



**Executive Board of the  
United Nations Development  
Programme, the United Nations  
Population Fund and the  
United Nations Office for  
Project Services**

Distr.: General  
30 June 2025

Original: English

**Second regular session 2025**

25 to 29 August 2025, New York

Item 12 of the provisional agenda

**United Nations Office for Project Services**

**United Nations Office for Project Services budget estimates  
for the biennium 2026-2027**

*Summary*

UNOPS has aligned its budget for the 2026-2027 biennium with the harmonized presentation adopted by UNDP, UNFPA, the United Nations Children's Fund (UNICEF) and UN-Women based on decision 2024/24, in which the Executive Board approved harmonized approaches for cost classification, results-based budgeting and budget presentation. Resources and targets for enabling functions are presented alongside goals, principles and indicators (see annex I).

The budget estimates for the 2026-2027 biennium will underpin the first half of the UNOPS strategic plan, 2026-2029. The budget supports the UNOPS commitment to implementation through sustainable, efficient and financially viable project services providing practical solutions for partners, framed by three implementation goals and nine implementation principles with indicators and targets reinforcing accountability for implementation for impact in accordance with the UNOPS mandate.

The proposed \$260 million budget estimates for 2026-2027 amount to \$27.7 million in real growth of management resources compared to the actuals and projection for the 2024-2025 biennium, and a \$65 million reduction compared to the previous budget estimates, ensuring the full cost recovery of the resourcing needs for UNOPS enabling functions, which incorporate United Nations development coordination. Special purpose activities are not funded as part of the budget estimates and may be approved by the Board under financial regulation 22.03 (subject to availability). An underlying estimate of \$6.4 billion for project expenses in UNOPS-mandated areas ensures sufficient revenue to meet the budget estimates – provided the management fee-setting algorithm for the 2026-2027 biennium is applied – and to address requirements beyond the budget estimates, while reducing the average fee rate from 5.5 per cent in the 2024-2025 biennium to 5.3 per cent in the 2026-2027 biennium (see annex II). Any excess reserves accumulated in the budget cycle are distributed to paying entities, including those of the United Nations. The refund process was completed for excess reserves as of 31 December 2021, and for the period 2022-2023 no liquid excess reserves became available for refund. A new framework memorandum of understanding between UNOPS and the United Nations Secretariat, signed in 2024, is valid until 31 Dec 2033.

*Elements of a decision*

The Executive Board may wish to (a) take note of the UNOPS budget estimates, 2026-2027 and its annexes, and approve the net revenue target for the biennium; (b) endorse the approach for setting indirect cost recovery rates based on required revenue needs; and (c) endorse the two-year aspiration of UNOPS with respect to its resources for corporate results.



## Contents

<i>Chapter</i>	<i>Page</i>
<b>I. UNOPS strategic ambitions in 2026-2027</b>	<b>3</b>
A. UNOPS implementation role	3
B. Results framework	5
<b>II. Financial context</b>	<b>8</b>
A. UNOPS efficient full cost-recovery operating model	8
B. Projections reflect alignment to actual revenue and costs to ensure full cost recovery	9
C. Estimates for 2026-2027 show a decrease in average management fee	10
<b>III. Budget estimates 2026-2027</b>	<b>10</b>
A. Enabling functions resourced to achieve corporate results	11
B. Estimates for a budget balanced to revenue projections	14
C. Workforce supporting the mission	16

## Figures

Figure 1. Revenue trends	10
Figure 2. UNOPS global structure	11

## Tables

Table 1. Goals, principles and resources for corporate results, by enabling function	12
Table 2. Resource plan, by object of expenditure	16
Table 3. Staff posts funded by management budget, by category and location	17

## Annexes (available on the UNOPS [web page](#))

Annex I. UNOPS results framework 2026-2027 by enabling function and resources
Annex II. Management fee and shared services for the 2026-2027 biennium
Annex III. UNOPS global functions
Annex IV. Comparison of original and final budget for the 2022-2023 biennium

## I. UNOPS strategic ambitions in 2026-2027

1. The biennial budget estimates, 2026-2027, will underpin the first half of the strategic plan, 2026-2029. The strategic plan sets new ambitions for UNOPS in fulfilling its mandate as an implementation resource for United Nations objectives, providing value for money for partners in the United Nations system and beyond, across development, humanitarian and peace efforts.
2. Over the coming years, UNOPS will scale up and speed up impact through practical solutions contributing to countries' achievement of the sustainable development goals. As it engages in partnerships to bridge implementation gaps, it will institute a more deliberate approach to managing impact for people and the institutions that serve them. The direction is reinforced by goals, principles, indicators and targets for implementation and management.
3. At the global, regional and country levels, UNOPS engagement and response will be guided by Member States' heeded call for complementarity and comparative advantage through strategic partnerships advancing national priorities for sustainable development. In practice, the UNOPS comparative advantage in implementing practical solutions with impact for people complements the policy advice and financing of others, including when it provides secretariat services and platforms for global multilateral initiatives.<sup>1</sup>
4. At the country level, UNOPS will engage more strategically with resident coordinators and special representatives of the Secretary-General. It will bring the UNOPS comparative advantage of practical solutions to the fore, thereby de-risking implementation: (a) efficient support services that reduce the capacity cost of partner organizations; (b) effective technical advice and capacity development for country engagement in infrastructure and procurement; and (c) integrated solutions for project and programme management, for global platforms and in the most difficult contexts.

