

MOLDOVA SOCIAL INVESTMENT FUND

ADMINISTRATIVE HANDBOOK

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Acronyms

CBO	Community Based Organizations
GoM	Government of Moldova
EC	Evaluation Committee
ED	Executive Director
EO	Executive Office
LPA	Local Public Administration
MSIF	Moldova Social Investment Fund
NB	National Board
NGO	Non-governmental organizations
RC	Recruitment Committee
RM	Republic of Moldova
TOR	Terms of Reference

Chapter 1 MSIF Administrative Procedures

1.1. MSIF Personnel Policies

1.1.1 MSIF Functional Structure

MSIF National Board

The management of the Fund is ensured by a National Board with 10 members. The National Board is chaired by the Deputy Prime Minister and includes representatives from public institutions, NGOs, donating organizations.

The National Boards main competences are as follows:

- Elaboration of Fund's policies and strategies in accordance with the national policies and strategies regarding poverty eradication;
- Approval of the Operational Manual;
- Approval of the mechanisms of financial sources distribution;
- Approval of the annual budget and annual financial reports;
- Approval of results of audit companies selected on a competitive basis;
- Approval of the MSIF Executive Director selected on a competitive basis

The National Board meetings are held at least once in three months. The extraordinary meetings of the National Board are performed at the initiative of the President of the National Board either at the request from at least two members of the Board. The meetings of the National Board are considered to be deliberative is more then a half of its members are present at the meeting.

Any decision of the National Board is adopted through a simple majority of votes. In case of vote parity, the vote of the President of the National Board is considered to be decisive

MSIF Executive Office

The MSIF Executive Office is responsible for the current activity of the Fund. The main attributives of the Executive Office are as follows:

- Insurance of Fund's objectives and main indicators achievement;
- Organization of a promotion and information campaign regarding the Fund's procedures and activities at national, district and local levels;
- Providing of technical assistance to communities, NGOs, and community-based organizations in micro project/subprojects identification;
- Social and technical appraisal of micro project /subprojects according to the criteria stipulated in the Operational Manual;
- Approval for implementation of micro project/subprojects according to eligibility criteria;
- Providing of technical assistance to communities, NGOs, CBOs in procurement of services, goods and consultations;
- Providing of technical assistance to communities, NGOs, CBOs in supervision of micro projects/subprojects implementation;

- Providing of technical assistance to communities, NGOs, CBOs in insurance of implemented micro projects/subprojects sustainability;
- Training for all the participants to the MSIF Project implementing process (MSIF staff, representatives of the LPAs, NGOs, Implementing Agencies, Users Associations, contractors, technical supervisors) in their capacity development for an efficient implementation of micro projects/subprojects and achievement of immediate and development objectives of the MSIF Project;
- Project's progress monitoring and supervision of the financing process of all approved micro projects/subprojects;
- Elaboration of reports and their presentation according to the destination;
- Analysis of the learnt lessons and positive practices and their dissemination at a national and regional level;
- Creation of partnerships with the organizations, institutions interested in local development;
- Identification of new sources of financing.

The Executive Office is directed by the Executive Director, who has the following prerogatives:

- Ensures the activity of the Fund and is personally responsible for the achievement of project objectives;
- Represents the Fund in its relations with the state and public organizations and with the international organizations;
- Opens bank accounts;
- Administrates the assets and the financial resources of the Fund according to his functions and the National Board's decisions;
- Employs on a competitive basis and dismisses the directors of the departments, consultants and other employees of the fund, determines the job obligations and work programs for them.

The Executive Office consists of 4 departments (see Annex The MSIF organizational structure)

1. Finance and Administration department
2. Community and Social Development department
3. Assistance in Technical Issues department
4. Management Information System, Monitoring and Evaluation department

Attributes of the Finance and Administration Department:

- Elaboration of annual budgets and financial reports;
- Supervision of the Fund's disbursements;
- Keeps financial-accounting evidences and the fund's accountancy according to the national accounting standards and the requirements presented by the donor organizations;
- Prepares the balance and presents the reports according to the requirements of the legislation of Moldova and of the international organizations;
- Completes documents of payment according to requirements and submit them for approval to the Executive Director,

- Performs the necessary payments and disbursements and supervises the financing of the approved micro projects/sub grant applications;
- Supervises the MSIF support staff;
- Organizes the annual appraisal of performances of the MSIF permanent staff.

