Cumulatively US\$ 161,000 is saved by 2021 (incl. investment)	<u>Risks:</u> <ul style="list-style-type: none"> <li>- UN agencies withdraw from the fleet-sharing;</li> <li>- UN agencies remain protective of their fleet and do not make cars available in the pool.</li> </ul>
<b>KPI 5.1.2:</b> Total reduction in # of kilometers driven per year and in money spent for fuel by FAO, UNDP, UNFPA, UNICEF, WFP and WHO (in USD)	UN agency records; vehicle tracking system-generated reports	374,978 km driven and US\$40,366 spent on fuel	The # of km driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). The UN agencies are jointly able to	The # of km driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). The UN agencies are jointly able to	The # of km driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). The UN agencies are jointly able to reduce their CO <sup>2</sup> emissions by	The # of km driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). The UN agencies	The # of km driven is reduced by 10% (37,000 km less/year) and the money spent on fuel is reduced by 14% (\$5,600 less/year). The UN agencies are jointly able to reduce their CO <sup>2</sup> emissions by 5,625kg /year	<u>Assumptions:</u> <ul style="list-style-type: none"> <li>- The fleet-sharing system fully satisfies qualification requirements and is easy to use.</li> </ul>



			reduce their CO <sup>2</sup> emissions by 5,625kg /year (equivalent to planting 256 trees/year ).	reduce their CO <sup>2</sup> emissions by 5,625kg /year (equivalent to planting 256 trees/year ).	5,625kg /year (equivalent to planting 256 trees/year ).	are jointly able to reduce their CO <sup>2</sup> emissions by 5,625kg /year (equivalent to planting 256 trees/year ).	(equivalent to planting 256 trees/year). By 2021, UN agencies cumulatively reduce their CO <sup>2</sup> emissions by 28tons (equivalent to planting 1,278 trees).	- The UN agencies share cars on cost-recovery basis and spent less fuel and money on their fleet. - The transfer by UN vehicles is safer and more efficient.
<b>KPI 5.1.3:</b> Staff satisfaction with the fleet-sharing system on the scale from 1-5.	UN agency surveys among users, Pool Manager(s ) and Drivers.	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	
<b>KPI 5.1.4:</b> # of cars reallocated or written off	UN agency records	0	0	2 cars	0	0	0	
<b>Output 5.2: Common Roster of vetted suppliers</b>	<b>UN agencies have a common roster of vetted suppliers for services including but not limited to printing, transportation of goods, cleaning, translation, car rental, special hotel rates.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 5.2.1:</b> Time spent for identifying a suitable supplier	UN agency records	4 hours per transaction	Reduced to 10 min per transaction	Reduced to 10 min per transaction	Reduced to 10 min per transaction	Reduced to 10 min per transaction	Reduced to 10 min per transaction	<u>Risk:</u> UN agencies do not contribute to the establishment of the roster
<b>KPI 5.2.2:</b> # of transactions with the vetted vendors and value of staff time saved (estimated at GS-6 level)	UN agency records	0	At least 50 transactions, resulting in about US\$ 1,700 of savings in staff time (incl. investment)	Cumulatively at least 100 transactions, resulting in about US\$ 3,600 of savings in staff time	Cumulatively at least 150 transactions, resulting in about US\$ 5,500 of savings in staff time	Cumulatively at least 200 transactions, resulting in about US\$ 7,400 of savings in staff time	Cumulatively at least 250 transactions, resulting in about US\$ 9,300 of savings in staff time	<u>Assumption:</u> UN agencies cooperate in solicitation of proposals from the potential vendors for the roster and utilize it regularly.
<b>Output 5.3: Common LTA for car rental</b>	<b>UN agencies have cost-effective contingency transportation arrangements through a long-term agreement for car rental.</b>							
<b>Lead Agency</b>	UNICEF							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2015)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>

