UNITED NATIONS KENYA

KENYA COMMON BACK OFFICE (KCBO) 2024 ANNUAL EFFICIENCY REPORT

The CBO in Kenya is Powered by Service Providers:

unicef

UNITED NATIONS OFFICE NAIROBI

WFP

Introduction

The **UN Kenya Common Back Office (KCBO),** a groundbreaking initiative launched on January 2024 (link), the first of its kind globally in the United Nations (UN) offering a full range of CBO common operational services, has completed **1 year**. It harmonizes operations, enhances efficiency and fosters collaboration among **78 UN entities** and **+6,000 personnel operating in and from Kenya. It covers a wide range of services 82 primarily hosted and offered by UNON (76)** covering Administration/Premises, ICT, Procurement and HR. Additionally, logistics services are offered by **WFP (2)** and Finance/HACT services by **UNICEF (4)**. The approximate total number of **services for 2024 was over 98,000,** covering both transactional and service subscriptions, mainly provided by UNON. This volume is notably large as it includes both new CBO services and clients, as well as those pre-dating the KCBO, which were already part of the common services framework. Despite the overall high volumes which have been stable for the past few years, the expected uptake on the use of new CBO services is below expected amounts.

With the completion of one year of intense collaborative work, it is now time to take stock of KCBO's progress and capture valuable lessons learned to recalibrate strategies for 2025 and beyond. We invite you to read this report, which integrates the KCBO Client Survey results and aligns with the CBO Transitional Reporting Methodology for 2024, issued by DCO and CBO Task Team, operating under the supervision of the UNSDG Business Innovation Group (BIG) and the guidance of the UNSDG Reference Group. It aims to provide a comprehensive view of KCBO's scope of operations, covering CBO Governance, the number of SLAs signed, the number of services offered, and client service adoption and usage. Additionally, figures on early cost efficiency will be presented, along with the effectiveness of KCBO, highlighting innovation projects and how KCBO is contributing to the SDGs. The report also captures perspectives from both Service Providers and Clients, including challenges, lessons learned, and opportunities for the upcoming year to adjust KCBO mechanisms and contribute to continuous improvement efforts to mature and further leverage efficiencies for Kenya operations.

| Clients	Users	Services Available	Efficiency Recorded
78 UN entities (SLA)	+6,000 Personnel	Total of 82 63 Mandatory (Tier-1) + 19 Non-Mandatory	**By 3 UN Clients** 3 FTE +USD8K **By UNON:** Cost reduction in 3 service lines

A snapshot of KCBO as of Dec 2024

The post launch Kenya CBO key milestones through this epic journey are highlighted below:
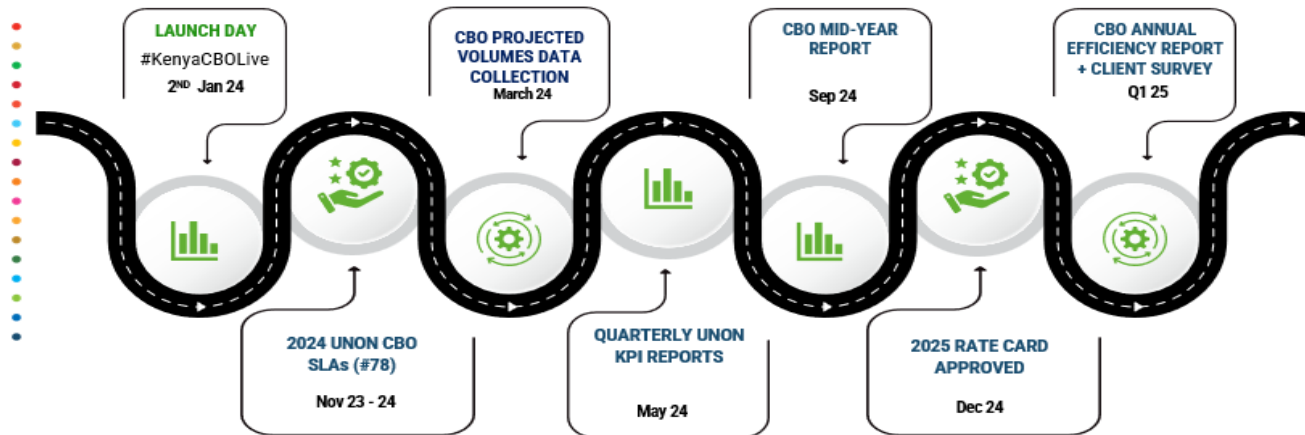
In summary, a significant effort was dedicated to the signing of the **CBO Service Level Agreement (SLA),** a legal document between the CBO Client entity and the CBO Service providers defining the scope of services offered, performance metrics, and responsibilities for using CBO services through **UNON, UNICEF, and/or WFP**. Following this, services transitioning process from the UN entities to the Kenya CBO (KCBO) was initiated for most clients. The projected volume of service demands for 2024 was mapped and monitored, though the anticipated volumes were not fully reached by year-end. Key strategic reports were also released, including the quarterly KPI Report and the KCBO Mid-Year Report. As the first year was about to close, preparatory work for 2025 was initiated, including budget planning and the review of the KCBO rate cards for 2025 approved through an extensive 5-layer review process.

