

1. UNOPS comprehensive response plan

The [comprehensive plan](#) provides an overview of the action items that UNOPS has implemented already and/or is currently implementing.

41 of the 82 actions are fully completed, and other actions are well advanced. The table below summarizes the key progress made in implementing the comprehensive response plan since the last written update on 30 June 2023. It demonstrates where progress has been made on short-term technical issues as well as where long-term change processes have been initiated. It also highlights some of the key challenges and delays identified during implementation.

Workstream	Progress rate ¹	Summary of key progress and challenges
Mandate and Strategy	95%	<ul style="list-style-type: none"> ❖ Work is underway to organize the meeting for 140 managers on 10-12 October, which is key to finalize deployment of the Restated Strategic Plan.
Governance and Management	61%	<p>The four remaining open items under this stream are all interconnected as they are integral to the Business Process Transformation and Digitalisation Programme. Concrete progress includes:</p> <ul style="list-style-type: none"> ❖ The governance and structure of this major multi-year programme is being discussed with the Management Team and will be finalised by end September. ❖ A series of information webinars to keep all personnel updated of the rationale regarding business transformation and digitalization. Valuable feedback has highlighted the need for close coordination with field offices to ensure fit-for-purpose systems. ❖ A consultancy firm has been engaged and work initiated to conduct workshops within each functional area (project management, procurement, finance, human resources, etc.) to analyze the end-to-end process journey. Interviews with group directors, regional directors, and subject matter experts throughout the organization have started. ❖ ‘Quick wins’ identified by field personnel during the ‘Re-thinking Project Management’ workshop conducted on 20-22 June 2023 are being further detailed, and will be implemented as of August e.g, in the area of procurement and HR. ❖ The development of the system to manage ‘surge’ assignments to address urgent field needs and promote lateral mobility is completed. The system is currently undergoing User Acceptance

¹Averages of the estimated progress rates of all of the actions under each workstream. Note that the actions vary considerably in complexity and time horizon. For workstreams with a majority of complex actions, the rate will therefore only change slightly from one month to the next.

		<p>Testing and will be piloted for 10 months starting mid-August.</p> <ul style="list-style-type: none"> ❖ The development of the partner relationship management system is ongoing. Discussions on the expansion of the scope for the first release to include the engagement acceptance process are ongoing. ❖ The Executive Director has identified Lead Experts, Chairs and members for the newly established “Mission Knowledge Hubs”. ❖ Challenge/delay: Progress has slowed slightly regarding the recruitment of the Digital Transformation Programme Director. Interviews for this position are expected to be carried out during August.
Risk Management and Control Environment	77%	<ul style="list-style-type: none"> ❖ The Risk Unit continues to support the reengineering of UNOPS Project Management processes to strengthen - among others - risk-informed decision making and capabilities across engagement opportunity and partnership development. Specifically, this has included a 2-day workshop to map existing processes and identify room for improvement. ❖ The Risk Unit continues recruitment efforts (multiple vacancies advertised, others in shortlisting phase). A new Chief Information Security Officer (CISO) has been appointed and will join the organization in October 2023. ❖ Risk management training has been planned for Q3 2023 for colleagues with “mission critical roles”. This training on quantitative and fraud risk management is facilitated by external training partners. <p>Challenge/delay:</p> <ul style="list-style-type: none"> ❖ Some of the risk management actions are dependent on the ongoing end-to-end process reviews which are part of the Business Process Transformation and Digitalisation Programme. ❖ Embedding risk-informed decision-making practices is dependent on the broader efforts underway for a cultural transformation in UNOPS.
Ethics, Compliance and Organizational Culture	69%	<ul style="list-style-type: none"> ❖ The appointment of a new Deputy Executive Director, Ms. Sonja Leighton-Kone, has been announced and she will take office on October 1, 2023. The vacancy announcement for the second Deputy Executive Director is being cleared for advertisement. ❖ A first draft of the policy for anti-bribery and corruption has been prepared by the Quality Assurance Group, and is under internal review. ❖ The ongoing assessment of UNOPS culture is well advanced and a draft report is expected in the coming days.

