



**Executive Board of the  
United Nations Development  
Programme and of the  
United Nations Population Fund**

Distr.: General  
24 July 2009

Original: English

---

**Second regular session 2009**

8 to 11 September 2009, New York

Item 6 of the provisional agenda

**United Nations Office for Project Services**

**United Nations Office for Project Services strategic plan,  
2010-2013\***

**Contributing to the results of partners**

*Summary*

The strategic plan, 2010-2013, of the United Nations Office for Project Services (UNOPS) focuses and articulates the niche and role of the organization as a provider of management services that contribute significantly to United Nations peacebuilding, humanitarian and development operations. Guided by a set of core values and principles, the strategic plan identifies high-level goals to which UNOPS will contribute and anticipates the demand for its services. It sets out to build an organization capable of satisfying partners in its focus areas with management services that meet world-class standards of quality, speed and cost-effectiveness.

*Elements of a decision*

The Executive Board may wish to: (a) take note with appreciation of the consultative process engaged in formulating the strategic plan, 2010-2013; (b) endorse the strategic plan as proposed by the Executive Director; and (c) recommend that the General Assembly and its Economic and Social Committee authorize the Executive Director to sign direct service or host-country agreements with governments and appoint UNOPS representatives.

---

\*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

## Contents

<i>Chapter</i>	<i>Page</i>
I. Introduction .....	4
II. Context .....	5
A. United Nations reform and high-level policy direction.....	5
B. Lessons learned implementing the business strategy, 2007-2009.....	6
III. Strategic direction .....	7
A. Mission and vision statements .....	7
B. Fundamental values and principles .....	7
C. UNOPS business model and role .....	8
D. Evolving demand and opportunities for UNOPS services .....	9
IV. Operational results framework .....	13
A. Introduction.....	13
B. Cross-cutting concerns .....	14
C. Contribution goal 1: Rebuilding peace and stability after conflict.....	155
D. Contribution goal 2: Early recovery of communities affected by natural disasters.....	15
E. Contribution goal 3: Ability of people to develop local economies and access social services.....	16
F. Contribution Goal 4: Enviromental sustainability and adaptation to climate change .....	16
V. Management results framework .....	17
A. Introduction.....	17
B. The partner perspective .....	17
C. The business process perspective.....	19
D. The people perspective.....	19
E. The financial perspective .....	20
VI. Implementation: independent oversight and advice .....	211
A. Introduction.....	211
B. Independent oversight .....	21
C. Independent advice .....	222
Annexes (available on the Executive Board web page)	
1. Methodological note on the UNOPS results-based management system	
2. Management results framework	

“UNOPS plays a critical role in providing management services for our life-saving peacebuilding, humanitarian and development operations. I have seen many examples of how these activities help suffering people in troubled parts of the world. UNOPS is setting countries on course to a more stable future by helping them to build roads, schools and clinics, to remove landmines, to prepare for democratic elections, and much else besides.

“I encourage you to continue deepening your ties with other members of the United Nations family so we can truly ‘deliver as one’. I am also counting on you to continue working well with Governments, non-governmental organizations and partners such as the international financial institutions. The world faces serious challenges, and our Organization must put its best face forward if we are to help the people we exist to serve.”

**Ban Ki-moon**, United Nations Secretary-General

Address at the official opening of UNOPS headquarters in Copenhagen

25 May 2009

## I. Introduction

1. The UNOPS strategic plan, 2010-2013, focuses and articulates the role of the organization as a provider of management services that contribute significantly to United Nations peacebuilding, humanitarian and development operations. The success of UNOPS will be measured by its ability to be a consistently reliable and trusted implementation partner to United Nations organizations, international financial institutions, governments and non-governmental organizations, and ultimately by how it advances the efforts of partners to improve the lives of people in need.
2. Focusing UNOPS activities enables the organization to take optimum advantage of opportunities to complement the mandates and capacities of other United Nations entities. It also permits UNOPS to invest in the management policies, tools and people necessary to perform work at world-class standards. This must be done while ensuring the viability of the organization as a self-financed entity.
3. Guided by a set of core values and principles, the strategic plan identifies high-level goals to which UNOPS will contribute, and the anticipated demand for its services. It is based on the belief that, in many instances, a UNOPS shared-service approach is more beneficial to members of the United Nations family than if each were to create or extend its own operational capacity. It is also premised on demand by governments for support to deal with capacity constraints, and the need to help them develop implementation capacity.
4. The choices identified in the strategic plan take into account the operational constraints of the United Nations system and seek opportunities in that context. The plan is informed by close interaction with UNOPS stakeholders and reflects the policy direction of the United Nations, high-level policy agreements among donors and developing countries, and research on trends in demand and leading practices.
5. In the spirit of United Nations coherence, the plan assumes a UNOPS without political, policy or substantive mandate. UNOPS must avoid overlapping with, or being perceived to duplicate mandates of the United Nations Secretariat, the funds, programmes or specialized agencies. Instead, UNOPS will partner with and complement other members of the United Nations system by contributing its implementation expertise.
6. The strategic plan recognizes UNOPS commitment to operating in a transparent, accountable manner and emphasizes the need to communicate openly and clearly with stakeholders.
7. UNOPS has aligned its strategic planning cycle with partner organizations in the United Nations Development Group (UNDG).
8. The global financial crisis weighs heavily on the strategic plan. As global official development assistance and United Nations funding may shrink, UNOPS must anticipate that United Nations partners may be less inclined to outsource implementation. Nevertheless, as concern for savings grows, the cost efficiency of UNOPS should afford new opportunities. Equally, UNOPS will have to demonstrate its ability to meet new demands created by global issues that affect people living in poverty, such as climate change, pandemics and shortages of food and energy.

## II. Context

### A. United Nations reform and high-level policy direction

9. Several policy documents offer guidance and identify opportunities for UNOPS; the most important are summarized below.

#### *United Nations system coherence and management reforms*

10. UNOPS is committed to helping improve United Nations system coherence and efficiency. At the country level, significant progress has already been made through participation in United Nations country teams and associated instruments such as common country assessments and United Nations Development Assistance Frameworks (UNDAFs). More attention is needed to Regional Teams that provide quality assurance and oversight of development activities at the regional director level. UNOPS will also contribute actively to relevant UN/UNDG-led working groups and other interagency mechanisms that can benefit from UNOPS operational perspectives on policy work.