The maturity of CBO governance has been enhanced through the leadership of the **Common Service Board (CSB)** and the **Steering Committee (SC),** chaired by the **Resident Coordinator (RC),** which have played crucial roles in spearheading the CBO Agenda and providing strategic guidance. Additionally, **UNON, UNICEF, and WFP**, in collaboration with **CBO Coordination** and the **CSMT**, continued to pursue efficiencies, improve coordination across sectors, and conduct appropriate consultations. This collective effort resulted in a high level of satisfaction with CBO governance, achieving a score of 4.13/5 (83%) according to the KCBO Client Survey.
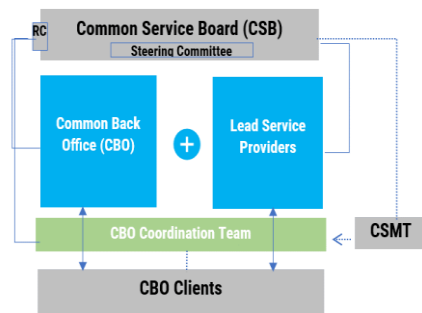
KCBO Clients

## Who have signed the Kenya CBO SLA?

Individual entities intending to use Kenya CBO services shall sign individual SLAs with service providers UNON, UNICEF, and/or WFP to access their related CBO services. By December 2024, the total number of SLAs signed was as follows: UNON had the largest number of CBO SLAs signed (78), followed by WFP (3) and UNICEF (2). The CBO clients are listed below and are composed of UN system entities operating from Kenya, including Kenya country offices, some Somalia and Sudan offices, UN regional offices, UN global offices as well as Peacekeeping offices. By Q1 2025, all of the entities in Kenya have signed the CBO Service Level Agreement with UNON, achieving 100% subscription.

THE UN IN KENYA

KCBO Services and Volume

Kenya CBO Services coverage and Volume of Operations

The Kenya CBO includes a range of **82 mandatory (Tier-1)** and **non-mandatory services** primarily hosted and offered by **UNON (76).** Additional **non-mandatory services** are also provided by **WFP (2)** and **UNICEF (4)** as detailed below:
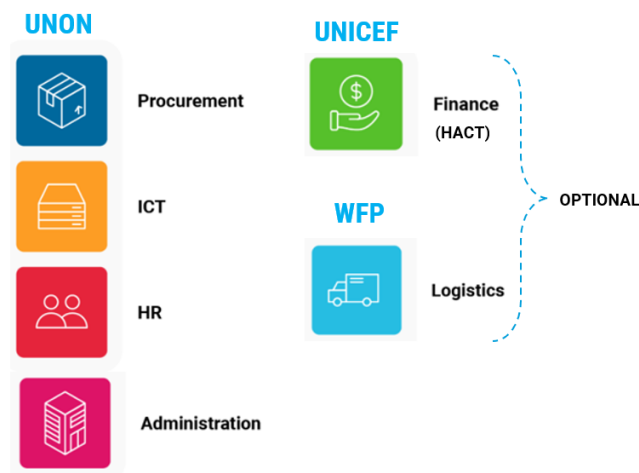
UNON as the primary service provider offered 63 service categories under Tier-1 (mandatory) services, which were further unbundled into 149 service lines. Out of these, 60 service categories were requested at least once, resulting in a 95.2% usage rate for mandatory services. Additionally, **UNON provided 13 non-mandatory service** categories, all of which were requested at least once, achieving a 100% usage rate for non-mandatory services.

The service **volume fulfilled by UNON** during the reporting period was substantial. Considering various quantifiers such as the number of subscribers, equipment, and transactional requests, a total of **over 98,000** was indicated for reporting purposes. However, it is important to note that not all services can be translated into the number of requests or transactions. Additionally, several services pre-date the CBO launch in January 2024, as they had been previously offered by UNON and transitioned to the CBO portfolio. These services include Host Country, Joint Medical Services, Mail and Pouch, Transportation, and ICT services.

Additional **non-mandatory services have been offered by WFP and UNICEF,** on logistics (2) and Finance HACT (4) respectively. Out of the total of 6 services lines offered, 3 were requested at least once, resulting in a 25% usage rate for UNICEF (1/4) and 100% usage rate for WFP (2/2). With respect to the total number of service requests fulfilled, WFP reported 5 and UNICEF 2.

KCBO Early Monetary Efficiency

Early Monetary Efficiency Observed

The first year of the CBO implementation was focused on **bringing CBO Client entities onboard with the signature of SLA** and **transitioning services,** previously operated by UN entities with their own existing capacity in place, to the CBO. As both CBO Service Providers and Clients were adjusting their operational engines for 2024, the reported efficiency gains were limited or not mapped or, based on client feedback, may even be negative.

Majority of consulted client entities indicated that cost efficiency has **not been internally evaluated/assessed yet.** A few CBO client entities reported some cost avoidance on **labor time savings** by, for example: use of HR roster but no details were provided. Other entities, like FAO reported **2 Full-Time Equivalent worker (2FTE)** cost avoidance and personnel workload **reduction by 30%** redirected to support sub-offices in the field/counties. WFP reported cost avoidance equivalent to **1 FTE/G5** position while UNICEF reported **8KUSD of savings**, mainly due to the change of billing modalities of some services.

There were also a few that indicated **increased costs and lower service quality compared to handling services themselves**. For those entities, the use of CBO services is considered a loss, as they would have to pay additional costs to use/access the CBO services, while their own capacity was in place. Though this observation may be valid for the first year of CBO operations (with **parallel structures in place**), in the long run, once client entities transition the CBO services in full to UNON/UNICEF/WFP, the UN client entities may be able to reassess their own operational structure and consider **reducing their footprint thus reaching the expected cost avoidance.**

Additional **cost reductions were observed for some services** with the establishment of the KCBO. For example, services under UNON, such as **Host Country Rates were reduced from $389 in 2023 to $380 in 2024, and from $49 to $35 per document**. Similarly, **JMS Rates were reduced from $425 in 2023 to $396 in 2024**. Some optimized services have also reduced time and costs. For instance, the implementation of common rosters for local recruitment, with over 722 cleared candidates across 65 profiles, led to a **reduction in recruitment time and associated costs.**

Based on these initial findings, we anticipate **achieving more substantial savings and/or cost avoidance in the years to come** as the CBO agenda matures and the uptake of CBO services by UN client entities increases. For 2025, a **standardized methodology to capture the CBO's efficiencies** shall be matured and implemented, in collaboration with CBO TT and DCO, to ensure **data gathering consistency** and **appropriate comparative performance metrics** for Kenya and other CBO countries.

