



Change Management Project

Final Report

A Strategy towards *Delivering as One* for the UN in Mozambique

17 December 2012

Abbreviations

DaO	Delivering as One
DOCO	Development Operations Coordinations Office
HACT	Harmonized Approach to Cash Transfer
Eoi	Expression of Interest
FAO	Food and Agriculture Organization
ICT	Information Communication Technology
IP	Implementing Partner
ISP	Internet Service Provider
IT	Information Technology
mUNsa	Mozambique United Nations Staff Association
LTA	Long Term Agreement
OMT	Operations Management Team
PAWG	Procurement and Administration Working Group
PMT	Programme Management Team
RCO	Resident Coordinator's Office
TTCP	Task Team for Common Premises
ToT	Training of Trainers
UN	United Nations
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNTAMUN	Team on AIDS
VoIP	Voice over Internet Protocol
WFP	World Food Programme
WHO	World Health Organization

Table of Contents

Abbreviations	2
Introduction	4
Building a Common ICT Infrastructure and Services	5
Establishing Common Premises	9
Harmonizing Business Practices	12
Background and progress	12
Phase 1 - Procurement.....	12
Phase 2 - Finance.....	15
Phase 3 Human Resources	16
Phase 4 Travel	19
Harmonised Approach to Cash Transfer (HACT)	19
Increasing Capacity	21
Ensuring Staff Inclusion and Welfare	24
Project Funding	26
Financial Expenditures 2008-2011	27

Introduction

In December 2008 the UN Country Team (UNCT) in Mozambique approved the Change Management Plan, a strategy towards “Delivering as One” (DaO) in Mozambique. Mozambique, one of eight pilot DaO countries worldwide, promised to deliver in a more coordinated way at the country level and committed itself to reforms based on five DaO pillars: One Programme, One Leader and Team, One Budget, One Office, and Communicating as One.

The Change Management Plan introduced a two-year strategy to achieve controlled and sustainable organizational change for the execution of the *Delivering as One* agenda, and increased capacity to deliver in the selected areas of comparative advantage. The Plan includes a set of activities organized into the following five areas: *Building Common ICT Infrastructure and Services, Establishing Common Premises, Harmonizing Business Practices, Increasing Capacity, and Ensuring Staff Inclusion, Training and Welfare*. The Change Management Project Final Report provides a summary of the five focus areas and what was achieved.

A Change Management Officer was established at the UNRCO to support the UNCT in carrying out its strategies in the Delivering as One concept. The UN in Mozambique invested in the change process coordination by creating a position for a full time Change Management Officer at P4 level. The position aimed at supporting the reform process by carrying out a project that would finance and coordinate many of the activities of the UN Mozambique in lieu of the UN reform agenda. The Change Management Officer acted as Project Manager of the Change Management Project and Budget Owner of the Change Management Budget. The project manager left in 2010 and handed over the project to the UN operations manager.

The project staffing was limited to a maximum of three team members, the Change Management Officer (June 2008-October 2010), one Coordination Officer (April 2009-December 2010) and one Consultant to support the business process re-engineering process (June 2009-April 2010). The national Coordination Officer was financed by UNV Bonn as contribution to support the UN volunteering aspects in the Delivering as One (DaO) process.

The Change Management Project was initially planned to come to an end in December 2010. Due to need for further coordination enhancement at the country level, the UNCT decided to extend the project until June 2011 to support the programming of the new UN Development Assistance Framework (UNDAF) and for particular communication activities. The project was active until end 2011 until the last outstanding payments and salaries were paid.

Building a Common ICT Infrastructure and Services

Background and progress

Most of the UN agencies in Mozambique were not connected to a synchronized information system and used an isolated telephone system that primarily relies on local service providers and its own hardware installations.

The establishment of a Common UN ICT Infrastructure provided a strategic opportunity to upgrade the then available resources and create a virtual One Office for the UN family in Mozambique, even before the move to common premises. The goal of the Common UN ICT Infrastructure was to deliver on the “DaO” promise of *One Office* from an ICT perspective. The objectives were to reduce ICT-related costs for all agencies, improve the quality of ICT service, improve organizational performance and promote greater system-wide coherence of UN ICT rules and regulations and compliance to corporate Business Continuity Plans.

According to a feasibility study conducted in 2008 by the Change Management team (see table below), the benefits expected from the Common ICT infrastructure were agency cost savings compared to providing comparable services independently. Individual agencies would not have to invest in ICT connectivity hardware beyond the applicable common services fees. Connectivity costs for each agency would be lower as bilateral agreements are replaced by one agreement with the UN in Mozambique. The price structure of an individual upgrade to equivalent services would be dependent on investment in additional assets and bilateral agreements with service providers. In practice this objective was only partially met, because the One UN bandwidth was not sufficient to cover large agencies’ corporate traffic. Large agencies such as UNDP and UNICEF are using the One UN only as backup connection.

