

TOWARDS UNITY IN ACTION
UNITED NATIONS – REPUBLIC OF MOLDOVA
PARTNERSHIP FRAMEWORK
2013 – 2017

BUSINESS OPERATIONS STRATEGY

Foreword

As the UN in Moldova moves towards Delivering as One, the realization of the full potential for cost reduction and efficiency gains at the country level has become a top priority for the entire UN Team, including our dedicated colleagues at the Operations Management Team. More importantly, it has become something our partners expect. This Business Operations Strategy therefore constitutes an essential complement to the United Nations - Republic of Moldova Partnership Framework “Towards Unity in Action” for 2013-2017 and its Action Plan. Building on increasingly successful inter-agency coordination on operations which has secured a good track record on joint UN team deliverables in the past years, this strategy takes our efforts to a new level, by adding a long-term perspective.

While the “light” strategy proposes innovative solutions that fit the country context of the Republic of Moldova, it also selectively integrates some of the most useful elements of the rich global guidance and lessons learned. The harmonization of business practices can have multiple benefits, such as a reduction of costs, savings in staff time or increased quality and timeliness of procurement. However, the important ultimate objective of this Business Operations Strategy is to further enhance the positive impact of the UN’s work on the lives of the people of Moldova. In this regard, I am convinced that together we will be able to significantly increase our collective value for money and our impact in the coming five years.



Nicola Harrington-Buhay
UN Resident Coordinator

1. Introduction

The UN Country Team is committed to the principles of development effectiveness. It endeavours to increasingly harmonize its business operations, where this adds value and reduces costs, and increase use of national systems for operational purposes where possible.

This Business Operations Strategy provides strategic, medium-term focus on common UN operations processes that add value to the UN system operating in Moldova. It aims to avail common services in information and communication technologies, procurement, human resource and financial administration; to support the quality implementation of programmes; and to align to the best extent possible with national and local budget frameworks. It is an easy applicable instrument for use by UN Country Team and Operations Management Team and allows for a more strategic multi-year outlook on the role of business operations in support of enhanced programme delivery. In addition, the Operations Management Team, through the Business Operations Strategy aims to reduce operating cost and/or enhance the quality of common operational support services.

The Business Operations Strategy 2013 – 2017 was developed concurrently with the United Nations-Republic of Moldova Partnership Framework 2013-2017 “Towards Unity in Action” and its Action Plan through consultation with the Operations Management Team and the United Nations Country Team in Moldova.

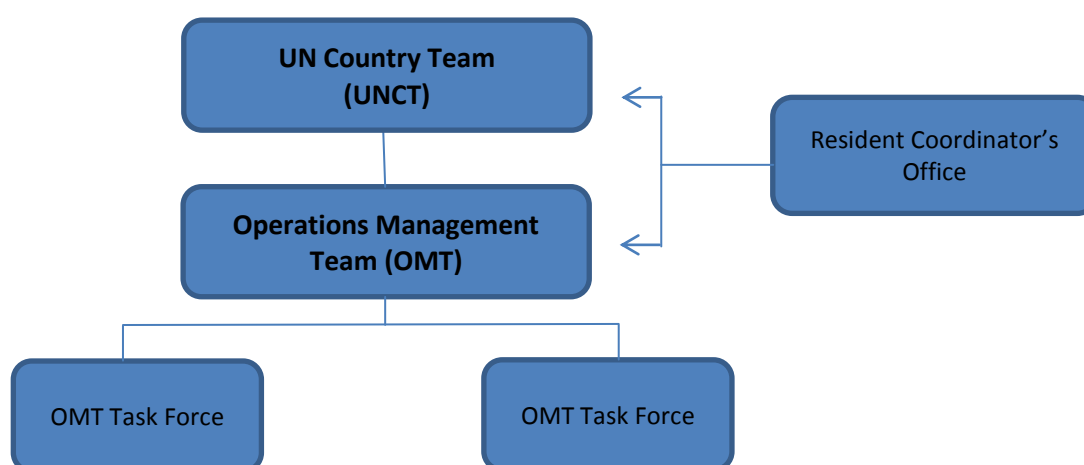
The following UN system agencies are part of this Business Operations Strategy:

FAO	Food and Agriculture Organization
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IOM	International Organization for Migration
OHCHR	Office of the High Commissioner for Human Rights
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
WHO	World Health Organization
World Bank	
IMF	International Monetary Fund

Non-Resident Agencies are invited to join where this is relevant: IAEA, ITC, UNCTAD, UNCITRAL, UNECE, UNEP, UNESCO, UNIDO and UNODC.