### A. UNOPS implementation role

5. UNOPS is a United Nations organization established by the General Assembly. Its implementation role has been set by Member States' resolutions and decisions since 1994.<sup>2</sup> In 2010, the General Assembly reaffirmed its role as a central resource for the United Nations system in procurement and contracts management, as well as in civil works and physical infrastructure development – including related capacity-development activities.<sup>3</sup>
6. The resolution recognized the potential for value-adding contributions through provision of efficient, cost-effective services to partners in the areas of project management, human resources, financial management and shared services. That resolution encouraged UNOPS to enhance engagements as a service provider to various actors in the development, humanitarian and peacekeeping arenas.<sup>4</sup>
7. UNOPS provides cost-effective project services through technical expertise in infrastructure, procurement and project management. Its practical solutions include de-risking implementation activities for partners in the United Nations system and beyond, even in the most challenging operational contexts.

<sup>1</sup> Such as [StopTB](#), [Cities Alliance](#), [Sustainable Energy for All](#) (SEforALL), [NDC Partnership](#), and the [Santiago network](#).

<sup>2</sup> General Assembly resolutions [48/162](#) and [65/176](#), and decision 48/501; and Executive Board decisions [1994/12](#), [2008/35](#), [2009/25](#), [2010/7](#), [2010/21](#), [2012/5](#), [2013/23](#), [2016/19](#), [2017/26](#), [2019/12](#), [2020/20](#), [2021/20](#), [2022/24](#), [2023/4](#) and [2023/16](#).

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

***Implementation platform***

8. The UNOPS capacity to create value towards the Sustainable Development Goals is a function of its multidimensional implementation platform. It enables partners through project services advancing United Nations objectives. UNOPS aspires to go beyond the tried and tested to bridge implementation gaps. It will seek to: (a) gear its capabilities for speed and targeted responses; (b) scale effective solutions across partners and contexts; and (c) engage in new strategic partnerships and coalitions.

***Partners***

9. Everything UNOPS does is in partnerships. These span funding partners, clients, and knowledge partners. They have different needs and expectations. UNOPS builds its capabilities for scale by capturing experiences and transferring knowledge from one partnership or context to another, and seeking opportunities to innovate its practical solutions.

10. The operating model underpinning the implementation platform is based on full cost recovery, and potential interventions are ultimately determined by UNOPS partners. UNOPS chooses which partnerships it will engage in, based on non-negotiable United Nations standards for ethics, safety and security, and with the intent to support countries in accelerating achievement of the Sustainable Development Goals and the 2030 Agenda for Sustainable Development.

11. UNOPS sees complementary mandates demarcating lines of complementarity, not division. It wants to collaborate more with partners in the United Nations development system, and will seek to play a more proactive role as a convener and assembler of coalitions and consortiums for practical solutions. It wants to help the system to act in a more integrated and strategic manner, with a clear division of labour based on respective competences for policy advice and standard-setting, development financing, and implementation of practical solutions.

***Project services***

12. UNOPS project services are flexible and modular. They span infrastructure, procurement, and project management, including human resources and financial management. UNOPS practical solutions typically combine two or more functional services. UNOPS enables implementation of programmes, funds and grants, and provides secretariat services and platforms for global multilateral initiatives realizing United Nations objectives.

13. UNOPS expands partners' implementation capacity in two mutually reinforcing ways: (a) capacity to support and manage partners' implementation; and (b) technical expertise for capacity development in areas of mandate. When deploying practical solutions it draws on three service models: (a) support services; (b) technical advice, and (c) combining the two as integrated solutions.<sup>5</sup> Its practical solutions are agile and designed for effectiveness and efficiency, including through location-independent global shared services. It continually seeks to further enhance agility and efficiency through digitalization and to increase effectiveness through concerted efforts to manage for impact.

***Capacity for impact***

14. UNOPS is a resource for implementation capacity for all the Goals. It continually learns from experience and increases value by transferring knowledge from one partnership or context to another.<sup>6</sup> It focuses those efforts through a series of internal missions for honing experience and expertise to accelerate countries' achievement of the Sustainable Development Goals. Committed to leaving no one behind and bridging implementation gaps in challenging contexts,

---

<sup>5</sup> [DP/OPS/2023/6](#), paragraph 40

<sup>6</sup> Decisions [2021/20](#) and [2023/16](#)

its missions help mainstream the Goals in its implementation activities, including environmental and social safeguards for cross-cutting concerns.

15. Intent on responding to the climate emergency – as a main focus and a cross-cutting concern – it will seek new partnerships for its comparative advantage as a United Nations implementation resource to complement the financing and policy advice provided by others in the system.

16. Services are provided based on full and adequate recovery of indirect service costs through a ‘fee-for-service’. Thus, like its in-country presence, the focus of what UNOPS does is ultimately determined by partners’ demand for practical solutions tailored to specific Goals, contexts or people. This instils in UNOPS the need to flexibly scale and adapt.

## **B. Results framework**

17. The strategic plan, 2026-2029, is complemented by a results framework (see annex I) with principles for impact, targets for implementation, and management to reinforce envisaged behaviours across the organization.

18. The results framework establishes:

- (a) Impact principles for setting project-level targets to gauge the effect for people and the institutions that serve them through mission-driven pursuit of impact;
- (b) Implementation targets to underpin what UNOPS does to implement sustainable practical solutions for partners, people and countries; and
- (c) Management targets to reinforce how UNOPS manages the organization for agility and trust across people, partners, processes and finances.

19. The results framework will help focus impact management and outcome-based reporting:

- (a) It will reinforce focus on impact for people, gender equality, social inclusion and climate action when new opportunities are developed;
- (b) It will instil attention to innovate based on the United Nations 2.0 quintet and transfer effective solutions to new places and coalitions of partners; and
- (c) It will drive engagement through the United Nations development system, including where UNOPS is non-resident.

