

9 June 2004

Dear National Team Leaders and Team Members,

It was my pleasure to meet you all at the recent workshop in Skopje and discuss various project matters. As I promised during the meeting, below I would like to provide you with some guiding notes which would be helpful for you in implementing the next phase in the project.

CONTRACTING AND PAYMENT ISSUES

Timing of submitting a request

We should keep in mind that there are many steps involved in the processing of the contract from the moment you submit a request till the moment you sign the contract. Therefore please submit your requests as early as possible, preferably four-three weeks prior to the due date.

Options available for contracting

Contracts with Institutions

Please keep in mind that one of the main project objectives is to provide for institutional strengthening and capacity development in the participating countries. Therefore every country team leader should try to engage the national team through an institution (private company, NGO, governmental entity, research institution). The relevant institution should be involved through a competitive bidding to allow for identification of the best resources available in the country.

Contract with institutions is signed directly between UNOPS and that institution. Payments are done directly to the bank account of the institution. Practical benefits: one contract is signed and one payment done instead of several in the case of individual contracts.

Contracts with Individuals

For those countries where contracting institutions does not appear as a viable option Special Service Agreement (SSA) is signed with the individuals selected and nominated by the Team Leader and endorsed by the Project Manager.

SSAs are signed through the local UNDP Country Office (CO). There is an option to sign a SSA directly with UNOPS but in this case the contract holder should opt for receiving payment directly to his/her bank account and not through UNDP CO in form of check. SSA can be issued for a maximum of 11 consecutive months after which a break of 1 month should be incurred, which can then be followed by other 11 months of contract.

Format of submitting a request for contract

Every request for contract (with institution or individual) should be addressed to the Project Manager and should contain the following mandatory information:

Name of the proposed contractor (institution or individual)

Duration: start date – end date (if based on the work days, total work days)

Recommended remuneration (the amount should be in consistency with the local salary scale applied by UNDP CO and should be agreed with Project Manager)

Terms of Reference (TOR) and CV of the person should be attached (these are required only for the first time, not needed for extensions if TOR do not change)

Atlas Vendor Form should be filled (one time only) for every new contractor (the form can be obtained from the Project Manager or from UNOPS)

Follow up on expected contracts and/or payments

In order to reduce the delay in the processing of contracts and payments the following simple coordination scheme is proposed:

When UNOPS sends out an authorization to the UNDP CO to issue a contract or make payment that authorization will be copied to the Project Management Unit (PMU) and to the Team Leader of the country concerned. The recipient of the contract/payment should use this authorization to contact the UNDP CO focal point to verify when the action will be made on this authorization and make arrangements accordingly. If within 10 working days from the date of the UNOPS authorization no action has been taken by the UNDP CO or if the UNDP CO informs the Recipient of any problem related to the implementation of the UNOPS authorization the Recipient or the Team Leader should inform UNOPS of the existing problem with copy to the PMU. UNOPS will then follow up on the case to resolve the problem.

COST OF USING THE SERVICES OF UNDP COs

As it was discussed during the Skopje meeting, UNDP COs charge a certain fee for the services provided to the project. According to the Corporate Agreement between UNDP and UNOPS these service fees are charged to the same budget line under which the service is requested. For example, if UNDP CO is requested to issue a SSA contract for a local consultant the fee of issuing SSA will be charged to the same budget line from which the SSA for local consultant is financed. I am aware of the countries' concern that this fee should be rather deducted from the Administrative Support Services (AOS) fee received by UNOPS as the Executing Agency of the project, however at least until further notice an agreement is signed between the UNDP Assistant Administrator and Director of Bureau of Management and the UNOPS Deputy Executive Director and Director of Operations in favor of the provision described above.

In response to the request of the countries to have a breakdown of costs charged by UNDP COs, please find below an approximate compilation of CO fees for service applicable for this project:

Country	Country cost category	Issuance of SSA (\$ per SSA)	Payments (\$ per payment)	Ticket purchasing (\$ per ticket)	Travel claim settlement (\$ per settlement)
Albania	Mid-low	13	15	17.5	12.7
Armenia	Low	6	8	10.5	12.7
Azerbaijan	Mid-low	13	15	17.5	12.7
Croatia	Mid-low	13	15	17.5	12.7
Georgia	Mid-low	13	15	17.5	12.7
Macedonia	Mid-low	13	15	17.5	12.7
Moldova	Mid-low	13	15	17.5	12.7
Mongolia	Low	6	8	10.5	12.7
Slovenia					
Tajikistan	Low	6	8	10.5	12.7
Turkmenistan	Low	6	8	10.5	12.7
Uzbekistan	Low	6	8	10.5	12.7

I hope that this information will be useful for the planning your activities and corresponding budgets. I will be happy to provide you with more clarification or consultation on an individual basis should you have any further queries. You can reach me by e-mail at: mahira@unops.org

I am looking forward to a fruitful collaboration with all of you.

Best regards

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