2. Business Operations Governance

The governance structure for Business Operations at the country level is as follows:



The UN Country Team holds the ultimate decision for all matters related to business operations. As such, it is ultimately responsible for the achievement of the results of this strategy and of the annual work plans of the Operations Management Team. The UN Country Team approves and monitors the implementation of both the Business Operations Strategy and the Annual Work Plans of the Operations Management Team, and ensures the Operations Management Team has access to the resources required to successfully implement the Business Operations Strategy and the Annual Work Plans.

The Operations Management Team is responsible for the day-to-day management of Common Operations and the implementation of the Business Operations Strategy and the Annual Work Plans. It provides recommendations to the UN Country Team on common services and business-related issues and identifies opportunities for collaboration and innovation to increase the efficiency and effectiveness of UN programmatic work under the UN-Moldova Partnership Framework and its Action Plan. The Operations Management Team chair reports bi-annually to the UN Country Team. The detailed Terms of Reference of the Operations Management Team are annexed to this Strategy.

The Operations Management Team nominates ad-hoc task forces to work on specific business operations issues.

The UN Resident Coordinator's Office supports the Operations Management Team.

The Operations Management Team Annual Work Plans derive from the Business Operations Strategy and include a breakdown of activities and associated budget for the forthcoming year.

3. Strategy Results

Following recommendation of the UN Country Team, the Operations Management Team conducted a business operations survey in 2012 and identified several priority areas for the forthcoming cycle. The following priority outcomes, which are described in Chapter 4 in more detail, were selected:

Outcome 1: Common Procurement - Costs of UN System agencies' procurements are reduced, and the quality of procurements enhanced

In 2012, UN system agencies in Moldova used 8 long-term agreements, as well as common rosters for consultants and translators. This strategy aims systematize the common procurement practices, to enhance them where this makes sense, and to increase the awareness of UN staff on how to access and apply them. Between 3,000 and 5,000 unique visitors accessed the UN website's tender section each month in 2012. The objective is therefore to maximize the usefulness of this platform and to ensure all UN tenders are placed on that website.

Outcome 2: Common Human Resources - The UN System in Moldova has reduced costs associated with human resource management and enhanced quality of recruitment, and performance and motivation of staff

In 2012, the jobs page of un.md was accessed by 5,000 – 9,000 unique visitors every month. The aim is to maximize the number of jobs announcements placed on un.md. As advised by the diversity task force, job advertisements will increasingly include a diversity clause. Good practices on competency-based interviewing will be promoted, to improve quality of recruitment. Inter-agency trainings, which cost less due to economies of scale and foster UN team spirit, will be conducted more frequently.

Outcome 3: Common ICT - The UN System in Moldova has enhanced quality of ICT services for users in line with UN end user policies

As laid out in this strategy, the high quality of internet service provision in UN House will be maintained, access of UN staff to the UN House and LeRoi shared premises wireless networks will be enhanced, and staff awareness will be raised on standards of electronic conduct. Moreover, efficiency gains are envisaged to reduce telephone costs. The use of the UN Website and the UN Country Team's webspace for the exchange of documents will be enhanced.

Outcome 4: Logistics and Transportation - The UN System in Moldova has reduced logistics and transport costs

Under this Outcome, the long-term agreement on air travel will be adjusted to make it useful for a larger number of agencies. The list of hotels offering UN rates and of event venues will be shared more broadly and updated on a regular basis. Also, car sharing will be institutionalized to the extent this makes sense and the LTA for transport services will be enhanced. In response to staff request via the OMT survey, a new LTA on event management will be established.

Outcome 5: Finance - Decreased costs in financial management and increased use of national systems

This strategy aims to enhance the use of the same bank by different agencies, to jointly negotiate a reduced rates and exemption from certain charges. UNDP will continue to manage pooled and pass-through funding modality in support of joint programmes.

4. Monitoring & Evaluation

In order to ensure achievement of the results of the United Nations – Republic of Moldova Partnership Framework 2013-2017 in an efficient and cost-effective manner, the Operations Management Team will conduct service and quality assessment surveys on an annual basis. This includes regular reviews of the performance of service providers and of the services themselves in respect of meeting the service requirements and the clients' needs.