Another assumption with the Common ICT project was that by taking the IT infrastructure function off-site, each agency would be taking a step toward outsourcing the non-critical business process, allowing it to focus on its core mission. The reductions in transaction costs are supported by clear projections and financial control through monthly flat rate fees. This benefit was more likely to be met in the scenario of Common Premises. In the current situation, where the Agencies are physically spread around the city, agencies still need their individual IT support staff. In addition, through the Common UN ICT Infrastructure, participating agencies would benefit from greater integration with other agencies through shared services. Finally, for many of the agencies, the new services will provide a much-needed upgrade to a state-of-the-art IT infrastructure and will put all participating agencies in compliance with current UN IT rules and regulations and One UN Business Continuity Plans.

The actual monthly costs per user were US\$27.77 in 2010 and US\$34.46 in 2011 which is basically due to a greater bandwidth demand. The cost per user price includes the maintenance of the Common UN ICT Infrastructure, the internet access, backup internet access and a budget for replacement of assets. The Common ICT group is hosted at UNDP offices for a monthly cost of US\$2,500. This expense is included in the Common UN ICT infrastructure maintenance costs and distributed amongst users.

The initial investment in the project was US\$404,930, of which US\$168,894 went towards the procurement of assets. The contributions of agencies to the Common ICT project for the years 2010-2011 totals to US\$345,072 (US\$145,635 in 2010 and US\$199,437 in 2011).

A Memorandum of Understanding regulates the provision and use of common services between the customer agencies, WFP as Service Agency and UNDP as Payment and Collection Agency. The Memorandum, which formally establishes the relationship between participating agencies sets precedent for future cooperation under the One UN Initiative and has been extensively reviewed by the various agencies' headquarters. The Memorandum has been signed by all agencies and the One UN ICT Infrastructure went live in mid-December 2009.

The One UN ICT includes the following services: Internet, Intranet, Telecommuting (Mobility) Service, Software and Hardware hosting service, Video Conference, Radio Room, IT Solutions Consultancy and Room Facilities.

The 14 participating agencies using the Common ICT services are UNDP, UNIDO, UNICEF, UNDSS, UNV, WFP, WHO, FAO, UNFPA, UNESCO, UNAIDS, UN-Habitat, UN Women and RCO.

Table 1. Estimated cost savings matrix with Common ICT services versus upgrading their systems on an individual basis, according to the feasibility study made in 2008

Agency	Current Expenses	Estimated Expenses	Estimated Savings	Savings Percentage
WFP	\$670,387.20	\$501,531.93	\$168,855.27	25.2 %
UNDP (including RCO, UNDSS, UN-Habitat, OCHA, ILO, UNHCHR, UNIDO, UNV, UNIFEM, UNCDF, UNEP, UNAIDS, UNHCR)	\$451,298.56	\$352,382.80	\$98,915.76	21.9 %
UNICEF	\$745,254.00	\$613,560.07	\$131,693.93	17.7 %
WHO	\$93,240.00	\$75,948.61	\$17,291.39	18.5 %
FAO	\$89,424.00	\$49,359.45	\$40,064.55	44.8 %
UNESCO	\$51,024.00	\$27,769.35	\$23,254.65	45.6 %
UNFPA	\$54,624.00	\$46,282.39	\$8,341.61	15.3 %
Total Current Expenditures per biennium for all UN Agencies:			\$2,155,251.76	
Total Expected Expenditures per biennium for all UN Agencies:			\$1,666,834.59	
Total Expected Savings per biennium for all UN Agencies:			\$488,417.17	
Average Savings Percentage for all UN Agencies:				27.0 %

Achievements 2009-2011

Year	Activity	Status
2008	Establishment of a Common UN ICT Network in line with the ICTWG Implementation Plan and the April 2008 Joint UN Agency - ICT Mission report.	Complete
	Signature of Letter of Agreement which will relegate roles and responsibilities, and dictate reporting requirements during the implementation of the Common UN ICT Infrastructure.	Complete
	Establishment of a Common Emergency Radio Room.	Complete
	Implementation of a Common Assets Management tool.	Complete
2009	Development of an inter-agency cost recovery system for the service provision and maintenance of the Common UN ICT Infrastructure.	Complete
	Design and ratification of an inter-agency Memorandum of Understanding, regulating service provision, roles and responsibilities and cost recovery of the Common UN ICT Infrastructure.	Complete
	Set up of a Common UN Radio Room, and common VHF and HF network.	Complete
2010	Common UN IT Helpdesk functioning	Complete
	One UN Mozambique website	Complete
2011	One UN Mozambique intranet	Complete
	All agencies access to Telecommuting services	Complete
	Hosting and administration of the Common Supplier database, Procurement portal and HR databases	Complete
	Common Assets Management: Stock of critical network equipment Information on common ICT inventory quarterly Assets available for swapping amongst Agencies / joint projects	Complete
	VoIP services for senior Managers Inter-agency telephone directory	Need feasibility study
	Disaster Recovery and Business Continuity Plan based on the Common IT infrastructure	Ongoing

	<p>Emergency Response – Preparedness and response projects Joint Contingency Plans (JCP) with Humanitarian NGOs Stock of ICT equipment suitable and adequate for emergency requirements Global radio frequency plans; document frequency usage</p>	<p>Complete. However stock of ICT equipment not on the expected level</p>
--	--	---



Mozambique's Minister of Science and Technology, Venâncio Massingue, at the launch of the common UN ICT on 15 March

Establishing Common Premises

Background

Establishing a Common Premises would promote a unified presence of the UN at the country level. Additionally, Common Premises would reduce recurring and non-recurring indirect costs in building management, security, transportation, cleaning and general building maintenance. Furthermore, and most importantly, Common Premises would promote closer and more frequent interaction between staff at all levels that can lead to a more unified organizational culture.

