
UNOPS

Annual Report

2007





UNOPS Overview



Launched in 1995 as an independent, self-financing member of the United Nations system, UNOPS provides expertise on project management, procurement, human resources, fund management and UN common services. UNOPS helps advance client efforts to build peace, recover from disaster or create sustainable development. By assisting UN organizations, international financial institutions, governments and non-governmental organizations UNOPS makes significant, tangible contributions to operational results on the ground.

UNOPS is a flexible partner, providing services that can be limited to stand-alone, one-time solutions, or that can cover comprehensive, long-term management support. The evolving catalogue of UNOPS services keeps pace with ever-changing demands made on international cooperation, including the importance of promoting national ownership and capacity development.

Ensuring that all projects receive customized attention is a hallmark of UNOPS service. UNOPS therefore anticipates and responds to client, partner and stakeholder needs at local, regional and international levels.

The United Nations Secretary-General has designated UNOPS as the UN lead for managing physical infrastructure development in peacebuilding settings. In this capacity UNOPS is responsible for designing, rehabilitating and building roads, bridges and facilities, and enhancing technical capacities in highly challenging and demanding environments.

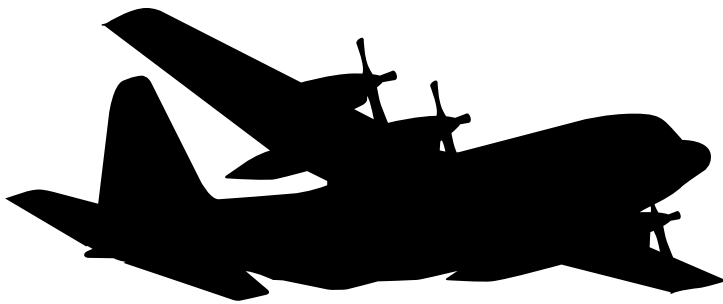
The organization employs 1,000 core staff around the world and tens of thousands of consultants. A global headquarters in Copenhagen, Denmark, and six regional offices – responsible for some 25 operations centres – oversee activities in more than sixty project countries. UNOPS establishes operational facilities when and where they are required.

Business orders in 2007 amounted to \$1.5 billion in approved project budgets. The actual value of all efforts supported by UNOPS services was double that.

In January 2008 UNDP's Inter Agency Procurement Services Office (IAPSO) transferred key business functions and staff to UNOPS, strengthening an already robust procurement capacity. As a result UNOPS now offers a wider range of procurement services that includes "common user items"; hosts www.unwebbuy.org – the internet portal that gives clients access to UN e-procurement; maintains the United Nations Global Marketplace supplier roster (www.ungm.org) and prepares the UN's Annual Procurement Report.

The UNOPS Advantage

UNOPS combines United Nations attributes – values, regulations, neutrality and not-for-profit status – with private sector business efficiencies. UNOPS takes a results-oriented approach to the services it provides. It initiates and implements new operations quickly, transparently and in a fully accountable manner.



As part of the United Nations, UNOPS has unparalleled access to locations around the world, and is exempt from all taxes and customs duties. Due to its significant buying power UNOPS enjoys leverage with major suppliers, which delivers more favorable, cost-effective results for its clients.

Every effort is made to engage suppliers from developing countries and economies-in-transition, and UNOPS guarantees a competitive tendering process.

A self-financing organization that receives no core funding from the United Nations, UNOPS stays in business by proving its added value daily and earning the confidence of its clients on every assignment. Efficient operations and sophisticated expertise permit UNOPS to perform as and where required, helping fixed project budgets deliver more vital services, supplies and assistance to those in need.

Report on activities in 2007

2007 saw record UNOPS business acquisition of nearly \$1.5 billion and a positive financial result, accomplishments that confirm the strong demand for UNOPS services and the confidence of stakeholders in the dedication and professionalism of UNOPS staff around the world.

Greater attention to client needs and more frequent and complete reporting have contributed to stronger client relations.

UNOPS Operations Centre directors and managers provide UNOPS implementation experience to many United Nations

country teams. UNOPS moved its regional office for Latin America and the Caribbean to Panama in mid-2007, relocating from Peru.

The UNOPS portfolio

In 2007 work for UNDP generated 37.3 per cent of total revenue, a slight reduction as a share compared with 2006. The Department of Peace Keeping Operations (DPKO) became the second largest UNOPS client, with a revenue share of 17 per cent, overtaking the World Bank at 13.1 per cent. The United Nations Children's Fund (UNICEF) increased marginally to the level of 6.3 per cent.

United Nations clients generated 70.7 per cent of UNOPS revenue, with a total project expenditure of \$585 million – an increase of 17 per cent over 2006.

Services to governments more than doubled from 7.2 per cent of total revenues to 14.8 per cent.

In addition to its implementation portfolio, from which it earned revenue of \$50.6m in 2007, UNOPS also provides support services for fees, earning \$9.4 million during the year. This included services to IFAD, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), UNFPA, and to the World Bank.

The dominant sectors in which UNOPS worked were: reconstruction, relief and rehabilitation (25 per cent); government and civil society (23 per cent); health (15



per cent); and protection of the environment (8 per cent) of 2007 project expenditures.