		<ul style="list-style-type: none"> ❖ Challenge/delay: Progress during July has been relatively slow due to several personnel being on summer break (staggered).
Financial and Performance Management	79%	<ul style="list-style-type: none"> ❖ The budget estimates 2024-2025 were shared with the Member States on July 17 together with the related ACABQ report. These estimates include the funding required for organizational investments and other expenses to keep UNOPS fit-for-purpose in line with Executive Board decisions and oversight and third party review recommendations. The proposal is to adjust the cost recovery rate upwards to cover the required investment and expenses. ❖ The Expanded Results Framework (Annex 1 to the restated strategic plan) will be operationalized at the meeting of 140 managers on 10-12 October 2023, in addition to the new corporate performance review process. ❖ Recruitment is underway to ensure adequate capacity for Due Diligence within UNOPS. The talent acquisition for a Senior Due Diligence Advisor is at the interview stage, and the hiring for a second Due Diligence Specialist is at the written test stage. ❖ A new Policy Advisor has joined the Executive Office to take forward work on the revision and maintenance of UNOPS policy framework and policies, benchmarking with the policy frameworks and best practices in other parts of the UN system. A key pillar of the work is the review of UNOPS Financial Regulations and Rules.
S3i Future	74%	<ul style="list-style-type: none"> ❖ Internal ongoing discussions to define the future role of the Helsinki office in line with the Mid-term Review and the Executive Board decisions. In conclusion, the outcome will be communicated to the Executive Board. ❖ Progress on programmatic support to affected S3i countries include: <ul style="list-style-type: none"> ➤ Kenya: Potential advisory support to the North and Northeastern Development Initiative (NEDI) is yet to be confirmed as discussions with the World Bank and the Office of the Deputy President with regards to UNOPS engagement have been put on hold due to the transition of the focal point at the Bank. Meanwhile, KEMCO is looking at an alternative plan. Activities under the water security and the solar feasibility components have kicked off and are progressing. ➤ Ghana: Progress has been made to support the Government to review the Ghana Housing Profile and also advance its Energy Transition Plan. UNOPS has engaged UN-Habitat to review the housing profile through a UN-to-UN Agreement and the process to transfer funds to UN-Habitat will be completed by the

		<p>end of July 2023. To advance Ghana's Energy Transition, UNOPS and the Ministry of Energy have identified 2 flagship projects to be supported by UNOPS on feasibility studies and development of funding proposals. The 2 projects include Infrastructure for E-mobility and Solar mini-grids in island communities. In exploring the establishment of an Energy Transition Partnership for West Africa, UNOPS has developed a concept note for consideration by the Government following which a wider conversation will be held with interested countries and potential funders. It is a challenge to identify an energy expert (retainer) to lead the discussions on Energy Partnerships.</p> <ul style="list-style-type: none"> ➤ Antigua and Barbuda: Assistance to Antigua and Barbuda for the organization of the 4th International Conference for SIDS continues with direct focus on Antigua and Barbuda's role as the custodian of the next 10-year agenda including through the establishment of the Center of Excellence in St. John's. The Center will host data hubs for all SIDS and provide support on project formulation and portfolio development in key areas including energy transition, climate adaptation and infrastructure. The use of the 275k provided by UNOPS to Antigua and Barbuda is still under discussions with a decision to be made after the conclusion of the Preparatory Meeting for the Caribbean SIDS to take place on 8-10 August in St. Vincent and the Grenadines. ❖ UNOPS continues to support the Office of Legal Affairs on recovery efforts and continues to pay the legal fees associated with S3i. ❖ Challenge/delay: Due to the uncertain nature of the legal work in relation to the recovery of funds, it is likely that the collaboration with external counsel via the UN Office of Legal Affairs will continue into 2024. Similarly, it is possible on the accountability side that requests for cooperation from Member States may be generated into 2024. This is difficult to predict.