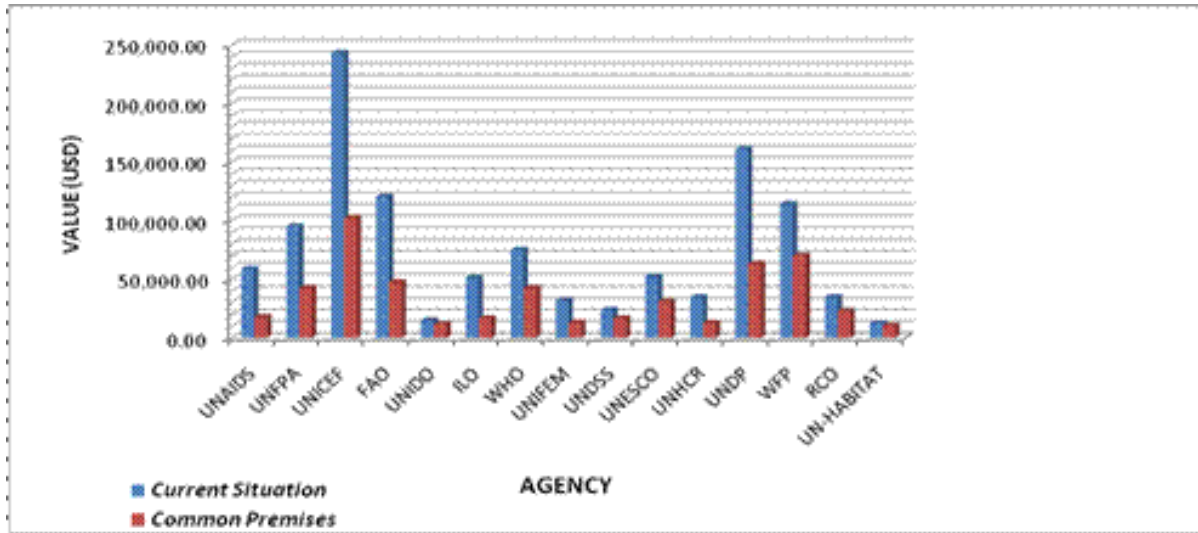
Progress

The Operations Management Team (OMT) identified nine possible plots for Common Premises on the basis of space requirements, location, necessary investments, and security. Of the nine plots, three were recommended by the group and evaluated: Telecomunicacoes de Mozambique, WFP residential compound and Maxaquene (near Mcell and VIP Hotel).

Based upon the three identified options, a local consultant prepared a detailed Common Premises Assessment in cooperation with the OMT. The study included a thorough collection and analysis of data on current and projected staff numbers, space requirements, facility conditions and necessities, current and projected maintenance and operational costs, and the construction of a certified and environmentally friendly green building. The green building-concept considers the following five concepts: Selection of appropriate site and environmentally sustainable site development; efficient use of water resources; efficient energy use and promotion of renewable use of energy; use of sustainable construction materials and promotion of rational use of construction materials; and protection and enhancement of indoor environmental quality.

In addition to various scenario calculations, the assessment includes a comparison between the current recurring costs of 14 agencies and the Resident Coordinator's Office (RCO) in their existing facilities with the projected recurring costs under a cost sharing model for Common Premises. The assessment concluded that the total annual recurring costs are likely to decrease in Common Premises from currently about US\$1.76 Mio. to about US\$1.2 Mio and individual agencies could generate significant savings in annual recurring costs. This calculation includes a projected sharp increase in rental payments (see graph below).

Table 2: Annual recurring costs existing facilities versus common premises



For each of the sites, a detailed UNDSS report was drafted and a list of recommend security measures and related cost estimates created. All three plots suggested by the Government posed challenges for the UN. The first option, Telecomunicacoes de Mozambique does not correspond to the UN security requirements and the parking possibilities were not judged sufficient. This option would have included additionally a construction of parking facility. The WFP residential compound is already used by WFP staff, and its adaptability is low. Maxaquene (near Mcell and VIP Hotel) would have required engineering solutions to improve the soil and geotechnical conditions and increase the cost.

As no new rent-free premises were available and commercially rented premises were in short supply and even if available the current rental costs would be so high that Common Premises would be difficult to justify. As such, the solution would be the construction of new facilities to accommodate the agencies. In several scenarios, the study has shown that there is a significant funding requirement for the capital costs to realize the construction of Common Premises. The assessment estimates the funding requirements for the construction of a green building at about US\$11 Mio.

