

**‘Check Against Delivery’
Statement by Jan Mattsson
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to
UNDP/UNFPA Executive Board Annual Session
New York – 10 September 2009**

Mr. President, Distinguished Members of the Executive Board,

The Strategic Plan before you is a landmark for UNOPS, setting a clear course for the organization over the next four years. It identifies where and how UNOPS can best contribute to the operational results of our partners on the ground, helping them implement their peacebuilding, humanitarian and development goals.

The preparation of the plan has only been possible with the strong support of Member States. This process has included a series of six Board informals, as well as consultations with other stakeholders and partners, and UNOPS personnel.

The Strategic Plan is firmly based on a set of values and principles central to UNOPS organizational culture and work ethos. These include:

- Transparency and accountability for results and the cost-effective use of resources.
- Respect for national ownership and capacities.
- Harmonization within the UN and beyond.
- Service to others.

Another key characteristic of the Strategic Plan is the intention to focus UNOPS work where it can contribute the most to the UN delivering as one at the country level. This will be done by:

- 1) Targeting contributions to four recognized high-level goals. These are peace and stability after conflict, early recovery following natural disaster, local economic development and social services, and environmental sustainability. Specific objectives within each goal will provide greater focus. In all these goals, three cross-cutting objectives – gender equality, national capacity development and sustainability – will be included.
- 2) A commitment to United Nations Development Assistance Frameworks and other UN instruments at the country level.
- 3) The targeting of implementation support to five practices – physical infrastructure, public order and security, census and election logistics, environment and climate change, and health.

- 4) Further specialization within each of UNOPS core management practices – project management, procurement, human resource management and financial management.

The focus is essential for two main reasons:

- Firstly, in order to deliver as one within the UN system. To offer UNOPS implementation expertise when needed, supporting, never competing with, the policy mandates of others.
- Secondly, to be able to make investments in people and tools that will ensure UNOPS can provide partners with the best possible management services.

Distinguished delegates, I am pleased that today I can share with you a good example of an important strategic partnership, the MoU signed with UNDP earlier this summer. This agreement indicates areas of UNOPS comparative advantages to be considered by UNDP. It restricts UNOPS role in multi-donor fund management, an area where UNDP is well established. The MoU also outlines the roles of UNDP's Resident Coordinators and Resident Representatives in support of UNOPS activities at country level. A more detailed accountability framework is currently under preparation. I have earlier reported to you on important new agreements with the UN Secretariat, the World Bank and the EC. An agreement with UNFPA is close to finalization.

It is in this context that I am requesting the same authority that this Executive Board has earlier endorsed for UNFPA and UNIFEM, namely to be able to appoint UNOPS representatives upon invitation of countries where this would simplify legal arrangements. It is important to underline that I seek this support from you today because UNOPS wishes to be an effective partner in the United Nations system's effort to deliver as one.

Mr. President, I would like to take this opportunity to provide an update on UNOPS expected financial results in 2009. We have rather anxiously monitored the impact of the global financial crisis on the demand for UNOPS services. So far, there are some indications that partner agencies prefer to handle procurement of common user items, such as vehicles, themselves, presumably due to free capacity among their procurement staff. Otherwise, the impact so far is minor. But we need to continue to monitor the situation and carefully control our costs.

There are still four critical months left of 2009, but indications are that UNOPS will match the record delivery of 2008. However, the treatment of what may be recorded in our financial statement as delivery and associated revenue will change as required by the IPSAS compliant Financial Regulations and Rules approved by the Board.

It is difficult to predict the full impact of IPSAS, but we estimate that as much as \$12-15 million of revenue associated with purchase orders issued in 2009 will instead be recorded in 2010 when physical delivery takes place. While this is a one-time adjustment, it will impact negatively on the net revenue in the 2008-2009 financial statement.

I should also take the opportunity to inform you that UNOPS is making every effort to sort out the many issues outstanding from prior years, whether it be unsettled balances with sister

agencies or liabilities derived from project overruns or disputes with contractors. I have discussed these legacy matters with the Board before and it is essential that they are now resolved.

The financial targets for the next biennium, 2010-2011, will be proposed in connection with the budget submission to the Board in January 2010. This will give us more time to predict an unusually uncertain future.

Distinguished delegates

I am pleased to present the Annual Report on UN Procurement. This is an example of a common service carried out by UNOPS - with much pride - on behalf of the UN system. The report includes statistics of UN procurement in 2008 by category and geographically. I shall not comment much on this, but interesting trends include the continued strong increase in the volume of procurement of both goods and services, up more than one third in 2009 to a new record level of \$13.6 billion. This year's report also includes a focus on sustainable procurement by the UN, a theme pursued in a special sustainable procurement supplement to the report.

In conclusion, let me reiterate UNOPS determination to be a good member of UN Country Teams and an effective and efficient contributor to the UN system. With your continued substantive guidance, encouragement and support, we will work hard in the best spirit of UN coherence.

Indeed, we would like to communicate our new strategy in the following highly condensed form:

Operational excellence for results that matter

Operational excellence is what we pledge to partners, ***results that matter*** reflects the concrete way we contribute to partners success in important areas that affect people in need

This motto, to be used on our website and reports should help communicate the essence of the Strategic Plan.

I look forward to your comments and any questions.

Thank you