2. Expenditure overview

The Executive Board, in its decision [2023/4](#), approved the allocation of a maximum sum of \$35.4 million, with one immediate tranche of \$11.8 million from the operational reserve towards the implementation of defined elements of the comprehensive response plan, as detailed in the [UNOPS financial outlook for 2023](#).

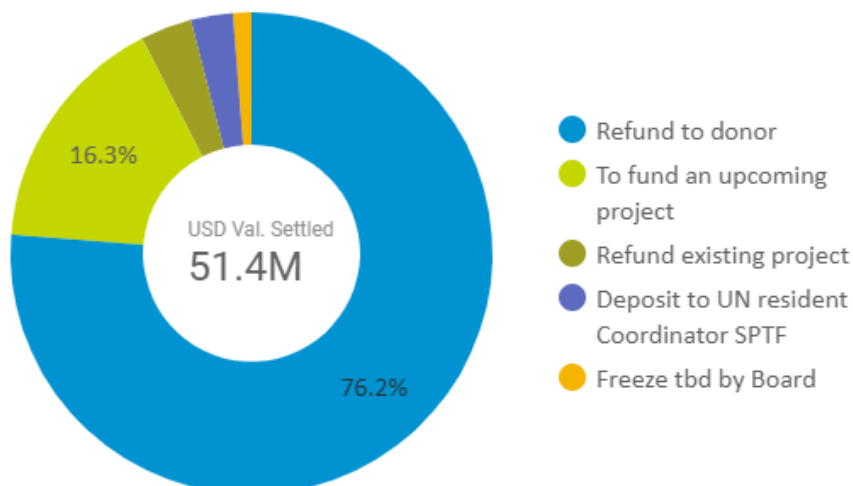
The [online expenditures tracking tool](#) provides a near-real time overview of expenditures and commitments in relation to the approved allocation.

- Based on internal assessment UNOPS does not currently expect to exceed the initially approved tranche of \$11.8 million by the end of 2023.
- The work to develop the Business Process Transformation and Digitalisation Programme makes it evident that significant funding for this multi-year programme will be required in future years.
- Given the concerns raised by multiple stakeholders, including ACABQ, about the significant cost increases UNOPS had presented in its budget estimates for 2024-2025 and the resulting increase of the fees to be collected, UNOPS would suggest to the Executive Board to engage in discussions to explore whether parts of the funds from the UNOPS operational reserves allocated to the comprehensive response plan could be carried forward into the next biennium. This could help to reduce the pressure on UNOPS management fee to be collected during the next biennium. UNOPS will prepare a proposal for discussion with Members.

3. Distribution of excess reserves to paying entities (as of 24 July 2023)

Deloitte is making good progress with the third party verification, and is on track with preparation of their independent review of the excess reserve refund process.

The refund process itself is continuing and UNOPS has now received instructions from 73 partners. Out of these a total of \$51m (up from \$47.2m at the end of June) has already been refunded to 58 partners, which equals over 40% of UNOPS excess reserves. The breakdown of the refunded \$51m is documented in Figure 1 below.



	Instruction	Number	USD Value
1.	Refund to donor	40	39,206,284
2.	To fund an upcoming project	4	8,365,323
3.	Refund existing project	5	1,767,953
4.	Deposit to UN resident Coordin...	2	1,456,468
5.	Freeze tbd by Board	7	633,840
	Grand total	58	51,429,869

Figure 1: Breakdown of refunded funds by partner decision

4. Question and Answers (Q&A)

The Q&A session will be held virtually on 3 August 2023 via Zoom. Questions can be submitted in advance of the meeting by emailing hafidal@unops.org, copying Tanvim@unops.org and NYBER@unops.org, or by requesting the floor during the session.