11. In his report to the General Assembly on accountability, risk management and results-based management, the Secretary-General underscored the efficiency and effectiveness of United Nations operations<sup>1</sup>. As a service provider, UNOPS must promote the efficient use of resources to achieve results while managing risks of different types.

12. The report of the Secretary-General on peacebuilding in the immediate aftermath of conflict<sup>2</sup> defines a framework in which UNOPS can contribute to the United Nations goals of more actively, visibly and expeditiously building stability and demonstrating peace dividends to affected populations. The integrated mission concept and United Nations system coherence – expanded to partnerships with the World Bank, regional development banks and the donor community – are essential in this endeavour.

#### *The triennial comprehensive policy review*

13. The General Assembly created the triennial comprehensive policy review to improve the relevance to development of United Nations operational activities and to increase their effectiveness in support of developing countries.

14. The current triennial comprehensive policy review<sup>3</sup> emphasizes national ownership and the leadership of developing countries. It highlights the significance of a neutral United Nations and recognizes that United Nations reform at the country level must reflect local conditions. It acknowledges the added value of different United Nations development institutions and stresses effectiveness of development results over mere processes. It underscores the importance of the resident coordinator system, United Nations country teams and the UNDAF.

#### *High-level policy agreements*

15. The triennial comprehensive policy review conforms with the outcome of the High Level Forums on Aid Effectiveness held in Paris, in 2005, and Accra, in 2008.

---

<sup>1</sup> A/62/701, 19 February 2008, Accountability framework, enterprise risk management and internal control framework, and results-based management framework. Report of the Secretary-General.

<sup>2</sup> Requested by the Security Council in 2008; available in draft.

<sup>3</sup> A/RES/62/208 dated 14 March 2008.

16. The Paris Declaration<sup>4</sup> presents detailed partnership commitments and indicators of progress, including targets for the principles of national ownership and the use of country systems; alignment; harmonization; managing for results; and mutual accountability. UNOPS incorporated those principles into its business strategy, 2007-2009, and has developed its ability to report on management and operational results. These efforts will be further strengthened in the present strategic plan.

17. The Accra Agenda for Action<sup>5</sup> provides a road map to the 2010 deadline for implementing the Paris Declaration and further concentrates on fragile states. The Accra document and the 10 principles of “good international engagement in fragile states and situations” are of particular relevance to UNOPS peacebuilding and humanitarian work<sup>6</sup>. UNOPS will also be guided by the Sphere minimum standards in disaster response.<sup>7</sup>

## **B. Lessons learned implementing the business strategy, 2007-2009**

18. The UNOPS business strategy, 2007-2009, focused on rebuilding financial viability through improved partner satisfaction, the introduction of world-class business practices and performance, and increased workforce competence and motivation.

19. As reported in UNOPS annual reports for 2007 and 2008<sup>8</sup>, and highlighted in the new management results framework in chapter V, below, much has been achieved. UNOPS is now a more active and effective contributor to United Nations country teams; its financial viability has been demonstrated for three consecutive years; accountability and transparency have improved; risk management, internal controls and oversight have been strengthened; the last biennial audit was unqualified; and there is greater coherence, consistency, collaboration and professionalism throughout the organization.

20. UNOPS has improved its ability to manage for and report on contributions to the results of the United Nations peacebuilding, humanitarian and development work as well as on its management results.

21. In achieving that progress, the organization has applied many ‘lessons learned’. One is that deep cultural change and improved business practices take time and require patience and persistence. Such change entails investment, difficult for any organization – especially a fully self-financed one – and even more so for UNOPS, which has had to cover major liabilities from earlier periods. Probably the most important insight is that, to be more useful, UNOPS must better understand the rapidly evolving environments in which it works, and the needs of its partner organizations, positioning itself accordingly.

---

<sup>4</sup> <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

<sup>5</sup> <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

<sup>6</sup> The basics: take context as the starting point; do no harm. The role of state-building and peacebuilding: focus on state-building as the central objective; prioritize prevention; recognize the links between political, security and development objectives; promote non-discrimination as a basis for inclusive and stable societies; align with local priorities in different ways in different contexts; agree on practical coordination mechanisms between international actors; act fast ... but stay engaged long enough to give success a chance; avoid pockets of exclusion.

<sup>7</sup> <http://www.sphereproject.org/content/view/27/84>

<sup>8</sup> <http://www.unops.org/SiteCollectionDocuments/Annual%20reports%20-%203%20languages/UNOPS-Annual-Report-07-EN.pdf>

<http://www.unops.org/SiteCollectionDocuments/Annual%20reports%20-%206%20languages/Annual-Report-EB-2008-EN.pdf>

### III. Strategic direction

#### A. Mission and vision statements

22. In condensed form, the UNOPS strategic direction could be formulated through statements of mission and vision:

(a) The *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.

(b) The *UNOPS vision* is to always satisfy partners with management services that meet world-class standards of quality, speed and cost-effectiveness.

#### B. Fundamental values and principles

23. The UNOPS value set stems from several core sources. Of paramount importance is the United Nations Charter and associated fundamental, internationally accepted values and principles. These are essential for building an organization deserving of the respect and support of its stakeholders. These values shape the UNOPS culture and guide the behaviour of personnel as they conduct business and adapt to changing environments.

24. Central to UNOPS are its commitments to contribute to United Nations operations and to help deliver concrete results that improve people's lives. The path towards these goals is charted in the Millennium Declaration, which states: "We will spare no effort to make the United Nations a more effective instrument for pursuing all of these priorities: the fight for development for all the peoples of the world; the fight against poverty, ignorance and disease; the fight against injustice; the fight against violence, terror and crime; and the fight against the degradation and destruction of our common home."

25. While but one instrument in the vast United Nations toolbox, UNOPS must effectively advance these worthy ambitions of its Member States. The strategic plan focuses on how best to contribute to Millennium Development Goals and realize the values of the Millennium Declaration.

26. Another source of principles relevant to UNOPS is the Global Compact. It asks companies to embrace, support and enact, within their spheres of influence, a set of core values regarding human rights, labour standards, the environment, and anti-corruption. While the Global Compact specifically addresses the private sector and promotes values intrinsic to all United Nations operations, the approaches it takes to reporting and independently verifying adherence offer inspiration for UNOPS.