As per the UN Development Group’s (UNDG) guidelines, the construction of Common Premises is the least preferred option due to the complexity of such project and respective funding requirements. The finalization of the assessment and approval through UNDG of the preferred real estate option depended on available funding and a successful financing plan for common premises. Analyzed options included commercial loans raised by the Municipality, in part contributions through UN head quarters by the Ex-Com Agencies (UNDP, UNICEF, WFP and UNFPA) and a participation of development partners in this project. The Municipality would recover the costs of commercial loans through a long-term rental agreement. The scenarios showed that the success of Common Premises lie in a proportionally high subsidy to the construction costs in order to keep rental charges for the UN in Mozambique at a financially feasible level.

The assessment was forwarded to the UNDG Task Team of Common Premises (TTCP) for a first review. In parallel, the OMT explored additional available sites in Maputo to explore further possible private-

public partnership models. To effectively address the significant funding requirement for Common Premises, the Change Management team supported the OMT in developing an internationally advertised Expression of Interest (EoI) to attract private investors to engage with the UN in a model of Built-Transfer-Operate.

Due to the above mentioned financial unresolved issues, and due changed security situation following attacks on UN common premises in Nigeria and Algeria, the UNCT has decided not to pursue the Common Premises for the time being.

Status

Year	Activity	Status
2008	Final assessment of space requirements, following a review of each agencies projected long term staffing requirements.	Complete
	Clear communication of commitment from Government on their contribution to the establishment of Common Premises including, but not limited to, the final availability of identified land plots.	Complete
2009	Assessment of available options as per DOCO guidelines, including a thorough assessment of the commercial real estate market as well as current and projected commercial developments in Maputo.	Complete
	In depth analysis of available options based on recognized time frames, project complexity, and financing needs for each of the identified alternatives.	Complete
	Security assessment and final recommendations on identified options in communication with UNDSS.	Complete
	Cost-benefit analysis of final three options and final presentation to the UNCT Mozambique.	Complete
2010	As none of the three plot options given by the Government was considered suitable for UN needs, lack of financing options and due security concerns the issue has been put on hold.	

Harmonizing Business Practices

Background and progress

Most UN Agencies experience long and tedious workflows since they operate within a complex framework of corporate regulations and rules, internal control frameworks, and bureaucratic procedures. Therefore, the analysis and possible re-engineering of business processes had the potential to significantly impact the overall operational performance of the UN at the country level.

The harmonization of business processes across agencies introduced opportunities to optimize business processes and therefore reduce transaction costs. The process improvements would be achieved by adopting international standards and replicating best practices, facilitating the sharing of knowledge and resources, enhancing transparency and accountability, engaging stakeholders and raising the trust of the public, and facilitating effective inter-agency coordination.

Business process harmonization is the standardization and realignment of processes across an organization to achieve improvements in efficiency, effectiveness and cost. The harmonization of business processes across the agencies, such as the procurement process was a vital step towards “Delivering as One” and exploring the possibility of implementing a centralized procurement unit.

Below are detailed the five main phases of the business process harmonization work stream. The work started with defining the scope and objective of the project in close cooperation with all relevant functional units. The Change Management team identified the business processes to be mapped and harmonized, and the involvement of relevant stakeholders for the analysis.

Phase	Business Process
1	Procurement
2	Finance (payments and cash transfers)
3	Human Resources
4	Travel

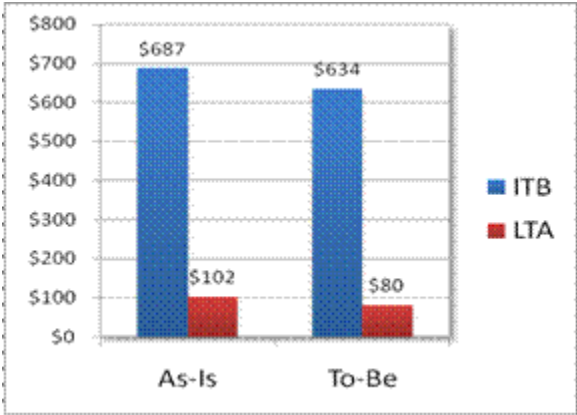
Phase 1 - Procurement

The harmonization of procurement processes can be considered as one of the success stories of Delivering as One in Mozambique. The goal of the first phase of the project, procurement, concluded in August 2009, was to provide the UNCT with an assessment of the current procurement process and to determine the benefit and feasibility of implementing a harmonized procurement process that is common across all agencies. Ten procurement sub-processes were identified to be part of the procurement process. Six of the ten sub-processes presented opportunities for improvement by eliminating process redundancies and non-value adding steps, such as duplicate budget checks and delivery confirmations. By eliminating these extraneous activities through harmonization, agencies could expect to save time and money, and free up resources for other tasks.

The harmonized business process was estimated to save 10-15% on the transaction costs associated with procurement and up to 10% on staff hours, depending on the agency. Furthermore, Long Term

Agreements (LTAs) were determined to be the quickest and least expensive method to procure goods and services. With an LTA, on average, an agency could reduce the transaction costs by over 80%. For example, an individual agency has transaction costs of about US\$687 when carrying out an Invitation to Bid. With the harmonized procurement process, the costs would decrease to about US\$634. With an existing LTA, transaction costs would sink to an average of US\$80 after the implementation of the new procurement process (see graph below).