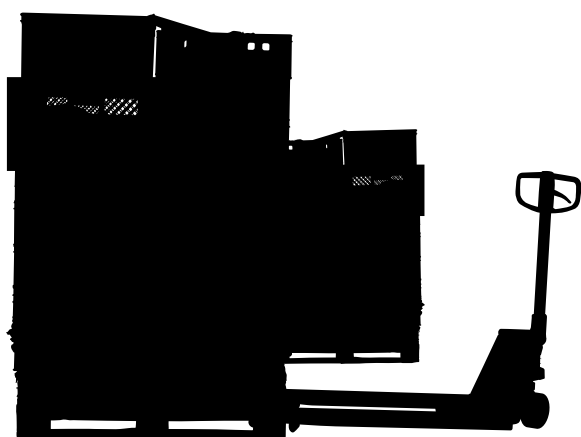
Most of the year's reconstruction, relief and rehabilitation efforts took place in Afghanistan, Indonesia, Sri Lanka and the Sudan. Mine action projects accounted for 81 per cent of post-conflict, peacebuilding expenditures. Pharmaceutical procurement in India was 54 per cent of medical services expenditures. The small grants and international water portfolios, performed on behalf of the Global Environment Facility (GEF) Trust Fund administered by UNDP, accounted for most of the environmental project expenditures, with the UNDP Trust Fund client group representing 88 per cent of total environmental work and UNEP an additional 7 per cent.

UNOPS contributions to UN operations in 2007

The unique role of UNOPS affects its results-based reporting. As a provider of services to organizations and governments, at client request UNOPS can handle all aspects of project design and implementation or provide only selected services. UNOPS contributes to programme outcomes in partnership with other entities and, since project ownership rests with clients, their annual reports may include outcomes or outputs described below. The data gathered for 2007 should be considered indicative rather than comprehensive.

UNOPS contributions are organized by 10 core sectors in support of peacebuilding, humanitarian assistance and development. The sectors derive from the United Nations peacebuilding inventory and the UN Millennium Develop-

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ment Goals. They comprise: education; the environment; gender equality and the empowerment of women; governance; health; humanitarian relief and recovery; justice and reconciliation; poverty mitigation; public works; and security and public order.

General findings

Client priorities and needs dictate the scope, focus and location of UNOPS work. As the lead United Nations entity for large-scale physical infrastructure projects in peace-building settings, UNOPS managed significant construction work in Afghanistan, Iraq and the Sudan in 2007. UNOPS also undertook substantial efforts in Indonesia, the Maldives and Sri Lanka, where long-term rebuilding continues in the wake of the 2004 tsunami.

UNOPS-supported infrastructure work in 2007 brought access to clean water to more than 2.3 million people, constructed more than 200 schools, and provided solid waste removal services that benefited half a million people. UNOPS designed 49 government buildings and erected 27. It designed 1,779 kilometres of roads, built 1,361 kilometres, and rehabilitated some 60 bridges.

In the environment sector UNOPS ran several large, bio-diversity and international waters programmes and administered more than 3,000 small-grants projects in 2007, producing results in more than 100 countries.

UNOPS procurement and project execution services assisted the health sector, most notably in Argentina, India, Myanmar and Peru. In 2007 UNOPS procured health-related goods worth more than \$90 million and oversaw the distribution of 342 million doses of medication to fight malaria, tuberculosis and HIV/AIDS.

In the security sector UNOPS supported United Nations Mine Action Service (UNMAS) projects that cleared almost 1.4 million items of unexploded ordnance, mainly in Afghanistan and Lebanon.

Education



Although much of the education infrastructure work delivered by UNOPS in 2007 (predominantly in Indonesia, the Maldives and Sri Lanka) falls under the humanitarian relief and recovery sector, elsewhere UNOPS supported UNICEF efforts to achieve UN Millennium Development Goal 2, which targets universal primary education.

Globally UNOPS managed the construction or rehabilitation of 129 schools serving 16,503 students in 2007. Much of that work was in Myanmar where – working at the request of UNDP and the Governments of Australia, New Zealand, Sweden and the United Kingdom – UNOPS rehabilitated 111 schools serving 15,500 students, and provided numeracy and literacy training to 9,857 villagers. On behalf of the Government of the United States of America UNOPS rehabilitated three university faculty buildings in Afghanistan and designed 46 schools in the Sudan. UNOPS has so far constructed six of those, serving 2,400 students, including 1,440 girls.

Procurement support to education amounted to \$34.5 million in goods, most of it expended in Argentina and financed by the national government, the Inter-American Development Bank and the World Bank.

Environment



The trans-boundary nature of environmental issues requires coordinated international action. Working for GEF, UNDP, the World Bank and various national governments, UNOPS supports projects that reverse environmental damage, raise awareness and improve resource management. In so doing UNOPS contributes to Millennium Development Goal 7, which promotes environmental sustainability.

