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**United Nations Office for Project Services**

## **Annual report of the Executive Director**

### ***Summary***

We are proud to present the first UNOPS annual report on its strategic plan, 2018-2021, and our third report aligned to the Global Reporting Initiative ('GRI') – the sustainability reporting organization developed in collaboration with the United Nations Environment Programme (UNEP) and the United Nations Global Compact.

In 2018, UNOPS supported the United Nations in addressing critical humanitarian emergencies, vital development initiatives, and peace and security priorities in places such as Bangladesh, Ghana, Guatemala, Iraq and Yemen. The year saw steady demand for UNOPS services, and, for a third consecutive year, we saw an increase in the implementation support provided directly to governments, which remained at more than a third of the UNOPS portfolio. Across more than 80 countries, UNOPS-supported projects created more than 5 million days of paid work for local people. Women undertook more than 2.3 million of those work days. Our infrastructure activities included work on more than 1,514 kilometres of roads, 104 schools, 9 hospitals and 114 health clinics. More than \$420 million worth of procurement spend went to local suppliers, lessening environmental impacts by reducing emissions and directly supporting local economies.

Overall, UNOPS delivery reached almost \$1.9 billion, and, with more than 11,000 people on contract working directly for UNOPS and for our partners, we provided technical expertise and efficiency to the wider global development system. The organization continued to improve the way it operates, and through its strategic plan, 2018-2022, is well placed to increase its work in support of the 2030 Agenda for Sustainable Development, Member States, and the people they represent.

### ***Elements of a decision***

The Executive Board may wish to: (a) recognize the contributions of UNOPS to the operational results of governments, the United Nations and other partners in 2018, through efficient management support services and effective specialized technical expertise, expanding the implementation capacity for sustainable development; (b) welcome the progress made in implementing the UNOPS strategic plan, 2018-2021; (c) take note of the annual report on the recommendations of the Joint Inspection Unit and the progress made in implementing recommendations relevant to UNOPS; and (d) take note of the progress achieved in initiating social impact investment activities in UNOPS mandated areas.



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This report has been prepared in accordance with the GRI standards: core option. The GRI content index is detailed in annex I.

## Introduction

1. The Executive Director is pleased to inform the Executive Board of the progress made during 2018 in implementing the UNOPS strategic plan, 2018-2021. In doing so, UNOPS has helped people build better lives and has supported the progress of countries towards peace and sustainable development.

### I. Results framework

2. The UNOPS mandate was established by the General Assembly in resolution 65/176. The Executive Board approved the UNOPS strategic plan, 2018-2021, in its decision 2017/26. The Board recognized its solid foundation in Member State decisions, policy guidance, international agreements, and the needs of people and countries, including in the most fragile situations.

3. In 2018, UNOPS reported on its work around its mandated core competencies or focus areas: effective specialized technical expertise in infrastructure, procurement and project management; and efficient management support services.

4. In addition to the focus areas, at the request of the Board UNOPS reported on a third area: expanding the broader pool and effect of resources for the 2030 Agenda for Sustainable Development, including from the private sector.

5. In 2018, the focus areas were used to assess the outputs of 947 projects, 783 of which reported contributions to sustainability across a range of economic, environmental and social aspects. Throughout this report, percentages reflecting sustainability results are weighed by delivery. Details of the results framework and reporting methodology are outlined in annex II.

6. The information in this report is aligned to GRI sustainability standards. Further details of UNOPS results with associated GRI indicators are available in annex I.

### II. Highlights of results

7. More than 5 million days of paid work for local people were created through UNOPS projects in 2018, 46 per cent them undertaken by women. The majority related to infrastructure projects, including the construction, design or rehabilitation of 104 schools, 9 hospitals, 114 health clinics, and 1,514 kilometres of roads. That compares with 35 schools, 47 hospitals, 243 health clinics and 2,302 kilometres of road in 2017. Over 4,000 homes for people were constructed or designed in 2018, compared with 2,133 in 2017, and over 2 million days of paid work were created.

8. UNOPS procured more than \$920 million worth of goods and services for its partners in 2018 compared to the \$1 billion reported in 2017. UNOPS is committed to strengthening national economies by supporting local suppliers. In locations of operations where UNOPS maintains a physical presence, 46 per cent of procurement budgets were awarded to local suppliers, representing over \$420 million – compared to 51 per cent in the previous year. In 2018, 92 per cent of UNOPS procurement projects reported the inclusion of sustainability considerations in tenders, compared to 83 per cent in 2017. In 2018, \$14 million of procurement tenders were awarded to women-owned businesses and \$322 million to micro, small and medium-sized enterprises.

9. As part of efforts to share UNOPS knowledge and expertise, over 31,000 days of technical assistance were provided to partners (down from 39,000 in 2017). UNOPS helped develop local capacity by supporting almost 12,000 training days, an increase from 8,500 in 2017. Approximately 67 per cent of projects supported by UNOPS reported one or more

activities that contributed to developing national capacity, compared to the 60 per cent reported for 2017.

10. UNOPS is committed to climate neutrality. A 2018 analysis of UNOPS operations recorded greenhouse gas emissions of 15,631 tonnes of carbon dioxide equivalent. In comparison, 16,980 tonnes were reported the previous year. All UNOPS emissions were offset using certified emission reductions, with Gold Standard certification developed under the United Nations Clean Development Mechanism.

11. In 2018, demand remained strong for UNOPS services in conflict and post-conflict countries, least developed countries and other countries in vulnerable situations. UNOPS supported progress towards achieving a number of global and local objectives, including the Sustainable Development Goals. As in prior years, there was a notable demand for support in relation to Goals 3, 9, 11, and 16. UNOPS provides expertise through a range of integrated services across multiple sectors and service lines. Details of 2018, compared to 2017, are summarized in table 1, below.