27. The emphasis on national ownership and capacity in the General Assembly decision on the triennial comprehensive policy review should make the United Nations development system more effective. Specifically, the triennial comprehensive policy review calls upon the United Nations to coordinate its work at the country level, harmonize its business practices and reduce transaction costs. Those goals afford UNOPS the opportunity to contribute to the operational effectiveness and results of its partners.

28. At the level of individual staff members and other personnel, the proposed United Nations Code of Ethics<sup>9</sup> guides and nurtures independence, loyalty, impartiality, integrity, accountability and respect for human rights.

<sup>9</sup> Issued in draft by the Secretary General on 30 March 2009, for submission to the General Assembly in 2009.

29. Against this background, UNOPS commits to the following core values and principles as the foundation for its organizational culture and operations:

(a) *Accountability for results and the efficient use of resources.* Maximum contribution to results of United Nations development, humanitarian and peacebuilding operations; positive, tangible impact on people's lives; timely, thorough financial and operational results reporting; transparency; demonstrated management effectiveness and efficiency; and unsurpassed ethical standards.

(b) *Respect of national ownership and capacity.* Serving governments, directly or indirectly, through work for the United Nations family, international financial institutions or non-governmental organizations. Developing and complementing, but never displacing, national capacity.

(c) *Harmonization within the United Nations and beyond.* As a system partner, playing by shared basic rules and contributing to the whole.

30. Based on those fundamental principles, common to many partner organizations, the culture of UNOPS and the conduct of its personnel will reflect professionalism and a collective commitment to meeting operational needs on the ground. Hence a fourth UNOPS principle will be:

(d) *Service to others.* Providing services with no agenda other than to contribute implementation expertise towards partners' results.

### **C. UNOPS business model and role**

31. The UNOPS business model is unique within the United Nations system. While many partner organizations have become increasingly dependent on additional resources to supplement assessed or voluntary contributions for their core structures or operations, UNOPS is completely dependent on fees generated. While other parts of the United Nations system have the ability to offer management services in addition to their policy mandates, only UNOPS has the exclusive purpose of providing services. This has far-reaching implications for the positioning and functioning of the organization with its partners.

32. Through the strategic plan, the role and niches of UNOPS within the United Nations family should be well established and widely accepted. Essential elements of this objective include:

(a) *Transparent, accountable management services meeting the highest international standards.* UNOPS partners are assured consistent performance to agreed standards of quality, timeliness and cost, and safeguards against implementation risks.

(b) *External recognition through certification of core management functions, business processes and staff performing those functions.* UNOPS partners and vendors thus enjoy business practices reflecting leading international standards.

(c) *A proven track record of contributions to the operational results of the United Nations in peacebuilding, humanitarian and development operations.* This gives partners information on UNOPS and confidence in its performance.

(d) *Systematically collected and shared knowledge in UNOPS focus areas.* This offers added value to the design and implementation of projects.

33. As part of the United Nations 'delivering as one' effort, UNOPS must avoid any perception of 'mandate creep' or overlap, and will not challenge the role of any United Nations organization in the political or policy areas. UNOPS will offer implementation services that permit others to reduce risks; improve speed, quality or cost-effectiveness, and focus on their policy-oriented mandates and core competencies.

34. Another characteristic of UNOPS appreciated by many partners is its low-key posture as a service provider. While partners may need a public image for fundraising, advocacy or other purposes, UNOPS seeks partners' satisfaction and contributions to their results.

35. UNOPS is unique within the United Nations system; however there are other service providers in the same market<sup>10</sup>. UNOPS will sometimes compete and sometimes collaborate with them. UNOPS looks to the best of private- and public-sector practices in leadership and management. It measures its performance against the best comparable private- and public-sector entities.

36. But UNOPS also differs from private companies. UNOPS is a not-for-profit organization and its margins only manage the financial risks of its portfolio. There is no financial return on investment to 'owners'; UNOPS is motivated to meet the expectations of stakeholders, not shareholders. It differs from private firms by virtue of its membership in the United Nations family, by maintaining a physical presence on the ground during periods of conflict or crisis, and by promoting the ownership and engagement of governments and local communities. UNOPS always adheres to United Nations values and principles.

37. Acceptance by UNOPS of new engagements will depend on their conformity with the values and principles of the organization, alignment with UNOPS focus – including the advancement of Contribution Goals (see chapter III) – and their financial viability.

#### **D. Evolving demand and opportunities for UNOPS services**

38. UNOPS will target opportunities where operational capacities are lacking or where the United Nations would benefit from additional capacity through shared-service approaches<sup>11</sup>. UNOPS will work closely with stakeholders to define and strengthen its role as a shared-service provider to the United Nations system and as a service provider to international financial institutions, governments and non-governmental organizations.

39. UNOPS understands that most United Nations entities have in-house implementation capacity and often claim internal reasons for maintaining such functions. This could apply to highly decentralized organizations with independently operating country offices, as well as to the centralized procurement functions of the United Nations Secretariat, funds and programmes or specialized agencies where in-house capacity is favoured over shared-service opportunities. Similarly, UNOPS recognizes that partner agencies have lead-agency capacity for procurement in certain areas, such as the World Food Programme for food, the United Nations Children's Fund (UNICEF) for vaccines and UNFPA for reproductive health items.

40. It is the responsibility of UNOPS to convince others of the comparative value of its services in selected areas, the potential benefits to the United Nations of specialization, and the economies of scale associated with shared services. For various reasons, this has been difficult in the past. With its strategic plan, UNOPS renews this effort and seeks support from Member States seeking to improve the efficiency of the United Nations.

<sup>10</sup> For example, the International Organization for Migration, the German Organization for Technical Cooperation, Crown Agents.

<sup>11</sup> The terms 'common services' and 'shared services' are sometimes used interchangeably. Shared services differ from common services in that they are not jointly managed by the participating organizations. Instead they are managed by an individual organization, which sells such services to other interested organizations. The purpose is to:

- (a) efficiently support the delivery of the country based programme activities;
- (b) facilitate cost savings and avoid cost for United Nations organizations;
- (c) reduce transaction costs for governments, partners and subcontractors; and
- (d) increase harmonization and coherence between the different United Nations entities and between the United Nations system and the external environment.