On behalf of GEF and UNDP, in 2007 UNOPS fostered international cooperation to prevent and reverse the environmental degradation of international waters. UNOPS-supported projects included large-scale, international efforts concerning the Black, Caspian and Yellow Seas, and groundwater in Southern Africa. Those projects assisted 57 community-based environmental initiatives and 161 public-awareness activities, and trained 840 experts in government and non-governmental organizations. An estimated 50 million people are affected by these projects.

Afghanistan Conservation Corps

Years of conflict, poverty and population growth have decimated Afghanistan's environment, threatening the wellbeing of rural dwellers, some 80 per cent of whom rely directly on natural resources for their livings.

The Afghanistan Conservation Corps (ACC) programme is funded by the United States Government and managed by UNOPS in collaboration with the national Government. ACC works with local communities to improve livelihoods, building capacity to restore and manage forests, rangeland and watersheds, and helping conserve biological diversity, particularly in fragile ecosystems. Labour-intensive methods provided work for returning refugees, internally displaced persons, women and ex-combatants.

In 2007 ACC supported production of 825,000 fruit and forestry saplings and community management of 1,500 hectares of pistachio forest, boosting rural incomes by 30 per cent. ACC helped establish 689 nurseries and orchards, and landscape public areas in five cities, benefiting several million people.

The programme created 169,000 days of employment, gave environmental education to 12,000 schoolchildren and 1,000 university students, and trained more than 4,000 government employees and community leaders in horticulture, forestry, and soil and water conservation.



In Afghanistan UNOPS managed two environmental projects funded by the United States Government that financed 89 sub-contracts for local community action on reforestation, soil and water conservation and horticultural development. UNOPS organized the training of 655 government staff and community leaders in biodiversity conservation, and supported five initiatives to raise awareness of sustainable, natural resource management and to provide environmental education to children.

UNOPS executed the GEF-UNDP Small Grants Programme, providing administrative and financial management for some 3,000 small grants projects in 2007. These grants financed community-based environmental initiatives in 90 countries, including 1,520 grants for conserving biodiversity, 482 directed at climate change and 161 to protect international waters.

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Gender equality and the empowerment of women

The commitment of the international community to gender equality and the empowerment of women are enshrined in UN Millennium Development Goal 3. Because UNOPS clients often mainstream gender needs in their work, projects in many sectors frequently contained gender components.

In 2007 the Government of Italy and UNIFEM asked UNOPS to provide 3,100 Guatemalan women with vocational training and to oversee distribution of 929 micro-grants to female entrepreneurs for small businesses, such as cafes and shops.

On behalf of the United States Agency for International Development (USAID), UNOPS managed grants to 156 women in Afghanistan for small-business development and constructed a university building that now accommodates nearly 600 female students.

Governance



Working for national governments, United Nations organizations and funding mechanisms UNOPS assisted governance projects in 2007 by constructing government buildings, procuring goods and conducting census- and election-related activities.

UNOPS procured goods for government administration worth more than \$32 million. Latin America and the Caribbean accounted for \$17.3 million of this amount, for 18 projects in Argentina, El Salvador, Guatemala, Peru and Uruguay. In Argentina the Ministry of Health and the World Bank asked UNOPS for institution-strengthening services worth more than \$2.3 million.

UNOPS supervised the training of 300 independent election observers in the Democratic Republic of the Congo on behalf of the Government of Canada, and of 220 electoral officials in Iraq on behalf of the European Union. UNOPS bought election-related equipment worth \$1.86 million for use in Haiti and Iraq.

Census support in the Sudan

Fourteen years after its last census, by 2007 the Sudan urgently needed population data to inform development planning. The Multi-Donor Trust Fund financed a \$70 million census and hired UNOPS to contract for goods and services and train local personnel.

Working closely with regional and national governments UNOPS delivered vital equipment to remote locations, despite often impassable roads. Census-related equipment procured by UNOPS included 272 motor vehicles; 15 generators; 217 tents; 161 computers; 800 bicycles; and six boats.

UNOPS supplied and erected 68 prefabricated office units, providing personnel with more than 1,700 square

metres of office space in Khartoum and six locations in Southern Sudan. UNOPS supported an operations centre in Rumbek and established a radio room for the Southern Sudan Centre for Census, Statistics and Evaluation, permitting effective planning and communication with their 10 state offices. UNOPS also provided 42 Centre personnel with more than 900 hours of specialized training.

Health



The health sector represents a significant share of the UNOPS portfolio, with activities largely in Asia and the Pacific, and Latin America and the Caribbean.

In support of UN Millennium Development Goals 4 and 5 – to reduce child mortality and improve maternal health – UNOPS designed and built eight maternity wards in Iraq at the request of UNFPA, and procured goods worth more than \$35 million on behalf of the Government of Peru to support its maternity wards.

Procurement of medical supplies accounted for nearly half the total value of UNOPS activities in the health sector, including more than \$25 million for health-care centres in Argentina and India, and 200 ambulances for the Government of Peru.