Attributes of the Community and Social Development Department

- Proposes the Strategy of information, education and communication of the fund and implements the annual work plan according to this strategy;
- Ensures the coherence of the external communication strategy by means of a permanent coordination and interaction with other departments and activities of MSIF;
- Elaborates the training plan for the participants at the MSIF Project implementation and implements the annual work plan;
- Elaborates the terms of references for different consultants in community development, in communication strategy, in social care services development and supervises the fulfillment of these terms;
- Provides technical assistance to communities in the process of identification, appraisal, implementation, monitoring and sustainability insurance of the micro projects/ subprojects;
- Provides technical assistance to the communities that collaborate with the MSIF in the elaboration of strategic plans for socio-economic development and facilitates the process of their monitoring;
- Ensures the social appraisal of all micro project /subprojects ;
- Ensures the supervision of the implementation process of the component Social care services development;
- Ensures the supervision of the implementation of educational programs, which are a component part of the micro projects/subprojects;
- Elaborates and promotes manuals and guides for community participation and contributes to the elaboration of Fund's work procedures on the social and community development component;
- Initiates and organizes competitions between performance communities in community development and participates in the appraisal of results;
- Initiates and develops Fund's partnerships with other organizations;
- Ensures the process of dissemination of positive experience and practices and learnt lessons at a regional and national level.

Attributes of the Assistance in Technical Issues Department:

- Elaborates the micro project/sub grants implementation plan and supervises the process of approved micro projects/sub grants implementation;
- Provides technical assistance to communities in micro project/subprojects identification and estimative budget elaboration;
- Ensures the technical and ecological appraisal of the micro projects/subprojects;
- Assists the communities in the process of participatory appraisal of the technical drawings correspondence to the volume of works included in the micro project proposal/sub grant application;

- Provides technical assistance to the communities in the supervision process of the quality implementation of micro projects/subprojects and in the process of handover of the finalized objects;
- Verifies the accuracy of the payment documents completed by the communities and countersigns them, transmitting them to the accountancy office;
- Promotes and assists the communities in new building technologies implementation;
- Participates in the training process for the representatives of local public administrations, Implementing Agencies and Beneficiaries Associations regarding the problems of energy conservation and space utilization, new building technologies, other community development problems;
- Elaborates the terms of references for consultants in technical, know how problems, environmental problems, technical supervision of micro projects/subprojects etc., and supervises the fulfillment of these terms.

Attributes of the Management Information System, Monitoring and Evaluation Department:

- Develops the informational system for internal management and ensures the internal process of MSIF Project's progress monitoring;
- Provides effective information at any stage of the micro project/subprojects cycle, beginning with their registration till their closure;
- Provides information and elaborates reports at the request of the Ministry of Finance, Ministry of Economy, financing organizations, according to their report requirement;
- Synthesizes the whole activity of the Fund and elaborates annual reports;
- Analyses the learnt lessons and positive practices and elaborates recommendations and strategies regarding the improvement of Fund's activity;
- Realizes the function of monitoring and evaluation of Fund's activities through studies and analyses;
- Furnishes to other departments of the Fund information, analyses and syntheses regarding the activity of the Fund, in order that their could ground their operative decisions;
- Contribute to the elaboration of Fund's appraisal and supervision formularies and other operational documents;
- Maintains the web page of the Fund, permanently updating the information according to Project's progress;
- Ensures the facilitation of supervision of the participatory monitoring and evaluation process in the communities, collects the necessary data and synthesizes them according to the report forms;
- Elaborates the terms of references for the consultants in monitoring and evaluation, in beneficiaries impact assessment and supervises their fulfillment;

The Specialists in Procurement activate under a direct supervision of the Executive Director and is responsible for:

- The elaboration of the annual procurement plan of the Fund basing on the requirements of each department;

- The processing of all procurements at the Fund level;
- The facilitation and technical assistance in procurement procedures for the communities, LPA, NGOs, CBOs collaborating with the MSIF;
- The organization and fulfillment of the training for contractors, technical supervisors in procurement procedures;
- The elaboration of the Procurement handbook for consultants;
- The supervision of procurement contracts signing.

The MSIF Executive Committee will meet on a weekly basis or once in two weeks to make major decisions regarding MSIF's activity and to approve or reject micro project proposals/sub grant applications submitted by the communities. The Executive Committee will use the Operational Manual as a guide in its actions.