*Administrative Management of the Resident Coordinator System – Guidelines for the Resident Coordinator System*  
[http://www.undg.org/archive\\_docs/3594-ACC\\_Guidelines\\_on\\_Administrative\\_Management\\_of\\_the\\_RC\\_System.pdf](http://www.undg.org/archive_docs/3594-ACC_Guidelines_on_Administrative_Management_of_the_RC_System.pdf)

41. Each of the three operational contexts – peacebuilding, humanitarian and development – offers distinct challenges and opportunities. UNOPS operational niches in these areas will derive from strong partnerships with key players.

42. In the *peacebuilding* arena, UNOPS is poised to expand its successful support to mine action in partnership with the United Nations Mine Action Service (UNMAS) of the United Nations Department of Peacekeeping Operations (DPKO) into: public order and security; United Nations mission needs relating to infrastructure and engineering; speedy recruitment of critical mission personnel; and election support. The framework for such collaboration is reflected in a 2008 memorandum of understanding with the United Nations Controller. Two agreements signed with the World Bank in 2008 present a platform for expanding post-conflict work. UNOPS should participate in post-conflict needs assessment missions as an implementation expert in physical infrastructure, public order and security, and election logistics.

43. On the humanitarian front UNOPS will supplement existing organizational capacities within and beyond the United Nations. UNOPS will not focus on emergency relief (with the possible exceptions of related procurement and infrastructure work), but on early recovery, concentrating on infrastructure reconstruction and income generation. UNOPS should join post-disaster needs assessment missions as the physical infrastructure expert and participate in high-level United Nations coordination as well as humanitarian clusters.

44. Change is expected in the development area, with stronger leadership of resident coordinators at the country level and increased channelling of resources directly to governments. There is evidence of increased demand by those governments for UNOPS services, and this trend is expected to continue. UNOPS will accept engagements when they conform to UNDAFs, are supported by the resident coordinator, and are in line with its own focus.

45. UNOPS organizes itself around partner demand for management and implementation support services. Each service will be coordinated by a ‘global practice leader’, who will mobilize personnel throughout the organization to ensure quality of service and knowledge-sharing. This focus on selected practices will enable UNOPS to make the necessary investments for performance at world-class standards.

#### *Management practices*

46. The four UNOPS management practices are project management, procurement, human resources, and financial management. These are long-term fixtures of UNOPS that will remain in place for the duration of the strategic plan. However, they will adapt to evolving demands such as for national capacity development, and in response to improved international standards.

47. *Project management.* UNOPS can manage small or large-scale, complex operations in peacebuilding, humanitarian and development environments. Opportunities include:

- (a) time-sensitive ‘peace dividends’ projects in post conflict environments;
- (b) early recovery of communities affected by natural disasters;
- (c) gaps in national implementation capacity in low and middle-income countries; and
- (d) support to development of national implementation capacity.

48. *Procurement* supports project management with critical inputs and offers direct procurement services to partners. Procurement of goods and services has increased significantly and should continue to rise with the trend towards direct budgetary support coupled with greater emphasis on transparency and accountability. Opportunities include:

- (a) procurement of common-user items, such as vehicles, and security, communication and office equipment, typically through e-procurement on the United Nations WebBuy platform;
- (b) procurement of election, health/medical, and water supply and sanitation goods;
- (c) procurement of infrastructure-related services;
- (d) hosting of the United Nations procurement portal, the Global Marketplace;
- (e) public procurement for governments with capacity constraints (including the ability of UNOPS to work within the procurement rules and procedures of partners, and to assist with distinct elements of procurement processes);
- (f) leadership in sustainable (green) procurement; and
- (g) support to development of national implementation capacity.

49. *Human resources* support project management with critical inputs and provide direct services to partners. Direct services could potentially expand as shared-services for the United Nations family. Opportunities include:

- (a) rapid deployment in conflict and emergency response, typically with the help of pre-approved rosters and standby agreements;
- (b) recruitment and administration of office and project staff; and
- (c) engagement and administration of other personnel, such as individual contractors.

50. The *financial management* practice has experienced shifts in demand in line with donor desire to pool resources and increased direct budgetary support. When performing fund management services UNOPS, respects the leading role of UNDP in administration of multi-donor trust-funds on behalf of UNDG. To date this has not been an issue, and UNOPS will ensure that remains the case. There are nonetheless situations where UNOPS may be asked to:

- (a) administer multi-donor trust funds when not in competition with UNDP or specialized United Nations agencies;
- (b) supervise and/or support administration of donor grants or loans implemented by national authorities or international organizations;
- (c) carry out capacity assessments of implementing partners;
- (d) ensure timely, transparent fund disbursements; and
- (e) support the development of national implementation capacity.

#### *Implementation support practices*

51. Implementation support practices are thematic, sectoral or programmatic in nature. The very term indicates UNOPS role: offering implementation services to partners who have political, policy or substantive mandates. Implementation support practices are demand-driven and therefore subject to change. Some new practices may arise during the period of the strategic plan and demand for others may decline. UNOPS will review the suitability of its practices annually.

52. The strategic plan will commence with five implementation support practices: physical infrastructure; public order and security; census and elections; the environment; and health.

53. *Physical infrastructure* is the largest implementation support practice of UNOPS and where it has 'lead agency' status in the United Nations system. Strong partnership potential exists within the United Nations (such as with the UNDPKO Department of Field Support, the Department of Management, the Office for the Coordination of Humanitarian Affairs, UNDP, UNFPA, UNICEF and UN-Habitat) and with selected international financial institutions and governments. Opportunities include:

- (a) participating effectively, as the UN physical infrastructure expert, in post-conflict and post-disaster damage- and needs-assessment missions and clusters;
- (b) designing and constructing, including related local capacity development, of buildings; rural roads and bridges; irrigation and water/sanitation systems, and energy plants;
- (c) managing or supporting infrastructure and engineering works for United Nations missions and compounds;
- (d) establishing sustainable maintenance mechanisms for infrastructure investments; and
- (e) leading in sustainable (green) infrastructure.

