Update on Implementation Efforts on the Repositioning of the UN Development System

Information Note
Executive Board of UNDP, UNFPA and UNOPS – Annual Session 2022

I. Introduction

1. This information note is presented to the Executive Board of UNDP, UNFPA and UNOPS and provides an overview of UNOPS’ implementation efforts on the repositioning of the UN development system. The greatest challenge we have had to date is the management, accountability and governance failure of the UNOPS Sustainable Investments in Infrastructure and Innovation initiative (S3i). We take this situation very seriously and are committed to taking all appropriate measures under the guidance of our Executive Board.

II. Supporting the United Nations Resident Coordinator system

2. **Management and Accountability Framework (MAF):** In line with the MAF, all UNOPS UN Country Team (UNCT) members have been asked to ensure a performance objective linked to UNCT results. This year, the UNCT objective was updated in line with the latest MAF revision, bringing it more in alignment with the MAF section on the country level relationships and accountability agreements and the role of UNOPS UNCT representatives in the UN Sustainable Development Cooperation Framework (the ‘Cooperation Framework’) contribution and inter-agency cooperation. To that extent, UNOPS has shared with relevant colleagues an updated performance objective. This is a continued effort from last year. Furthermore, functional responsibilities of UNOPS directors, both of country offices and multi-country offices, in relation to inter-agency collaboration are clearly stipulated in the standard Terms of References.

3. **Resident Coordinator/Humanitarian Coordinator (RC/HC) Talent Pipeline:** In an effort to help further expand the pool of potential candidates for RC/HC functions, UNOPS continues to actively encourage our staff to pursue RC/HC roles as part of their career development and supports their application to the RC/HC Talent Pipeline. UNOPS continues to put forward highly qualified and diverse colleagues for considerations to partake in the RC/HC Talent Pipeline. UNOPS senior staff members also participate in the interview panel for this pipeline. Since early 2020, one former UNOPS staff member has been serving as RC.

4. **UNSDG cost-sharing:** Our fee-for-service business model is unique in the UN system. UNOPS does not directly receive any assessed or voluntary (core/non-core) contributions and is paid for services rendered. The UNOPS cost-sharing contribution in support of the RC system, amounted to USD2.46M for 2022. It was paid in full and in a timely manner.

5. **1% coordination levy:** UNOPS is in full compliance with the relevant legislation, official guidance and interpretations for the collection and transfer of the 1% coordination levy. In particular, the UN Controller’s note of 24 July 2020 to UNOPS clarified that “revenue from other activities” should be
treated the same as “contributions” for the purpose of the levy. Extract from the clarification received from the UN Controller for ease of reference:

“We fully understand that in accordance with the System-Wide Financial Data Reporting Standard IV, UNOPS’ revenue is derived from exchange transactions and is therefore classified as “revenue from other activities” and is not considered a “contribution” under IPSAS accounting policies. We however believe that the spirit of the Coordination Levy is that it should apply to any revenue that involves funds from donors for specific (i.e. tightly earmarked) development project activities irrespective of how these are accounted for. As such we request that UNOPS facilitate donor compliance with the 1% coordination levy in the spirit in which it was intended. This would also ensure consistent application of the levy by Member States across the different UNSDG Members.

We recognize the guidance note needs to be adjusted in this respect and we will be requesting that it be updated in 2021 to reflect this and other experiences to date. In the meantime, UNOPS may wish to, where necessary, include this letter in its agreements in order to provide clarity to Member States without jeopardizing UNOPS classification of revenue.’

6. For the period from January 2020 to March 2022, USD1.38M were generated and transferred to the Special Purpose Trust Fund from the 1% coordination levy.

III. Advancing system-wide support to the Sustainable Development Goals (SDGs) and the 2030 Agenda

7. Support to the UN Sustainable Development Group (UNSDG): As a member of the UNSDG, UNOPS plays a critical role in contributing to more effective and efficient development cooperation and results. At the working level, we participate in a number of Task Teams (e.g. SDG Financing; Business Innovations Group; COVID-19 Socioeconomic Framework Implementation) and other inter-agency working groups and networks (e.g. Inter-Agency Working Group on Programme Development and Results; Data and Reporting Network). UNOPS’ work in the Business Innovations Group (BIG) in particular is detailed under IV. Advancing the efficiency agenda.

8. Engagement in other relevant inter-agency fora: Since 2016, UNOPS has been a full and equal member of the Chief Executives Board for Coordination (CEB). Between 2019 and 2021, the former Executive Director chaired the United Nations High-Level Committee on Management (HLCM), helping guide efforts to become more efficient and simplify business practices as a contribution to the wider reform agenda. Since the establishment of the Task Force on the Future of the UN System Workforce in 2019, together with IOM and the UN Secretariat UNOPS co-chaired one of its work streams on contractual modalities. Going forward, UNOPS will also be represented in the High-Level Committee on Programmes (HLCP).