**Table 1. Percentage of delivery associated with UNOPS respective service lines**

Service line	Percentage of total delivery 2018	Percentage of total delivery 2017
Infrastructure	17	25
Procurement	35	36
Project management	4	4
Human resources	16	13
Financial management	27	21

### III. Operational results

#### A. Efficient management support services

12. UNOPS is committed to enabling partners to ‘do more with less’ through efficient management support services, delivered locally or as global shared services. Services range from procurement, human resources, financial or other shared services management, to dedicated secretariat services for partners under the UNOPS legal framework.

13. UNOPS management support services extend from supporting the implementation of Security Council and General Assembly resolutions to helping address humanitarian crises and peace and security priorities through our ability to respond rapidly in emergency situations.

14. For example, as part of its efforts to facilitate access to essential commodities, UNOPS has worked with partners in Yemen to meet basic needs. By the end of 2018, 24.1 million people in the country were in need, of whom were 20.1 million food insecure. To facilitate the inflow of commercial goods, in 2015 UNOPS established the United Nations Verification and Inspection Mechanism for Yemen, in partnership with the Office for the Coordination of Humanitarian Affairs and on behalf of the Government of Yemen and United Nations Member States. During 2018, 247 commercial vessels were cleared through the mechanism, successfully offloading over 4.8 million tonnes of food and fuel.

15. A project implemented by UNOPS under the Gaza Reconstruction Mechanism, a temporary agreement between the State of Palestine and Israel brokered by the United Nations, is a key element of rebuilding efforts in Gaza. The project allows much-needed reconstruction materials to enter the territory. In 2018, 326,607 tonnes of cement were imported into Gaza through the mechanism, in an effort to rebuild homes and large-scale projects such as hospitals, schools, and water, sanitation and hygiene facilities. Project materials went to building or preparing for the rebuilding of homes for 7,482 families. Local

suppliers participated by registering, helping to boost the local economy by placing the local private sector at the centre of reconstruction efforts. In 2018, 73 per cent of relevant UNOPS projects reported positive effects on local economies, compared to 68 per cent in 2017.

16. Awaaz Afghanistan, the first nationwide inter-agency humanitarian call centre, represents a joint initiative between multiple United Nations organizations and partners. The UNOPS-implemented call centre offers a single point of contact for all Afghans, including returnees and those affected by conflict and natural disasters, to receive critical information about assistance and support. To enhance accountability and two-way communication in Afghanistan, the World Food Programme initiated and funded the call centre, identifying UNOPS as the implementing partner; the centre is jointly funded by UNOPS and the Office of the United Nations High Commissioner for Refugees (UNCHR). UNOPS secured additional funding for the centre from the Afghanistan Humanitarian Fund, the European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations. Its eight multi-lingual operators, four of whom are women, have handled more than 50,000 calls since Awaaz took its first call in May 2018. Twenty per cent of callers seeking advice and assistance were women. The project used innovative artificial intelligence communications solutions including ‘chatbots’ and social media messaging to facilitate efficient service delivery.

#### **Box 1. Bringing lifesaving services to the people of Yemen**

Last year, Yemen entered its fourth year of conflict; the humanitarian situation continued to worsen. By the end of 2018, around 75 per cent of the population was in need of humanitarian assistance, while the provision of public services had come to a standstill.

In an effort to relieve the ongoing crisis, UNOPS, with funding and support from the International Development Association of the World Bank, is working to restore access to critical urban services in selected cities across Yemen – including water and sanitation, transportation, energy, and waste management.

The Yemen Integrated Urban Services Emergency Project provides coordinated, multi-sectoral support to restore urban services and support implementation and capacity development for local contractors. UNOPS Emergency Procurement Procedures allow for faster and simplified procurement processes during times of emergency.

In 2018, through the procurement of goods and infrastructure services UNOPS provided over 65,000 Yemenis with access to improved critical urban services, rehabilitated 23 km of roads, and restored 354 megawatts of electricity generation, including the provision of solar energy to two general hospitals in Sana’a and Hodeida.

UNOPS is engaging with local authorities, institutions, and communities to facilitate local ownership and sustainability. Most contracts went to local suppliers and contractors, helping to boost the local economy. The project helped generate 236,337 work days for the people of Yemen.

Around 1.4 million Yemenis are expected to benefit from improved services and living conditions over a three-year period.

17. The Ukraine Ministry of Social Policy, the United Nations Children’s Fund (UNICEF), and UNOPS launched a pilot project to protect the health and well-being of babies across the country. The caregivers of every newborn in Ukraine will receive a ‘baby box’ with essential childcare items. The box itself can be used as a cradle and includes a mattress, thermometer, diapers, blankets, baby linens, toiletries and pamphlets with breastfeeding and childcare tips. The baby boxes support low-income families, who often cannot afford to buy many of the items in the box, and the informational material raises awareness about healthy practices for infant care. Over 115,000 boxes were distributed by the end of 2018.

#### **Box 2. Working together to help Rohingya refugees in Bangladesh**

The Cox’s Bazar district of Bangladesh has one of the largest refugee camps in the world. Consisting of more than 30 camps, over 900,000 people – mainly Rohingya women and children who fled conflict in Rakhine State, Myanmar – live in an area covering about 24 square kilometres (roughly 6,000 acres). Cox’s Bazar has one of the densest concentrations of refugees in the world.

There is a vital need for humanitarian assistance. UNOPS is helping partners on the ground provide that assistance and improve conditions in the camps and in host communities.