54. *Public order and security* will form a new practice as of 2010, expanding the mine action practice to include areas in which UNOPS has experience and where increased demand is expected through partnerships with DPKO, UNDP, the United Nations Office on Drugs and Crime, the World Bank and governments. Opportunities include:

- (a) security sector reform
- (b) public order and justice facilities such as police stations, prisons, courthouses and border crossings;
- (c) procuring goods, such as vehicles and communication equipment;
- (d) humanitarian mine action and removal of unexploded ordnance;
- (e) disarmament, demobilization, and reintegration of ex-combatants;
- (f) return, reintegration, and recovery of internally displaced people; and
- (g) related development of national implementation capacity.

55. *Census and elections* is an existing practice with further potential for close partnerships especially with the Electoral Assistance Division of the Department of Political Affairs, UNDP and UNFPA. While UNOPS has experience in a complete range of election services, in the future it intends to focus on the following opportunities:

- (a) procuring goods, such as voting booths and ballot boxes;
- (b) handling logistics;
- (c) recruiting and administering support personnel;
- (d) supporting infrastructure, such as polling stations;
- (e) supporting electoral observer missions; and
- (f) related development of national implementation capacity.

56. The *environment* is a support practice with a partner-facing role, especially through partnerships with the United Nations Environment Programme (UNEP) and UNDP, and through them the Global Environment Facility. It also has an internal role supporting the UNOPS aspiration to lead in sustainable (green) procurement and infrastructure, and to advise other practices on environmental considerations. Opportunities include:

- (a) managing or providing critical inputs to country, regional and global projects to mitigate climate change;
- (b) rehabilitating environments in post-crisis settings;
- (c) implementing international waters, biodiversity, protected areas and land management initiatives;
- (d) managing small grants; and
- (e) related development of national implementation capacity.

57. *Health* is a practice that has grown in importance for UNOPS over the past three years. Expanded partnership potential exists with UNDP, UNICEF, UNFPA, the World Health Organization, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank and governments. Opportunities include:

- (a) procuring pharmaceuticals, medical equipment and ambulances;
- (b) partnering with global supply-chain management providers and designing service packages readily available to governments;
- (c) constructing hospitals, clinics, laboratories and warehousing facilities;
- (d) providing fund management support; and
- (e) related development of national implementation capacity.

#### *Interaction among practices*

58. Synergies exist between management practices and implementation support practices. The most important of these are reflected in the table below. Any additional implementation services (outside the five implementation support practices) will be limited in scope to the most critical partner demand, and accepted only if within UNOPS management practice areas and supporting one of its contribution goals. As demand increases, some work not initially within the focus areas may graduate to implementation support practice status.

	<b>Project management</b>	<b>Procurement</b>	<b>Human resources administration</b>	<b>Financial management</b>
<b>Infrastructure</b>	X	X	X	
<b>Public order and security</b>	X	X	X	
<b>Census and election</b>		X	X	
<b>Environment</b>	X	X	X	X
<b>Health</b>		X	X	X

## **IV. Operational results framework**

### **A. Introduction**

59. Managing for and reporting on operational results<sup>12</sup> confront United Nations organizations with common methodological challenges. For UNOPS, the added complication is that as a service provider it contributes operational results to the credit of its partners. This has encouraged a decision to report UNOPS contributions to results at the output level. However, as project outcomes and their impact on the livelihoods of people and communities are more telling, UNOPS will, in collaboration with its partners, measure and report such contributions to the extent possible (see annex 1, methodological note).

60. During 2007-2009, UNOPS organized its contributions under nine core sectors in support of peacebuilding, humanitarian assistance and development. Those sectors reflected the United Nations peacebuilding inventory concluded in 2006; requirements for humanitarian assistance following natural disasters; and the Millennium Development Goals.

<sup>12</sup> Normally referred to as 'development results'; UNOPS is using the broader term 'operational results' to reflect also peacebuilding and humanitarian results.

61. During 2010-2013, four high-level goals will define the work of UNOPS. They are labelled 'contribution goals' since UNOPS contributes to the work and results of its partners. The goals match UNOPS core competencies with demand and opportunities for its services. Contributions will be recorded in the operational results framework, as indicated below.

## **B. Cross-cutting concerns**

62. There are methodological challenges to managing for and reporting on mainstreamed or cross-cutting outcome objectives, such as the three targeted by UNOPS – gender, capacity development and the environment. Addressing these will require special attention and close collaboration with partners. They cover all four contribution goals and their respective progress will to the extent possible be measured for each goal.

63. *Gender equality and the empowerment of women* are keys to development as well as worthy, rights-based goals on their own. They are the focus of Millennium Development Goal 3; they affect other goals; and they are essential to peacebuilding and humanitarian relief and recovery. UNOPS emphasizes gender equality and the empowerment of women in its efforts and will measure and report on its contributions accordingly. Such efforts will benefit from the relevant policy capacity of partners.

64. *National capacity development* is a central objective of the operational activities of the United Nations system. UNOPS complements the efforts of United Nations partners towards this goal by providing relevant services and sharing its knowledge and experience<sup>13</sup>. UNOPS focuses on excellence in implementation, an area of high demand and often low national capacity, especially in fragile states. The organization has extensive operational expertise and is well positioned to help develop the implementation capacities of national counterparts. UNOPS will focus on project management, procurement, and financial management, including infrastructure design and construction as well as maintenance capacity to safeguard investments. UNOPS will measure and report on its contributions to national capacity development together with its partners. It will be guided in this role by UNDP documentation and other sources of leading practice.

65. Governments increasingly request UNOPS support to supplement their own capacities, and UNOPS service offerings must be sensitive to short- and longer-term requirements and implications. When appropriate, UNOPS will move from managing full projects or complete procurement processes, and concentrate instead on temporarily filling critical gaps in national implementation capacity which could delay or otherwise endanger critical national initiatives.

66. *Environmental sustainability* is of global concern, and people living in poverty are likely to bear the brunt of environmental and other hazards, including the depletion of natural resources and the effects of climate change. While environmental sustainability is the focus of Millennium Development Goal 7, it affects several of the other goals. UNOPS will target environmental sustainability and climate change as a contribution goal, and will mainstream sustainable procurement and sustainable infrastructure across all contribution goals and practices.

---

<sup>13</sup> General Assembly resolutions 59/250, paragraph 22(f) and 62/208, paragraph 36, World Summit outcome document (September 2005), UNDG position statement (October 2006), and Executive Board decision 2005/36 provide the foundation for UNOPS engagement in national capacity development.