This Business Operations Strategy is reviewed by the Operations Management Team towards the end of the year, when the Annual Work Plans are developed. An end of cycle report will be developed in 2017 against the outcomes of the Business Operations Strategy, identifying lessons learned and carry-over for the next programme cycle.

5. Business Operations Results Framework

Business Operations Strategy Outcome 1: Common Procurement			
Lead Agencies	UNDP, UNICEF		
Participating UN Agencies	IOM, ILO, UN Women, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, UNODC, WHO		
Outcome 1	Costs of UN System agencies' procurements are reduced, and the quality of procurements is enhanced		
Outcome Indicators	Baseline (2012 if not otherwise indicated)	Target 2017	Risks and Assumptions
Number of LTAs signed and successfully managed	8 LTAs: 1. printing services 2. purchase of fuel 3. supply of IT equipment 4. supply of office equipment /printers 5. internet connectivity services 6. written translation services 7. Air travel 8. transportation services as well as joint arrangements for express mail services 4 Agencies (UNDP, UNFPA, UN Women and UNICEF) use other LTAs apart from fuel, which is used by all member agencies of OMT	Continuation of 8 existing LTAs and joint arrangements for express mail services 3 additional LTAs: 1. Event management services, 2. insurance services 3. purchase of stationery are approved 6 Agencies use LTAs apart from fuel	<u>Risks:</u> Local market not developed to a wide range of competitive suppliers. Different technical standards for equipment required amongst agencies. Different procedures and thresholds for procurement practices amongst UN Agencies. <u>Assumption:</u> Template solicitation documents are translated in other languages than English given not availability of wide range of services/products to ensure broad competition.
Continuous updating of common rosters (suppliers, contractors, experts)	Rosters are updated annually, though used by several UN Agencies only. Information on negative feedback and evaluation of services shared amongst all UN Agencies	Practice is maintained and rosters made available for all UN Agencies OMT to revise annually any negative experience shared with all UN agencies	Procurement without LTA takes on average 2 months. Procurement with LTA takes on average 2 weeks (UNDP estimate; however time is needed to establish LTA)
Use of UN website for tender announcements	10 UN agencies place their tenders on UN web site (UNDP, UNICEF, FAO, UN Women, UNAIDS, UNFPA, WHO, IOM, UNHCR, OHCHR)	12 UN agencies place their tenders on UN web site	

Awareness of UN staff on inter-agency rosters and Long-Term Agreements	Lack of awareness of UN staff how to access and use inter-agency rosters and Long-Term Agreements	Increased awareness: UN LTAs list and rosters are shared twice a year with all staff via the UN's web platform	
Enhance the practice of contracting individual contractors for services such as translation and interpretation for one year with payment on on-call basis, using unified fee ranges	Agreement between agencies on unified fees for translation and interpretation endorsed by UNCT in 2011	Agreement between agencies on unified fees revised as required and endorsed by UNCT Two years Individual contracts (IC/LTA) with several best translators/ interpreters signed on behalf of UN Agencies and available for use	

Business Operations Strategy Outcome 2: Common Human Resources			
Lead Agencies	UNDP, UNICEF		
Participating UN Agencies	IOM, ILO, UN Women, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, UNODC, WHO		
Outcome 2	The UN System in Moldova has reduced costs associated with human resource management and enhanced quality of recruitment, and performance and motivation of staff		
Outcome Indicators	Baseline	Target 2017	Risks and Assumptions
Harmonised recruitment process	UN web page used by 10 UN agencies (FAO, IOM, OHCHR, UN Women, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO) for placing the vacancy announcements Diversity clause in recruitment ads is used by 7 UN Agencies (IOM, OHCHR, UN Women, UNDP, UNHCR, UNICEF, UNODC) Some agencies use Competency-Based Interviewing	UN web page for recruitment used by 12 resident UN agencies, as well as by at least 1 regionally-based agency Diversity clause in recruitment ads is used by 12 UN agencies Social media such as Facebook used for dissemination of recruitment ads. Best practices and experiences on Competency-Based Interviewing are shared among UN agencies (workshop on CBI for UN agencies organised)	<u>Assumption:</u> Increased cost-effectiveness through common staff trainings, given economies of scale Increased team spirit among UN staff through common trainings
Harmonised Service Contract modality	Service Contract modality implemented jointly by 3 UN Agencies: UNDP, UNFPA and UN Women	Current baseline maintained	