Costs of an ITB and LTA with current and harmonized procurement process:



The implementation of the new harmonized process has been carried out by an inter-agency Procurement and Administration Working Group (PAWG). Some of the challenges to move to one harmonized procurement process include the provision of additional training to budget owners, the increased use of automation of procurement functions through utilization of enterprise resource planning systems (ERP), and the creation of LTAs for most of the common service sectors.

In addition to the establishment of LTAs, the PAWG has developed the common UN Portal for Procurement, a website publicly promoting UN procurement practices, posting Expression of Interests, procurement requirements (e.g. Invitation to Bids, Request for Quotations, Request for Proposals), contract awards, and contact information. The portal permits a broader coverage, allowing potential suppliers at the provincial level to participate in bidding exercises more actively.

Furthermore, the PAWG concluded a market survey and the establishment of a supplier database. With the support of the consulting firm Deloitte, a market survey was conducted in order to assess the local context and pre-qualify vendors for local procurement of supplies and services. The creation of a common supplier database allows all agencies to access a common pool of proven potential suppliers in an online database.

The implementation of the harmonized procurement process, the establishment of LTAs, the creation of a One UN Procurement Portal, and a common supplier database reduce transaction costs, while sharply increasing the quality of service provision to the programme side.

Achievements 2009-2011

Activity	Status
Procurement portal	
Registration of UN suppliers & service providers (individual and institutions)	Complete
UN Procurement Notices in Mozambique	Complete
Knowledge Center (including intranet function for UN staff): Procuring as One Tips and Tools, Long Term Agreements, posting procurement notices etc.	Complete
Improved implementation and management of common UN Long Term Agreements for use by UN agencies in Mozambique	
UN strategic-essential common services & administrative supplies available through common Long Term Agreements	Complete
Regular visits to UN suppliers/services providers undertaken for capacity assessment or to propose corrective actions to improve quality of services	Complete
Existing LTAs on: AC maintenance, standard printing service, UN Intranet, HACT Macro Assessment, UNDAF Evaluation, stationaries, car rentals, travel, Security Services, Medical Services , HACT Audit LTA, ICT providers roster	Complete
Increased transparency of UN procurement system In Mozambique	
Procurement notices from UN agencies published through the UN Portal for Procurement	Complete
Awarded local institutional contracts/purchase orders (above USD 30,000) published through the UN Portal for Procurement	Complete
Standardization of quality of services, ex. Translators and Interpreters in common database	Complete
Transfer of knowledge to the government in order to support procurement through the government	
Increased use of local procurement	On-going
Assist in building capacity of Government, Partners, and UN Procurement/Admin tools and staff	On-going

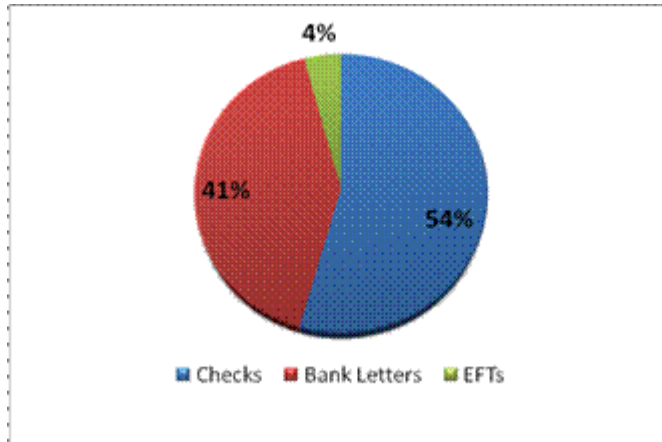
Identify one programme activity in provinces to explore joint procurement opportunities as part of the planning process in the interagency Development Groups.	On-going
Procurement of local institutional service contracts for UN joint projects as support to UN Working Groups and Task Forces improved	Complete
Synchronise UN procurement with national procurement system, explore and create a platform and appropriate conditions for harmonization of both procurement systems.	Initiated
Continue participation in the G19 Donors Procurement working group and work towards a jointly collaboration and cooperation in areas of capacity building.	On-going
Conduct lessons learned on Water and Sanitation programme on how the national procurement system is being used and explore forms of approximation of procurement of other programmatic areas via national procurement system.	Complete

Phase 2 - Finance

The second phase of the project was focused on the payments process. The goal was to identify high-level improvement opportunities to increase operational efficiency of the finance department. The feasibility of better leveraging e-banking solutions was evaluated and introducing more robust performance management.

In detail, the payment process of five agencies was analyzed with the aim to create a harmonized payment process at a level, which allows for different financial administration systems and agency-specific rules and regulations. The analysis showed that there are significant savings and efficiency potentials in increasing the number of electronic funds transfers (EFT) relative to checks and bank letters. In accordance with data provided by the Standard Bank for five representative UN Agencies (UNHCR, WHO, WFP, UNDP, FAO), there was still a very high portion of work-intensive checks and bank letters to process payments (see graph below).

