Operational Directive Ref. OD.ED.2018.01
Strategy Setting

Authority:

This Operational Directive is promulgated by the Executive Director, on the basis of her authority under UNOPS Financial Regulation 13.01 and the authorities granted to her by the Secretary-General.

Purpose

This OD provides direction for setting the UNOPS corporate strategy.

The purpose of the corporate strategy is to provide overall focus and position the organization to fulfil its mandate in the medium and long term.

The UNOPS mandate is established by General Assembly resolution 65/176 and subsequent decision of the UNDP, UNFPA and UNOPS Executive Board.

This OD lays out the instruments, requirements, scope, approach, responsibilities, cycle and timing for setting the UNOPS corporate strategy. In addition, it summarizes supporting instruments and responsibilities.

Effective Date:

This EOI shall become effective immediately.

[signature redacted]

Grete Faremo
Executive Director, UNOPS

4. Instruments

4.1. The UNOPS corporate strategy is developed by the Executive Director for decision by the UNDP, UNFPA, and UNOPS Executive Board (Executive Board).

4.2. The UNOPS corporate strategy is set through two main instruments: the UNOPS strategic plan; and the midterm review of the UNOPS strategic plan.

5. Requirements

5.1. The UNOPS strategic plan shall be set based on an understanding of the needs and expectations of stakeholders and the external environment, as well as an understanding of the organization's internal performance and capabilities.

5.2. The strategic plan shall establish the organization's strategic framework; comprising its purpose, vision, mission and values; and the strategic goals it will pursue to fulfil its mandate.

5.3. The strategic goals shall comprise two sets of mutually reinforcing goals providing both external and internal focus:

a. **Contribution goals**, which express the UNOPS overall value proposition and provide focus for external operational results and impact; and

b. **Management goals**, which express the UNOPS ambition for organizational excellence and provide focus for internal management results.

5.4. In addition, the strategic plan shall establish specific ambitions for the organization's contribution of value; lay out the strategic measures it intends to take to realize these; and describe how it will account for the realization of its ambitions to the Executive Board.

5.5. The UNOPS midterm review shall be the organization's main instrument for regular and comprehensive institutional self-evaluation of its internal and external performance.

5.6. The midterm review shall provide a platform for the organization to assess the extent to which its internal performance and capabilities are geared to meet external needs and expectations.

5.7. Based on the assessment of internal and/or external developments, the midterm review shall identify areas for added strategic focus and/or calibration in the medium and longer term. This may, inter alia, include calibration of the organization's strategic framework.

6. Scope

6.1. Pursuant to the requirements, the scope of the corporate strategy will comprise the organization's why, what and how.

6.2. The corporate strategy shall set out why UNOPS as a United Nations organization is relevant in the evolving global strategic context.

6.3. The relevance of UNOPS shall, inter alia, be contextualized based on relevant international agreements and global goals, United Nations policy requirements, Member State decisions affecting the UNOPS mandate, priorities for the United Nations system established by the Secretary-General, types of countries and operational contexts, and the needs and risk of the people.

6.4. The corporate strategy shall lay out what UNOPS, guided by its contribution goals, aims to achieve, including its approach to accounting for external results and contributions to impact.

6.5. The external focus for what UNOPS sets out to achieve shall be informed by an understanding of which mandated services and expertise, providing direct and indirect contributions to impact, are likely to be in demand by partners to expand their implementation capacity.

6.6. What UNOPS sets out to achieve externally shall be based on an assessment of partners' past and anticipated future demand. It will typically be supplemented by identification of the measures the organization will take to advance its strategic positioning for collaborative partnerships at global, regional and/or country level.

6.7. The corporate strategy shall lay out how UNOPS, guided by its management goals, will drive management reform and innovation to adapt its institutional fit for purpose and strengthen its delivery platform.

6.8. The internal focus for how UNOPS will ensure its institutional fit for purpose shall be informed by an understanding of internal performance and capabilities, as well as of external knowledge providing opportunities for innovation of internal systems and approaches.

6.9. How UNOPS internally enables its ability to deliver shall be framed through identification of the capabilities it will harness and the strategic initiatives it will maintain and/or develop to drive achievement of its management goals. Performance against the latter shall be ascertained based on qualitative and/or quantitative internal indicators and targets, operationalized with a view to minimize manual reporting requirements, and to the extent possible providing real-time information.

7. Approach

7.1. The approach to setting the corporate strategy shall be consultative and analytical.

7.2. The setting of the corporate strategy shall be informed by internal and external consultation, including one or more informal consultations with members of the Executive Board, as well as consultations with the Strategic Advisory Group of Experts and, as appropriate, the Audit Advisory Committee.