Management of interim surveys for salary, DSA and housing	UNDP manages the surveys in close collaboration and consultation with other UN Agencies	UN Survey task force manages the survey, meets regularly to discuss results and actions required and report to OMT	
Common staff trainings	2 common training organised in 2012 - Common staff trainings are undertaken annually on security - In July 2012, 1 joint training involving over 120 staff was conducted on diversity, to increase participants' knowledge and skills in managing diversity at work place	3 common trainings organised annually - Annual common staff trainings are continued on security (reference to SMT) - Common annual training on Induction/ Introduction to UN system conducted - Joint trainings on specific topics will be organised, example: Joint RBM, M&E, project management training	

Business Operations Strategy Outcome 3: Common ICT			
Lead Agency	UNDP		
Participating UN Agencies	UN Women, UNDP, UNFPA, UNICEF, WHO; and other agencies		
Outcome 3	The UN System in Moldova has enhanced quality of ICT services for users in line with UN end user policies		
Outcome Indicators	Baseline	Target 2017	Risks and Assumptions
Quality of internet services provision for Agencies in UN House	Uptime internet connectivity link approx. 99.9% Response time to issues with internet connectivity by service provider: less than 1 hour	High quality of internet services provision in UN House maintained	<u>Risk</u> : Internet is used to download or stream movies, reducing connection speed for everyone
Cost-efficiency of telephone providers	UN agencies have separate contracts for mobile and landline phones	Common LTA on mobile (and landline) telephone arrangements is in place	Unmanageable workload for un.md maintenance staff
ICT policy and awareness	Limited awareness on good practices of internet use among UN staff	50 % of staff indicates awareness on good practices of internet use (standards of electronic conduct)	<u>Assumption</u> : Wireless internet is used responsibly.

Access of UN staff to wireless internet	Many UN staff lack access to wireless internet in all areas of UN House/Le Roi	Wi-fi passwords of UN House, LeRoi and other key locations are shared systematically and annually among UN agencies	
Common domain and website	High degree of variance among agencies with regards to the use of the common UNCT web space 9 UN Agencies (FAO, IOM, UN Women, UNAIDS, UNDP, UNFPA, UNHCR, UNICEF, WHO) use www.un.md to place news, tender adds, recruitment adds, publications, etc. UNCT web space is used as document repository for OMT work plans, OMT minutes, LTAs, lists and rosters	All agencies use un.md website and UNCT web space on full capacity	

Business Operations Strategy Outcome 4: Logistics and Transport

Lead Agency	UNDP, UNICEF		
Participating UN Agencies	IOM, ILO, UN Women, UNDP, UNFPA, UNHCR, UNICEF, UNODC, WHO		
Outcome 4	The UN System in Moldova has reduced logistics and transport costs		
Outcome Indicators	Baseline	Target 2017	Risks and Assumptions
Managing travel services	UN-based Long-Term Agreement for air travel in place and used by 4 UN agencies (UNDP, UNFPA, UN Women, UNODC)	UN-based Long-Term Agreement for air travel remains in place and is used by 6 UN Agencies (+50%)	<u>Risk</u> : Outsourced drivers do not observe UN security and transportation standards
List of hotels with negotiated UN rates	Preferred hotel rates with UN agencies in Moldova negotiated and in place	Preferred hotel rates agreement maintained and monitored- List of hotels with negotiated UN rates updated on annual basis and made available to all UN Agencies	
Sharing of cars among UN agencies	Car sharing agreement in place on ad-hoc basis, especially for joint endeavours	Written agreement for car-sharing established, clarifying liabilities	

LTA for transport services - mainly for buses and minibuses	1 UN agency uses LTA for transport services / buses and minibuses (UNICEF)	3 UN agencies use LTA for transport services (buses and minibuses):	
LTA for event management	No LTA for event management services in place	LTA for event management services in place	