## C. Contribution goal 1: Rebuilding peace and stability after conflict

67. Contribution goal 1 supports the creation of conditions that foster sustained peace and development in post-conflict situations and fragile states. It will be measured against six operational outcome objectives, three of which deal with cross-cutting concerns.

### 1. Rebuilding peace and stability after conflict

*Contribute to:*

- 1.1. Security and public order
- 1.2. Justice and reconciliation
- 1.3. Rehabilitation and reconstruction of post-conflict areas
- 1.4. Gender equality and the empowerment of women
- 1.5. Enhanced national capacity
- 1.6. Environmental sustainability

68. UNOPS services in support of this goal involve the rehabilitation and reconstruction of conflict-affected areas, with special priority on time-sensitive projects that demonstrate peace dividends to affected populations. They include the reintegration of internally displaced persons, returnees and refugees; removal of mines and unexploded ordnance; disarmament, demobilization and reintegration of ex-combatants; civilian police, justice, and local governance, requiring construction of police stations, courthouses, prisons and other government buildings; schools and health-facilities; and related capacity development. Support to elections is often essential to restoring peace after conflict. The management of public works, such as water supply and sanitation, power plants, irrigation systems and transportation, present opportunities. Care will be taken to ensure that design, implementation and maintenance capacities are enhanced in public works departments and other local institutions.

69. To facilitate an appropriate response, UNOPS must build trust with partners in the United Nations system, the World Bank and governments. UNOPS will seek to participate in post-conflict needs assessment missions as the expert on physical infrastructure, public order and security, and election logistics.

70. Special attention will go to environmental issues related to physical infrastructure, and UNOPS will emphasize gender equality and the empowerment of women in post-conflict settings.

## D. Contribution goal 2: Early recovery of communities affected by natural disasters

71. Contribution goal 2 focuses on early recovery, which follows the relief phase and sets the stage for rehabilitation, ideally with the objective of 'building back better'. It will be measured against four operational outcome objectives (see table below).

### 2. Early recovery of communities affected by natural disasters

*Contribute to:*

- 2.1. Rehabilitation and reconstruction of affected areas
- 2.2. Gender equality and empowerment of women
- 2.3. Enhanced national implementation capacity
- 2.4. Environmental sustainability

72. UNOPS will target services to support infrastructure damage assessments, followed by rehabilitation and reconstruction of affected areas. This could include shelters and housing, roads and bridges, schools and health facilities, water supply and sanitation systems, and government buildings. Special efforts will be made to stimulate local employment and capacity development. Labour-intensive works, job training, support to local contractors and credit schemes will help restart local economies. Dealing with environmental consequences, in collaboration with UNEP, represents another opportunity. In all of this, gender equality issues are fundamental.

73. To facilitate such contributions, UNOPS will participate in post-disaster needs assessment missions and humanitarian clusters as the physical infrastructure expert of the United Nations, and in high-level coordination (IASC). Partnerships within the UN systems will be essential in establishing UNOPS role in disaster response.

### **E. Contribution goal 3: Ability of people to develop local economies and obtain social services**

74. Contribution goal 3 supports six of the eight Millennium Development Goals: eradication of extreme poverty and hunger; achievement of universal primary education; promotion of gender equality and empowerment of women; reduction of child mortality; improvement of maternal health; and combating HIV/AIDS, malaria and other diseases. It will be measured against six operational outcome objectives.

#### **3. Contribute to the ability of people to develop local economies and obtain social services**

*Contribute to:*

- 3.1. Local economic development
- 3.2. Universal primary education
- 3.3. Improved health care
- 3.4. Gender equality and empowerment of women
- 3.5. Enhanced national capacity
- 3.6. Environmental sustainability

75. The UNOPS contribution will focus on economic development and social services at the local level. These would typically include physical infrastructure, such as rural access roads, schools, clinics and local government buildings, income generation and procurement of health-related goods. All three cross-cutting issues are of fundamental importance to this goal.

### **F. Contribution goal 4: Environmental sustainability and adaptation to climate change**

76. Contribution goal 4 supports Millennium Development Goal 7: Ensure environmental sustainability. It will be measured against four operational outcome objectives.

#### **4. Contribute to environmental sustainability and adaptation to climate change**

*Contribute to:*

- 4.1. Environmental sustainability

- 4.2. Adaption to climate change
- 4.3. Gender equality and empowerment of women
- 4.4. Enhanced national capacity

77. UNOPS will offer services that help implement climate change adaption activities, address the environmental consequences of natural disaster or conflict, protect bio-diversity, international waters and vulnerable areas, implement sustainable energy solutions, and support small grants aimed at non-governmental and community-based organizations. In doing so, special attention will be paid to gender and to strengthening national implementation capacities.

## V. Management results framework

### A. Introduction

78. The strategic direction outlined in chapter III includes a vision for UNOPS as a reliable, trusted implementation partner with world-class quality performance. The management results framework will help UNOPS implement this vision by 2013. It maps goals and strategic performance objectives. Balanced scorecards with key performance indicators will drive action and measure performance for UNOPS at all levels of the organization. They will link to target agreements with individual managers and staff.

### B. The partner perspective

79. UNOPS stakeholders, including Member States and partners, demand the best, and UNOPS must meet or exceed expectations in a responsive, reliable and innovative manner. UNOPS will emphasize high-quality service in its focus areas. Three strategic goals and five strategic performance objectives have been identified to achieve this.

#### 1. Partners

##### 1.1 Enhanced accountability and transparency

- 1.1.1. Deliver services that meet or exceed expectations
- 1.1.2. Improve communications

##### 1.2. UNOPS becomes a choice service provider

- 1.2.1. Build strong strategic partnerships
- 1.2.2. Lead in physical infrastructure and procurement

##### 1.3. Enhanced ability to serve governments

- 1.3.1. Enhance national implementation capacities

#### *Goal 1.1. Enhanced accountability and transparency*

80. Partner perceptions of UNOPS improved dramatically in 2007 and 2008. Priorities for the strategic plan include perfecting the timeliness and quality of results and financial reporting. This requires investments in tools, such as in the reporting platform, and in people.