Investment, Cost Recovery and Billing

Investments in Setting up KCBO and Cost Recovery

The establishment of a Common Back Office (CBO) may require investment costs across various categories such as one-time costs for personnel recruitment, equipment and furniture purchase, workspace reconfiguration, ICT infrastructure adaptation, ICT systems development, contingency fund establishment, and post-launch functional review. These costs can be pro-rated (cost-shared) among CBO client entities or may be absolved by the CBO Service Providers as an initial investment with the expectation of recovering it through increased revenue from CBO services.   For Kenya CBO, UNON reported investment costs, while no investment costs were reported by UNICEF or WFP.

According to UNON, investments were over USD 1 million including USD441K on personnel covering roles such as a temporary P3 CBO Project Management Officer, HRMS CBO consultants, procurement support, data analysis and KPI reporting, visa processing, and billing support. Workspace reconfiguration costs amounted to USD262K. ICT

UNON Investments: +USD1 Million

systems development costs totaled $311,574, encompassing software for HR CBO rosters, Kenya Service Hub development, Inspira extension for local recruitment, booking hub fees, consolidated billing platform development, and assessments for upgrading service provider infrastructure. Not to mention other investments being performed by UNON through the course of the year not captured in this analysis, such as the recent ICT infrastructure adaptation with substantial upgrades to enhance network performance, reliability, and capacity.

UNON's anticipated cost recovery through increased revenue from CBO services in 2024 was not achieved due to the gradual and low uptake of new KCBO services by CBO clients. This was particularly evident for new service lines such as Local Procurement, Events Management, and HR Local Recruitment.

The CBO Billing

In 2024, UNON issued a total of 4,460 invoices to client entities (quarterly billing), in a total value of $9,994,605. Clients' feedback on billing was captured throughout the year and agreed measures to facilitate timely payments were implemented. Yet, by the end of December 2024, only 85% of the issued invoices were paid, leaving $729K outstanding by mid-March 2025 (7% of the total 2024 KCBO bills), posing financial risks and cash flow challenges to UNON. The billing process for 2025 was revised and streamlined, including changing the billing periodicity from quarterly to annually.

No concerns were raised by UNICEF and WFP on billing.

KCBO Effectiveness and the SDG's

How is KCBO contributing to the SDG indicators?

Assessing the efficiency of the CBO in terms of its effectiveness and alignment with the Sustainable Development Goals (SDGs) is as important as evaluating the operational financial impact (cost avoidance) achieved. The Sustainable Development Goals (SDGs) and the Efficiency Agenda are closely linked in their aim to enhance the effectiveness and sustainability of UN operations. The **Kenya Common Back Office (KCBO) through UNON, UNICEF and WFP are committed to advancing the Sustainable Development Agenda and the SDGs through its service provision and management of common premises.** Noting that **UNON and UN in Kenya** have been working progressively towards the SDG's targets in the past years with CBO being organically embedded into already ongoing initiatives. Some of the contributions to various SDGs through their initiatives, innovative solutions, advocacy, service provision, and common premise management, are detailed below:

SDG3 - Good Health and Well-Being: The Joint Medical Service, part of the CBO, provides staff counselling and activities to boost health and well-being, including substance abuse prevention, public health information, non-smoking support, HIV/AIDS awareness, malaria prophylaxis, cancer and diabetes sessions, vaccination drives, and cooperation with public health services for pandemic preparedness and awareness campaigns.

SDG4 - Quality Education: The Talent Development Unit promotes lifelong learning opportunities for all, supporting UN personnel and the diplomatic corps to expand their skills and obtain additional specializations and certifications.

SDG5 - Gender Equality: The KCBO service units are committed to ensuring gender equality and parity by promoting women's full and effective participation and equal opportunities for leadership at all levels of decision-making. Nursing mothers have access to lactation rooms, training courses directed at boosting female leadership are offered and measure to raise awareness about gender-inclusive procurement and gender parity were implemented in 2024, guided by UNCT and in close collaboration with the Common Service Management Team (CSMT).

KCBO Effectiveness and the SDG's

SDG 6, SDG 7, SDG 13 - Clean Water and Sanitation, Affordable and Clean Energy, and Climate Action: Environmental Management Service provides greenhouse gases (GHG's) reports to entities, offering visibility over facilities-related environmental sustainability initiatives. These initiatives include renewable energy systems, energy and water-efficient fixtures, improved waste reuse and recycling management, digital and electric vehicle fleet services, and wireless network implementation to reduce cabling requirements. The UN compound managed by UNON aims for energy neutrality within 10 years, with significant progress already made, such as the completion of energy-neutral buildings and solar installations.

SDG 9 - Industry, Innovation, and Infrastructure: KCBO promotes inclusive and sustainable industries through sustainable procurement principles and strives to provide universal access to the internet within the UN Gigiri Complex. It embraces innovation by implementing digital platforms like the Kenya Service Hub to improve processes and service delivery. Network assessments and upgrades, such as replacing end-of-life network switches and migrating the Internet Wide Area Network (WAN) Edge, enhance customer experience and sustainability efforts.

SDG 10 - Reduced Inequalities: the UN compound accessibility for people with disabilities has been further improved by providing wider pathways, automatic doors, and elevators at key access points. Our goal is to promote policies ensuring equal opportunities for all staff, regardless of gender, ethnicity, or background.

SDG 11 - Sustainable Cities and Communities: the UN compound is a safe, inclusive, accessible, and green space, providing sustainable transportation options like e-vehicles and shuttle buses for staff.

SDG 12 - Responsible Consumption and Production: the UN compound managed by UNON reinforces the UN's aim to reduce plastic use, with catering vendors providing glass bottled drinks and promoting the use of personal utensils and cups. Recycling bins are available throughout the compound, along with waste management programs to minimize waste generation and promote recycling.

SDG 15 - Life on Land: the UN compound managed by UNON maintains green spaces within its compound, contributing to urban biodiversity and environmental health. A reforestation strategy has led to the planting of over 34 species of indigenous trees, reaching a milestone of 2,806 trees planted by 2024.

SDG 16 - Peace, Justice, and Strong Institutions: CBO Governance and Service Providers promote good governance and accountability through transparent and efficient administrative practices.