Business Operations Strategy Outcome 5: Finance			
Lead Agency	UNDP		
Participating UN Agencies	UNDP, UNFPA, UN Women, UNODC and UNICEF		
Outcome 5	Decreased costs in financial management and increased use of national systems		
Outcome Indicators	Baseline	Target 2017	Risks and Assumptions
Use of common banking services	Eximbank used by some agencies Exemption from bank charges for MDL transactions	Increased use of Eximbank by UN agencies Exemption from bank charges for both MDL and USD transactions	<u>Risk</u> : Bank does not approve the request <u>Assumption</u> : Increased number of UN Agencies joining the same bank / Eximbank increases the capacity for the negotiation of rates
Common financial transactions to implementing joint UN programmes and activities	UNDP manages the pooled and pass-through funding modalities for implementation of joint programming, when agreed, based on signed MOU Streamlining transaction costs efficiency and reporting	Recommended for maintenance	
Use of Harmonised Approach to Cash Transfers (HACT) (by UNDP, UNICEF, UNFPA)	No joint capacity development and support on HACT provided to implementing partners No inter-agency audit and assurance plan developed No common arrangements / LTAs for micro-assessment used	Joint capacity development and support on HACT provided to implementing partners developed and implemented. Inter-agency audit and assurance plan developed and approved Common arrangement signed for micro-assessments	

Annex 1: UN Moldova Operations Management Team - Terms of Reference

2012 version

Purpose, Functions and Responsibilities

The Operations Management Team (OMT) works under the overall supervision and guidance of the UN Country Team (UNCT). It provides recommendations to the UNCT on common services and business-related issues and identifies opportunities for collaboration and innovation to increase the efficiency and effectiveness of UN programmatic work under the UN-Moldova Partnership Framework and its Action Plan. Specific tasks include the following:

- Make recommendations to the UNCT on common services procurement and contracting and make recommendations on adjustments to common service agreements, ensuring that large contracts negotiated by the OMT are covered by an Inter-Agency Agreement or Memorandum of Understanding between participating agencies.
- Monitor common services and identify areas where services can be improved and costs reduced. Where necessary, carry out detailed studies on how to implement specific common services.
- Maintain a roster of service providers by different areas of specialties, such as travel, banking and maintenance.
- Prepare a Feasibility Plan or Cost-Benefit Analysis for the establishment of a new common service or the enhancement of an existing common service, if recommended by members of the OMT.

Working Modalities

- The OMT develops and submits an annual OMT work plan to the UNCT. It carries out, either directly or through specially designated task forces, all approved activities in the OMT work plan within the agreed-upon time frames and budget resources.
- The OMT meets on a monthly basis on the third Wednesday of every month. This ensures that issues discussed can flow into the monthly UNCT meetings.
- Standing agenda items for all OMT meetings are the following: (1) Review Minutes and Action items from the prior meeting; and (2) Review OMT Work plan and progress to-date.
- OMT meeting minutes will be circulated in draft form to OMT members for comments and corrections before finalisation. The preparation of the minutes will be the responsibility of the chair and can be delegated to any member of the team.
- The OMT will on a quarterly basis and through its chair report to the UNCT on planning and implementation of the OMT work plan.

Working Principles

- UN policies and procedures, and rules and regulations of the designated Service Manager are adhered to for all contracting, procurement and other activities.

- The OMT ensures that openness and transparency in processes and decision-making are followed, internal control measures are in place, and activities are undertaken with as much participation amongst interested agencies as possible.
- The OMT ensures that the operation of common services takes advantage of economies of scale and that the quality of services is improved or at least the same as existent ones.
- “Common Business Practices - The UN uses cost-effective business processes to avail common services in information and communication technologies, procurement, human resource and financial administration, to support the quality implementation of programmes. The UNPF Results Matrix is the core tool to measure the collective ability of the UN to move forward in progressive support of Moldova’s human rights and development agenda. The UN will work toward alignment to the best extent possible with national and local budget frameworks.” *(paragraph on harmonised business processes from Chapter 6 of the UNPF page 18)*

Membership and Chairmanship

- Membership of the OMT includes the most senior operations / administrative managers of all agencies or their designated alternates and can include any other staff from participating agencies.
- The OMT chair can rotate every year, upon proposal of any OMT member and decision of the UNCT. OMT chairmanship shall be linked to an agency rather than to individuals.
- Existing or potential suppliers, service providers, or technical experts in the industry may be considered for membership in specific task forces.
- For the purpose of easy and efficient communication among OMT members, an e-mail distribution list is maintained: omt@un.md, which includes all OMT members (and their designated alternates), UN RC Officer and UN RC Associate. Any adjustments to the OMT mailing list are done on request and agreement of the OMT Chair.