9. Engagement at regional level: Regional collaborative platforms are now fully established and UNOPS will participate fully going forward. Equally, we are ready to engage in focused collaborative strategic partnerships, including to expand the implementation capacity of issue-based coalitions at both regional and country level.
10. **Strengthening system-wide analysis, planning and reporting through the Cooperation Framework**: As a demand-driven, fee-for-service organization with a non-programmatic implementation mandate, UNOPS supports the Cooperation Frameworks via implementation. UNOPS country representatives engage directly with other UNCT members for the purpose of supporting the respective programmatic priorities and implement activities in areas of comparative advantage.

11. UNOPS has made available an analytic capacity for infrastructure assessment to inform the Cooperation Framework priorities via the Common Country Analysis (CCA). In order to improve UNOPS’ analysis contribution for the Cooperation Framework, UNOPS has developed a Capacity Assessment Tool for Infrastructure (CAT-I) to help countries facilitate better infrastructure development. CAT-I is designed to help governments develop sustainable, resilient, and inclusive infrastructure by identifying gaps in their capacities to plan, deliver and manage their infrastructure systems. The availability of this tool is referenced in the CCA companion piece to the Cooperation Framework guidance.

12. **Capacity development of personnel**: In a recent example of capacity development, UNOPS hosted an internal workshop to determine how we can best contribute to the Cooperation Framework focusing on the role of the CCA. The aim of the workshop was to practically train colleagues on the UNOPS CAT-I concept, creation of an infrastructure thematic brief, and determine how we can improve and refine tools to better meet the demands of Member States and the UN system with respect to meeting the Decade of Action and the 2030 Agenda for Sustainable Development. The result of this has been to increase our resources in this area and develop more tools to support our country offices with the CCA process. Also, a dedicated intranet page has been created to keep colleagues abreast of new developments and enable easy access to relevant resources and tools.

13. **UN INFO**: UNOPS has initiated a project to systematically measure and report on the contributions of its service delivery to partners’ objectives, including the implementation of Cooperation Frameworks. As part of that project, our aim is that by 2023 all UNOPS projects will be mapped to relevant SDGs and Cooperation Framework outcomes, and from 2023 onwards UNOPS will progressively introduce monitoring of indicators for relevant projects to enable measurement and reporting on the contributions of its service delivery to partners’ objectives. In doing so, UNOPS will leverage relevant SDG indicators and the menu of Cooperation Framework indicators. Relevant UNOPS projects will also be tagged for contributions to the achievement of the binary indicators for country-level reporting via UN INFO, enabling consistent reporting at country and global level.

### IV. Advancing the efficiency agenda

14. **UNSDG Business Innovations Group (BIG)**: UNOPS is committed to the efficiency agenda as a core part of how we operate as a UN entity. We participated in the BIG at the Under-Secretary-General (USG) level until 2020, and are represented at the most senior level now by our Chief Financial Officer and Director of Administration. UNOPS participates in the 8+1 Reference Group of larger UN entities as well to aid decision-making to meet targets articulated in General Assembly resolution 72/279. We are also represented at all BIG working groups - including co-chairing the Business Operations Strategy Task Team until recently and co-charing the Global Shared Services (GSS) Task Team.

15. **Mutual recognition**: UNOPS was an early signatory of the mutual recognition statement, which aims to facilitate active collaboration across UN entities and reduce transaction costs for Governments and collaborating UN entities. While the mutual recognition statement is a useful step towards removing
some organisations’ bureaucratic barriers against simple efficiencies, we believe it is important to be viewed as an enabler, not as the result. UNOPS is an active participant in the Mutual Recognition Task Team.

16. **Efficiencies:** As a demand-driven, fee-for-service organization, UNOPS operates on market terms. Its ability to deliver efficiently and effectively on commitments to its partners, including UN organizations, is demonstrated in the continued and growing demand for its delivery of project services. UNOPS process excellence drives measurable improvements in the efficiency, quality and reliability of operations. This is achieved by simplifying and innovating in a context of clear standards and delegated authority and supported by innovative IT solutions, including productivity and collaboration enhancements. With these solutions at the core of ongoing service delivery improvement, UNOPS has continuously transferred new lines of services to its Shared Services Centre (SSC) to enable scalable support and achieve efficiency gains. It should be noted that continuous process improvement is core to the business model and would happen independently of the wider reform agenda. Examples of efficiency improvement transfers to SSC include, among others, processing of payroll, personnel administration, vendor approval, payments and accounts receivable, back office treasury payments, travel authorizations, and daily subsistence allowance (DSA) payments. As part of the Efficiency Impact Task Team, UNOPS has duly contributed reporting on the significant efficiencies achieved.