SDG 17 - Partnerships for the Goals: CBO fosters collaboration among UN entities to achieve the SDGs, including joint initiatives and shared resources. In addition, through the services of the CBO, enhanced partnerships are being built through for example: conducting joint capacity building, management of LTA's and other joint initiatives bringing quicker turn around time, cost reduction.

KCBO Effectiveness and Innovation

KCBO Innovation Impact

Merely continuing to apply the same operational approaches to delivering services are not enough to satisfy CBO clients. Clients expect CBO Service Provider to do more, to go one extra mile. Thinking outside the box and innovating is essential to achieve higher efficiency and effectiveness. The Kenya Common Back Office (KCBO) has implemented several innovative solutions to enhance its operations, improve service delivery, and promote transparency and collaboration among UN entities. These innovations have significantly strengthened KCBO's effectiveness, as detailed below.
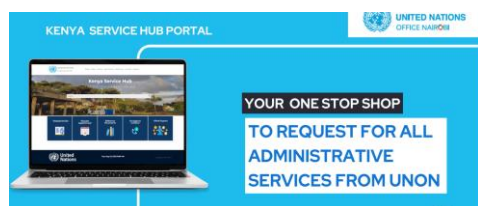
One of the key innovations is the **Kenya Service Hub (KSH),** an online portal developed by UNON, in collaboration with ESCAP, as a one-stop-shop for quick access to CBO services. New features to access not only UNON CBO services but also UNICEF and WFP services were added, further streamlining processes, clients easy access and promoting transparency.

The **Client Billing Centre** within the Kenya Common Back Office serves as another crucial innovation. It acts as a one-stop shop, enabling clients to access

comprehensive information on services offered by UNON DAS, review their current and past invoices with supporting documentation, and provides clear contact points for queries and feedback. This ensures transparency and efficiency in the billing process.
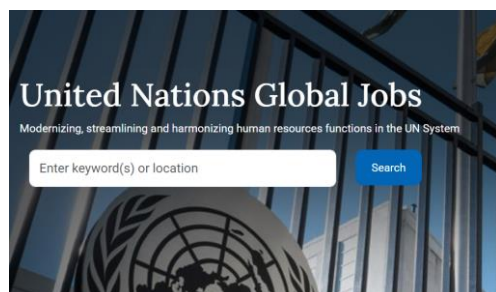
KCBO UNON/HR has also developed an enhanced **recruitment tool through the Inspira** extension, which meets the requirements of all UN entities to support local recruitment in Kenya. This tool streamlines the recruitment process, making it easier for local job applicants to navigate and apply for positions, thereby increasing the visibility of UN recruitment efforts and attracting skilled personnel. Additionally, the UN Kenya **Common Rosters project** has been initiated to increase efficiencies across UN entities in Kenya. This project provides rostered candidates for local posts, significantly reducing recruitment timelines.

KCBO Effectiveness and Innovation

KPI reporting has been improved through the launch of live dashboards across services, enabling monitoring and reporting of key performance indicators (KPIs). UNON analyses trends and uses these reports as tools for continuous improvement of services. The reports are shared with clients on a quarterly basis to ensure transparency, foster collaboration and build trust.

UNON's SERVICES

2024 ANNUAL KPI PERFORMANCE REPORT

The implementation of **Virtual Routing and Forwarding (VRF) Solutions and the opening of a state-of-the-art data center facility** have further enhanced the CBO's operations. The VRF solution provides secure, isolated network segments for each organization, enhancing data security and operational efficiency. The advanced data center infrastructure offers UN entities a secure, robust, and high-performance environment for server hosting. In addition, the move towards **wireless network** has reduced cabling requirements by 62% in all new blocks, contributing to a more sustainable infrastructure.

The procurement tracking system **Metrics 2.0 was upgraded to** improved efficiency by streamlining workflow for routing procurement requisitions from CBO entities to UNON and providing visibility into the status of their requisitions.

The **Inter-Agency Local Committee on Contracts (I-LCC)** is being established. It serves as a centralized body to oversee procurement activities related to Long-Term Agreements (LTAs) for CBO-related procurement. This committee enhances transparency, compliance, and inclusiveness in procurement processes.

KCBO Effectiveness and Innovation

UNON has increased the **use of digital screens** across the compound, displaying relevant content about UNON tools, events, and ongoing campaigns to reduce printing and promote sustainability.

The successful collaboration with two **Global Shared Services (GSS) solutions** has significantly enhanced the efficiency and effectiveness of our Kenya office operations. By leveraging these global solutions, we have streamlined processes, improved service delivery, and achieved greater operational synergy.

- The **United Nations Fleet** for simplified access to fit-for-purpose vehicles and aligned with environmental standards and statutory compliance and
- The **UN Booking Hub** for e-transportation and Joint Medical Services (JMS) allowing full digitization of passenger mobility services and clinic bookings, optimizing resource allocation and improving client experience.
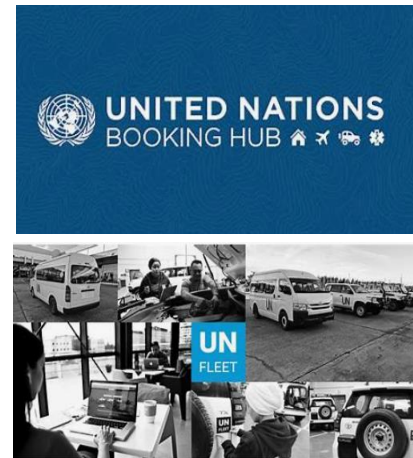
The introduction of a **Cost Calculator for conference services** has enabled clients to perform cost simulations before requesting services, providing cost estimates and consolidating all conference service requirements regardless of the service provider. This tool ensures transparency and accuracy in billing.

We have **maximized the use of SharePoint** as a repository for shared documents, leveraging existing tools instead of investing in a new system. This approach has allowed us to efficiently manage and access our documents, ensuring seamless collaboration and cost-effective operations.

