

**‘Check Against Delivery’**

**Statement by Jan Mattsson**

**Executive Director, United Nations Office for Project Services**

**to**

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Mr. President, if I may start with a brief update on the earthquake tragedy in Haiti from a UNOPS perspective.

It is a huge relief to be able to report that all 224 UNOPS personnel who were in Haiti at the time of the earthquake are accounted for. Yet even while our personnel are safe, most have lost family, friends and homes, and we try to support them as we best can. We also know that the UN as a whole has suffered awful losses, among them former UNOPS personnel. On behalf of UNOPS I extend my deepest condolences to the families of those who have perished serving the UN and to the people of Haiti in this terrible time.

In line with our new Strategic Plan for 2010-2013, UNOPS will focus is on the early recovery of communities affected by natural disasters rather than emergency relief. We are fully operational on the ground and are doing everything in our power to support our UN colleagues. For example, our infrastructure manager in Haiti is part of the UN team organizing shelters and doing structural assessments to determine whether some of the remaining infrastructure can be salvaged. We have also quickly managed to reopen the UN Mission Communication Centre in Port-au-Prince to support the increasing need to account for UN personnel, including new arrivals. The UNOPS office was one of the few UN offices left undamaged so we have made space available for UN colleagues. We have experts who can be quickly deployed to carry out additional infrastructure damage assessments and support the early recovery phase, as the majority of the public infrastructure in Port-au-Prince and other localities has either collapsed or will need to be demolished and rebuilt..

*Distinguished President, Vice-Presidents and Members of the Executive Board,*

I wish to greet all delegates, to congratulate the President and the Vice-Presidents on their appointments and to welcome new members of the Executive Board. My senior colleagues and I look forward to working closely with you.

The strong support of the Board over the past three years has been instrumental in the process of rebuilding UNOPS. Important decisions – indeed land marks for UNOPS - have dealt with governance arrangements, new financial rules and regulations and the strategic direction of the organization. While the UNOPS agenda for 2010 may not be of the same fundamental nature, we will certainly benefit from the continued guidance of the Board.

*Mr. President,*

With the commencement of a new year, it is tempting to take stock of achievements in the past year. However, as this reporting is intended for the Annual Meeting in June, let me make only a few brief remarks. I am proud of the results that UNOPS personnel have contributed on the ground, in partnership with UN agencies, the World Bank and governments. The dedication of UNOPS staff, including those working in highly challenging security environments, or in natural disaster situations, such as presently in Haiti, is extraordinary.

I also wish to reassure you all, both members and observers of the Board, that while the job of rebuilding is not yet completed, UNOPS is a more robust organization today than one year ago.

The books have not been closed for the 2008-2009 biennium, but we know that delivery increased by more than two percent to a new historical record and that the operational results were good. The next few months preparing the financial statement will be critical in resolving outstanding legacy issues and liabilities. I would like to share my thoughts about this with you.

The clean-up of our financial records for the pre-2006 period and reconciliation with sister agencies - who by the way may not always have had their financial systems in perfect shape either - has been all-consuming for UNOPS. The effort and cost – both in terms of staff and consulting time and in write-offs, has been heavy. In most cases we have experienced good partnerships with sister agencies in dealing with what constitute joint problems. Now, when we close the books for 2008-2009, we must finally settle these issues. We must place it all behind us for good. This includes project budget overruns, such as with an important election in 2005 where we are still waiting for three donors to come good on their post-election pledges.

Even more complex, time consuming and potentially damaging for the organization are arbitration cases with vendors and allegations of wrongdoing. Here, much has been achieved, but work remains to be done. Our business involves dealing with complex projects in unpredictable environments and dispute settlements with vendors are to be expected. However, it should be noted that all the cases we are working on have their origin in 2006 and earlier. Equally, the important cases of alleged wrongdoing also stem from 2006 and earlier, and exclusively from one region.

It is important for me to prepare you for what you might hear about UNOPS in the coming year, either directly from the organization or through the media. In the 2008-2009 certified statements I will disclose all write-offs, bad debt provisions and contingent liabilities. After that, I commit to inform the Board of any significant development.

As I mentioned though, from time to time you will likely see media reports about UNOPS. Some of these will refer to developments on ongoing cases, such as the one of a former UNOPS manager that has been handed over to US authorities for further investigation and possible prosecution. Others will involve the reprinting of old material, mainly referring to events that took place or originated several years ago, before UNOPS management reforms. Even such dated events have the potential to damage UNOPS, so we are continuously monitoring the media and informing our personnel and stakeholders as warranted. For example, following a recent article, which I know some of you have seen, we immediately wrote a letter to the editor and referred to documentation that we had already placed on our public website.

Indeed advancing the agenda of openness, transparency and accountability is paramount to UNOPS. I have recently approved a new organizational directive on information disclosure which is based on best international practice standards and current Board legislation. For instance, in the next few months we will post on our external website a full list on all our ongoing projects. This will include information on the project funder, partner and country of implementation as well as the total project budget and the amount dispersed. You will also be able to see all contract awards by UNOPS, irrespective of value. In this I believe we are going further than many of our counterparts.

*Distinguished delegates,*

Before you today is our budget submission for 2010-2011. Following the Board's approval last September of the 2010-2013 Strategic Plan it was not difficult to prepare this budget proposal. The course for UNOPS is clear. We know where we want to take the organization and the available resources have been allocated where necessary to achieve the management and operational results that we are targeting. The 2010-2013 Strategic Plan and the 2010-2011 budget are tandem documents and they should be read together.

What did pose a challenge was how to judge the effects of the financial crisis and predict its impact on the availability of resources for development, humanitarian and peacebuilding operations, and the demand for UNOPS implementation services. This is the main reason we took a conservative approach in the budgeting process. Other reasons why UNOPS budget remains frugal and continues to be below the ideal level required to immediately make all the necessary investments in our people and tools include:

- UN partners in particular, but also governments, are tough clients. They successfully keep our fees low.
- There has been significant cost escalations, due to mandatory increases in salaries, various UN charges, such as for security, and general inflation.
- The tasks of replenishing UNOPS operational reserve and financing write-offs dealing with historic problems is not yet finished, as I have already mentioned. In the Strategic Plan we indicated that this could take another four years to fully accomplish. In the budget document we are more ambitious and plan for the reserves to be replenished in the coming biennium.

It is nonetheless with a sense of purpose and optimism that we address the future and I ask that you endorse the budget proposals. I will certainly report back to you on any changes in the many assumptions on which this budget is built.

At our last meeting I introduced our new motto, Operational excellence for results that matter. As an organization established by Member States with the sole purpose of project implementation, we want to be best in class in our core competencies of project management, procurement, HR administration and financial services. And we want to use these capacities to contribute effectively to the results of our partners.

In line with the Strategic Plan, we will now further focus our implementation services where there is opportunity for improved operational effectiveness. These are physical infrastructure, public order and security, census and election support, environment and climate change, and health. This should allow UNOPS to build world-class expertise and maximize its contributions as part of the UN to results that matter for people in need.

While our Annual Report for 2009 will refer to the period before the Strategic Plan came into effect, I think it will provide a clear update of the progress we have already made towards achieving our objectives. I look forward to presenting it to you at our next meeting.

I await your comments and any questions.

Thank you