### ***Managing for impact***

20. The UNOPS approach to impact encompasses eight missions that are purposes, not structures: they frame networked areas enabling the organization to better respond when partners, within the United Nations system and beyond, call for implementation. The missions are an organization-wide way of honing decades of UNOPS experience, knowledge and learning to engage strategically in partnerships that accelerate sustainable development, bridge implementation gaps in challenging contexts, and leave no one behind. The missions are:

- (a) Addressing the interconnected challenges of climate change, biodiversity loss, and pollution;
- (b) Increasing energy access and accelerating the transition away from fossil fuels, promoting renewable energy and energy efficiency;
- (c) Shaping just digital transformation, promoting developing countries’ access and use of digital infrastructures, technology and data;
- (d) Helping the transition to sustainable food systems;
- (e) Supporting small island developing States to increase their resilience to environmental and economic shocks, and harnessing the benefits of a sustainable ocean economy;
- (f) Addressing the root causes of fragility, advancing equity, and strengthening the resilience of communities affected by conflict and disaster;

- (g) Enhancing the availability of essential supplies, equipment and facilities necessary for quality health care and services; and
- (h) Providing essential and sustainable goods, services and infrastructure, rooted in the social development values of the United Nations Charter and the 2030 Agenda, to reduce inequalities and achieve inclusive social development.

### ***Impact principles***

21. UNOPS will measure and manage impact at the project level.<sup>7</sup> Nine impact principles<sup>8</sup> will guide project design for effective implementation to affect achievement of United Nations objectives, benefit people and institutions, and advance partnerships and solutions for impact.

- (a) Advance missions for global goals;
- (b) Benefit country(ies) and context(s);
- (c) Enable mitigation and adaptation to climate change;
- (d) Benefit people, including women and youth;
- (e) Develop capacity for institutions;
- (f) Build capacity for suppliers and implementing partners;
- (g) Nurture and deepen strategic partnerships and coalitions;
- (h) Transfer effective practical solutions; and
- (i) Innovate new solutions.

22. To ensure a coherent approach across its global portfolio of projects, the effort will be supported by resourcing institutional capabilities for impact management. This will encompass people and tools to support efforts, including the cultural change needed to institute and nurture vibrant practices of measuring and managing for impact across the organization. The underlying theory of change is that the intentional reinforcement of project design for impact will increase the effectiveness of UNOPS implementation for people and the institutions that serve them.

### ***Implementation goals and principles***

23. Implementation through sustainable project services, providing effective practical solutions for partners, is at the core of the UNOPS role and comparative advantage in the United Nations system. These commitments are framed by three implementation goals and nine implementation principles, with targets reinforcing accountability for implementation for impact in accordance with the UNOPS mandate.

24. **Implementation goal 1.** To enable partners through cost-effective project services, UNOPS will:

- (a) *Implement with focus on impact* by introducing new practices and systems to enable and reinforce systematic consideration of impact when new opportunities are designed;
- (b) *Implement through developing supplier capacity* by seeking to understand and develop the capacity of the suppliers it relies on to offer a sustainable, resilient and inclusive supply chain for partners and the communities they serve; and
- (c) *Implement through developing implementing partner capacity* by enhancing efforts to understand and develop the capacity of the implementing partners it relies on for effective sustainable, resilient and inclusive responses to the needs of people.

---

<sup>7</sup> This approach is consistent with the non-programmatic UNOPS mandate most recently reconfirmed by the Executive Board in decision [2023/16](#).

<sup>8</sup> For methodological considerations on the nine impact principles, see the results framework, 2026-2029 (DP/OPS/2025/9).

25. **Implementation goal 2.** To help people in need through sustainable implementation, UNOPS will:

- (a) *Implement for people in need* by enhancing efforts and tools to more systematically design projects for impact for people in need;
- (b) *Implement for gender equality and social inclusion* by continuing to systematically encourage project design for gender equality and social inclusion; and
- (c) *Implement for response to climate change* by enhancing efforts to systematically encourage project design for response to climate change.

26. **Implementation goal 3.** To support countries in accelerating achievement of the Goals, UNOPS will:

- (a) *Implement for the sustainable development goals* by continuing to systematically link project implementation to the Sustainable Development Goals directly or indirectly affected;
- (b) *Implement for country priorities* by systematically linking project implementation to priorities in national plans, United Nations Sustainable Development Cooperation Frameworks or nationally determined contributions, and account for results through the development system; and
- (c) *Implement for developing institutional procurement and infrastructure capacity* by continuing to promote its core competencies and technical advice in developing capacity for procurement and infrastructure management.

### ***Management goals and principles***

27. UNOPS wants its transparent management practices to instil trust in the organization while preserving its operational agility. Its management commitments are framed by four management goals and 12 management principles with targets reinforcing accountability for managing the organization in accordance with United Nations values and statutory requirements.

28. **Management goal 1.** To maintain a *people culture* accountable to United Nations values, UNOPS will:

- (a) *Manage gender parity and geographical representation* at all levels of its workforce;
- (b) *Manage talent to meet partner expectations* for cost-effective project services provided at cost, time and scope; and
- (c) *Manage accountability for organizational culture and personnel engagement* by holding its leaders accountable for driving desired behaviours.

29. **Management goal 2.** To create *partner value* through scalable solutions for impact, UNOPS will:

- (a) *Manage organic growth* with focus on the quality of project services;
- (b) *Manage response to emerging needs* by identifying and transferring new solutions for implementation across countries or partners; and
- (c) *Manage partner relationships* with focus on managing and meeting partner expectations.