UNOPS assisted projects in Asia and the Pacific that advanced Millennium Development Goal 6, which addresses HIV/AIDS, malaria and other diseases. For UNDP, UNOPS provided 35,000 villagers with HIV/AIDS awareness education, helped develop 65 community action plans and distributed 534,000 condoms. On behalf of the World Bank and GFATM, UNOPS procured 140 million doses of anti-malarial drugs and 178 million doses of tuberculosis medicine. For the World Bank and the Government of the United Kingdom UNOPS procured nearly 24.25 million doses of HIV/AIDS drugs.

As fund manager for the Three Diseases Fund in Myanmar (3DF), UNOPS oversaw distribution of 825,442 syringes for intravenous drug users and four million condoms. More than 35,000 people were tested and counselled for sexually transmitted infections, and some 29,000 people were treated. Nearly 215,000 people received rapid diagnostic tests for malaria and 37,419 cases were treated. About 30,000 mosquito nets were distributed and 143,000 nets treated with mosquito repellent. Prevention activities reached almost half a million people.

Also in Myanmar, UNOPS managed the training of 36,254 personnel in health administration, estimated to benefit more than 1.15 million people.



HIV/AIDS Regional Programme in the Arab States

Despite growing HIV/AIDS infection rates many Arab States have yet to introduce the multi-sector, target-based and results-oriented approaches needed to address the epidemic.

To strengthen awareness and commitment to fight the disease UNDP launched the HIV/AIDS Regional Programme in the Arab States, hiring UNOPS as implementing partner. Key components include educating and cooperating with religious leaders, whose social and cultural influence in Arab communities makes them vital partners.

The regional programme made significant progress in 2007. Bahrain held its first-ever training seminar on HIV/AIDS awareness, attended by 135 Sunni and Shiite religious leaders, men and women. In Somalia 130 religious leaders took training while 500 women heard lectures on HIV/AIDS. In Djibouti 24 imams received voluntary counseling and testing for HIV, to reduce stigma and promote voluntary testing.

Local authorities are using HIV/AIDS Regional Programme tools to raise awareness and shift public opinion. Education kits with references from the Koran or the Bible are increasingly popular advocacy tools for religious leaders. The Government of Morocco is using the kits to give HIV/AIDS education and training to all 31,000 imams in the nation.

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Humanitarian relief and recovery



In 2007 UNOPS supported emergency relief and recovery following natural disasters or conflicts on behalf of the European Union, OCHA, UNFPA, UNHCR, UNICEF, and national governments. Much of that humanitarian work focused on long-term efforts to rebuild lives and infrastructure following the 2004 Indian Ocean tsunami. UNICEF and other clients asked UNOPS to deliver infrastructure projects in Indonesia and Sri Lanka. UNOPS designed 181 schools in relief settings and constructed or rehabilitated 89 of them. In addition UNOPS managed the construction of 82 school kitchens in Sri Lanka and 20 teacher training centres in the Maldives.

Post-tsunami reconstruction of schools in Indonesia

The 2004 tsunami caused catastrophic damage in Indonesia, leaving more than 200,000 dead or missing, destroying vast amounts of infrastructure and displacing more than half a million people. The Government of Indonesia has prioritized school reconstruction in its recovery programme.

UNICEF selected UNOPS as its main implementing partner for rebuilding primary schools, responsible for design; tendering and awarding contracts; recruiting and managing human resources; reporting; and financial management. UNOPS school designs are tailored to the needs of each

community and site, setting new standards for earthquake resistance.

In 2007 UNOPS designed 126 schools, tendered and awarded 139 contracts, and built 70 schools with 436 classrooms. The completed schools serve more than 13,000 pupils and represent an important step towards achieving UN Millennium Development Goal 2.

In recognition of that success UNICEF has increased the number of schools contracted to UNOPS to 226, and has asked UNOPS to build 29 community health centres.

Sri Lanka accounted for most of the health-related disaster relief work that UNOPS supported in 2007. UNOPS designed seven health clinics there on behalf of UNHCR and UNICEF, and helped construct or rehabilitate 55 for UNFPA, UNICEF and World Vision. UNFPA also asked UNOPS to train 6,000 personnel in health disciplines. In Haiti UNOPS designed six health clinics for UNICEF.

UNHCR chose UNOPS to help provide emergency shelters in Sri Lanka for more than 20,000 homeless people, as well as shelter kits and technical assistance for building temporary housing for 2,500 families.



Nearly all 128 kilometres of relief roads built by UNOPS was for two projects implemented in the Democratic Republic of the Congo at the request of OCHA. In Sri Lanka UNOPS designed and managed the construction of four bridges, with funding from the Government of Spain.

In the area of water and sanitation – crucial to disaster relief – UNOPS supported seven projects globally that gave more than 123,000 people access to clean water. Most were in Sri Lanka where, at the request of UNICEF, UNOPS designed three water treatment plants, built two, and laid 94 kilometres of water pipes.

The Operational Satellite Applications Programme

For governments and organizations delivering humanitarian and development assistance satellite imagery can help identify where and how to intervene.

UNITAR asked UNOPS to help make such information available by establishing and managing its Operational Satellite Applications Programme (UNOSAT). UNOPS administered the personnel contracts of UNOSAT experts, issued satellite image purchase orders, contracted companies for specialized services (such as interpretation of specialized data or processing of radar imagery) and managed knowledge-sharing contracts with the European Commission and the European Space Agency.