81. UNOPS communications have progressed demonstrably with, among other steps, the introduction of a new public website and a new logo. The organization must ensure that it continues to enhance its ability to deliver clear, accurate communication materials. In particular, UNOPS will need to communicate clearly its strategic plan, its unwavering commitment to the United Nations, and its focus areas.

82. While UNOPS does not have a policy agenda, as a public organization with a commitment to transparency and accountability it must strive to make information about its activities available to Member States and the general public. It must also develop a coherent message about its values, purpose and results, communicating a compelling case for UNOPS as a prospective partner and a good place to work.

*Goal 1.2. UNOPS becomes a choice service provider*

83. Long-term partnerships benefit both UNOPS and its partners. New agreements signed in 2008 with the United Nations Secretariat, the European Commission (financial and administrative agreement); and the World Bank (financial management framework agreement and fiduciary principles accord) provide a foundation for stronger partnerships. Additional agreements with UNICEF, UNFPA, and regional development banks will be prioritized.

84. In June 2009, UNOPS concluded a new strategic partnership with its main partner, UNDP. The agreement clearly delineates the respective work of each organization, while embracing the potential for working together when such collaboration demonstrates value for both organizations and for the delivery of results. The agreement is based, among other things, on the changed governance arrangements for UNOPS effected by Executive Board decision 2008/35. It addresses operational matters, providing for reciprocity and mutual accountability when UNOPS provides implementation services for UNDP programmes, projects and activities, and clarifies the role of the United Nations resident coordinator/UNDP resident representative as UNOPS representative at the country level.

85. UNOPS will strengthen its contribution to the United Nations and enhance its participation in and contributions to the High-level Committee on Management, UNDG, United Nations regional and country teams, and UNDAF processes on the ground, by offering implementation support as a shared-service provider. The objective of firmly establishing UNOPS as a choice service provider requires consistent, responsive client relationship management at all levels, facilitated through policies, tools and training; networking with high-level committee partners, and, above all, good performance.

*Goal 1.3. Enhanced ability to serve governments*

86. With the rising demand of governments for services, UNOPS will have to be attentive to expectations for service quality, timeliness and cost. Relevant implementation policies and tools will be strengthened and personnel will be trained to support this.

87. UNOPS will work closely with United Nations partners, particularly UNDP, as well as with Member States, to define its contributions to national capacity development, with a focus on implementation capacity and infrastructure, including maintenance to safeguard investments.

88. Especially in fragile states – but also in least developed and low-income countries, and occasionally in middle-income countries – UNOPS will be asked to temporarily fill national capacity gaps by offering direct implementation services in its focus areas. In doing so it must increasingly assume responsibility for partial processes and work within country systems.

89. With the increase in demand directly from governments for UNOPS services, the organization will need to establish a comprehensive accountability framework vis-à-vis governments by concluding agreements to cover its personnel, assets and activities. In those limited locations where UNOPS has established a regional or country presence, relations with governments would be facilitated by having a senior UNOPS staff member designated as UNOPS representatives to the governments concerned. Such arrangements would be similar to those granted by the General Assembly to UNFPA, the United Nations Development Fund for Women, and the United Nations High Commissioner for Human Rights. Notwithstanding such direct arrangements with governments, continued use of the United Nations resident

coordinator/UNDP resident representative as the UNOPS representative would remain the norm. UNOPS will apply the most relevant, cost-effective solution on a country-by-country basis.

### **C. The business process perspective**

90. UNOPS services should equal or surpass those of any other provider in its focus areas. One strategic goal and one strategic performance objectives have been identified for the 2010-2013 period.

#### **2. Business processes**

##### **2.1. Enhanced UNOPS operational capacity**

###### **2.1.1. Improve process efficiency and effectiveness of UNOPS practices**

91. UNOPS has made progress developing policies, streamlining business procedures and developing management support systems. New Financial Regulations and Rules clarify authority, roles and responsibilities, and align with the International Public Sector Accounting Standards (IPSAS).

92. With the strategic plan UNOPS is establishing a practice architecture to help improve performance in terms of quality, timeliness and cost of services. UNOPS 'communities of practitioners', firmly established over the past two years, have encouraged global, participatory ways of working. Achievement and maintenance of world-class performance standards will depend on the ability to achieve quality and corporate consistency throughout the organization. UNOPS management and implementation support practices will make this happen.

###### *Goal 2.1. Enhanced UNOPS operational capacity*

93. Under 'global practice leaders', each of the four management practices will improve its performance and obtain external certification, within a coherent management system compliant with International Organization for Standardization management standard 9001. Leaders will also assume responsibilities for supporting strategic partnerships, business development, quality assurance, and acceptance of new engagements in their respective fields.

94. Under global practice leaders, each of the five implementation management practices will improve performance in response to partner needs. When applicable – such as in infrastructure, pharmaceuticals and demining – UNOPS will align its work with international or national standards. Mechanisms for assessing the performance and continued viability of individual implementation support practices will be established for annual review.

### **D. The people perspective**

95. UNOPS personnel are committed and motivated. The organization will further nurture this valuable resource. One strategic goal and three strategic performance objectives have been identified.

#### **3. People**

##### **3.1. Improved talent recruitment, development and retention**

3.1.1. Improve the competencies of personnel

3.1.2. Enhance diversification in the workforce

3.1.3. Increase staff motivation and retention

*Goal 3.1. Improved talent development, recruitment and retention*

96. Under the business strategy, 2007-2009, UNOPS invested significantly in its personnel. New policies and instructions address staff recruitment, staff rotation, succession management, gender balance, and the recruitment and administration of individual contractors. A framework aligns competencies with job descriptions and grade levels, and an online performance and results assessment system was implemented. Major strides have also been made in the area of learning.

97. All these initiatives will deepen under the strategic plan. Priority will be given to ensuring a diverse, well-balanced pool of men and women from different countries and cultures. This will be targeted and measured at all levels of the organization.

98. Learning, with an emphasis on external certification, will be vigorously pursued. Together with improved individual performance assessments based on target agreements, this should significantly improve the performance of the organization.

99. Staff retention has historically been a problem. The introduction of the revised post classification scheme and a new rewards and sanctions policy, together with the above-mentioned initiatives, should reduce attrition rates to acceptable levels.

