

**Statement by Jan Mattsson**  
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**to**  
**UNDP/UNFPA Executive Board Annual Session**  
**Geneva – 28 July 2010**

Mr. President, Distinguished Members of the Executive Board,

I am pleased to present to you the UNOPS Annual Report for 2009. It is a report that I believe clearly demonstrates the progress the organization has made during the year, the contributions we have made to the results of our partners, and how we have become a better member of the UN family.

It is by these contributions that we are best judged. By the way we enable our partners to deliver tangible results to people in need, often in some of the world's most challenging environments. The Annual Report details these contributions and explains how we focus on supporting our partners' needs.

UNOPS can only provide its partners with the services they require if it is financially stable, has a robust organization and knows where it is going. Over the past decade this has been a major preoccupation of the Executive Board.

With your support we adopted the Business Strategy 2007-2009 to address the weaknesses that existed at the time. Implementing this strategy has not been easy. It has required major organizational change - a transformation that has been conducted at the same time as we have had to grapple with issues from the past, and with serious financial constraints.

As board members will appreciate, I must be very cautious about declaring victories. In many cases this is because UNOPS successes are the successes of its partners and should rightly be seen as such. In other cases it is because only by achieving our targets do we become aware of how much more can be done - of the need to constantly raise the bar. Moreover as a fully self-financed organization we have to make ends meet every new day, irrespective of past achievements.

But I am delighted to present some very good news to you today: 2009 marked a real milestone in the development of UNOPS. For the first time ever the organization has been able to achieve the operational reserve target set by the Executive Board. Wide ranging reforms ensured that UNOPS reached a new level of maturity as a viable and accountable organization. Last year also saw the adoption by the board of the Strategic Plan 2010-2013 that has provided focus and a clear path forwards, firmly positioning UNOPS as an integral and important part of the UN family.

Already our partners are seeing the benefits of these achievements, something I witnessed when I visited Haiti a few weeks ago. Here UNOPS, as an active member of the UN Country Team, is working closely with the Haitian Ministry of Public Works and the World Bank to assess buildings for structural damage following the January earthquake. More than 280

Haitian engineers have been engaged and trained and more than 130,000 buildings assessed to-date.

Infrastructure damage assessment had been identified in the Strategic Plan as a capacity gap in humanitarian response where UNOPS, in line with its mandate and core competences, could be helpful. Our organization was nimble enough to focus resources where they were needed, allowing personnel with the right experience to be rapidly deployed. Our improved financial controls had enabled us to build solid, long-term relations with the Haitian government and the World Bank. They could turn to a trusted partner.

In Haiti we were clear about our role and we had the organizational and financial resources to provide the support our partners needed. This is how it should be.

### *Distinguished delegates*

Let me now turn to the Annual Report. In 2009 UNOPS delivered \$1.1 billion through project implementation and spent \$62.1 million administering it. The contribution to operational reserves was \$12 million, bringing the reserve to \$42.1 million. As I said earlier this means we have fully replenished the reserves, well in advance of our target date of the end of the 2011.

For the fourth consecutive year we achieved a positive net result. Acquisition of new business in 2009 exceeded targets at \$1.44 billion, demonstrating our partners' confidence in the ability of UNOPS to contribute effectively to operations and outcomes.

In 2009, UNOPS continued to deepen relationships with partners, signing a new partnership agreement with UNDP. This MoU is a platform for building trust and realizing mutual benefits. I am delighted to say that last month we also signed a MoU with UNFPA, and I look forward to working with my colleagues at UNFPA to ensure that both organizations exploit the opportunities we indentified. As I pointed out earlier, building these long-term relationships is crucial and last year we started to see the fruit of the agreements signed with the EC and World Bank in 2008.

Creating a fully accountable, effective and efficient organization has been a top reform priority. In 2009, UNOPS strengthened its policy framework by issuing or revising 12 of its 26 corporate policies. A major revision was made of UNOPS global structure, institutionalising the 'practice approach'. This will enable coordinated decision making across the four management practices of project management, finance, procurement and human resources, and the five focus areas for implementation support - physical infrastructure, public order and security, census and election support, environment and health.

Accountability and transparency build trust between UNOPS and its stakeholders, be they member states, partners or the general public. In April, UNOPS information disclosure policy came into effect as one means of achieving these goals. Shortly after we published a series of pages on our website, making it easier to find information about the organisation. Among other things this includes our policies, a staff breakdown, basic details on all active UNOPS projects and all contract awards no matter the amount. Your feedback will help us as we continue to add more information to these pages.

I would also like to take the opportunity to commend the commitment and sacrifices made by UNOPS personnel. We often talk about ‘challenging environments’ and in recent months I was reminded what this meant. Five UNOPS personnel were abducted and held hostage in Afghanistan for 30 days. With the help of the Afghan Government and UNDSS they were released unharmed and are now back at work, but the ordeal that they and their families had to endure was dreadful. These were Afghans working in the highest traditions of the United Nations, trying to bring basic services and hope to their people. Despite the hardships they continue to do so, day in, day out.

Last year staff turnover was steady at around 18 percent, in line with 2008, and well below the levels experienced in previous years. Among other things our strengthened financial position means that we be able invest in our personnel and push forward with training and certification.

### *Distinguished members*

Our operational results again show an impressive list of ways in which we have supported partners’ projects. Overall UNOPS supervised the construction or rehabilitation of 124 schools, 61 hospitals and health centres, 15 police stations, 30 prisons or detention centres and over 130 government buildings. We constructed or rehabilitated 18 bridges, and over 2,200 kilometres of paved roads. We procured more than \$870 million worth of goods and services on behalf of our partners, including 238 million doses of medicines. We helped build national capacity in our mandated areas of expertise. I will not list more. You can read the details in the Annual Report, but I think this gives some idea of the scale of our efforts.

Predicting demand for UNOPS services is never easy and as the effects of the financial crisis continue to play out there are concerns about the impact on development spending. What I can say however is that so far this year the indications are that UNOPS business is holding up well.

There are still risks out there, and while we are working hard to manage these risks the nature of our mission and the environments in which we operate mean problems will emerge. And, as I have said before, while we have made enormous progress in dealing with the liabilities of our past, there are still legacy issues pending final resolution. I’m sure from time to time these will feature in the media, at times even presented as news even though the events took place many years ago.

In line with accounting standards and as independently reviewed by UNBOA, significant and full financial provisions have been made for all known financial liabilities. Additionally, there is a category of so called contingent liabilities which could potentially require draw-down from the operational reserve. With the reserve fully replenished, UNOPS should be able to cope with such scenarios, just as intended.

Our success also brings new challenges. We are no longer an organization in crisis, yet we must not become complacent. Guided by the Strategic Plan, we will push hard to add value and contribute to results of the UN at country level. We will strengthen and share our knowledge of implementation with national partners. With your support we will explore how

UNOPS can contribute more to improving the efficiency of the UN through shared services that benefit from specialization and economies of scale. We will continue to increase the levels of transparency and improve the way we report and communicate with partners.

*Distinguished members*

I am convinced that whatever the challenges of the next 12 months and beyond, UNOPS is in a better place to deal with them than it has been for many years. The building blocks are in place. We have sound finances. We have a robust organisation that is able to deliver management services of the highest standard. We know the path UNOPS should take.

Mr. President, once again I thank the Board for its support and consideration during this process, for enabling the construction – if I may use a term central to UNOPS - of an organization that can help the UN system deliver results that matter to people in need.

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