Client Relationship

Managing the KCBO Client Relationship

A comprehensive client relations strategy has been implemented to ensure high levels of client satisfaction and foster strong, collaborative relationships. This strategy includes various client-outreach activities, feedback mechanisms, and support systems to engage clients effectively, capturing their feedback and using it to make informed decisions leading to continuous improvements. Key **Client-Outreach Activities implemented in 2024 are described below:**

UNON Ask Anything Session
The "Ask Anything" session took place on Sept 24 and over 850 clients visited stands, interacted with service providers, and provided feedback through a micro-survey. This event fostered direct communication and allowed clients to address specific questions related to CBO services. The session included one-on-one presentations, Q&As, and interactive discussions, creating an engaging environment for clients to share their experiences and suggestions.

CBO Procurement Metrics Workshop
In Q4 2023, UNON Procurement organized a CBO Workshop to sensitize UN entities on the overview, workflow, and benefits of the CBO. Following this, UNON Procurement, in collaboration with ICTS, conducted a training session on CBO Metrics Procurement App for 36 nominated requisitioning focal points from various UN entities in Kenya. Additional training upon request was also offered along with one-on-one client engagement sessions.

HR CBO Recruitment Workshop
In October 2024, the United Nations Office at Nairobi (UNON) hosted a hackathon with the Talent Acquisition Unit, Common Back Office Coordination, and OICT Human Resources Information Technology Team and the Common Back Office HR workshop for UN agencies, funds, and programs. It was attended by representatives of 20 entities to design solutions addressing their needs, including assessing current procedures, identifying pain points, and exploring solutions to automate and minimize manual interventions in the recruitment process. Additionally, HRMS held bilateral meetings with HR focal points from all AFPs to better understand their needs.

Client Relationship

HR CBO Learning Meetings

The Talent Development Unit at UNON brought together learning focal points from client entities and AFPs to discuss their needs and training planning. On November 15, 2023, a preparatory workshop was held prior to CBO Go Live. Follow-up meetings were conducted in June 2024 and February 2025 to review the performance of 2024 and discuss lessons learned.

Host Country Services Annual Focal Points Meeting

Held on October 30, 2024, this meeting brought together 86 agency focal points to strengthen collaboration and improve service delivery. The discussions emphasized the roles and responsibilities of focal points in building cooperative partnerships with the Host Country Services Unit (HCSU).

Billing Information Session

On November 25, 2024, UNON's BFMS, ODA Client Relations Team, and ICTS hosted the 2025 Billing Information Session. This hybrid event provided over 50 participants with insights into the upcoming year's billing methodologies and requirements, fostering a collaborative environment through interactive Q&A sessions.

Joint Medical Services Events

Several events were organized by the Joint Medical Services in 2024, including a 2-day eye checkup event, emergency life support training, resilience-building sessions, vaccination drives, MS Health Fair in April and September 2024, cancer awareness sessions, outreach on World Mental Health Day, and the UN Health Run (HIV/AIDS Day). In addition, the Ergonomics Program featuring Certified Ergonomic Workstation Assessors (EWAs) was launched providing ergonomic advice and appropriate referrals to staff.

Mindfulness-Based Stress Reduction (MBSR) Exercises

A Lunch Hour Talk Join the UNON Joint Medical Service (JMS) Staff Counsellors for a lunch hour talk on Mindfulness-Based Stress Reduction (MBSR) exercises....

Psychological First Aid- Refresher

PSYCHOLOGICAL FIRST AID - REFRESHER Psychological First Aid (PFA) is a humane, supportive response that we provide to someone who is suffering or experiencing o...

Client Relationship

2024 CSMT Monthly Meeting and Retreat
The Common Services Management Team (CSMT), composed of the most senior operations managers of UN entities operating from Kenya, met monthly to discuss on various joint operations initiatives, including Common Back Office (CBO) implementation. In addition, the 2024 **UN Kenya CSMT Retreat**, was held on September 24, 2024, focused on enhancing collaboration, innovation, and efficiency among UN entities, with a significant emphasis on CBO implementation. The retreat reviewed the progress and challenges of the CBO, highlighting achievements in streamlining operations and improving service delivery. Discussions included the need for flexible pathways, client-driven services, and continuous improvement, with the participation of **CBO Task Team Chair, UNDCO** and managers from the **CBO Wave One countries: Kenya, Vietnam, Brazil, Tanzania, and Senegal**. The retreat concluded with a strong commitment to continuous improvement and collaboration among CSMT members.

Client Meetings and Year-Round Support
In 2024, the UNON, UNICEF, WFP and CBO Coordination team organized several individual **Client Engagement Sessions** to discuss their needs, provide feedback, and address issues related to service delivery. These meetings also aimed to create awareness and familiarize clients with the Kenya Service Hub portal's features, functionalities and tools available, promoting transparency and ease of access to services. Dedicated CBO focal points per service area were available year-round to address client queries and support needs. **In addition, f**eedback forms under the Client Support Section at the Kenya Service Hub were available year-round, and an escalation matrix was included in the Kenya Service Hub Portal to ensure that client issues were promptly addressed, especially on unresolved issues, ensuring accountability and swift resolution.

KCBO Client Satisfaction

Tools and Mechanism to Measure and Monitor Client Satisfaction

Client satisfaction ratings for the Kenya Common Back Office (CBO) services are measured, tracked and monitored through a **diversified feedback mechanism** to ensure continuous improvement and high levels of client satisfaction across all services. Some of the mechanisms in place are detailed below:

SLA Compliance and KPI's

The Kenya Common Back Office (CBO) aligns well with Service Level Agreements (SLAs) and is being **measured, tracked and monitored through quarterly KPI's reports** issued and shared with CBO Clients to ensure continuous improvement. Over the 2024 reporting period, **CBO has achieved high performance** in several areas such as Host Country Services (86%), Visa Letters (99%), and ICTS ticket resolution (97.9%). Through regular KPI monitoring UNON services are continuously seeking improvements, including to expand on more refined ways to capture KPI data and enable analysis of internal and external factors impacting the overall service delivery. This is the case for example for Visa and Building maintenance services which include external parties in the process. Property Management Services met insurance processing targets 100% of the time, while warehouse dispatches faced delays due to stock unavailability and client response times. Procurement Services completed 606 cases with an 88% average performance, and Recruitment Services processed 724 recruitments with a 96% average performance, despite limited uptake from new entities. Continuous improvement efforts, client engagement, and measures to streamlined processes are being applied to address these challenges and enhance service delivery.