As the fund manager for the £111 million ‘Strengthening Humanitarian Preparedness and Response’ programme, funded by the Department for International Development of the United Kingdom, UNOPS contracts implementing partners, providing programmatic, budgetary, and monitoring and evaluation oversight.

As part of the programme, UNOPS is assisting the country in increasing its resilience to large-scale catastrophic emergencies and recurrent disasters. A diverse range of partners – including United Nations organizations, non-governmental organizations and government partners – are participating.

UNOPS has provided grant management support directly to 22 organizations who are implementing 53 projects, 31 of which have been completed and 22 of which are ongoing.

18. Funded by the European Union and implemented by UNOPS, the Eastern Partnership European School project aims to promote secondary education opportunities for students from the six Eastern Partnership countries – Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. In 2018, UNOPS provided grant management services that supported the New School, International School of Georgia, in setting up and managing the scholarship programme, the student selection process, and accommodation for students from outside Tbilisi.

19. As the United Nations Office at Geneva geared up to celebrate its 100 years of multilateral diplomacy, the United Nations Library at Geneva launched a five-year project in 2017 to digitize the full League of Nations archives. In 2018, UNOPS provided project management and procurement services supporting the pre- and post-digitization teams, and procured specialized scanning services and physical preservation supplies for the Office. Recognized by the United Nations Educational, Scientific and Cultural Organization for their historic value, the final digitized archive will result in the preservation of 15 million digital files, 500,000 accessible files and 250 terabytes of data.

20. With funding from the Government of Japan, UNOPS provided 14 buses for the exclusive use of women passengers, and male children under the age of 12, in the cities of Mardan and Abbottabad, Khyber-Pakhtunkhwa Province, Pakistan. Thirty-one bus stops were built to give women safer locations from which they can access the bus service. The stops include solar panels that keep each bus stop well-lit, helping women feel safer.

21. As part of shared services provided across the United Nations and on behalf of governments, UNOPS supported the procurement of \$80 million worth of goods through UN Web Buy Plus, over two-thirds of which was for African governments (compared with \$104 million in 2017).

22. On behalf of partner organizations, UNOPS managed the contracts of 7,232 people during 2018. Partners supported included UNHCR, UN-Habitat, UNEP, UNICEF, the World Health Organization (WHO), the International Organization for Migration, and the Global Green Growth Institute.

23. In 2018, UNOPS supported mine-action, humanitarian, stabilization and explosive management activities; capacity-building of national actors and United Nations missions; and the weapons and ammunition management work of the United Nations Mine Action Service and partners in 17 countries and territories. It provided human resources management, procurement, contracting, grants management, technical and operational support, and financial and legal services. For approximately \$240 million, UNOPS helped its main partner, the Mine Action Service, to deliver a range of results, including:

- (a) In Iraq, 115,000 square metres of land were cleared in areas liberated from the Islamic State of Iraq and the Levant, and over 2,500 explosive hazards were found and rendered safe, in direct support of the stabilization and return plans of the Government of Iraq. To enhance the capacity of mine removal actors, training courses on explosive

ordnance disposal and improvised explosive devices were conducted for 16 personnel from the Ministry of the Interior. In addition, more than 253,000 beneficiaries received direct risk education sessions in 2018, including at-risk populations such as internally displaced persons, returnees and host communities.

(b) In Mali, risk education sessions on explosive hazards, small arms and light weapons were delivered through mine action partners in Gao, Kidal, Mopti and Timbuktu, reaching more than 25,000 individuals, 6,114 of whom were women, 6,118 men, 5,876 girls and 7,001 boys. A pilot project to integrate and mainstream explosive hazard risk education into the national school curriculum was initiated in coordination with the Malian Ministry of Education and UNICEF.

(c) In Somalia, demining and explosive ordnance disposal teams cleared 3,801,482 square metres of land and destroyed more than 3,000 explosive devices at locations, including minefields, along the border with Ethiopia and in areas of close proximity to operations by the African Union Mission in Somalia (AMISOM). Sixteen community liaison officers were deployed to assess road conditions and non-functional infrastructure, and to deliver explosive hazard risk education to 30,660 beneficiaries. The officers held sessions on preventing violent extremism through group discussions with local community members. To enhance the improvised explosive device search capability of troops from AMISOM, formal training was provided to 11,353 participants.

(d) In Syria, to mitigate the impact of explosive hazards and prevent casualties, extensive risk education activity was coordinated across most of the country. More than 1.8 million Syrians received risk education sessions and materials designed to increase awareness among the local population about the dangers associated with mines and explosive remnants of war.

## **B. Effective specialized technical expertise**

24. UNOPS is committed to helping people achieve individual, local, national and global objectives through effective technical expertise grounded in international norms and standards. It provides a wide range of specialized expertise across a number of contexts through its core service lines.

25. UNOPS applies sustainable implementation approaches through means that include exercising due diligence and respect for international human rights principles; engaging local communities, with an emphasis on protecting the most vulnerable; facilitating access to food, water, sanitation, energy, health, education, justice, and security-related services; and mainstreaming gender equality in its activities. In 2018, 64 per cent of UNOPS infrastructure projects reported a delivery that enabled equal access and use by persons with disabilities.

26. In 2018, UNOPS and the World Bank agreed to deliver a \$50 million project to improve access to electricity in rural and peri-urban areas in Yemen. The three-year emergency electricity project aims to restore electricity supply to up to 1.34 million Yemenis, 400 health facilities and 800 schools. The project will be implemented in collaboration with the local private sector, including micro-finance institutions and solar equipment suppliers and installers, which will create hundreds of jobs. In 2018, a pilot for equipment installation at 24 facilities in the governorates of Hodeidah, Sana'a, Taiz, Dhamar and Al-Mahweet was launched, and a grievance redress mechanism was established.