In 2007, assisted by UNOPS, UNOSAT supplied maps and technical expertise for 46 targeted relief efforts led by United Nations organizations. UNOSAT maps helped locate and assist communities during flash floods in the Sudan that claimed 60 lives, and aided similar emergency

interventions in West Africa and Somalia. UNOSAT images brought assistance to the 30,000 inhabitants of the Nahr el Bared refugee camp in Northern Lebanon after three months of intense fighting inflicted severe damage. In all, UNOSAT produced more than 200 maps and analyses in 2007.

Justice and reconciliation

During the year UNOPS helped national governments and international entities establish legitimate structures for dispute settlement and the administration of justice. UNOPS contributed design, construction and rehabilitation of justice-related infrastructure, as well as training and capacity development.

UNOPS built a human rights facility in Iraq and trained 280 personnel through projects sponsored by the European Union and Canada. At the request of UNHCR, UNOPS-supported projects established and managed 10 human rights facilities in Angola, Burundi and the Democratic Republic of the Congo that provided human rights training to 1,000 police officers, human rights trainers, civil society representatives and students.

UNOPS designed and built nine detention centres (five on behalf of the Government of Guatemala and UNDP, and four in Afghanistan for UNODC). UNOPS-administered projects also trained more than 1,600 additional police officers worldwide on justice issues.

Other activities included a UNODC programme that trained 1,200 judges on terrorism legislation; solved 1,513 property rights claims in Kosovo and administered a further 31,957 on behalf of the European Agency for Reconstruction, the United Nations Mission in Kosovo (UNMIK) and the Governments of Switzerland, the United Kingdom and the United States; and developed justice administration software in Guatemala for the Supreme Court of Guatemala, UNDP and the World Bank.



Poverty mitigation

In creating the environment, infrastructure, services and skills needed for development, most UNOPS-supported efforts help reduce poverty and improve standards of living, thereby contributing to UN Millennium Development Goal 1. At times clients such as UNDP, UNMIK and national development agencies make poverty mitigation their main project goal, achieved through agricultural development, employment generation and direct financial support.

In 2007 UNOPS helped provide livelihood and food security assistance to a quarter of a million households in Myanmar on behalf of UNDP and the Governments of Australia, New Zealand, Sweden and the United Kingdom. For the same partners, UNOPS managed efforts to strengthen the capacity of 15,800 households to address their basic needs, using a participatory community development approach. Also in Myanmar UNOPS executed a UNDP project providing 351,466 low-income households with microfinance services to stimulate grass-roots economies and create jobs.

In Kosovo UNOPS assisted UNMIK and the Government of Italy in stimulating local economic development, boosting earnings and reducing unemployment by managing financial support to 150 local businesses.

Transportation infrastructure rehabilitation in the Democratic Republic of the Congo

Situated on the Congo River, Kisangani is the third largest city in the Democratic Republic of the Congo and home to 500,000 inhabitants. It is a focal point for trade between the eastern and western regions of the country. For years, however, poor road infrastructure and inadequate access to markets have hampered commerce.

UNOPS completed two important road rehabilitation projects in 2007 to facilitate transportation and travel: the 100-kilometre road from Kisangani to Yangambi (financed by the European Union) and the 128-kilometre road from Kisangani to Ubundu (financed by the Government of the United Kingdom).

Using local capacity and labour-intensive methods wherever possible, the projects generated more than 200,000 days of work for local residents, boosting the economy. The roads now connect agriculturally productive areas with the western part of the country via the Congo River. By opening access to farmers' markets, they stimulate trade and reduce poverty.

Recognizing the importance of river transportation in Kisangani, the European Union hired UNOPS to rehabilitate the local ferry station and procure a ferry. Using its procurement experience, UNOPS obtained – under budget – two 35-tonne ferries, each capable of carrying five light vehicles or three heavy trucks, now operating on both the Congo and Lindi Rivers.

Public works



In 2007 UNOPS supervised the design of 1,779 kilometres of non-relief roads and the construction or rehabilitation of another 1,233 kilometres as well as 57 bridges. Road and bridge infrastructure work took place largely in Afghanistan, the Democratic Republic of the Congo, Myanmar, Peru and the Sudan. In Afghanistan UNOPS implemented 17 projects on behalf of USAID that trained more than 4,000 local people in construction-related disciplines.

UNOPS involvement with water supply and sanitation was significant. Two water projects in Iraq gave more than two million people better access to clean water. UNOPS constructed water treatment plants in Iraq and Sri Lanka, and drilled 27 wells in the Sudan. In Peru UNOPS supported construction of 20 kilometres of water networks.

Rehabilitation of six water networks in Southern Iraq

Following decades of neglect, water networks in the Qadisiya, Muthana, and Wassit governorates of Southern Iraq urgently needed repair. The leakage of 60 per cent of the water supply caused shortages of potable water, while contamination by saline water and sewage diminished water quality, health and living standards.