Additional tools to monitor Client Satisfaction:

Instant Feedback through iNeed: CBO UNON utilizes an instant feedback feature after services are provided through the iNeed platform. This feature is currently in place for several services, including Facilities Management and Transport Services (FMTS) and Information and Communication Technology Services (ICTS). Clients can immediately rate their satisfaction with the resolution of service tickets related to building maintenance, cleaning, ground maintenance, gardening, and ICTS portfolio requests for service and incident resolution. In 2024, **client satisfaction ratings for FMTS services among CBO clients were at 93.6%, while ICTS services achieved a satisfaction rating of 93.5%.**

Feedback mechanism through CBO Coordination, Committees and Working Groups: Feedback is gathered through various committees and working groups, such as the Common Services Management Team (CSMT) and its 08 technical working groups (Procurement, HR, Finance, ICT, Monitoring & Evaluation, Logistics, Premises and Ligh Vehicle and IPRM), CBO Steering Committee, Common Services Board (CSB), and UN Country Team (UNCT). Concerns raised and actions agreed are addressed accordingly.

Periodic Surveys conducted by CBO Service Providers: UNON conducts periodic surveys to reassess client needs and satisfaction. These surveys may be annual, biannual, or when required. Some recent examples include the Procurement Client Satisfaction Survey which included all clients, BFMS survey (on billing) and the Host Country Services Unit (HCSU) Client Satisfaction Survey.
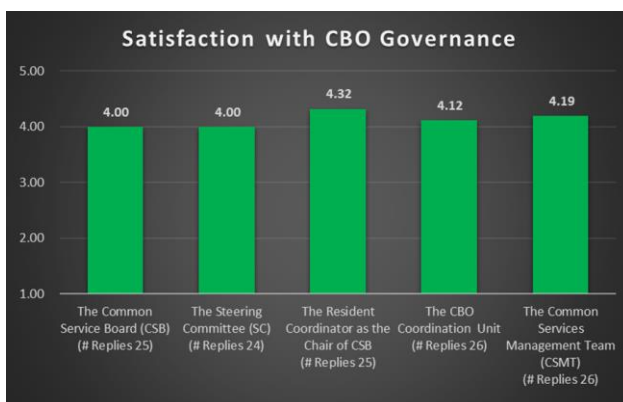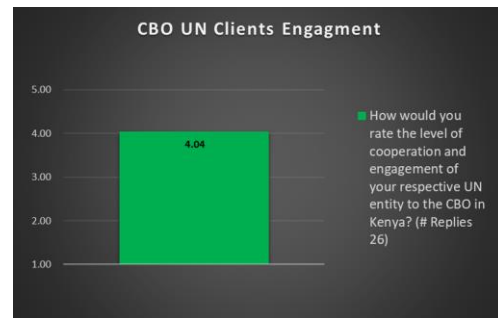
KCBO Client Satisfaction

The Kenya CBO Comprehensive Client Satisfaction Annual Survey

In response to the call from the **Common Service Board (CSB),** another important mechanism to measure client satisfaction was implemented by the CBO Service Providers in collaboration with CBO Coordination unit: **the 2024 Kenya CBO Annual Survey**. It was conducted in Q1 2025 covering the full KCBO scope of operations to capture **feedback from all UN CBO Client entities managers** with respect to KCBO Governance, Cooperation and Engagement as well as the **Client Satisfaction with CBO Services.** All CBO client entities who have signed the CBO Service Level Agreement (SLA) were invited to participate and a total of 26 responses were received, representing one-third of the CBO client community. Valuable insights into the experiences and satisfaction levels of UN clients were captured and the key takeaway are summarized below.

The level of cooperation and engagement of UN Client entity to the CBO in Kenya was self-rated as green reaching 4.04/5 (81%) indicating proactive participation in various CBO Governance groups, engagement and effective cooperation.

The KCBO Governance bodies average rating was also high reaching 4.13/5 (83%). KCBO Clients indicated their satisfaction and appreciation with the overall functioning of these bodies with appropriate consultations. Service providers were considered approachable and solution oriented. Key challenges highlighted were the need to increase the head of Agency participation in the CSB Meetings, better time management for the CSMT meeting and a call to improve overall communication and agility in decision-making.

CBO clients were also invited to provide their satisfaction rate for all CBO's specific services. The average results were **3.68** out of 5 (or **74%**). Satisfaction was reached in green items listed below while the ones rated yellow indicated attention needed, being main concerns raised by clients related to **delays, high costs and communication challenges.**

Discrepancies have been noted between the low satisfaction rates reported in this survey, based on feedback from UN CBO Client entities' managers for certain items (e.g., ICT services with average of 3,49/5 or 70%), and the higher satisfaction rates collected from individual users through the iNeed app rating system (e.g., for ICT, the average satisfaction rating for service tickets was 93.5%). Follow-up measures are being conducted on all items requiring attention to understand the reasons and to implement corrective actions.

When asked if the **Kenya CBO Service Lines shall be further expanded,** clients suggested focusing on improving and streamlining existing services rather than expanding to new ones. There is an understanding that the current service portfolio is broad enough and that efforts should be directed towards enhancing efficiency, cost-effectiveness, and collaboration, especially in light of tight budgets and global funding constraints.

Challenges and Lesson Learned

Challenges Reported by CBO Service Provider and lessons learned:

Some of the key challenges and lessons learned identified by CBO Service Providers and clients in line with the CBO Satisfaction survey are presented below.

UNON (Adm/Premises, HR, Procurement and ICT Services)

1. **Agreements - Service Level Agreement and MoU**

Due to stalled CBO MoU discussions at the global level, UNON had to use its existing SLA template to set up the legal arrangement on the use of CBO Services. UNON reported delays in signing the SLA and transitioning requests to KCBO requiring intensified efforts, including multiple meetings, even at headquarters levels. The full onboard of all UN entities in Kenya was completed in Q1 2025.