**E. The financial perspective**

100. UNOPS operations require a secure financial footing, and its aim is to achieve long-term financial stability and manage risks. Two strategic goals, each with one strategic performance objective, have been identified.

**4. Finance****4.1. Sustained financial viability**

4.1.1. Improve financial performance

**4.2. Strong financial controls and governance**

4.2.1. Mitigate financial and reputational risks

*Goal 4.1. Sustained financial viability*

101. As a fully self-financed organization, UNOPS must earn adequate revenue and control its administrative expenditures, including necessary investments in operational capacity, so that net revenue targets set by the Executive Board for each biennium are met. Ensuring UNOPS meets these and other key financial targets is a central responsibility of the Executive Director and closely linked to the delegation of authority he/she enjoys.

102. The operational reserve has grown steadily during the past three years. Full replenishment is targeted before the end of the strategic planning cycle. The cost-recovery and pricing policy will be revised annually. In that regard, it is in the interests of UNOPS to contribute to harmonization in the context of the High-level Committee on Management. The ability of UNOPS to estimate costs and determine fee levels must improve so as to avoid financially unsound engagements. Risk management must be in place (goal 4.2.) to minimize extraordinary losses. Vital to the strategic plan is the ability to finance necessary investments to ensure the quality, timeliness and competitiveness of UNOPS services.

103. At the time of finalizing this report it is difficult to predict the impact on UNOPS of the global financial crisis and currency fluctuations. The situation will require vigilance and tough management decisions. Coupled with the impact of IPSAS revenue recognition principles, UNOPS is currently operating under two scenarios for delivery and related revenue in the baseline year of 2009, namely, 'on target' and '25 per cent below target'. Equally, the preliminary planning for 2010 is based on two scenarios, one for no growth and

one for contraction. While the organization must be managed in such a way as not to deplete its operational resources, the need for temporary draw-downs should not be excluded. UNOPS will establish the planning numbers for the next biennium in the fourth quarter of 2009, and propose them to the Executive Board with the 2010-2011 budget to be approved in January 2010.

*Goal 4.2. Strong financial controls and governance*

104. Several measures are in place to ensure improved financial controls: the Internal Audit Office and the Strategic Audit Advisory Committee were established; an internal control and risk management framework deals with accountability for funds entrusted to UNOPS; a UNOPS insurance scheme offers a degree of protection against business interruption, crime or litigation from clients or contractors; an ethics officer function has been introduced, supported by a policy framework dealing with whistleblower protection; better qualified financial staff have been recruited and training schemes introduced; new financial rules and regulations have been issued; the use of the enterprise resource planning system has helped improve financial reporting and oversight.

105. With those initiatives as background, concerted efforts will be made to manage and reduce all types of risk, including mismanagement and fraud, and to enforce accountability at all levels of the organization. The oversight capacities of regional offices will be strengthened. UNOPS will introduce IPSAS with a 1 January 2012 target date for full implementation.

106. The 2006-2007 audit conducted by the United Nations Board of Auditors was unqualified, reversing the trend of the three prior bienniums. UNOPS must build a positive trend and attain unqualified UNBOA audit reports.

## **VI. Implementation: independent oversight and advice**

### **A. Introduction**

107. Implementation of the strategic plan is supported by management tools based on the public sector version of the ‘balanced scorecard’<sup>14</sup> and reinforced by target agreements with managers, as well as annual business plans and results-based budgeting. The Executive Director and the senior management team will review progress quarterly. Annual plans and performance reviews of managers and other personnel will assess their contributions to their respective positions.

108. The Executive Director will benefit from independent oversight and advice from the Executive Board, the United Nations Board of Auditors, the UNOPS Internal Audit Office as well as the Fifth Committee of the General Assembly. Independent advice comes from the Strategic Audit Advisory Committee the Policy Advisory Committee, and the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which advises the Executive Board.

### **B. Independent oversight**

109. The Executive Board has reviewed implementation of the business strategy, 2007-2009, in annual reports presented in 2008 and 2009. Final reporting will be made at the annual session 2010.

---

<sup>14</sup> *The Balanced Scorecard for Public Sector Organizations*. Robert S. Kaplan, Harvard Business School, 1999

110. Implementation of the strategic plan, 2010-2013 will be reviewed in annual reports, notably the report presented at the annual session in 2011, which will form the basis for the biennial budget, 2012-2013. Aspects of strategy implementation will be addressed in the certified financial statements and reports of the United Nations Board of Auditors.

111. UNOPS is committed to improving its reporting of operational and management results, and seeks guidance on how the relevance and quality of reporting can be improved. UNOPS will also seek views on changes to the strategic plan during its four-year lifetime, and will make its final report on the implementation of the strategic plan at the annual session 2014.

112. The United Nations Board of Auditors will present audit reports to the Executive Board for the 2010-2011 biennium, and annually thereafter. This will occur at the first regular session and will be accompanied by management comments. UNOPS will also report regularly on the implementation of audit recommendations.

113. The Internal Audit Office audits headquarters, regional offices, operations centres and projects. Audit coverage is determined annually by in-depth assessments of risks to the organization. Internal audit results trigger course corrections and management actions. Internal audit reports and management comments thereon are presented to the Board at the annual session.

### **C. Independent advice**

114. The Strategic Audit Advisory Committee provides independent advice to the Executive Director on strategic issues facing the organization. It provided advice in the preparation of the strategic plan and will advise on its implementation, including changes that may be needed.

115. Pursuant to Executive Board decision 2008/35, the Policy Advisory Committee was formed to advise the Executive Director on the role of UNOPS in the United Nations system. The Committee, with a membership at the Under-Secretary-General level of UNDP, the Department of Field Support, the Office for the Coordination of Humanitarian Affairs, the Department of Management and the Chair of the High-level Committee on Management, plus ex-officio membership of the United Nations Office of Legal Affairs, will meet twice yearly. Its inaugural meeting in May 2009 offered comments on the first draft of the strategic plan.

116. The strategic plan will span two biennial budgets, for 2010-2011 and 2012-2013. The ACABQ will advise the Executive Board on budget proposals made by the Executive Director.

117. In addition to the formal arrangements, UNOPS will solicit feedback from its partners through annual surveys and at every opportunity for dialogue. This will take place at all levels, covering performance of the organization as a whole, units and practices, down to individual projects.