30. **Management goal 3.** To enable *process excellence* for cost-effective management, UNOPS will:

- (a) *Manage speeding-up through optimal processes and systems* by ensuring that the four core operations areas – project management, procurement, finance, and human resources – are enabled by streamlined and efficient processes and fit-for-purpose digital systems;
- (b) *Manage risks and issues identified by audit* through a proactive and collaborative approach to implementing internal audit recommendations; and

(c) *Manage scaling down corporate emissions* through a deliberate approach enabled by a climate action programme.

31. **Management goal 4.** To ensure *financial stewardship* as the foundation for partner trust, UNOPS will:

- (a) *Manage prudent use of budget resources* through competent financial management ;
- (b) *Manage long-term financial viability* by adhering to financial performance objectives; and
- (c) *Manage transparent and timely financial reporting to partners* based on automation, streamlining of processes, and enhanced digital systems.

### ***Transformation to scale up and speed up***

32. The interdependent nature of the implementation and management goals are reflected in the two pillars of the organizational structure. Over the biennium, UNOPS will continue its journey of organizational transformation, optimizing its implementation platform and management capacity to scale up and speed up agile deployment of practical solutions at the global, regional and country levels. To enhance management capacity, UNOPS will focus on seven key areas:

- (a) Strategic partnerships and agile deployment;
- (b) Capabilities to measure and manage for impact;
- (c) Climate action in projects and across the organization;
- (d) Implementation of process innovation and digitalization;
- (e) Robust risk management and accountability frameworks;
- (f) Accountability for organizational culture and engagement; and
- (g) Accountability for results.

## **II. Financial context**

### **A. UNOPS efficient full cost-recovery operating model**

33. UNOPS cost-recovery principles fulfil the requirements expressed in the quadrennial comprehensive policy review<sup>9</sup> and remain aligned with the harmonized approach to cost recovery endorsed by the Finance and Budget Network of the High-level Committee on Management of the Chief Executives Board. Accordingly, UNOPS ensures that all functions funded through management fee are part of its indirect cost.

34. Activities benefiting the delivery of UNOPS project services are recovered as direct costs. The UNOPS efficient full cost-recovery model considers shared services costs at the local, regional and headquarters levels that directly support project implementation activities as direct costs. Those costs, aligned with the cost recovery principles of the Finance and Budget Network, are funded through a shared service recovery model.

35. The viability of UNOPS as a full cost-recovery United Nations entity requires its revenue from management fees to cover all its indirect costs – namely, management and administration – and operational risks for current and future bienniums.<sup>10</sup> Its management fee-setting approach was implemented with Board approval in 2023, to address UNOPS financial needs for the biennium

---

<sup>9</sup> [A/RES/79/226](#)

<sup>10</sup> UNOPS operates on the basis of full recovery of direct costs, including through attribution of global and local shared services, and of indirect costs through its management fee-setting model. Risks mitigated by UNOPS through its indirect costs are funded through the operational reserve and, if needed, through a risk increment to replenish the reserve.



2024-2025.<sup>11</sup> While its activity-based recovery principles are unchanged, UNOPS continuously refines its application of the approach, supported by internal guidance and external communication.

36. In 2024, UNOPS contracted a third party consultancy to review and benchmark its cost-recovery model. The review concluded that overall UNOPS is applying industry best practices and that its average management fee is low compared to most other actors in the development sector. UNOPS received a set of recommendations from the United Nations Board of Auditors, which it is implementing in collaboration with internal stakeholders.

37. UNOPS is updating its approach to establishing the management fee for the 2026-2027 biennium based on current budget estimates and recommendations made after the third-party review to ensure full coverage of its indirect costs (elaborated in detail in annex II).

38. A new framework memorandum of understanding between UNOPS and the United Nations Secretariat was signed in 2024, with an effective date of 1 May 2024 and valid until 31 Dec 2033. The new memorandum reduces the standard indirect cost rate, more closely aligned with the average UNOPS management fee for the biennium 2024-2025. The memorandum emphasizes that the relationship between the United Nations Secretariat and UNOPS is one of collaboration, and clarifies that UNOPS rules apply when implementing projects.

## **B. Projections reflect alignment to actual revenue and costs to ensure full cost recovery**

39. The 2024-2025 biennium expenditure projections, based on the financial statement for 2024 and the approved 2025 budget, show alignment with actual revenue projections to ensure full cost recovery. Revenue is expected to reach \$232 million – 28.6 per cent below the estimate of \$325 million for 2024-2025 biennium and slightly below the actuals for the 2022-2023 biennium. During the 2024-2025 biennium, UNOPS revenue continues to be impacted by the previously granted management fee rebates and slower-than-anticipated transition to the new cost-recovery policy approved by the Executive Board. Due to the lower-than-estimated revenue, UNOPS has been unable to fund anticipated organizational investments such as the process innovation and digitalization programme from its management resources, thus fully reliant on the funding from the UNOPS reserves approved by the Board. Despite those constraints, UNOPS has prioritized key initiatives such as addressing oversight recommendations and Board decisions, including contract modality review, strengthening of risk management and oversight functions, administration of justice, and increased funding of the independent functions of the Internal Audit and Investigations Group and the Ethics Office.

40. As reflected in its financial statements, 2024, and projections for 2025, UNOPS increased its management expenses compared to the previous biennium, though less than anticipated. The projection for the current biennium reaches \$232.2 million total use of resources against the budget estimate of \$325 million (see table 2, below). The lower-than-anticipated management expense is a direct result of lower-than-anticipated revenue, given the requirement for UNOPS to manage a balanced budget where only actual revenue is available to fund management resources. This emphasizes the ability of UNOPS to adapt to changing circumstances in a timely fashion to ensure continued full cost recovery.