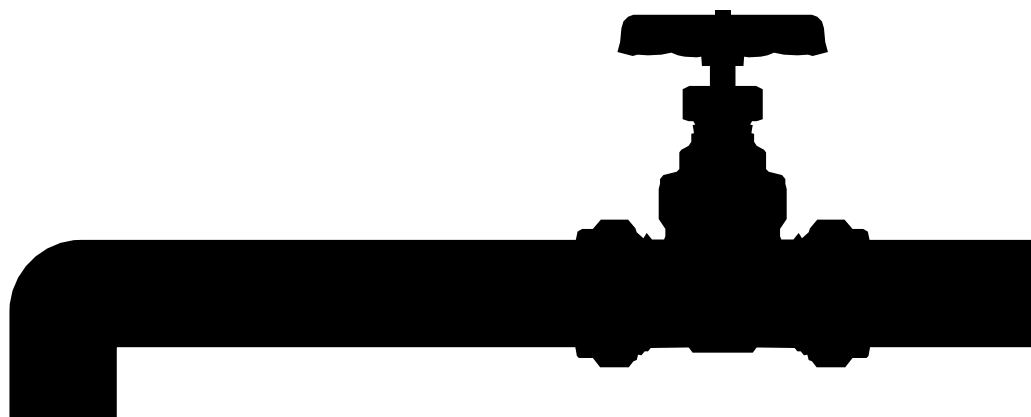
The three governorates prioritized the ‘Six Water Networks’ project and gave UNOPS responsibility for designing and managing the repair, replacement and extension of the networks. This required resourceful

solutions: in Qadisiya, for instance, cutting water supplies for the month normally needed to replace a main water trunk could have sparked an uprising. By hiring 180 labourers to work simultaneously to excavate a 530-metre trench, UNOPS replaced the trunk in just two days.

UNOPS managed the laying of 55 kilometres of new pipes, trained 22 water directorate engineers and created more than 2,600 days of labour for local people. More than 200,000 local residents now have access to clean drinking water.

In Iraq UNOPS supervised removal of 185,000 tonnes of rubble, serving a local population of half a million and generating 53,000 days of work.

In Haiti UNOPS supported the generation of an additional 0.8 megawatts of power for 20,000 residents.



La Calle de mi Barrio, Peru

The La Calle de mi Barrio programme demonstrates how simple, low-cost improvements to physical infrastructure can raise the quality of life, self-esteem and confidence in the future of people living in low-income areas.

Working with UNDP, UNOPS is a ‘strategic partner’ to Peru’s Ministry of Housing in the development and execution of the programme, participating in the planning and construction of roads and pavement, refurbishing parks and building playgrounds.

In 2007 UNOPS supported 95 projects, investing between \$250,000 and \$300,000 in each. Those investments totaled \$28 million and benefited more than a quarter of a million people. UNOPS services ranged from developing the bidding process for hiring contractors to supervising and managing works. UNOPS explained project benefits and mechanisms to the communities involved, participated in local assemblies and advised on maintaining and protecting the completed infrastructure.

The accomplishments have been far-reaching. Road infrastructure improvements have eased movement of pedestrian and vehicular traffic within villages, reducing accidents and creating access for public services such as garbage collection. Higher living standards have boosted property values. In many cases the projects have strengthened democratic governance by engaging local communities in decision-making.

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Security and public order



UNOPS involvement in security and public order was primarily in support of United Nations Mine Action Service (UNMAS) activities. UNOPS assistance commonly took the form of procurement, personnel and other services for peacekeeping missions.

UNOPS-supported mine action efforts made considerable progress in 2007. Nine UNMAS projects cleared approximately 2,800 hectares of minefields and more than 14,540 hectares of battlefield. They removed nearly 30,000 anti-personnel and 2,000 anti-tank mines and some 1.4 million items of unexploded ordnance including 138,750 cluster bomb units and 500 unexploded bombs.

By clearing 916 kilometres of road and guaranteeing a further 15,000 kilometres free of explosives, these UNMAS efforts significantly expanded freedom of movement. Mine-risk education to more than 1.65 million people greatly improved the safety of affected communities.

UNMAS mine action in Afghanistan

Despite significant progress in mine clearance efforts during recent years, mines and unexploded ordnance in Afghanistan still cause casualties, impede movement and deny access to valuable land and resources.

UNOPS provided support services to an UNMAS project coordinated through the Mine Action Centre for Afghanistan.

The Mine Action Programme in Afghanistan made significant progress in 2007. Clearance teams returned more than 2,700 hectares of suspected minefields to communities for productive purposes, while the use of mechanical demining assets released more than 14,000

hectares of former battlefield. In the process more than 26,000 antipersonnel mines, 650 anti-tank mines and 850,000 items of unexploded ordnance were destroyed. The programme also surveyed an additional 6,600 hectares of conflict-affected land.

Mine Action Programme activities in 2007 provided more than 1.5 million people – 42 per cent of them women – with mine-risk education. Afghanistan also met its obligation under the Ottawa Treaty to complete the destruction of all known anti-personnel mine stockpiles. The Mine Action Centre played an important role in achieving this milestone.