27. In Sierra Leone, UNOPS is working with the Department for International Development of the United Kingdom on an innovative initiative to provide clean energy access that sustainably increases the energy capacity of the country. In 2018, the project expanded previously constructed health centre solar power stations and installed distribution networks throughout each location, creating independent mini-grids in 50 rural villages ready for connection to houses, schools and businesses. Through a competitive process, private sector companies were selected to connect individual customers and to operate the power supply

network in each village. They will also co-invest in the next phase of 44 additional villages. Over 6,000 training days were delivered by the project in 2018.

28. The lack of functional, stable civil security forces is a major constraint to peace and stability in Somalia. To improve security, UNOPS and the United States Department of State are supporting financial stipends for elements of the Somali National Armed Forces and Ministry of Defence. Biometrics and an electronic payment system are used to ensure the efficient, transparent and accountable distribution of stipends, which totalled \$1.5 million in 2018.

29. With funding from the Government of Korea, UNOPS completed 24 new primary and secondary schools for over 20,000 girls and boys in the Kapisa, Panjshir, and Parwan provinces of Afghanistan. The project has provided over 50 days of on-site construction and project management training, as well as training in operations and maintenance for community members and 200,000 days of paid work for local labourers in 2018.

**Box 3. Supporting economic development and cooperation in Kosovo and Serbia**

To boost economic development, enhance regional cooperation and strengthen the rule of law, an €11 million project funded by the European Commission and implemented by UNOPS will establish three common crossing points between Serbia and Kosovo to facilitate free trade and the movement of goods and people.

Situated at Merdarë, Bërnjak and Mutivodë in northern Kosovo, the Integrated Border Management Kosovo project involves the design and construction of infrastructure works on the sites. In a project recognized as one of the most sustainable of its kind, a range of environmental factors have been taken into account – with a focus on water-saving measures, energy efficiency, waste management and recycling activities. All construction work has been implemented following internationally recognized management systems standards, meeting the highest quality, safety and environmental criteria. The project has created local employment opportunities in a broad range of fields, amounting to almost 260,000 working hours in 2018, at the crossing points in Merdarë and Mutivodë.

The three border point stations will house 200 officers helping more than 1.5 million people safely cross between Kosovo and Serbia every year – more than 4,000 every day.

30. In Argentina, a project to provide social housing in partnership with the Government, tackling urban poverty and promoting social and economic inclusion by providing suitable housing to improve living conditions in vulnerable areas, continued in 2018. UNOPS provided supervision and technical assistance for resilient and sustainable housing designs in 2018, with 18 houses constructed and 98 house rehabilitated. In addition, an extensive water supply rehabilitation was implemented, connecting 882 families to the public sewage system and 450 to the water system. To date, the project has been implemented in 17 communities across three provinces, reaching over 7,500 people.

31. In 2018, 92 per cent of UNOPS infrastructure projects reported actions related to achieving gender and diversity goals, such as enabling equal access or delivering capacity-building activities to minority groups or women in the design or implementation of the project. UNOPS and the Swedish International Development Cooperation Agency have a long-standing partnership in northern Afghanistan, where we have been constructing and rehabilitating roads together since late 2007 under the Rural Access Improvement Project. The fourth phase, 2016 to 2020, includes a greater focus on capacity development and gender. In 2018, 12,000 local women benefited from days of paid work, while 35 kilometres of paved road and 116 kilometres of unpaved road were completed.

**Box 4. Training new midwives in Ghana**

Around the world, persistent inequalities put many countries off-track to meet the Sustainable Development Goals. One major concern is continued high rates of maternal and child mortality.

In Ghana, one of the main barriers to improving child and maternal survival rates is a lack of access to skilled health professionals, as well as well-functioning health

infrastructure. Statistics show that there are still 36 under-five deaths per 1,000 live births and a maternal mortality ratio of 319 per 100,000 live births in Ghana, putting the country behind global targets to reduce under-five mortality to a maximum of 25 per 1,000 live births and maternal mortality to less than 70 per 100,000 live births by 2030.

To address some of these issues, the Korea International Cooperation Agency partnered with UNOPS to implement the construction and equipping of a new midwifery training college to serve health facilities in the southern Volta region and help improve the safety, effectiveness and efficiency of maternal and child care. Apart from supporting local livelihoods and encouraging a sense of national ownership, the project used an inclusive approach to ensure that the finished facilities met the unique needs of a wide range of people. Designs are gender sensitive, resulting in facilities that encourage access by both women and men. Today, over 300 students attend the college, which is seen as a valuable addition to the health facilities in the region.

32. Cash-for-work activities and minor public works under the Safety Net and Skills Development Project, initiated by the Government of South Sudan and funded by the World Bank, provided economic benefit to 216,948 people in 2018. The project disbursed \$7.6 million to 36,158 workers who rehabilitated and maintained 300 kilometres of urban and rural community access roads, rehabilitated 100 kilometres of roadside drainage systems, and cleaned 1.2 square kilometres of schools, hospitals and market places. Thirty-one additional schools were rehabilitated and maintained.

33. In 2018, the newly constructed House of Parliament in St. George, Grenada was inaugurated by the Government. UNOPS provided technical support for the construction of the parliament building destroyed by Hurricane Ivan in 2004. With funding from the governments of Australia, Grenada, Mexico, and the United Arab Emirates, the new structure is climate resilient and will help mitigate the impact of future climatic events. UNOPS is implementing a range of resilient infrastructure projects throughout the region, including in Curaçao, Haiti, Saint Lucia, and Saint Vincent and the Grenadines.