41. The Executive Board decided<sup>12</sup> that UNOPS should distribute, within 12 months following receipt of the report of the United Nations Board of Auditors for the financial period of the second year of the budget biennium, any excess reserves accumulated in the budget cycle to paying entities, including those of the United Nations. The refund process was completed for excess

<sup>11</sup> Decision 2013/33

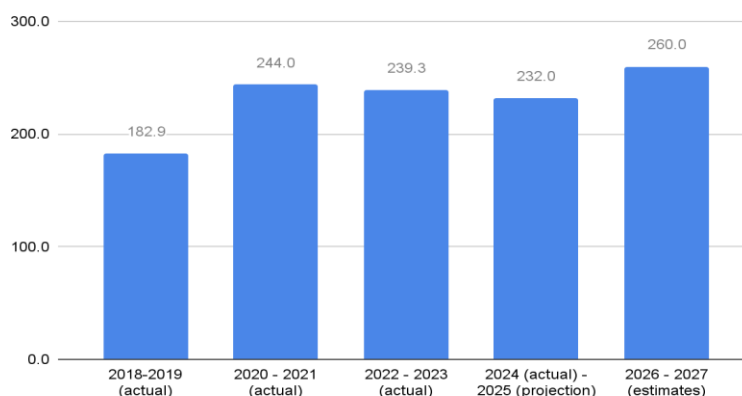
<sup>12</sup> Decisions [2023/18](#); [2023/22](#); [2024/6](#); [2024/28](#); [2025/6](#)

reserves as of 31 December 2021, and for the period of 2022-2023 no liquid excess reserves became available for refund under the calculation methodology endorsed as a pilot by the Board.<sup>13</sup>

### C. Estimates for 2026-2027 show a decrease in average management fee

42. Reflecting an underlying estimate of \$6.4 billion for the direct cost, the revenue target for the 2026-2027 biennium is set at \$260 million to cover use of management resources (see table 2, below). Following its commitment to the Executive Board, UNOPS will set its cost recovery rates according to its future revenue needs. UNOPS anticipates a decrease from the 5.5 per cent average management fee rate (as per the submission of the UNOPS biennial budget for 2024-2025) to 5.3 per cent in 2026-2027. Figure 1, below, shows revenue to cover UNOPS use of management resources for 2024-2025 as a combination of 2024 actuals and 2025 projections. Data for 2026-2027 are estimates, while the data for 2018-2019, 2020-2021 and 2022-2023 are actual financial results.

**Figure 1. Revenue trends**  
(in millions of dollars)



43. UNOPS has set an ambitious target of \$2.9 billion for overall project expenses related to implementing new and existing partner commitments in 2025. UNOPS expects that project implementation will speed up and scale up throughout the 2026-2027 biennium, with project expenses for the period reaching approximately \$6.4 billion. UNOPS anticipates that the majority of its activities will be implemented in countries in special and fragile situations. Combined with the updated management fee-setting rates, this would ensure that UNOPS could meet the estimated revenue target.

44. UNOPS will monitor revenue and expense patterns throughout the biennium and, pursuant to financial regulation 14.02,<sup>14</sup> will adjust the budget to align management expenses with evolving realities. If the net revenue target is not achieved, UNOPS will reduce its minimum operational reserve in accordance with financial regulation 22.02. Should UNOPS exceed its net revenue target, refund processes may apply in line with Board approval (see paragraph 41, above).

## III. Budget estimates 2026-2027

45. UNOPS aligned its budget for the biennium 2026-2027 with the harmonized presentation adopted by UNDP, UNFPA, UNICEF and UN-Women based on decision 2024/24, in which the

<sup>13</sup> [DP/OPS/2025/CRP.1](#); decision [2025/6](#)

<sup>14</sup> Financial regulations and rules will be reviewed as part of the comprehensive response plan (decision [2023/4](#)), and as recommended by the Advisory Committee on Administrative and Budgetary Questions ([DP/OPS/2021/7](#)).

Executive Board approved harmonized approaches for cost-classification, results-based budgeting, and budget presentation.