Payment methods of five UN Agencies (Sept.-Oct. 2009):



The average transaction cost to process a check amounts to US\$264.- versus US\$151.- to process an EFT. Hence, there is a significant potential to reduce processing costs while increasing the quality of transactions. The endorsed recommendations of the Change Management team included a commitment to implement EFT as the primary payment vehicle across all agencies, if possible. Furthermore, organizing inter-agency training in cooperation with the Standard Bank for staff on utilizing electronic banking, establishing common service standards regarding payment turnaround times and inquiry resolution, and implementing performance indicators to benchmark and measure progress of payments harmonization.

By 2011 most of the agencies are using EFT as primary method of payment.

Phase 3 Human Resources

The interagency Human Resources Working Group (HRWG) is achieving results in terms of harmonization of HR policies and processes at country level, although human resources is a difficult area to harmonize due to differing policies, regulations and corporate cultures between UN agencies. The constant need to communicate with agency HQs makes the decision making slow and difficult.

Achievements 2009-2011

Activity	Status
HR Database	
Joint Database for Individual Consultants	Complete
Review of all UN international staff members spouses CVs for local career opportunities: all spouses details shared with RW and they are contacted on arrival. If interested included in the roster and opportunities shared with them.	Complete
One UN Interagency Learning Plan	
Regular First aid training	Complete
Regular Driver training	On-going
<p>Induction trainings for new UN employees: the training includes a general introduction to the Delivering as One Initiative and helps staff to understand the main drivers of the UN reform process. This inter-agency training is designed to bring staff of different agencies together to overcome agency-specific cultural barriers and motivate staff to contribute to the UN reform process. The induction trainings have been organized regularly, at least twice per year since 2009.</p> <p>Induction Kit revised and updated in October 2011.</p>	Complete
Counseling Services	
Available to staff dealing with trauma, stress, conflict, harassment or any other situation that requires this type of support. Until now the use of counseling services has been limited to those staff members covered by a medical insurance.	On-going
Harmonization of salary scale and entitlements for local service contracts and consultants	
Salary scale survey done for local service contracts. Salary scale and entitlements standardized across all agencies (UNDP scale used across agencies).	Complete
Harmonization of consultant rates and entitlements: Information from different agencies gathered and consolidated in order to analyze and agree on possible areas of harmonization	On-going
Other	
Staff Exchange Programme in place	Not

	implemented in all agencies
Interagency interview Panel: Panel members trained in Competency Based Interviewing. Panel members requested to assist in interviews for other agencies.	On-going

Phase 4 Travel

Achievements 2009-2011

Activity	Status
LTA with Agencies Blue Sky and Sky Travel for Ticket issuance, Hotel Reservation and Rates, Conference Facilities, Visa Assistance, Car Rental, Shuttle Services and Airport Assistance. Final negotiations with LAM	Complete
Incentive programme with Kenya Airways and LAM	Complete
Car Rental Services LTAs covering 10 provinces Primary and backup arrangements per province and per type of vehicle incl. Flat rates	Complete
Hotel rates negotiated for the UN	Complete

Harmonised Approach to Cash Transfer (HACT)

Harmonised Approach to Cash Transfer (HACT) establishes common forms and procedures for requesting cash and reporting on its utilization. The adoption of the HACT is a step forward in implementing the Rome Declaration on Harmonisation and Paris Declaration on Aid Effectiveness, which call for a closer alignment of development aid with national priorities and needs. The approach allows efforts to focus more on strengthening national capacities for management and accountability, with a view to gradually shift to utilizing national systems. It also helps agencies shape their capacity development interventions and provide support to new aid modalities.

In addition to the Ex-Com agencies, HACT was successfully introduced to WHO, UNESCO, FAO, UN Habitat, UNIDO and UN-Women. With the successful integration of new agencies, the implementation of HACT at the country level increases expectations on the reduction of transaction costs for both implementing partners (IPs) and the UN in terms of cost savings, process time reduction, and work load reduction in the medium and long-term.

When establishing the inter-agency HACT Task Force in March 2009 it was supported by the RCO ensure a successful implementation of HACT in Mozambique. This support was discontinued in beginning of 2011. HACT has since been carried forward by four agencies with the HACT task force catering for the overall coordination. Due to lack of funds to maintain support for training of IPs the expansion of HACT has stalled and not currently optimally used. This does not downplay the achievements and gains made by agencies who are active HACT users.

Achievements 2009-2011

Activity	Status
One UN database for micro-assessments, onsite reviews and audits established	Complete
One UN Assurance Plan developed	Complete
Risk ratings for all IP reviewed	Complete
IP training developed	Complete
HACT introduced to specialized agencies	Complete
UN staff trained on HACT	Complete
Joint onsite reviews	On-going
Harmonization of the IP risk ratings	On-going
Agency specific onsite reviews conducted and results shared and placed in the database	Complete
Develop One UN IP database for Micro-assessments, on-site reviews and audits	Complete

Increasing Capacity

Background

With the objective to increase its capacity in targeted areas, the UN in Mozambique aims to move towards greater coherence in the selected areas of competitive advantage and remain an important partner for the government by increasing its advisory function. To achieve this, high-level organizational capacity is a necessary condition for successful delivery. The UNCT in Mozambique has committed to a deeper understanding and analysis of organizational structure, business methodologies, capacity of individual staff and actual tasks realized.