### **C. Expanding the pool and effect of resources**

34. UNOPS is committed to supporting countries in expanding the pool and effect of resources available to achieve the 2030 Agenda. In line with Executive Board decisions 2016/12, 2017/16 and 2017/26, UNOPS continued to develop its social impact investing initiative and explore opportunities for collaborative partnerships to mobilize alternative funding sources for the 2030 Agenda, particularly in the areas of affordable housing, renewable energy, and water and sanitation. In 2018, UNOPS supported governments in achieving efficiencies in enhancing the effect of resources available for public procurement, and engaged in collaborative partnerships for South-South and triangular cooperation as well as public-private partnerships.

35. Establishing public procurement frameworks that realize even small efficiencies can constitute a major impetus towards attaining the Sustainable Development Goals. Savings can be realized by making better use of existing resources allocated to fund development objectives. Unspent funds from previously allocated budgets can then be made available for reallocation by national authorities, based on their identified needs.

#### **Box 5. Reducing the cost of healthcare in Guatemala**

In 2015, cases of corruption were uncovered that affected medicine procurement at the Social Security Institute of Guatemala. Hidden structures within the Institute meant that certain providers benefited unfairly from government procurement, while medicine supplies for millions of Guatemalans were at risk.

UNOPS has been working with the Institute to improve transparency in public procurement by helping to strengthen institutional procurement capacities. UNOPS designed sustainable policies on procurement, infrastructure and project management, with associated training provided to 345 employees.

By 2018, the project had generated significant savings for Guatemala. Through four public tenders, UNOPS helped supply 118 hospitals with 568 medicines. The

Government identified savings of more than \$155 million, reporting an estimated savings of 54 per cent in the purchase of medicines since working with UNOPS.

The money saved has helped to increase and expand the procurement of medicines, and has led to the improvement of infrastructure and health facilities. An estimated 3.2 million Guatemalans are benefiting from greater efficiency and transparency in the health system. Most importantly, the project has left a legacy of transparency in a country with a high risk of corruption in public procurement.

36. UNOPS supported the Ministry of Education, Culture, Science and Technology of the Government of Argentina in procuring large volumes of information and communications technology (ICT) equipment such as netbooks, tablets and related equipment, for use by both teachers and students. Continuing a long-running national strategy of investing in digital education to allow students to acquire and develop cutting-edge skills, UNOPS procurement support resulted in the delivery of over 180,000 pieces of computer equipment and accessories in 2018. UNOPS expertise helped the Ministry of Education to reduce overall costs by up to 22 per cent compared to initial estimates for that activity in 2018.

37. In 2018, UNOPS co-investment in the renewable energy sector of Mexico marked a major milestone in our commitment to encouraging innovative financing for the Sustainable Development Goals through the Social Impact Investing Initiative. The project will revitalize a 22-megawatt wind farm to deliver low-cost, sustainable energy to around 50,000 people in underserved communities of Nuevo León. The Mexican development bank, Bancomext, which works closely with the private sector, is financing the bulk of the total investment goal for the project. The Government has strongly supported the initiative, welcoming infrastructure investments that will deliver tangible benefits to its people.

38. Affordable housing is a core focus of the Social Impact Investing Initiative, and in 2018 UNOPS signed agreements with the governments of Ghana and Kenya to build 200,000 homes. It is estimated that Kenya needs 2 million more houses and Ghana needs 1.7 million more. In Kenya, UNOPS and its partners will seek to attract sufficient investment to deliver at least 100,000 affordable, sustainable homes, and the project will provide employment opportunities for local communities nationwide, help to alleviate the housing crisis in Kenya, and help the Government to open access to sustainable, affordable and environmentally sound housing for its citizens. The agreement was signed with the Government on the sidelines of the 73rd session of the United Nations General Assembly. Also signed with the Government of Ghana during the General Assembly was an affordable housing initiative for 100,000 high-quality, sustainable and resilient homes to be constructed using energy-efficient solar rooftops. UNOPS will seek to attract hundreds of millions of dollars' worth of investment. Local building materials, equipment and expertise will be used in the project, providing business and an estimated 3,000 jobs for the local community over the next 6 to 10 years.

39. UNOPS continued exploring innovative solutions with the potential to deliver efficiency savings, such as the use of groundbreaking communications technologies as part of humanitarian response activities in Afghanistan and Iraq. In both projects, tools such as social media messaging, automated voice messaging and chatbots are being deployed to help deliver services for internally-displaced persons' call centres, a source of life-saving information for vulnerable people in both countries. The benefits of such tools include automated interactions for people unable to read or write, the ability to reach 'tech-savvy' youth, and potentially to increase the number of people requesting assistance. Automated responses to the most commonly reported issues free up telephone lines for callers with more complex assistance needs. Use of these novel communications tools allows partner organizations delivering response services to process more beneficiary feedback from more diverse segments of the population; to better understand the specific needs of different communities; and to more quickly and to accurately pinpoint trends in needs as they arise, identify assistance gaps and allow for more refined and tailored responses.

40. A number of other traditional UNOPS activities delivered during 2018 demonstrated innovative approaches to financing development, as well as progress on the path to expanding the pool and effect of resources for the implementation of the 2030 Agenda.

41. In 2018, the Government of India provided \$7.41 million as part of a partnership agreement to support the safer reconstruction of houses in Nuwakot, Nepal, one of the districts hit hardest by the 2015 earthquake. It is providing socio-technical facilitation to help quake-affected families rebuild 23,088 houses in Nuwakot. The three-year project, implemented by UNOPS, will help house owners ensure that their new structures comply with Government norms and are earthquake resilient. Since the Government has adopted an owner-driven reconstruction approach, support to house owners is ensuring access to finance, materials, knowledge, technologies, skills and land, all of which are critical to promoting the safer reconstruction of homes.