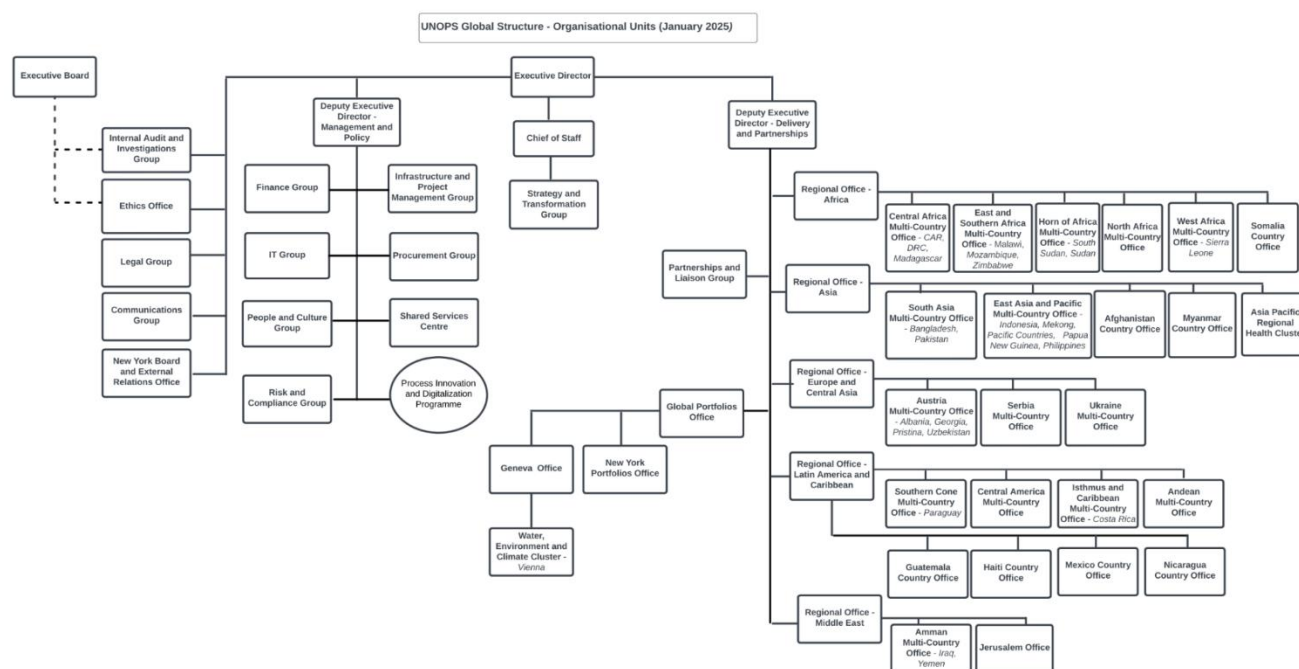
46. The budget estimates are presented showing enabling functions alongside the respective results UNOPS aims to achieve through project and programme implementation on behalf of its partners. They encompass the indirect management and administration of UNOPS. Within the enabling functions, the budget is presented for cost-classification categories of management activities and independent oversight and assurance activities, while special-purpose activities may be approved by the Board under financial regulation 22.03. United Nations development coordination activities are integrated in the enabling functions of management activities.

47. Complementing the results-based budget (see table 1, below), a resource plan is presented for revenue, object of expenditure (see table 2, below) and management expense-funded staff posts, by category and location (see table 3, below).

### A. Enabling functions resourced to achieve corporate results

48. The UNOPS organizational structure allows cost effectiveness in service delivery to partners and defines global functions, authorities and accountabilities (see figure 2, below; global functions are described in annex III).

**Figure 2. UNOPS global structure**



49. This section presents the corporate results and budget framework through enabling functions. Table 1, below, provides an overview of the implementation goals, principles and resources for corporate results by enabling function. For details on indicators and targets by driver, see annex I. For details on enabling functions, see annex III.

Table 1. Goals, principles and resources for corporate results, by enabling function

Enabling function	Principle for implementation and management goal	Management resources Budget estimates (in \$ millions)		Change (in \$ millions)
		2024-2025	2026-2027	
Executive leadership and corporate direction				
Implementation goal 1. Enable partners through cost-effective project services	Implement for: (a) Impact (b) Capacity development of suppliers (c) Capacity development of implementing partners	57.2	40.8	-16.4
Corporate external relations and partnerships, communications and resource mobilization				
Management goal 2. Create partner value through scalable solutions for impact	Manage: (a) Organic growth (b) Response to emerging needs (c) Partner relationships	68.0	44.1	-23.9
Field/country office oversight, management and operations support				
Implementation goal 2. Help people in need through sustainable implementation	Implement for: (a) People in need (b) Gender equality and social inclusion (c) Response to climate change	73.5	85.0	11.5
Implementation goal 3. Support countries in accelerating achievement of the Sustainable Development Goals	Implement for: (a) Sustainable Development Goals (b) Country priorities (c) Procurement and infrastructure capacity			
‘Corporate human resources management’ and ‘Staff and premises security’				
Management goal 1. Maintain a people culture accountable to United Nations values	Manage: (a) Gender parity/geographical representation at all levels (b) Talent to meet partner expectations (c) Accountability for organizational culture and personnel engagement	15.5 <sup>15</sup>	16.9	1.4
		3.7 <sup>16</sup>	3.4	-0.3
Corporate financial, information and communication technology and administrative management				
Management goal 3. Enable process excellence for cost-effective management	Manage: (a) Speeding up through optimal processes and systems (b) Risks and issues identified by audit (c) Scaling down corporate emissions	61.4	17.0	-44.4
Corporate oversight and assurance				
Management goal 4. Ensure financial stewardship as the foundation for partner trust	Manage: (a) Prudent use of budget resources (b) Long-term financial viability (c) Transparent and timely financial reporting to partners	45.7	52.7	7.0
Total		325.0	260.0	-65.0

<sup>15</sup> Refers to ‘corporate human resources management’

<sup>16</sup> Refers to ‘staff and premises security’

***Executive leadership and corporate direction***

50. The ‘executive leadership and corporate direction’ enabling function corresponds to the UNOPS ‘strategic management and leadership’ global function.

51. The function develops, champions and acts as a role model for the UNOPS mission, vision, values, culture and ethics (see annex III).

52. The estimated funding level is decreased, by \$16.4 million, to \$40.8 million. The decrease includes the removal of the previously included strategic investments (\$20 million in budget estimates 2024-2025).

***Corporate external relations and partnerships, communications and resource mobilization***

53. The ‘corporate external relations and partnerships, communications and resource mobilization’ enabling function comprises two global UNOPS functions, ‘communications’ and ‘partnerships and liaison’.

54. The function develops communications strategies, policies, plans and channels based on communications needs and expectations; and leads and coordinates strategic partnership engagements with all partners, ensuring alignment with UNOPS corporate priorities, strategies and applicable policies, quality control, and consistent integration across partnership engagements, such as framework or corporate memorandum of understanding negotiations and agreements (see annex III).

55. The estimated funding level is decreased, by \$23.9 million, to \$44.1 million, as the budgets are adjusted to the availability of management resources.