17. **Global Shared Service Centres:** As has been evidenced with the successful remote piloting of various business operations during the COVID-19 pandemic, UNOPS remains a firm believer in the value creation of efficiencies through global shared services. By value we specifically mean an increase in both quality of service and a decrease in overall cost. UNOPS is supporting the GSS Task Team scale-up and implementation proposal and has identified some efficient UNOPS global shared services with high potential to be used across UN entities, that could be scaled up through the GSS proposal and achieve efficiency gains for the receiving UN entities. These services are procurement services and order management services through the UN Web Buy Plus e-commerce platform, provision of HR services, and supplier vendor management services potentially seeking to leverage the use of the UN Global Marketplace (UNGM) platform. We see UN Web Buy Plus as a great opportunity that could be prioritized and scale-up quickly, allowing service recipients to benefit from a GSS that is already efficient and operational.

V. **Delivering results in the reinvigorated UN development system**

18. **Taking the implementation of the Quadrennial Comprehensive Policy Review (QCPR) mandates forward:** Throughout its strategic plan, 2022-2025, UNOPS outlines how the provisions of the QCPR have been embedded in the context of its mandate and business model. Regular reporting on the implementation of the strategic plan, including specific aspects of the QCPR implementation as relevant, is provided through the Executive Director’s annual reports to the Executive Board.

19. UNOPS is active in the Caribbean, Pacific and Indian Ocean Small Island Developing States (SIDS). We implement a range of projects and activities in the sectors of education, health and transport infrastructure, procurement - including emergency medical procurement in response to the COVID-19 pandemic - and water and waste management, among other activities. One of the recent examples of UNOPS’ support in SIDS is related to evidence-based infrastructure planning and financing in Saint Lucia. UNOPS, in collaboration with the University of Oxford, supported the Government of Saint Lucia in strengthening its capacity for the strategic planning and financing of quality infrastructure to accelerate
the achievement of the SDGs and Paris Agreement. This included developing the evidence needed to plan, finance, deliver and manage infrastructure systems with better knowledge of demographic, economic and climate change risks. At the heart of UNOPS support for the Government of Saint Lucia was the development of the National Integrated Planning and Programme (NIPP) Unit within the Ministry of Finance. As a first within the region, the NIPP unit has the mandate for cross-ministerial infrastructure planning in the country. The unit addresses infrastructure challenges and helps to steer the development of quality infrastructure, underscoring a development framework that is sustainable, resilient and inclusive.

20. **Update on strengthening the joint impact for the SDGs:** UNOPS is in the process of improving our capability for reporting on support and results towards the SDGs by introducing an approach for measuring and assessing contributions that is appropriate and relevant for UNOPS as a service provider, technical advisor and implementer of projects that deliver outputs. An example of UNOPS’ contribution in relation to SDG 3, Good Health and Well-Being, is referenced below.

21. In 2021, UNOPS delivered project services within the health sector on behalf of over 30 partners across more than 120 projects in response to COVID-19. With delivery for this specific purpose exceeding USD300M, more than 91% of the support was related to procurement, in particular medical supplies, medical facility products, health facility prefabs and diagnostic kits, thereby contributing to the coverage of essential health services. Examples include enhancing the national health system of the Philippines; delivering medical supplies and equipment in Iraq; refurbishing hospitals in Albania; expanding testing capacity in Sri Lanka and Uzbekistan; and procuring life-saving supplies and critical medical equipment in India.

22. As part of delivering project services within the health sector in response to COVID-19, UNOPS projects reported the creation of almost 84,000 days of paid work for local people, with 42% created for women. Through implementation aimed at combatting the pandemic, UNOPS projects reported enabling access to services and/or facilities for close to 7 million people, of which 35% were women, as well as activities contributing to developing national capacity for more than 8,000 people, of which 48% were women.

23. With funding from the UN COVID-19 Response and Recovery Fund, in The Gambia UNOPS collaborated with UNFPA and UNICEF to increase capacity of the Government and the communities to curb transmission of COVID-19 and to increase access to quality treatment, availability of the continuum of care and the protection of the most vulnerable in addressing sexual and gender based-violence, stress, fear and the shock of COVID-19 through strong collaboration with the non-health sector. UNOPS constructed two COVID-19 treatment centres to flatten the transmission curve, thereby allowing the health services to cope with a number of cases needing services.

24. With funding from the Joint SDG Fund, in Ghana UNOPS collaborated with UNDP, UNICEF and WHO to consolidate SDG financing initiatives and deepen gender-responsive SDG budgeting and accountability for results. The UNOPS component supported innovations in financing for infrastructure – to support the Government’s Ghana Beyond Aid strategy, as the Government seeks both direct and indirect investments through Public-Private Partnerships (PPPs) to close the infrastructure gap. UNOPS built the capacity of national-level institutions in the use of appropriate infrastructure planning and financing tools to develop a pipeline of bankable infrastructure projects and foster strong linkages between infrastructure projects and SDG targets.
VI. Conclusion

25. UNOPS remains committed to realising the 2030 Agenda for Sustainable Development and supporting the positive reforms undertaken in the UN development system. UNOPS aims to continue to demonstrate the value a non-programmatic implementation and results-focussed entity can play, and offer the entire UN development system opportunities to be effective with available resources. We also welcome the Secretary General’s Report on “Our Common Agenda” and how UNOPS can contribute to its concrete implementation.