The members of the Executive Committee are as follows:

1. the Executive Director,
2. the Director of the Finance and Administration Department,
3. the Director of the Community and Social Development Department,
4. the Director of Assistance in Technical Issues Department,
5. the Director of the Management Information System, Monitoring and Evaluation Department.

1.1.2. Staff recruitment procedures

It is the policy of MSIF to provide equal employment opportunity to all qualified employees and applicants for employment regardless of race, creed, color, age, sex, religion, sexual orientation, marital status, political affiliation, disability, or national origin.

MSIF staff recruitment procedures include the following stages:

- Development of Terms of References describing MSIF basic objectives, the basic requirements, obligations and responsibilities of the specialist. The Director of relevant Department develops the TORs. The Executive Director approves all TORs.
- Announcement in mass media, which includes the information about TOR, the list of documents that must be submitted, the deadline, and the address where the documents can be submitted.
- Creation of the Recruitment Committee, which is responsible for screening and interviewing of the candidates. The RC develops a plan for the interviewing process, which contains the questionnaires and the methods of decision-making.
- Advising of the top candidate and making the proposal to sign the contract. In case that as the result of the interview no candidate was selected, the procedure is repeated.

A person will be considered employed by MSIF only after he/she signs and returns an Employment Contract.

1.1.3. Staff employment terms and procedures

Based on the fact that implementation of the MSIF project is limited to five years, and that human resources are considered as key element for ensuring the successful implementation of the project; and taking into account the principle of seeking maximum cost-effectiveness for the MSIF activities; in order to having more possibilities to benefit from qualified personnel and timely adjustment of the MSIF positions according to the actual needs of the project implementation, the MSIF employment rules are guided by the legislation of the Republic of Moldova, with relevant exemptions as stipulated below:

1. All employment contracts with MSIF are signed for periods not longer than 12 months and can be renewed only based on mutual agreement of the MSIF and the staff member and/or consultant and considering the performance evaluation of the employee conducted by the Evaluation Committee.
2. A three months probation period is established for core staff personnel (and for long term consultants) (hereinafter referred to as “employees”) during which the contract may be terminated by either party upon two weeks advance notice. The probation period is intended to give each new employee the opportunity to demonstrate his/her ability to achieve a satisfactory level of performance and to determine whether the new position meets his/her expectations. MSIF uses this period to evaluate a new employee’s capabilities, work habits, and overall performance or the meeting by the employee of the new position’s expectations. At the end of the probation period the Evaluation Committee will evaluate his/her performance. The successful completion of the probation period will typically lead to a continuation of employment, but will not be necessarily accompanied by an increase in salary.
3. The contract can be terminated during the period of contract by either party in cases of the employee performs unsatisfactory, based on a decision of the EC, or the employee does not carry out the terms of the contract or those of the Labor Code of the Republic of Moldova, or at the employee’s own request.
4. In case of decision to terminate the contract, MSIF provides final payment, which includes two weeks of severance pay, to full time employees and full time local consultants. MSIF provides severance pay in all cases of termination of the contract with exemption of termination of contract in the probation period and in case the employee does not carry out the terms of the contract or those of the Labor Code of the Republic of Moldova.
5. The contract determines the employee compensations. MSIF salary levels are intended to attract qualified personnel and provide them with sufficient incentives

to ensure quality performance and continuing job satisfaction. Compensation is directly related to the responsibility that an employee is willing and able to accept.

6. The standardized or non-standardized duration of working day is established in the contract. In case that the duration of the working day is not standardized, the employee is entitled to 28 calendar days compensatory leave per year, that can be obtained in coordination with Executive Director.

The terms listed below are used to describe the classification of employees so that employees understand their employment status and benefit eligibility. Each MSIF employee will belong to one other employment category:

Core staff personnel are those who are in staff according to MSIF personnel chart and who work not less than 40 hours per week. They are benefiting from the MSIF benefit package, subject to the terms, conditions and limitation of the benefit program.

Long term local consultants are those who sign a long term contract (on the term not more than 12 months) for consultant services with MSIF. They are eligible for MSIF benefit package related to the actual working time and performances.

Short term local consultants are those who are hired as an interim replacements, to temporarily supplement the work force, and who are engaged for specific short-term assignments on MSIF micro- projects. They are not eligible for MSIF staff benefits.