UNOPS also assisted various disarmament, demobilization and reintegration (DDR) projects. In 2007 the Government of Japan asked UNOPS to help retrain some 900 child soldiers in Burundi, the Democratic Republic of the Congo, Rwanda and Uganda.

In the occupied Palestinian territories UNOPS designed 12 and built two security training facilities and trained 395 security personnel on behalf of the Governments of the Netherlands and the United States. The European Union and the Governments of Canada, the Netherlands, the United Arab Emirates, the United Kingdom and the United States asked UNOPS to procure equipment worth nearly \$1.9 million for security institutions.

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The International Fund for Agricultural Development



IFAD projects are almost always implemented by the recipient government (barring exceptional situations such as in Somalia). UNOPS normally provides fund management services, which include assisting project planning and negotiation; monitoring and reporting on financial management; approving or reviewing disbursements; supervising project implementation; training project personnel on administering funds; and providing technical advice and recommendations to national implementing bodies.

IFAD Integrated Community Development Programme in Somalia

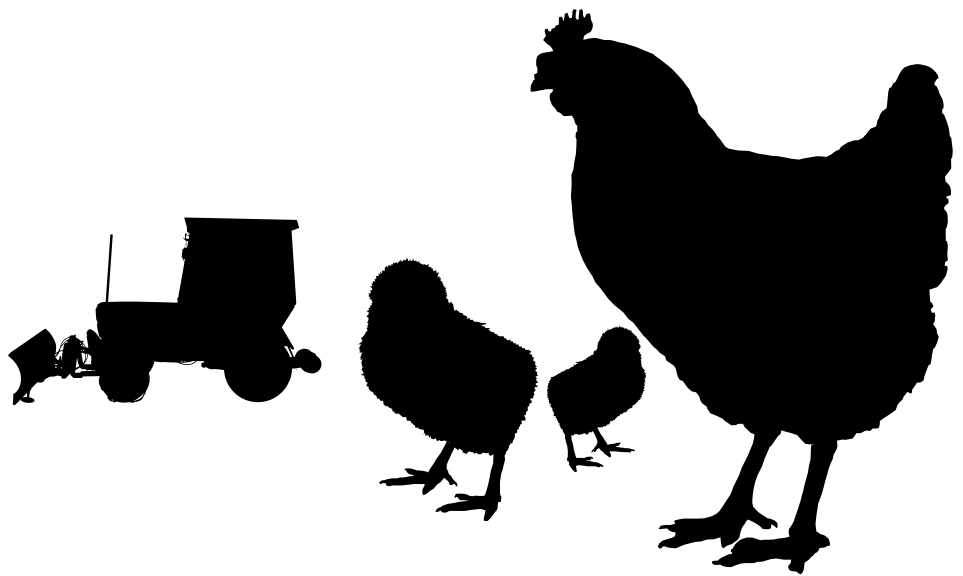
With limited food, water, health care, infrastructure and financial services, the people of the Awdal and Galbeed regions of Northwestern Somalia often struggle to satisfy their basic needs. Launched in 2001 and financed by the Belgian Survival Fund and IFAD, the Integrated Community Development Programme is a multisectoral response to these many challenges.

As implementing partner UNOPS oversaw delivery of many initiatives, assisting more than 127,000 families in 150 villages. Results have far surpassed targets in every

sector. Agricultural production exceeded local needs, establishing food security in a once hunger-stricken region. Moreover, local communities view the programme positively, making outputs more successful and sustainable.

Results in 2007 included building five water reservoirs, 12 wells and three sand-storage dams; distributing 800 kilograms of seeds for drought-resistant, high-yield crops; establishing 40 plots to demonstrate better agronomic techniques; launching locally-managed financial services, including credit associations and revolving funds; providing 100 rural women with microcredit and training in business development and credit management; and bringing literacy classes to 500 rural women in 10 villages.

UNOPS provided such services to IFAD integrated rural development projects, predominantly in Africa and the Middle East. Project components address agriculture, livestock and fisheries; social development; watershed and natural resource management; access to drinking water, markets and services; and development of rural financial services and infrastructure. UNOPS has thus supported UN Millennium Development Goal 1 – addressing extreme poverty and hunger – by promoting food production and nutrition, and increasing incomes, educational standards and human wellbeing through microfinance, institution-building, training and capacity-building.



UNOPS-supported, IFAD-financed projects in 2007 constructed 255 kilometres of paved roads, 1,898 kilometres of unpaved roads and 30 bridges; trained 12,480 personnel in construction-related disciplines; supplied 2,200 people with clean water; drilled 357 wells; gave 6,000 people access to electricity; implemented 22 irrigation schemes and 4,684 rural water-supply schemes; built nine gas networks serving 68 villages, 124 schools and 20 health clinics; reforested 20 hectares; conducted 2,525 agricultural production demonstrations; applied improved agricultural techniques to 135,000 hectares; distributed 12,000 kilograms of improved seeds and 540,000 fruit saplings; vaccinated 12,416 livestock; extended microfinance to 31,222 rural dwellers; provided gender mainstreaming training to 7,080 women and training on capacity-building, skills enhancement and income generation to 263,329 rural poor.

