

ANNEX 1. METHODOLOGICAL NOTE ON UNOPS RESULTS BASED MANAGEMENT SYSTEM

1. UNOPS has established a results-based management system and deployed supporting performance management tools to ensure accountability and transparency. It is based on experiences of sister agencies¹ as well as private and public sector tools, and adjusted to UNOPS business model and operational reality.

Operational results framework

2. As stated in this strategic plan, UNOPS mission is; *“to expand the capacity of the United Nations system and its partners to implement peacebuilding, humanitarian and development operations that matter for people in need.”*

3. UNOPS sees reporting on its contributions to the operational results of its partners as an important obligation. However, as a service provider without a policy mandate it is challenging to establish a framework for reporting on contributions to the outcomes and impacts of partner’s programmes. The organization has therefore decided to primarily focus its contributions to results at the output level. UNOPS will endeavour to expand its reporting to outcomes and impacts on a selective basis in collaboration with partners.

4. The operational results framework covers UNOPS’ three operational contexts, namely peacebuilding, humanitarian and development. The first step in establishing the UNOPS operational results framework was to identify contribution goals that would guide the organization in determining where UNOPS contributes to the results that partners are seeking to achieve. In accordance with harmonized United Nations Development Group terminology, these goals are “higher order objectives” for which UNOPS serves as only one of many contributors.

5. The UNOPS operational results framework combines a top-down and a bottom-up approach. Top-down relates to the establishment at corporate level of contribution goals and operational outcome objectives. Bottom-up relates to the articulation from operating units of intended outputs and associated indicators. Following a broad consultative process more than 500 output indicators were identified. As UNOPS work is demand driven, fluctuations in the number and type of outputs will occur on a yearly basis. This makes it inappropriate to set operational results targets for UNOPS as a whole.

6. The thirteen operational outcome objectives, of which three are cross-cutting, are not identical in nature to those used in sister agencies’ development results frameworks. They are intended contributions to outcomes organized under the four contribution goals.

7. In practical terms reporting will remain for the most part at output level. UNOPS will report on outcomes when they have been included by partners in their projects. As UNOPS depends on the outcomes and outcome indicators that its partners define such reporting will be incomplete, and somewhat anecdotal. Nonetheless, it should provide tangible evidence of UNOPS contributions and a basis for learning.

Management results framework

¹ A comparison between the RBM approaches of UNDP, UNFPA, UNICEF and UNOPS is available as a UNOPS staff paper.

8. The implementation of UNOPS management results framework is supported by a strategic management tool called the Balanced Scorecard (BSC). The first UNOPS BSC was launched in 2008 and it will be refined for the 2010-2013 Strategic Plan.

9. To achieve the management results of the Strategic Plan, UNOPS has defined seven strategic goals and eleven strategic performance objectives distributed over the four perspectives of the BSC, partners, business processes, people (personnel) and finance.

10. Following the establishment of the strategic performance objectives, performance measures have been developed. Some indicators used within the context of the 2007-2009 Business Strategy remain relevant and will be transferred to the new BSC. Others have been introduced to measure progress towards new priorities. For some indicators the desired level of performance has already been translated into targets while for others, baseline data and further management consideration are required. See Annex 2 for an overview.

11. Target setting at UNOPS should be realistic but challenging. Targets should be achievable, encourage improved performance and motivate staff. Targets that are too difficult could debilitate rather than motivate while those that are too easy could lead to complacency.

12. UNOPS annual target setting is influenced by a combination of factors, including:

- Prior period's performance.
- Environmental scanning, market research, status of business pipelines and operational reserve requirements.
- Exogenous factors thought to have an impact on the performance of a Regional Office or Operations Centre and that are outside of the control of management, such as the impact of the financial crisis or security threats.
- New Executive Board legislation.
- Executive management decisions.

13. The BSC also serves to frame biannual and annual selections of strategic initiatives in the context of the budgeting exercise. In 2008 UNOPS introduced results based budgeting where resources are deployed and reported on in a manner that supports the achievement of management results. The results based budgeting process will be refined to support the implementation of the 2010-2013 Strategic Plan.