1.1.4. Staff benefits

- Pension policy

According to the Legislation of the RM in force, each employee must transfer 1% of his gross salary into the Pension Fund in order to receive pension during the pension years.

- Sick leave

According to the Legislation of the RM each employee is paid sick leave according to the length of service of the employee:

- under 3 years - 50% from the average daily compensation;
- 3-5 years - 60%
- 5-8 years - 80%
- above 8 years – 100%

The sick leave payment is calculated in the following order:

First, the average monthly compensation to employee based on the last three months gross salary is calculated. When MSIF pays the sick leave to employee for more than one month the monthly sick leave amount must be not more then his/her average monthly compensation.

Second, the average daily compensation dividing the total gross salary for last three months to the number of working days in this period is calculated.

Third, the numbers of sick leave working days are calculated according to the doctor's statement.

Fourth, the sick leave payment is calculated by multiplying the average daily compensation with the number of sick leave working days and with the percentage resulting from the length of service.

- **Provision of basic paid leave**

According to the Legislation of the RM each employee is entitled to basic paid leave. Annual leave will not be earned at a rate exceeding 28 calendar days per year.

The employee's leave is calculated in the following way:

First, the average daily compensation is calculated by dividing the 12 months (for the first employment year 11 months) amount of gross salary with 12(11) months and with 25,4, where 25,4 is the annual average number of working days in the month.

Second, the employee's leave is calculated by multiplying the average daily compensation with the number of leave days (working days plus Saturdays).

1.1.5. Staff travels policy

The employees are reimbursed business trip expenditures on the territory of Republic of Moldova according to the standards adopted by the Ministry of Finance of the Republic of Moldova. The payment is made in Moldovan lei based on the accurate documents and accounts kept by the employee. Business trip expenditures abroad are reimbursed according to the standards adopted by the World Bank. In both case, the following expenditures are reimbursable: (i) travel tickets (car, train, plane at a lower cost than business class tickets); (ii) accommodations; (iii) daily allowance; (iv) phone and fax business communications; (v) photocopying of office papers.

This travel policy is being applied to the consultants in accordance with the contract provisions.

1.1.6. Staff performance evaluation

The performance evaluation of the MSIF employees is the responsibility of the Evaluation Committee, which discuss and document the performance and professional development of the staff. Progress in the previous year, functions and goals for the succeeding year, and suggestions for enhancing the individual's personal and professional development will be discussed and documented.

MSIF personnel will receive his/her performance review during the month of December, as a rule, except employees who are in their probation period. New employees, regardless of his/her employment date, will be put into the annual review cycle as appropriate.

Based on performance, willingness to accept increased responsibilities, acquired skills, and organizational needs, an employee may be promoted. The employee may be awarded a promotion increase in salary in addition to any merit increase that might be awarded in conjunction with a regular performance review.

1.1.7 Inter-office policies and rules

The following order is established in the office:

- The working day starts at 9:00 a.m., and ends at 18:00 p.m. with lunch break of one hour.
- In case that the employee works during the weekend or holidays, he or she receives these days off during the next working week at request and with the coordination of the Director of the relevant Department or Executive Director.
- In case of emergency leave the employee coordinates it with the Director of the Department or with the Executive Director.
- Employees are encouraged to discuss personal and professional problems that may be affecting his/her work and productivity with his/her Director of Department. If the issue is not satisfactory resolved through the process described, the employee is encouraged to discuss the matter with ED.
- MSIF is providing for gender equality in making decisions regarding MSIF activity.
- MSIF employees are responsible for the maintenance of the entrusted goods.
- MSIF maintains an alcohol- free workplace. It is strictly and expressly prohibited for MSIF employees to use alcohol in the workplace, while attending business-related activities, while on call, or while operating a vehicle or equipment owned or leased while employed by MSIF.
- In keeping with MSIF intent to provide a safe and healthful work environment, smoking in the workplace is not permitted.
- MSIF conforms to the following holiday schedule:
 - New Year's Day – January 1
 - Christmas Day- January 7
 - The Women Day- March 8
 - Easter- depend from the religion calendar
 - Commemorate Day- one week after Easter
 - Labor Day- May 1
 - Victory Day- May 9
 - Independence Day- August 27
 - Language day- August 31
- MSIF's back up arrangements are the following:
 - ED is substituted by one of the Directors of Department or a core staff person designated by the ED;
 - Director of Assistance in technical issues Department is substituted by one of the Engineering Consultants from this Department, named by Director of Department and approved by ED;
 - Director of Finance and Administration is substituted by the Chief Accountant;

Director of Management Information System, Monitoring and Evaluation Department is substituted by the staff member on decision of ED;

- Director of Community and Social Development Department is substituted by one of Department's member named by the Director of Department and approved by the ED;
- The members of Departments are substituted by another member named by the Director of the relevant Department.