2. **Opt-Out Protocol**

Some client entities claimed to have opted out, but UNON was not officially been notified by DCO or BIG if these requests were reviewed, validated and approved. This has created grey areas that were not solvable at the local level, as UNON had no role in the opt-out process.

3. **Mutual Recognition**

Mutual recognition was not fully operationalized, with offices perceiving their processes as unique, creating barriers to accessing UNON CBO services.

4. **Silent Opt-Out, Lack of Transition Plans and Reinforcement Mechanisms**

Silent opt-outs were prevalent, especially for new service lines, with client entities continuing their administrative functions independently despite signing the CBO SLA. The CBO clients were reminded of the need to onboard to KCBO through various forums, emphasizing the importance of reducing costs and duplication. Yet, the uptake of KCBO services remained limited. Many client entities did not have a transition plan for the Common Back Office and continued business as usual especially in areas of HR, ICTS, and Procurement. Added to that, no reinforcement mechanism was in place.

5. **Financial Risks – Limited Planning Data, Slow Uptake, Billing**:

A call for Service Providers to share their planned demands for 2024 was launched in Q2/2024. A significant gap between projected volumes and actual service usage led to cost recovery challenges. UNON incurred substantial upfront costs without an adequate volume of services to recover investments. This slow service uptake hindered economies of scale. Not to mention local salary and post-adjustment increases that further impacted budgets. Added to that, delayed payments from clients restricted UNON cash flows and increased financial risk.
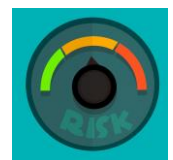
UNICEF/CBO (Finance/HACT Services)

1. **CBO Scope of Service redesign**:
The scope of service set in the Business Case for UNICEF service line was redesigned in Q1 2024 to address diverse internal policies and procedures of UN agencies in relation to engagements with implementing partners (IPs). These policies affected accountability and limit information sharing related to implementing partners, resulting in restrictions on providing financial monitoring services such as audits of IPs and financial spot checks. The list of services was revisited, narrowed and tailored to maintaining relevant services under the scope of the CBO, such as access to LTAs for risk assessment and financial monitoring services, capacity development of IPs (including access to the UNICEF AGORA system), and provision of a central repository platform for common reports.

2. **Signing of SLA, Low Uptake (non-mandatory services)**
The signing up of SLAs was a lengthy process requiring individual follow up with entities with a few opted in. Major challenges faced was the low appetite for using non-mandatory services and a disconnection between the CBO services and collaboration at the HQ level. For example, some of the potential client entities have similar established corporate services, such as online training for staff and partners on HACT, specific internal audit processes (LTAs) and service providers assigned centrally at the HQ level for this reason, they have opted not to sign an SLA. Further efficiencies could be achieved should a structured collaboration among UN entities HQ on HACT focused on field operations were in place, including the sign-off of join LTA's or corporate MOUs/SLAs that could be channelled down to CBO in the field improving collaboration and flexibility to adapt to local needs.

WFP/CBO (Logistic Services)

1. **Signing of SLA, Low Uptake (non-mandatory services)**
Similar challenge has been raised by WFP in mobilizing clients to signing up of the SLA to access Logistics Services (non-mandatory) and the lengthy approval process. Considerations were given to have the **SLA signed at Corporative Level** among different HQ's thus speeding up access to Logistic Services through WFP in the field.

2. **Planning and Commitment**
Another challenge raised was on difficulties in anticipating client needs. Sporadic demands would arrive with a short notice. Concerns were also raised on the commitments from some UN client to complete their service calls (Ex: service demands initiated, extensive proposal drafted, or rate benchmarking exercises conducted but when results were shared to proceed with the contracting, the client cancelled the call and opted to proceed with their own internal procurement/logistic setup).

Challenges and Lesson Learned

Challenges Identified by CBO Client Entities

Challenges faced by CBO client entities using annually subscribed and transactional basis services were captured through surveys and client interactions and are presented below.

I. Challenges in Increasing the Uptake: Strategic Services and Mutual Recognition

Specialized agencies indicated difficulties in increasing their uptake of KCBO services due to the strategic nature of their operations, which are often handled in-house. Regional offices noted that many services were not applicable to their operations. Additionally, compliance with internal policies prevented some entities from adopting mandatory CBO services. Addressing these challenges may require HQ engagement and a tailored approach to address the unique needs and constraints of different agencies and regions.

II. Concerns on Service Cost

A few clients have raised concerns about the **high costs of some KCBO services,** which may impact on the overall affordability and accessibility of these services (ex: conference services), especially given the current funding constraints faced by UN entities. Continuous review following costing and pricing principles is essential, as well as a reassessment of the level of ambition, services scope and efficiency. In addition, client entities raising concerns about the cost are being asked to share their Cost-Benefit-Analysis to enable a data-driven and solution-oriented discussion.

Regarding the **CBO annual rate card costs**, it is important to note that it follows an extensive and collaborative **five-layer approval process**, including discussion at technical level, review and clearance by the Budget and Finance Subcommittee, endorsement by the Common Service Management Team (CSMT), final endorsement by the Steering Committee and approval by the highest CBO authority, the Common Service Board. In addition, UNON have indicated increased expenses in the past year, particularly related to staff local salary and post-adjustment increases, significantly impacting budgets. Nevertheless, UNON committed not to recalibrate the CBO rate cards for 2025, keeping the original 2024 rates for most items, except for Host Country and Procurement services, which will see a 10% increase. They also noted that if service volumes do not follow, rates may need to be revisited.

III. Communication Challenges

Clients appreciated existing communication channels in place (mailing through CSB, Steering Committee and CSMT, webinars, workshops, one to one meeting) but expressed the need for improved communication channels to ensure that clients are well-informed about service updates, processes, and any changes that may affect them. Enhancing communication strategies, including onboarding of new members joining CBO Governance (staff turnover), is crucial to building stronger relationships and trust between the KCBO and its clients.