Progress

In 2008, the consulting firm Dalberg conducted a capacity assessment for the UN in Mozambique based on a review of UN documents, reports, resumes, job descriptions, and stakeholder interviews. While the capacity assessments provided some insight, they did not provide a complete understanding of either its implications for an organization or the true capacity of an organization.

The UNCT reviewed in detail the recommended work plan of the capacity assessment and integrated many of its activities into the Change Management Plan, which was endorsed by the UNCT in December 2008. The Change Management Plan introduces a two-year strategy to achieve controlled and sustainable organizational change for the execution of the *Delivering as One* agenda, and increased capacity to deliver in the selected areas of comparative advantage. The plan incorporates those aspects integral to organizational change while taking into account the complex nature of a change process in the overall UN system, which must consider the disparate mandates of all agencies and stakeholders.

Following-up on the results of the capacity assessment of the UN in Mozambique, the consulting firm Dalberg conducted a health capacity assessment to specifically focus on developing the capacity of the UN to successfully address the particular challenges in health and HIV/AIDS in the future. This included an Overview of current capacities addressing the national health sector and HIV/AIDS challenges, drawing a plan for division of labor among UN agencies in Health and HIV and developing a strategy for the UN to effectively contribute to the achievement of the related MDGs by 2015.

The capacity assessment included the agencies WHO, UNICEF, WFP, UNAIDS and UNFPA. Under the overall coordination of the RCO Change Management team, Dalberg has finalized and distributed its final draft report for review beginning December.

Following the endorsement of the Change Management Plan, the RCO Change Management team analyzed the capacity of all existing inter-agency working groups reporting to the UNCT. This included eleven working groups on the programme and operations side. After reviewing the organizational structure and analyzing all minutes of the previous 12 months, the Change Management team presented a set of recommendations to the UNCT, which were implemented in early 2009. The recommendations aimed at improving the coordination and efficiency of the working groups through

the clarification of reporting lines and a membership revision to empower the individual staff members to speak and decide on behalf of their agency.

In particular, the analysis of functional groups revealed that ensuring greater functional expertise and less agency representation leads to a higher efficiency of the smaller group and less burden for the smaller agencies. The revision of the working groups has led to the elimination of some of the sub-groups, avoiding effects of continuous workload delegation and long reporting lines. The UNCT agreed that individual staff participation in inter-agency working groups is recognized in the annual staff performance appraisal. The UNCT reviews the efficiency and feasibility of all inter-agency working groups on an annual basis during the DaO working group annual reporting and planning exercise.

Based on the capacity assessment the UNCT decided to strengthen the UN planning capacity for the next UNDAF 2012-15 by hiring a consultant to improve quality and coherence of the programming framework. For the first time, the UN Mozambique developed a detailed and an all inclusive UNDAF meaning that all UN agencies included all planned activities within it. The process and plan has proven to be a strong basis for further strengthening UN's collaboration and qualitative delivery of results.

Stakeholder survey

In the context of the UN Reform process, the improvement of UN performance in partnerships is seen as a priority for the future success of the UN in Mozambique. The stakeholder survey assessed the impact of the Delivering as One agenda on the work of relevant staff from Government institutions, donors and, civil society organizations; as well as their perception on the way the UN reform is being implemented in Mozambique in order to allow the UN to gain a better understanding of the needs of information among important priority audiences of the One UN. The survey was conducted by Ernst & Young with the support of the M&E Reference Group in April 2010.

The main objectives:

- Assess stakeholder's perceptions on UN overall current performance
- Assess expectations of the potential impact of Delivering as One agenda on the work of relevant Government institutions, donors, civil society organizations, and other stakeholders.
- Determine how successfully UN is currently contributing to the work of its partners and how this can be improved. It is also an opportunity for the UN to understand and measure perceptions of stakeholders as a baseline in order to provide future comparisons to see if UN reform is having and will have a significant impact.

The next stakeholder survey has been agreed to take place at the end of the UNDAF cycle 2012-2015.

Achievements 2009-2011

Year	Activity	Status
2008	Review of capacity assessment and integration of activities into the Change Management work plan.	Complete
	Review of current vision statement and development of a lasting vision for the UN in Mozambique.	Complete
	Capacity analysis of existing working groups and implementation of an effective coordination mechanism.	Complete
	Restructuring of working groups towards empowerment, accountability and expertise; incorporation of inter-agency activities in TOR and performance appraisal of individual staff members.	Complete
	Delivery of M&E Reference Group annual work plan, including establishment of UN M&E database.	Complete
2009	Definition and implementation of more structured NRA engagement in programmatic strategy and decisions.	Complete
	Analysis of financial data in terms of delivery against target, availability of funding and financial planning, as per the One UN Budget.	On-going
	Provision of training for M&E Reference Group and relevant Programme Officers.	On-going
	Delivering as One assessment by stakeholders including Government, donor community and civil society.	On-going
	Analysis of assessment results and development of strategy incorporating further alignment with Government planning, result orientation, cost efficiency and areas of competitive advantage.	Not started
	Analysis of human resource demands in line with the set strategies, and development of the new UNDAF/One Programme.	Not started

Ensuring Staff Inclusion and Welfare

Background

Organizational change, which will directly or indirectly affect most UN staff in Mozambique, requires that the overall strategy and specific initiatives are both understood and supported by staff. The active and continuous participation of staff across agencies, as well as transparent communication about the new strategy and its impact across function and level, will drive the change process. It is the objective of the UN in Mozambique to achieve a high degree of staff inclusion in the change management process and increased staff welfare.