1.1.8. Staff training and professional growth

Human resources are the main prerequisite of the success of any activity.

MSIF encourages employees to improve and develop their job-related professional skills. To this MSIF will reimburse employees the cost of approved job-related training to improve skills required in the performance of their current position. Job-related training includes, but is not limited to, academically accredited courses, training seminars and language study.

Request by employees for career development assistance must receive the written approval of the ED. Approval is conditional not only on the merits of the proposed program but also on the availability of funds. Staff development activities are for the benefit of the organization and decisions will be made accordingly.

In addition, MSIF offers employees a range of other opportunities for professional development. For example, seminars and workshops conducted by staff, local or foreign consultants, public and governmental agencies on topics relevant to the MSIF program mission.

1.2. Executive Office Work Organization Policy

1.2.1. Rules for EO work organization

- Only the Executive Director and EC are authorized to issue instructions to EO staff. The EO relations with GoM are governed by MSIF Charter and the Legal Agreements. No authority external to EO may invoke any instructions other than those deriving from the MSIF contractual commitments under the Charter and Legal Agreements or legislative or regulatory provisions under the Law of Moldova.
- The EO could not practice any form of discrimination or preferential treatment in its relations with third parties, be they beneficiaries of MSIF, or suppliers of goods or services, or people or institutions involved in any way in MSIF activities or results of those activities.
- Maximum cost-effectiveness in relation to the general objectives of MSIF should always be sought in decision-making at all levels within the EO and in the practical application of its procedures.
- EO staff could not directly, or through an intermediary hold any interest in institutions, or have responsibilities in public or private institutions having relations with MSIF or benefiting from its activity. They may not receive any remuneration, commission or fee of any kind from such institutions.

- MSIF discourages the employment of relatives. MSIF will not permit the employment of a relative in any situation.
- MSIF is required to perform a public service. Its employees are accordingly under obligation to observe confidentiality, impartiality and discipline similar to the requirement of civil servants. Employees may not engage in political propaganda. MSIF employees are expected to observe strict impartiality. They are expected to accord equal treatment to the users of the public services provided by the MSIF.

1.2.2. Office property and logistics

For any item that is part of MSIF property a responsible person is designated. Each such item is given an inventory number, which is registered in inventory number record. Inventory takes place once a year in order to assess and check up the MSIF property. A person performs it or a commission designated by the Executive Director's order. The results of the inventory are recorded in the inventorying statement.

In case that a certain MSIF item fails to operate due to the obsolete depreciation the ED designates a special commission, which completes and signs the out of dates statement.

Logistics is dealing with planning and managing of transportation services required by EO for its day to day activity, arrangement of internal and external delegations of MSIF, delivering and receiving of MSIF correspondence, maintain the office inventory records, supervision of maintenance of technical equipment, cars, office furniture, sanitation and hygiene items.

The procurement specialist makes all purchases that deal with proper office maintenance, with the written consent of the ED.

1.2.3. File keeping

In any undertaking involving a large number of documents a File Management System for identification, filing and keeping trace of all papers is a prerequisite for efficient operation.

The MSIF File Management System (see annex) is designed as a three-level structure in line with the following syntax:

EDO- Executive Director Office files

PRO- Procurement files

MP- Assistance in technical issues Department files

MIS- Management Information System, Monitoring and Evaluation Department files

PCD- Community and Social Development Department files

FA- Finance and Administration Department files

XX- 1-99, identifying type of file

YYY- 1-999, identifying sub- types in the XX- file

ZZ - 1-99, identifying sub- types in the YYY- file.

The syntax applied makes the system open-ended vertically as well as horizontally, i.e. the system can be expanded with new files and sub-files without making any changes in the parts of the system already in operation.

MSIF File Management System is decentralized, which means that each department keeps its own files of the system and is made responsible for maintaining those files and documents in a proper manner.