

WEBINAR: What is the UN Business Innovations Group (BIG) in the Grand Bargain to reduce management cost?

SUMMARY NOTE

THE WEBINAR: UNHCR hosted and organized the webinar ‘What is the UN Business Innovations Group (BIG) in the Grand Bargain to reduce management cost?’ on November 26th, 2019.

SPEAKER: The Geneva-based BIG team leader Mr. Dominic Grace (graced@unhcr.org).

FACILITATOR: Mrs. Hiroko Araki (araki@unhcr.org), UNHCR Geneva-based focal point for the Grand Bargain.

WEBINAR RECORDING AND PRESENTATION: The webinar recording is available, as well as the presentation.

PURPOSE OF THE WEBINAR:

UNHCR co-leads with the Government of Japan the so-called “reduced management cost” workstream no.4 of the Grand Bargain. The Grand Bargain workstream no.4 has five distinctive commitments. One of these commitments is to “reduce duplication of managements and other costs through maximizing efficiencies in procurement and logistics for commonly required goods and services”. In this connection, the webinar aimed at presenting the work of the UN Business Innovations Group (BIG) and at reviewing progress made towards the commitment.

THE PRESENTATION

Business Innovation Group (BIG) is co-led by UNHCR and WFP and is also anchored around the ongoing UN reform. The High Commissioner for UNHCR, Filippo Grandi and the Executive Director of WFP, David Beasley co-chair the group. This is an UN inter-agency effort with team members from WFP, UNHCR, UNICEF, UNDP working together. The annual procurement volume by these four agencies amount to over USD 10 billion – so by joining efforts the aim is to reduce management and other costs. The BIG team members are located at three places: Rome, the overall team leader from WFP is based in Rome; Geneva, staffed by UNDP, UNHCR and WFP secondees; and Budapest, staffed by UNHCR and UNICEF.

Targets and enablers: there are four BIG targets and three enablers which are interconnected and provide the framework and performance requirements that involved partners attempt to achieve in advancing common business operations. Given the targets, the BIG has been tasked to deliver Business Operations Strategy (BOS), Common Back Offices (CBO), a Global Shared Service Center (GSSC) and Common Premises. The enablers aim at providing the foundation to create a field of transparency and accountability for service providers and recipients, the building blocks for enhanced programme delivery under the SDGs.

Progress - Business Operations Strategy (BOS): agencies at country level agree to collaborate on specific operational services, including procurement, ICT, etc., adopting a common Business Operations Strategy with the aim to reduce duplication and increase efficiency. A new online platform has been created to capture the collaborative activities, joint actions and the cost savings. The project is completed, managed by the Development Coordination Office, and is being rolled out in 132 countries.

Progress - Common Premises: with the aim to increase the proportion of UN common premises to 50 per cent by 2021, some 17 per cent has been achieved to date with some 2,500 common UN offices around the world. This is one of the most challenging areas which requires a culture shift to co-locating as the new norm, as well as systematic efforts to re-negotiate and in some cases terminate existing leases. A scaled down "consolidating planning" pilot is underway in six countries (Bolivia,

Burundi, Colombia, Kosovo, Pakistan and Sri Lanka) to test tools and the benefits and cost savings of this approach. The project also includes a premises lease data center for recognizing efficiencies and savings and support strategic planning.

Progress - Mutual Recognition Statement: a total 16 entities have signed to date the high-level mutual recognition statement which recognizes other agencies policies and practices as compatible allowing agencies to offer operational services to each other without the obstacle of perceived difference in policy or procedure.

Progress - Client Satisfaction Principles and Costing and Pricing Principles: the principles have been finalized so that the costing of services, provided from one entity to another is transparent and well-articulated.

Progress - Common Back Offices (CBO): the CBO project will review all of the business processes at country level and seek to identify opportunities where a consolidated service offering will result in more efficient and effective practices., This would include, amongst others, some procurement, administrative and transportation services. A cost benefit analysis model was developed and piloted during inter-agency consultations in Albania, Botswana, Jordan, Laos, Senegal and Vietnam. The BOS is a foundation for CBO as it successfully promotes cooperative behavior between UN entities at country level. The aim is to graduate country offices from BOS to CBO, including with identifying the best business processes, signing consolidated service agreements, introducing online platforms to track business operations and the cost savings.

Progress - Global Shared Service Center (GSSC): a UN Services Marketplace Survey was developed, and survey results received from 21 entities with information on service activities each agency is providing or would be prepared to offer to other UN entities, and those service activities that it would potentially like to receive. The results were positive, and most entities are willing to embark in the marketplace with an aggregate number of 1,109 activities offered to date.

Fleet Services workstream: the new project aims at introducing a consolidated vehicle management and car-pooling to right size the global fleet size and achieve one-time acquisition cost avoidance in excess of USD 100 million.

QUESTIONS & ANSWERS:

1-Is there any comment on OCHA's engagement or intended engagement? There is an opportunity for including more partners / clients, including OCHA, in the common service providers at country level, engaging the UNCT, given also the ongoing UN reform efforts and how the UN secretariats could restructure their operational platforms, realizing efficiency and effectiveness.

2-Will be any document, related to the webinar, distributed? The webinar recording is available, as well as the presentation. Please visit the [official website](#) of the Grand Bargain secretariat for faster access to meeting documents.

3-Is the BIG developing or incorporating social and environmental safeguards for jointly contracted vendors in order to ensure sustainable business practices? The BIG seeks to create opportunities for collaboration and helps to improve implementation of key UN principles, including environmental. That means agencies involved should have already built these principles to their own processes or at least are in the process of have them adopted.

4-Have the UN agencies involved already committed to implement the proposals? Even though there are certain operational challenges, there is a common understanding that working together at an inter-agency level towards implementing the commitment will increase efficiency and reduce costs.

5-Do you contemplate to open CBO services to other non-UN organizations and NGOs? In principle, from an operational standpoint, it would be optimum to combine transactional volumes to realize efficiencies. The remaining obstacles are the differences in Legal and Administrative framework that the groups operate under.