***Field/country office oversight, management and operations support***

56. The ‘field/country office oversight, management and operations support’ enabling function comprises four global UNOPS functions: delivery portfolio oversight, infrastructure and project management, procurement, and operational support services.

57. The function enables timely delivery of successful projects and programmes on behalf of partners in accordance with the UNOPS implementation standards management framework and the UNOPS procurement framework (see annex III).

58. The estimated funding level is increased, by \$11.5 million, to \$85.0 million as UNOPS continues to review and refine its cost classification of budget between functions.

***Corporate human resources management***

59. The ‘corporate human resources management’ enabling function covers the UNOPS global people and culture function.

60. The function enables the recruitment, development and retention of a diverse and skilled workforce equipped to deliver on the strategic objectives of the organization (see annex III).

61. The estimated funding level is increased, by \$1.4 million, to \$16.9 million.

***Staff and premises security***

62. The ‘staff and premises security’ enabling function covers the UNOPS global health, safety, security and environment function.

63. The function provides UNOPS internal entities with advice, guidance and technical assistance regarding health, safety, environmental and security throughout its global responsibilities (see annex III).

64. The estimated funding level is decreased, by \$0.3 million, to \$3.4 million.

***Corporate financial, ICT, and administrative management***

65. The ‘corporate financial, ICT, and administrative management’ enabling function comprises three UNOPS global functions: finance, information technology, and general administration.

66. The function stewards the resources of the organization, ensuring cost recovery, financial resilience and accurate financial reporting to partners and clients; manages the information technology strategy and its implementation to support the delivery of the UNOPS strategy; and facilitates the provision of premises, facilities and support services that are functional, cost-effective and sustainable (see annex III).

67. The estimated funding level is decreased, by \$44.4 million, to \$17.0 million. The decrease reflects the exclusion of the funding of process innovation and digitalization from management resources (\$25 million in budget estimates 2024-2025) and reduced budget under management resources related to enhancement of the current enterprise resource planning system, as cost classification between functions was reviewed and \$10 million was reallocated to field/country office oversight, management and operations support.

***Corporate oversight and assurance***

68. The ‘corporate oversight and assurance’ enabling function comprises the following global UNOPS functions: risk and compliance; legal; and strategy and transformation. The independent functions of internal audit and investigations and ethics also fall under this function.

69. The function embeds risk management practices across the project life cycle, ensuring that risk considerations are integrated systematically and in a timely fashion into planning, decision-making, and performance management processes at all levels of the organization; provides risk-informed legal advice to ensure that decisions, strategies and transactions align with the UNOPS legal framework; develops strategic plans, and builds sustainable organizational change competence (see annex III).

70. The independent ‘Ethics Office’ function cultivates and nurtures a culture of ethics, integrity and accountability, thereby enhancing the trust in and credibility of the United Nations, both internally and externally (see annex III).

71. The independent ‘Internal Audit and Investigations Group’ function strengthens the ability of UNOPS to create, protect and sustain value by providing the Executive Board and management with risk-based and objective assurance, advice, insight, foresight, and investigations; assesses and conducts investigations as it deems appropriate into possible misconduct or wrongdoing within or associated with UNOPS; and supports the organization in achieving its objectives by contributing to the effectiveness and efficiency of the governance, risk management and control processes (see annex III).

72. The estimated funding level is increased, by \$7 million, to \$52.7 million as a result of continued strengthening of the related functions.

**B. Estimates for a budget balanced to revenue projections**

73. As a full cost recovery organization, the viability of UNOPS requires that its revenue match its use of resources. The \$260 million biennial revenue estimate serves as a frame for the UNOPS management budget, 2026-2027. The revenue estimate is based on an underlying estimate for project expenses of \$6.4 billion, often delivered in fragile contexts requiring adequately funded structures to support the scale-up and speed-up of delivery.

74. Based on available revenue estimates, UNOPS seeks to increase its management resources by \$27.7 million, in real terms, for the 2026-2027 biennium compared to the actuals and projection for 2024-2025 biennium. This will ensure that the core management and administration funding requirements are met, considering the reforms already implemented in response to oversight recommendations, third party reviews and decisions of the Executive

Board. The effect of inflation for the next biennium is estimated at 3.60 per cent, reflecting the impact of the annual inflation rate on all UNOPS locations.

75. In contrast with the 2024-2025 biennium, UNOPS will not be able to allocate funds towards large organizational investments as part of its management resources. Subject to funds availability during the biennium, UNOPS may undertake targeted internal investments through its management resources, under a process defined by the Executive Director, in support of the implementation of the strategic plan, 2026-2029. Special purpose activities, which may include capital investments and other long-term activities, are not included in the budget, and funding approvals are sought from the Executive Board through case-specific decisions under financial regulation 22.03.

76. Table 2, below, outlines the budget estimates by object of expenditure. In anticipation of concerted efforts by the Finance and Budget Network of the High-level Committee on Management of the Chief Executives Board to address the recommendations of the Joint Inspection Unit,<sup>17</sup> UNOPS continues to improve its harmonization with the latest classification<sup>18</sup> and to provide additional transparency in its expenses by object of expenditure.

77. Should the financial result at the end of the biennium result in excess liquid reserves, a refund process to the paying entities will be initiated under the guidance of the Board.