42. In 2018, the Secretary-General and his youth envoy launched the Youth 2030 strategy on youth to scale up global, regional and national actions to meet young people's needs, realize their rights, and tap their possibilities as agents of change. In Somalia during 2018, in a project funded by the African Development Bank and in partnership with UN Habitat, UNOPS provided training to 330 young people in Mogadishu, Kismayo, and Baidoa covering life skills, job readiness, and transferable skills required in the construction sector. Seventy young people were provided with job placement support and entrepreneurship training. The project is developing the capacity of the Ministry of Public Works, Reconstruction and Housing to ensure it is equipped to lead the reconstruction of Somalia, coordinate reconstruction efforts, and regulate sustainable rural development and the construction sector. Investing in the skills and potential of youth in this sector represents a long-term investment in the future of the country. Twenty-four per cent of UNOPS infrastructure projects that reported the inclusion of on-the-job learning elements in 2018 provided this training for local young workers (from the minimum age of employment in the country of implementation up to age 24).

43. To help governments make better-informed infrastructure investment decisions, UNOPS and the University of Oxford-led Infrastructure Transitions Research Consortium published the report 'Infrastructure: Underpinning Sustainable Development' in 2018. Focusing on real-life projects implemented by UNOPS around the world, the report finds that infrastructure projects can have multiple effects across several Sustainable Development Goals and their targets. It found that 92 per cent of the targets can only be achieved with the provision of high-quality infrastructure – reinforcing the pivotal role that infrastructure contributes towards attaining the Goals.

## **IV. Management results**

### **A. Delivery and partnerships**

44. UNOPS delivery was almost \$1.9 billion in 2018 – an increase over the \$1.8 billion in 2017 – making it the second year in a row of record financial turnover. The volume can again be attributed to high government demand for UNOPS services.

45. Direct support to governments accounted for the largest increase in delivery value, accounting for \$685 million, as compared to \$662 million in 2017. The largest partnership with a host government during 2018 was with Argentina, followed by Guatemala, Peru, Ethiopia, and El Salvador, respectively. Total direct support to governments remained consistent with 2017, at 37 per cent of delivery. The largest donor government to which UNOPS delivery can be directly attributed is that of the United Kingdom, followed by those of the United States, Canada, Japan, and Sweden, respectively.

46. In 2018, 33 per cent of UNOPS delivery was on behalf of the United Nations system, a slight increase from 32 per cent in 2017. In real terms, delivery on behalf of the United Nations system represented approximately \$608 million, as compared to \$583 million in

2017. The largest United Nations partner continued to be the Secretariat, as partnerships with the Department of Peace Operations continued to grow. Fifteen per cent of total delivery was on behalf of the Department. Notably among United Nations partners, delivery on behalf of UNHCR grew for the sixth consecutive year. Other strong partnerships included support to United Nations Environment and WHO.

47. UNOPS partnered with international financial institutions, including the African Development Bank and the Inter-American Development Bank, to deliver over \$100 million in services. Its largest partner was the World Bank, with a total of \$92 million in 2018, up from \$42 million the previous year.

48. UNOPS work for the European Union increased from \$53 million to \$68 million of delivery in 2018. Projects during 2018 included road rehabilitation in Gambia and Guinea as well as supporting justice sector reform in the Philippines.

49. UNOPS continued to maintain strong partnerships in support of multilateral institutions – most significantly the Global Fund to Fight AIDS, Tuberculosis and Malaria, to which \$121 million of services was delivered in 2018, compared to \$128 million in 2017 – and worked as local fund agent in 13 countries.

50. UNOPS supported the management of a number of programmes financed by multiple donors, the largest of which are in Myanmar – such as the Livelihoods and Food Security Fund and the Three Millennium Development Goal Fund – or operate globally, such as the Water Supply and Sanitation Collaborative Council Global Sanitation Fund and the Stop TB Partnership.

51. In 2018, the largest countries of delivery were Myanmar, South Sudan, Argentina, Somalia, and Iraq, in that order. In 2017, they were Myanmar, Argentina, Somalia, South Sudan, and Mali.

52. New agreements between UNOPS and its partners reached \$2.2 billion, slightly lower than the previous year's total of \$2.3 billion – with significant new engagements including health programme support in Myanmar and infrastructure support in Yemen.

53. In 2018, UNOPS established innovation centres in Antigua and Barbuda and Sweden that will work closely with local, regional and national stakeholders to help further contributions to the Sustainable Development Goals. Partnering with the research institutes such as Massachusetts Institute of Technology and Harvard University, the centres attract, support and distribute cutting-edge technologies and solutions adapted for local and global sustainable development needs.

54. At the beginning of 2018, UNOPS launched a new website to better communicate the focus and expertise detailed in its strategic plan, 2018-2021.

## **B. Process excellence**

55. Following an organization-wide exercise to gather data on aspects of sustainability relevant to UNOPS, the organization produced its third report aligned with GRI standards. The report refined a series of indicators identified to assess UNOPS sustainable implementation approaches and provided an overview of UNOPS operations worldwide.

56. Launched in 2018, the UNOPS-wide Gender Parity Strategy sets ambitious targets to achieve the equal representation of men and women across our workforce, irrespective of levels, by 2020 and to increase the representation of women at senior and decision-making levels in accordance with the criteria of the UN System-wide Strategy on Gender Parity. Also launched in 2018, the Gender Mainstreaming Strategy complements this as part of our efforts to be a more sustainable organization and to better represent the people we serve. UNOPS will ensure that all its projects, programmes and activities, wherever possible, deliver products and services that meet the needs of all genders and contribute to global gender equality targets. Both strategies outline the UNOPS commitment to contribute effectively to the implementation of Agenda 2030.