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UN clients in 2007

The Department of Economic and Social Affairs
The Department of Peacekeeping Operations (DPKO)
The Department of Political Affairs (DPA)
The Food and Agriculture Organization (FAO)
The International Fund for Agricultural Development (IFAD)
The International Labour Organization (ILO)
The Office for the Coordination of Humanitarian Affairs (OCHA)
The Office of the High Commissioner for Human Rights (OHCHR)
The Office of the United Nations High Commissioner for Refugees (UNHCR)
The United Nations Capital Development Fund (UNCDF)
The United Nations Children's Fund (UNICEF)
The United Nations Development Fund for Women (UNIFEM)

The United Nations Development Programme (UNDP)
The United Nations Environment Programme (UNEP)
The United Nations Educational, Scientific and Cultural Organization (UNESCO)
The United Nations Interregional Crime and Justice Research Institute (UNICRI)
The United Nations Institute for Disarmament Research (UNIDIR)
The United Nations Institute for Training and Research (UNITAR)
The United Nations Office on Drugs and Crime (UNODC)
The United Nations Population fund (UNFPA)
The United Nations Programme on HIV/AIDS (UNAIDS)
The World Food Programme (WFP)
The World Health Organization (WHO).

Financial perspective

In 2007 UNOPS delivered \$851.1 million through project implementation and spent \$35.0 million administering it. Net revenue generated in 2006-2007 was \$20.1 million, bringing the total operational reserve level to \$25.1 million.



Statement of income and expenditure and changes in reserves and fund balances for the biennium ended 31 December 2007, with comparative figures for the biennium ended 31 December 2005

(U.S. \$'000s)		2006 - 07	2004 - 05
INCOME			
Support costs and fees:			
UNDP - Core and Trust Funds		25,901	45,631
Projects on behalf of other UN Organizations		60,716	40,139
Management Services Agreements (MSAs)		11,821	9,704
Total support costs and fees	(schedule 1)	98,438	95,474
Advisory and Reimbursable Services Income	(note 3)	18,903	18,575
Miscellaneous income	(note 4)	8,587	4,622
TOTAL INCOME		125,928	118,671
TOTAL EXPENDITURE	(schedule 2)	89,607	115,939
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE		36,321	2,732
Provision and write-off of receivables	(note 13)	-16,238	-10,182
Prior Period Adjustments	(note 5)	—	-14,498
NET (SHORTFALL)/EXCESS OF INCOME OVER EXPENDITURE		20,083	-21,948
Savings on or cancellation of prior periods' obligations	(note 5)	622	3,158
OPERATING RESERVE BEGINNING OF PERIOD		4,362	23,152
OPERATING RESERVE END OF PERIOD	(statement II)	25,067	4,362

The accompanying notes are an integral part of the financial statements.



Statement of assets, liabilities, and reserves as at 31 December 2007, with comparative figures as at 31 December 2005

(U.S. \$'000s)		2007	2005
ASSETS			
Cash and Term Deposits	(note 6)	50,118	47,872
Accounts Receivable	(note 7)	55,074	11,895
Interfund Accounts	(note 8)	280,922	158,742
TOTAL ASSETS		386,114	218,509
LIABILITIES			
Contributions Received in Advance	(note 2)	116,856	60,410
Unliquidated Obligations	(note 9)	197,861	129,311
Accounts Payable	(note 10)	6,713	852
Post Retirement and End of Service Benefits	(note 11)	13,634	14,218
Provision for Write-off of Receivables	(note 13)	25,984	9,356
TOTAL LIABILITIES		361,047	214,147
RESERVES			
Operating Reserve	(note 12)	25,067	4,362
TOTAL RESERVES		25,067	4,362
TOTAL LIABILITIES AND RESERVES		386,114	218,509

The accompanying notes are an integral part of the financial statements.

Statement of cash flows for the biennium ended 31 December 2007, with comparative figures for the biennium ended 31 December 2005

(U.S.\$'000s)	2006 - 07	2004 - 05
CASH FLOWS FROM OPERATING ACTIVITIES		
Net excess (shortfall) of income over expenditure (Statement I)	20,083	-21,948
(Increase) decrease in account receivable	-43,179	-5,628
(Increase) decrease in inter-fund balances receivable	-122,181	-96,514
Increase (decrease) in contributions or payments received in advance	56,446	30,401
Increase (decrease) in unliquidated obligations	68,551	95,272
Increase (decrease) in accounts payable	5,861	131
Increase (decrease) in other liabilities	16,044	23,017
Less: Interest income	-1,199	-913
Net cash flows from operating activities	425	23,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Plus: Interest income	1,199	913
Net cash flows from investing activities	1,199	913
CASH FLOWS FROM FINANCING ACTIVITIES		
Savings on or cancellation of prior periods' obligations	622	3,158
Net cash flows from financing activities	622	3,158
NET INCREASE (DECREASE) IN CASH AND TERM DEPOSITS	2,246	27,889
CASH AND TERM DEPOSITS, BEGINNING OF PERIOD	47,872	19,983
CASH AND TERM DEPOSITS, END OF PERIOD	50,118	47,872

The accompanying notes are an integral part of the financial statements.