---

<sup>17</sup> JIU/REP/2024/3

<sup>18</sup> CEB/2010/HLCM/FB/18

**Table 2. Resource plan by object of expenditure**  
(in millions of dollars)

	2018-2019	2020-2021	2022-2023	2024-2025	2024 (actual <sup>19</sup> ) and 2025 (projection)	2026-2027
	Actual	Actual	Actual	Budget estimates		Budget estimates
<b>Resources</b>						
Total revenue on budget basis	182.9	244.0	239.2	325.0	232.0	260.0
<b>Use of resources</b>						
Post and other staff costs <sup>20</sup>	41.5	45.8	64.2	110.5	99.7	107.4
Travel	7.4	1.6	10.4	11.2	9.2	9.2
Consultants <sup>21</sup>	51.4	63.0	102.1	160.2	88.9	97.8
Contractual Services <sup>22</sup>	4.4	2.2	10.9	0.0	9.8	13.1
Operating expenses <sup>23</sup>	7.9	7.9	13.9	20.3	13.3	16.3
Furniture and equipment <sup>24</sup>	0.9	3.2	3.6	10.9	2.2	2.2
Reimbursements <sup>25</sup>	1.8	2.6	6.7	11.9	9.1	14.0
<b>Total use of management resources</b>	<b>115.1</b>	<b>126.1</b>	<b>211.7</b>	<b>325.0</b>	<b>232.3</b>	<b>260.0</b>
<b>Net revenue on budget basis (a)</b>	<b>67.8</b>	<b>117.9</b>	<b>27.5</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>
Write-offs and provisions (b)	9.1	28.6	34.6	0.0	18.9	0.0
Strategic investment from surplus <sup>26</sup> (c)	5.8	3.0	0.0	0.0	0.0	0.0
<b>Total balance of resources (a-b-c)</b>	<b>52.8</b>	<b>86.3</b>	<b>-7.1</b>	<b>0.0</b>	<b>-19.2</b>	<b>0.0</b>

### C. Workforce supporting the mission

78. Table 3, below, represents an overview of UNOPS management expense-funded staff posts for the budget estimates, 2026-2027.

<sup>19</sup> 2024 actual unaudited

<sup>20</sup> Includes benefits and entitlements, insurances, learning and staff administration costs

<sup>21</sup> Includes local and international UNOPS consultants

<sup>22</sup> Includes contractual services and company contracts

<sup>23</sup> Includes general operating expenses, hospitality, rental, utility, maintenance and miscellaneous expenses

<sup>24</sup> Includes furniture, equipment and intangible assets

<sup>25</sup> Includes UNOPS share of the UN jointly financed activities

<sup>26</sup> Following the recommendation of the Board of Auditors (A/76/5/Add.11 paragraph 101), strategic investments were integrated into management resources from 2022 onwards. For comparison, the 2022-2023 actual expense reached \$13.9 million, and while 2024-2025 budget estimates included \$20 million, no expense is projected under the internal investment process.



79. Pursuant to a decision of the Executive Board<sup>27</sup> and a recommendation of the Board of Auditors,<sup>28</sup> UNOPS completed the first phase of a comprehensive review of contract modalities across the organization. The process ensured the appropriate usage of fixed term (staff) and individual contractor agreements across the organization, aligning with the standards set forth in the comprehensive review of contract modalities across UNOPS and in organizational policies. A clear transition approach was implemented for converting personnel on individual contractor agreements performing business-critical roles and inherently United Nations functions to staff positions. As part of the review, 94 positions funded by indirect cost were converted to ensure that staff members remain the core human resource of the organization and that UNOPS maintains a staff-based core organizational structure. Any further modest conversions are subject to funds availability and future organizational planning. The second assistant secretary-general post approved by the Board in 2022<sup>29</sup> was filled in 2024.

80. Compared to the 2024-2025 budget estimates, the staff positions funded through indirect cost have decreased due to the lack of available management resources to proceed with additional phases of the conversion process, with the decrease compared to the previous budget estimates affecting non-field and field-based positions equally.

81. Subject to availability of funding, UNOPS continues to review its structures in line with business needs during the budget period and to adapt staff positions accordingly, pursuant to its Financial Regulations and Rules (regulation 14.02).<sup>30</sup>

82. Alongside the staff posts, the individual contractor agreement modality gives UNOPS the flexibility required by its full cost recovery and project-based operating model. Individual contractors continue to form the majority of the UNOPS management budget-funded workforce, with an estimated 500 ongoing positions in the 2026-2027 biennium. Under its budgets for global shared services and locally shared services, UNOPS has more than 1,200 positions.

**Table 3. Staff posts funded by management budget, by category and location<sup>31</sup>**

	2024-2025 budget estimates			2026-2027 budget estimates			Change vs 2024-2025 budget estimates		
	Headquarters (non-field)	Regions (field)	Total	Headquarters (non-field)	Regions (field)	Total	Headquarters (non-field)	Regions (field)	Total
USG/ASG	3	0	3	3	0	3	0	0	0
D-2	4	5	9	4	6	10	0	1	1
D-1	15	18	33	13	18	31	-2	0	-2
Other international professionals	104	123	227	92	102	194	-12	-21	-33
All other	16	7	23	10	5	15	-6	-2	-8
<b>Total</b>	<b>142</b>	<b>153</b>	<b>295</b>	<b>122</b>	<b>131</b>	<b>253</b>	<b>-20</b>	<b>-22</b>	<b>-42</b>

Note: USG=Under-Secretary-General; ASG=Assistant Secretary-General

<sup>27</sup> [2023/1](#), paragraph 11

<sup>28</sup> [A/77/5/Add.11](#), paragraph 206

<sup>29</sup> [2022/24](#), paragraph 6

<sup>30</sup> Financial regulations and rules are under review, as recommended by the Advisory Committee on Administrative and Budgetary Questions ([DP/OPS/2021/7](#)).

<sup>31</sup> The number of UNOPS staff posts funded by direct and indirect cost totaled 736 at the end of 2024.