<b>KPI 5.3.1:</b> Annual transportation cost by vehicle (per agency)	UN agency records	US\$14,760 (estimation of GS2-level driver post and vehicle maintenance)	US\$10,800 by using the common LTA	US\$10,800 by using the common LTA	US\$10,800 by using the common LTA	US\$10,800 by using the common LTA	US\$10,800 by using the common LTA; cumulatively about US\$ 19,000 is saved (considering investment cost)	<u>Risk:</u> Fluctuations in the price of the car rental services  <u>Assumption:</u> UN agencies utilize LTA as needed, also in case of emergency and as back-up.
<b>KPI 5.3.2:</b> Users satisfaction with the car rental services on the scale from 1-5.	UN agency annual surveys	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	
<b>Output 5.4: Common premises</b>	<b>The UN House accommodates more UN agencies, reducing the overall burden of associated costs per agency.</b>							
<b>Lead Agency</b>	UNDP							
<b>Output Indicators</b>	<b>Source of Data</b>	<b>Baseline (2016)</b>	<b>Target year 1 (2017)</b>	<b>Target year 2 (2018)</b>	<b>Target year 3 (2019)</b>	<b>Target year 4 (2020)</b>	<b>Target year 5 (2021)</b>	<b>Risk and Assumptions</b>
<b>KPI 5.4.1:</b> Cost per head/year	UN agency records	US\$5,880 per head	US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joined the UN House	US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joined the UN House	US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joined the UN House	US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joined the UN House	US\$ 5,300 per head/annually, reduced by 10% after at least one additional agency joined the UN House. This allows the existing 13 UN agencies to jointly save US\$ 270,000 by 2021.	<u>Risk:</u> No new UN agency joins the UN House.  <u>Assumptions:</u> - As more UN agencies move to the UN House, the expenditures per head are lower. - UN agencies cooperate more given the convenience of the same premises.
<b>KPI 5.4.2:</b> UN agencies satisfaction with the common premises on the scale from 1-5	UN agency annual surveys	0	>3 on average	>3 on average	>3 on average	>3 on average	>3 on average	

## 4. Monitoring and Evaluation

The Operations Management Team will continuously monitor the BOS through 10 outcome indicators and 35 output indicators, articulated in the Results Matrix. The Operations Management Team will use the Annual Work Plan mechanism to operationalize the BOS, while the Annual Results Report will help take stock of the progress towards the BOS targets, feeding into the overall Country Results Report on the Lao PDR – UN Partnership Framework 2017-2021.

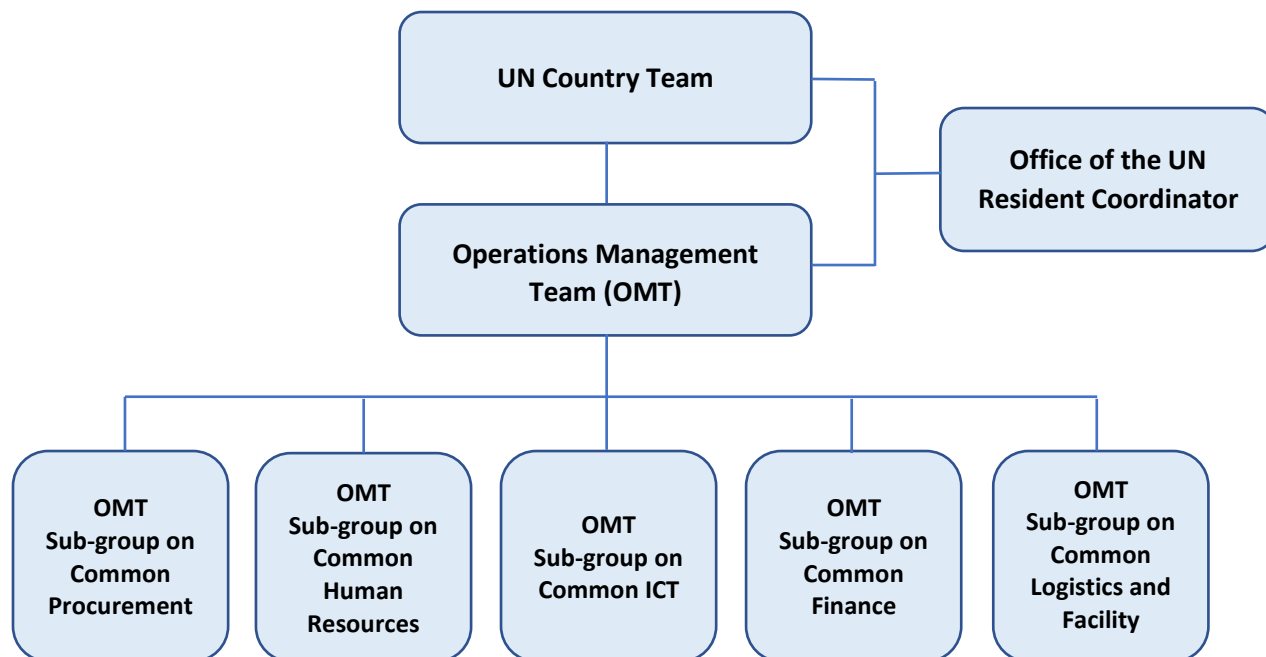
As part of the BOS monitoring process, the Operations Management Team and its Sub-groups will undertake service quality assessment and user satisfaction surveys on the scale from 1-5 annually in order to ensure the services meet the requirements and the users' needs.