Opportunities for the Upcoming Year

What is required to increase the KCBO service uptake and further improve the existing set up?

1. **Transition Strategies, Reinforcement Mechanisms and Mutual Recognition**

   To address the challenges related to silent opt-outs, lack of transition plans, and reinforcement mechanisms, each individual client entity shall consider preparing tailored transition plans for a smooth and efficient transition process. Measures to **unlock Mutual Recognition implementation** shall be addressed as well in collaboration with Clients HQ and, as needed, the CBO Transition Team (CBO TT) and DCO. Additionally, a monitoring framework should be established to track progress per UN entity and identify areas for improvement. This approach will help streamline transitions, increase the uptake of KCBO services, and maximize the opportunities created through the KCBO (efficiency).

2. **Increasing SLA sign-up for Non-Mandatory Services (UNICEF and WFP)**

   Given the specific and non-mandatory nature of the CBO services provided by UNICEF for Finance/HACT and by WFP for Logistics Services, no exponential growth in the number of MOU/SLA signed to access these services is expected. Yet, there is space to bring on board additional targeted UN Entities that could benefit from accessing these services. Internal consultation and discussion to bring onboard these clients are ongoing. In parallel, alternative measures engaging UN Entities HQ are being considered, to fast-track operation. For example, WFP CBO/Logistics Services are considering signing Service Level Agreements (SLAs) at the corporate level (UN Headquarters to UN Headquarters) to expedite service delivery in the field, thereby saving time on extensive negotiations on local SLA signing.

3. **Fostering a Culture of Continuous Improvement and Innovation**

   The CBO Service Providers to continue to foster a culture of continuous improvement and innovation through regular client engagement events, surveys, review and enrichment of KPIs data, enhancements of the Kenya Service Hub, development of headcount application to automate and minimize manual interventions of the current process. These efforts aim to streamline processes and improve service delivery, ensuring that the KCBO remains responsive to client needs and operational demands.

Opportunities for the Upcoming Year

4. Client Engagement and Communication

The CBO Service Providers to enhance client engagement by implementing strategies that foster better communication and collaboration. Feedback mechanisms such as regular client engagement and feedback collection through surveys and instant feedback tools in place shall be maintained. Complementary communication strategies for fostering open and transparent dialogue, to build stronger relationships with clients shall be considered including: a) Enhanced Onboarding Process for new members joining the CBO Governance structures in collaboration with CBO Coordination unit. b) Regular Updates and Newsletters to keep clients informed about the latest developments and service updates distributed through multiple channels (email, intranet, etc.) to ensure wide reach. c) Increase frequency of Interactive Webinars to provide in-depth information on specific topics and foster more engaging and informative experience for clients. Driving active awareness among end-users, is a must to build familiarity and trust in the services offered, providing clearer service definitions and scopes to clients, and emphasizing the value proposition and effectiveness of the CBO.

5. Contextual Review and Adaptation – Adjusting Level of Ambition

Given the current funding constraints faced by UN entities and based on client feedback, the CBO Service Providers shall continue collaborating with clients to discuss the level of ambition of service coverage, identifying which services are indispensable for operations and should be strengthened, and which are more "on-demand" and not within the "mandatory category". Any adjustments of the level of ambition will require approval from the CBO Governing Structure. This will ensure that changes will be aligned with the overall strategic goals and fit with the unique operational environment and requirements of the KCBO.

6. Explore additional Cost Reduction Strategies

The CBO Service Providers in collaboration with the CMST Ad hoc Working Group on Cost Efficiency established in Q1 2025 to continue pursuing cost reduction strategies, including exploring outsourcing options, to make services more affordable and cost-effective. These measures will help ensure that KCBO services remain accessible to all clients while maintaining high standards of quality and efficiency.

7. Move to New Office Buildings and Strengthening the Culture of a Service Hub

From mid-2025, the majority of the UNON/CBO's service units will be housed within new office buildings, reinforcing the one-stop-shop experience. This move will optimize client experience, particularly for newly arriving colleagues and client entities, providing a centralized location for service provision, enhancing accessibility and collaboration among UN entities, and strengthening the culture of a service hub.

Closing Remarks

The **Kenya Common Back Office (KCBO) powered by UNON and UNICEF and WFP** have demonstrated remarkable progress and resilience in its first year of operation. With a broad scope encompassing a wide range of services and an increasing number of clients, the **KCBO has become a vital component of the UN's operational framework in Kenya** enhancing the **efficiency and effectiveness.**

Throughout this inaugural year, the KCBO has achieved several key milestones. It has successfully expanded its service offerings, streamlined processes, and interacted closely with clients through continuous engagement and feedback mechanisms. These efforts have not only addressed immediate operational needs but also laid a **strong foundation for future growth and innovation**.

The importance of the KCBO cannot be overstated. By centralizing and optimizing services, the KCBO will enable UN entities to focus more on their core missions, reducing administrative burdens and fostering a more collaborative environment. This has been particularly crucial in the current scenario marked by **funding constraints** and increasing demand for **accountability and efficiency**.

The CBO challenges mapped through Service Providers and client feedback and the proposed opportunities for the coming year presented in this document shall be carefully addressed, focusing on key aspects such as the need for greater uptake of services, implementing reinforcement mechanisms and transition strategies, minimizing financial risks, reviewing service costs, improving communication and continuous improvements to further leverage client satisfaction.

Looking ahead, the Kenya CBO is poised to build on its successes and continue driving improvements in service delivery. Nevertheless, it is important to highlight that **efficiency will not come from the service provider UNON, UNICEF and WFP alone**; it **requires collective efforts** and actions engaging all CBO stakeholders, including **CBO Clients, UN Headquarters, DCO and CBO Task Team**, to navigate the evolving landscape to achieve the anticipated efficiency and effectiveness gains together.

As we move forward, let us remain committed to fostering a culture of unity and collaboration, leveraging the strengths of the KCBO to create **a more efficient, effective, and sustainable operational environment for all UN entities in Kenya.**

Kenya CBO Annual Efficiency Report for 2024