57. In 2018, UNOPS was assessed by the International Organization for Standardization ('ISO') and maintained its global ISO 9001 quality management certification.

58. In 2018, UNOPS sustainable procurement practices received the gold level award from the Chartered Institute of Procurement and Supply for the third time in a row. UNOPS is the only United Nations organization to accomplish this. An example of sustainable procurement in action highlighted in the submission was a project for the supply and installation of wastewater treatment plants at three common crossing points in Kosovo. The project encouraged designs that minimized environmental impacts and reduced wastewater: treated sewage water is channelled into tanks used to fight fires, and 'grey water' – relatively clean wastewater – supplies fire hydrants, irrigates green areas, and is used in public toilets.

59. In 2018, UNOPS expanded its ISO 14001-certified environmental management system to cover its activities and facilities in Argentina, El Salvador, Gambia, Guinea, Liberia, and Peru, adding to existing certifications in Afghanistan, Denmark, Ghana, Kosovo, Myanmar, Sierra Leone, Sri Lanka, Tunisia, and the State of Palestine. This achievement forms the basis for UNOPS compliance with CEB/2013/HLCM/5 on the development and implementation of environmental sustainability management systems in each United Nations organization.

60. UNOPS-certified health and safety management systems – Occupational Health and Safety Assessment Services 18001 – apply to all UNOPS activities and facilities in Denmark, Ghana, Kosovo, Myanmar and the State of Palestine, to which Gambia, Sierra Leone and Sri Lanka were added in 2018. This achievement forms the basis of UNOPS compliance with CEB/2015/HLCM/7/Rev.2 on the adoption of occupational safety and health systems in all United Nations organizations, and with the Secretary General's bulletin entitled 'Introduction of an occupational safety and health management system' (ST/SGB/2018/5).

61. UNOPS made considerable progress in the development and deployment of a new enterprise portfolio and project management system, 'oneUNOPS Projects', which will enable UNOPS personnel around the world to design, plan, manage and execute projects more successfully. It will improve efficiency by automating and moving many manual processes, forms and templates into an institutional system that will allow for increased collaboration and knowledge-sharing across the organization.

62. During 2018, investment in ICT systems resulted in savings of 2,500 working hours through more automated processes and improved governance and oversight mechanisms integrated into systems. Process automation reduced the time spent on procurement by 24 per cent, resulting in \$400 savings on each procurement exercise and representing savings of more than \$1,000,000 when compared to costs in 2016.

63. A revised legislative framework and a governance model were finalized in 2018. The Legislative Framework Committee, comprising members of senior management, guided the revision and promulgation of all of UNOPS policies and procedures, resulting in a strengthened engagement acceptance process that has been integrated into the oneUNOPS enterprise resource planning system.

64. The Capacity Assessment Tool for Infrastructure, known as 'CAT-I', was designed and launched in 2018 to help governments identify the gaps that limit their ability to deliver a sustainable, resilient infrastructure. Following successful pilot work and research in partnership with the governments of Brazil, Nepal and Serbia, the tool was used to assess the infrastructure environment in Grenada and Kenya.

65. By the end of 2018, the implementation rate of audit recommendations stood at 96 per cent, a notable improvement compared to the 2017 rate of 92 per cent that demonstrates high management responsiveness. Twelve of the recommendations have been open for more than 18 months. Details of UNOPS audit and investigations findings in 2018 are available in a dedicated report (DP/OPS/2019/4) presented to the Executive Board at its annual session 2019.

66. In 2018, there were 22 incidents of fraud and financial irregularities. 15 employees were sanctioned in cases of fraud and financial irregularities in 2018. In total, 29 vendors and 23 individuals who own or manage vendors were sanctioned in cases of fraud and financial irregularities.

67. In 2018, the Joint Inspection Unit (a) confirmed the specific culture of the organization, its high degree of flexibility, and its strong and successful business orientation; (b) noted the viability of the self-financed UNOPS business model, based on neither assessed nor voluntary contributions; and (c) positively assessed the UNOPS arrangements for management and administration. (JIU/REP/2018/3). See annex 4 for details.

68. Reflecting its role as a consultative, impartial and service-oriented resource, the UNOPS Ethics Office handled 1,055 issues from 1 January to 31 December 2018. These are detailed in a dedicated report (DP/OPS/2019/5) presented to the Executive Board at its annual session 2019.

### C. People excellence

69. At the end of 2018, the total number of UNOPS personnel stood at 4,439, up from 4,179 at year-end 2017. In addition to UNOPS personnel, contracts were administered on behalf of a range of partners. At the end of 2018, the total number of individuals on UNOPS contracts stood at 11,671, up from 11,428 in 2017. A breakdown of personnel by contract category is shown in table 2, below.

**Table 2. Number of personnel, by category, as of 31 December 2018**

Contract modality	Staff	Contractors	Total
UNOPS personnel	756*	3,683	4,439
Partner personnel		7,232	7,232
Combined personnel	756	10,915	11, 671

\*Includes partner staff and staff in organizations where UNOPS is providing hosted initiative secretariat services, who are subject to the same policies and procedures as UNOPS staff.

70. The 795 members of UNOPS personnel recruited in 2018 comprised 335 women and 460 men, meaning 42 per cent of all new hires were women. As of 31 December 2018, the primary internal management body of UNOPS consisted of 17 members – five women and 12 men. Eight members were between the ages of 30 and 50, and nine were 50 or older. Women represented 39 per cent of UNOPS personnel, a slight increase over the 38 per cent recorded in 2017 and 37 per cent in 2016. A breakdown of gender representation is shown in table 3, below.