Progress

The RCO Change Management team, UNCT and UN's staff association (mUNsa) have been continuously engaged in discussion of staff inclusion, training and welfare over the last year. The UN RCO, with the support of the UNCT in Mozambique and mUNsa conducted in 2009 a *Delivering as One* Staff Survey of all UN personnel working in Mozambique. The Staff Survey gathered the opinions from UN staff on the progress, challenges and key staff issues related to *Delivering as One*.

Employee surveys are a very important management tool. They provide valuable insight and understanding of an organization and its workforce. The survey is designed to provide management with data on the *Delivering as One* programmes and general workplace issues that can be used to improve future performance. With this information, management can focus on improving the work environment and ensure alignment of the goals of the organization with those of the staff, which will inevitably drive future performance.

Achievements 2009-11

Year	Activity	Status
2008	Development of a communication strategy that addresses the change process	Complete
	Approval and implementation of a communications strategy that targets the change management process.	Complete
	Rollout of the UN Cares programme.	Complete
	Series of presentations and discussion forums through mUNsa, Senior Management and the Change Management Officer on Delivering as One and concepts of organizational change for staff across function and level.	On-going
	Assembly of a town hall meeting on DaO concept and management of change.	Complete
2009	Design and Implementation of inter-agency Induction Training.	Complete
	Design and implementation of an annual staff survey.	Complete
	Analysis of staff survey results and integration in the change management strategy.	Complete

Project Funding

Source	Total Funded in USD	
	Transferred	Expenditures
Donor		
UN Development Operations Coordination Office (DOCO)	150,000.00	150,000.00
Canadian Agency for International Development (CIDA)	683,581.00	689,044.20
Embassy of Sweden	638,400.02	638,400.02
IFAD	10,000.00	10,000.00
One Fund	540,000.00	540,000.00
Sum	2,021,981.02	2,027,444.22
Total Expenditures 2008		725,721.00
Total Expenditures 2009		424,670.04
Total Expenditures 2010		719,240.93
Total Expenditures 2011		125,084.16
Sum of Total Expenditures 31.12.2011		1,994,716.13
Project Balance 31.12.2011		687.85,

Footnote: Balance of Doco allocation 2008 not included in the final balance

Financial Expenditures 2008-2011

Activity	Description	Expenditures			
		2008	2009	2010	2011
Activity 1 Staffing Office of the Resident Coordinator					
	Staff Costs	200,095.00	221,907.06	251,227.93	75,841.83
	Travel related to UN Reform Process	27,463.00	65,766.61	57,456.12	
	Training and Workshop Participation	12,106.00	1,442.58	60,572.34	
	ICT Hardware		975.48		
	Office Equipment		1,882.56	236.73	
	Other	1,460.00			
Total		241,124.00	291,974.29	369,493.12	75,841.83
Activity 2 Create UN ICT infrastructure					
		404,930.00	-	8,617.01	18,502.11
Total		404,930.00	-	8,617.01	18,502.11
Activity 3 Increase Organization Efficiency					
	Business Practices Consultant		36,047.20	14,700.00	
	Workshop on Harmonization of Protocol	16,394.00	-		
	Procurement Consultancy (UNCT Services Center)	7,493.00	-		
	Common Premises				
	Common Premises Consultant Planning and Proposal Phase		18,975.00	18,975.00	
	Land Lease		16,904.58	-	
	Monitoring and Evaluation				
	Consultant on Analysis and Development of M&E Framework		-		
	Training on Monitoring and Evaluation		-	28,240.00	
	Workshop, Development of Indicators for Areas of Intervention		-		
	HACT Implementation				
	HACT IP Training		8,762.22	28,543.17	
	Communicating Change	27,608.00	45,335.08	23,012.75	30,740.22
	Stakeholder Assessment			19,348.74	
	Drafting of UNDAF 2012-2015				
	Consultant			57,620.00	
	DaO Country led Evaluation			149,846.62	
Total		51,495.00	126,024.08	340,286.28	30,740.22
Activity 4 Ensure Staff Participation					
	Office Retreats	7,707.00	6,671.67		
	Related travel	20,465.00		844.52	
	Staff Training Activities				
	Staff Survey on Organizational Change				
	Stakeholder Assessment Workshop				
	Annual Staff Contest				
	Staff Counselling Services				
Total		28,172.00	6,671.67	844.52	-
Total all		725,721.00	424,670.04	719,240.93	125,084.16
Cumulative total		1,994,716.13			