The monitoring will flag any operational bottlenecks and new risks throughout the BOS implementation. It will thus inform and recommend any course corrections needed to ensure the BOS is on track towards achievement of its outcomes.

The BOS end-of-cycle evaluation will be synchronized with the final evaluation of the Lao PDR – UN Partnership Framework 2017-2021. It will assess the level of the BOS targets achievement against key performance indicators in terms of costs avoided and quality enhanced. The evaluation will consider the organization, coordination, relevance, efficiency, effectiveness, impact and sustainability of the BOS, highlighting lessons learned and providing recommendations for the next common business operations cycle.

## 5. Governance Structure and Accountability Mechanisms

The following organigram specifies lines of reporting and accountability for the BOS in Lao PDR.



The governance structure of the BOS is based on four elements – leadership, management, technical support and expertise as well as coordination.

Leadership - In line with the UN Development Group's Management and Accountability [Framework](#), the UN Country Team assumes the main responsibility for decision-making and oversight of the BOS. It validates the

BOS and the Annual Work Plans based on the recommendations of the Operations Management Team, and ensures the Operations Management Team has access to the resources required for successful implementation of the BOS, Annual Work Plans, and Monitoring and Evaluation.

Management – The Operations Management Team, chaired by a Head of UN agency on annual rotation basis, takes responsibility for day-to-day implementation of the BOS and its Annual Work Plans, as well as for supervision of the Sub-groups, ensuring timely planning and liaison and advice to the UN Country Team regarding the BOS. The detailed terms of reference for the Operations Management Team are provided in the Annex 1.

Technical support and expertise – The Operations Management Team Sub-groups are responsible for the technical inputs into the BOS, development of the BOS Results Framework; and development, implementation and monitoring of Annual Work Plans in line with the UN Development Group [Guidelines](#) for Business Operations.

Coordination – The Office of the UN Resident Coordinator facilitates communication between the UN Country Team, UN Resident Coordinator and the Operations Management Team; where relevant hosts jointly recruited Business Operations Coordination staff; advises, facilitates and helps coordinate the logistics of the BOS process; liaises with the UN Development Operations Coordination Office on behalf of the Operations Management Team Chair or UN Resident Coordinator.

## 6. Common Budgetary Framework

The BOS Results Framework captures the estimated costs required to carry out the activities specified for each BOS outcome area. As provided in Chapter 3, the total estimated cost of the BOS implementation equals around US\$ 42,000 based on the breakdown in Table 6.

Table 6. Total cost of investment for all BOS Outcomes

Outcome definitions	TOTAL
	2017-2021
Outcome 1. Common Procurement	\$1,600
Outcome 2. Common HR Management	\$1,100
Outcome 3. Common ICT	\$1,400
Outcome 4. Common Finance	\$0
Outcome 5. Common Logistics & Facility Services	\$38,000
<b>GRAND TOTAL</b>	<b>\$42,100</b>

The BOS is predominantly supported through contributions from the UN agencies administered by the Office of the UN Resident Coordinator. The Operations Management Team will explore external funding opportunities to support BOS implementation, such as the Business Operations window of the UN Development Group Innovation Facility.

## 7. Annex 1. Terms of Reference of the Operations Management Team

(see separate file)