**Table 3. Gender balance among UNOPS personnel as of 31 December 2018**

Gender	Staff	Local contractors	International contractors	Total
Women	274	1,075	372	1,721
Men	482	1,684	552	2,718
All UNOPS personnel	756	2,759	924	4,439

71. Since the introduction, in 2016, of the new competency framework in UNOPS, the organization has exerted significant efforts towards ensuring that its workforce is aligned with the updated competencies, values, and principles that will allow UNOPS to implement its strategic plan. Special emphasis has been placed on defining the leadership compact and providing leaders with the tools required for them to efficiently deploy their leadership

function across the organization. Moreover, UNOPS has been active in the areas of prevention of sexual harassment, sexual exploitation and abuse, joining United Nations system initiatives while defining and implementing UNOPS strategies which, together, help ensure that UNOPS beneficiaries and personnel enjoy the highest standards regarding the safeguards of their rights in those areas.

72. During 2018 UNOPS expanded the offer related to leadership development programmes. About 200 team leads have benefited from the Leading People programme, and around 80 aspiring people-leaders have participated in the newly established Leadership Foundation programme. Additionally, some senior leaders have been part of external leadership programmes. At the core of the content of these programmes are themes such as inclusive leadership, diversity and gender equality to strengthen UNOPS commitment to people excellence based on competencies, values and principles.

**Table 4. Gender parity strategy goal 1.**  
Achieve gender parity targets established by the United Nations system-wide strategy

Obligation by level	% of women (31 Dec 2018)	Total women international staff	Total international staff	Target	Target date
P1					
P2	46%	26	57	47% - 53%	End 2021
P3	30%	52	172	47% - 53%	End 2021
P4	34%	44	130	47% - 53%	End 2026
P5	30%	23	77	47% - 53%	End 2026
P6, D1	35%	11	31	47% - 53%	End 2026
D2	21%	4	19	47% - 53%	End 2026

**Table 5. Gender parity strategy goal 2.**  
Equal gender representation targets for UNOPS personnel, irrespective of level

Total % of women	Total number of women	Total UNOPS personnel	Target % of women	Target date
39%	1,721	4,439	47% - 53%	End 2019

**Table 6. Gender parity strategy goal 3.**  
Targets to increase the representation of women at senior levels among international personnel

UNOPS personnel by International Civil Service Commission (ICSC) level and respective grades	% of women, by grade, as of Dec 31, 2018	Total number of international women personnel	Total number all international personnel	Target	Target date
ICSC 8 (P1 + IICA-1)	50%	78	155	47% - 53%	End 2021
ICSC 9 (P2 + IICA-1)	49%	91	186	47% - 53%	End 2021
ICSC 10 (P3 + IICA-2)	37%	211	564	47% - 53%	End 2021
ICSC 11 (P4 + IICA-3)	30%	105	346	47% - 53%	End 2026

ICSC 12 (P5 + IICA-3 / IICA-4)	29%	31	107	47% - 53%	End 2026
ICSC 13 (P6 + D1 + IICA-4)	34%	11	32	47% - 53%	End 2026
ICSC 14 (D2 + IICA-4 / IICA-5)	20%	4	20	47% - 53%	End 2026

73. There was a 21 per cent turnover of UNOPS personnel in 2018, down from 24 per cent in 2017 and 29 per cent reported in 2016. A breakdown of turnover figures, by age category and gender, is shown in table 7, below.

**Table 7. Turnover among UNOPS personnel, by age category and gender, in 2018**

Age category	Women	Men	Total
30 and under	21%	21%	21%
30 to 50	20%	18%	19%
50 and above	22%	28%	27%
All UNOPS personnel	21%	21%	21%

74. In 2018 the proportion of UNOPS senior management hired locally (that is, nationals of the duty station country) at significant locations of operation was 17 per cent, as was the case in 2017. Senior management at significant locations of operations is defined as International Civil Service Commission ICS 11 and above, in the countries where UNOPS has a physical presence.

75. In 2018, over 3,800 colleagues benefitted from learning opportunities, compared to 2,100 colleagues the previous year. Ninety-two per cent of participants in learning programmes rated the relevance of the learning opportunities provided as very relevant or relevant. Approximately 90 per cent of the participants came from field offices and 10 per cent from headquarters; 40 per cent were female and 60 per cent male. UNOPS provided training in occupational health and safety to 392 personnel (122 through on-line training, and 270 with face-to-face training). In addition to mandatory courses on gender awareness and the prevention of harassment, sexual harassment, and abuse of authority in the workplace, standards-of-conduct awareness training was provided to 199 UNOPS employees.

**D. Financial stewardship**

76. During 2018, UNOPS delivered almost \$1.9 billion in project services, compared to \$1.8 billion in 2017. Project-related net revenue was \$88.1 million, compared to \$89.7 million in 2017. Management expenses were \$59.1 million, compared to \$67.8 million a year earlier. The ratio of management expenses to delivery in 2018 was 3.2 per cent, compared to 3.7 per cent recorded in 2017. Miscellaneous income earned was \$1.8 million (against \$2.4 million in the previous year). Interest income earned was \$14.5 million as compared to \$14.6 million in 2017. Overall, this resulted in a net surplus of income over expenditure, after provisions, of \$38.4 million (compared to \$29.0 million in 2017). At year-end 2018, UNOPS continued to maintain its operational reserve above the minimum requirement established by its Executive Board.

77. An actuarial revaluation of UNOPS end-of-service employee liabilities indicated that such liabilities, at year-end 2018, were about \$1.6 million higher than the related liabilities at the end of 2017. This comprised an actuarial gain of \$2.6 million and further funding allocated by UNOPS during the year.

78. The expenses, revenue and reserve balance for 2018 are early figures calculated by UNOPS and may be subject to change. They have yet to be verified and audited by the United Nations Board of Auditors.

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