7.3. The setting of the corporate strategy shall be substantiated and objectively informed through review and analysis of available external and internal business intelligence.

7.4. The analysis shall be informed by a number of sources of information, including hard and soft data. Consequently, the analysis may include:

a. Desk review of external documents shaping international priorities;

b. Analysis of external data, indicators and indices informing the context of countries and people;

c. Interviews and/or surveys of current and prospective partners to understand perceptions of past performance and indicative future demand;

d. Multidimensional portfolio review to assess trends of past demand and delivery, including in relation to sustainable development goals, sectors, countries, partners, services and types of projects;

e. Assessment of performance against relevant corporate indicators and targets;

f. Review and assessment of outcomes and trends in personnel perception volunteered through internal personnel surveys; and

g. External assessment of overall organizational performance against the UNOPS excellence model.

7.5. Pursuant, the organizations shall maintain and develop capabilities for analysis of internal performance and the developments in the external environment.

8. Responsibilities

8.1. The UNOPS Executive Director shall be responsible and accountable for setting the UNOPS corporate strategy for adoption by decision of the Executive Board.

8.2. In exercising this responsibility the Executive Director shall be supported by a corporate strategy function, advising on priorities for analytical capabilities needed to inform setting and review of the corporate strategy, and with authority to draw on relevant functions and capacities throughout the organization to support the process.

8.3. The UNOPS management shall be responsible and accountable for delivering the UNOPS corporate strategy, including ensuring that supporting policies are developed, reviewed, updated, communicated, implemented and monitored throughout the organization. Custodians of instruments supporting implementation of the corporate strategy shall ensure these are aligned with the intent and direction of the corporate strategy, and developed in consultation with the corporate strategy function.

8.4. Relevant managers shall ensure that other internal policy instruments in the form of directives, instructions and guidance are maintained and updated to reflect the Executive Board's decisions on the UNOPS corporate strategy.

9. Cycle and timing

9.1. The cycle and timing for setting of the corporate strategy is determined by the Executive Board.

9.2. The current planning cycle is four years and aligned with that of other United Nations entities.

9.3. The strategic plan is typically presented to the Executive Board at its second regular session, the year before the planning period commences.

9.4. The midterm review shall be conducted upon completion of the first two years of the planning period.

9.5. The midterm review is typically presented to the Executive Board at its second regular session, in the third year of the planning period.

10. Supporting instruments and responsibilities

10.1. Supporting instruments shall be aligned with the intent and direction set out in the corporate strategy. Supporting instruments include biennial budget estimates, a UNOPS business plan in the form of internal target agreements cascaded across the organization based on management scorecards and corporate performance dashboards; as well as annual reports of the Executive Director and internal and external communications products.

10.2. An internal UNOPS business plan shall be the main vehicle for driving and sequencing implementation of the corporate strategy, as set in the strategic plan, the midterm review and the Executive Board's decisions thereon.

10.3. The period of the business plan may, at the discretion of the Executive Director be aligned with that of the strategic plan and/or the organization's budget estimates. Internal business unit targets, work plans and budgets will typically be annualized in accordance with the organization's financial cycle.

10.4. Notwithstanding the annualized performance cycle, the business plan may include targets for multiple years. Ongoing management against the business plan shall be conducted with a view to ensure adjustment and course correction based on performance against agreed targets.

10.5. The business plan shall facilitate internal alignment on corporate priorities supporting the achievement of the organization's strategic goals, and how the organization will invest in capabilities needed to realize its ambitions in a phased manner.

10.6. Consequently, the business plan shall be established based on a granular understanding of the operational context and current institutional arrangements and structures. The latter may also include gaps in capability and functions, which the organization may need to address over the planning period.

10.7. Additional documentation for the UNOPS business plan shall typically cover three main aspects: operations plans, functional plans, and a stakeholder and partners plan.

10.8. Operations plans shall frame two main aspects: a) focus – operational contribution ambitions and opportunities for impact in relation to SDGs, sectors, countries, partners and services; b) excellence – operational management ambitions and capabilities needed to realize contributions ambitions, including envisaged initiatives and investments.

10.9. Functions plans shall frame two main aspects: a) policy and control – improvements needed to provide assurance that relevant business requirements are adhered to; b) management initiatives – functionally anchored management initiatives and/or crosscutting capabilities needed to enable realizations of contribution and management ambitions. The latter shall take into account and assign lead responsibility for management initiatives and corporate performance indicators which may already have been established and conveyed to the Executive Board through the corporate strategy and supporting instruments.

10.10. A stakeholder and partnerships plan, in form of a summary of operations plans, may provide strategic perspective on the external environment, including needs of key partners and stakeholders. This part of the business plan provides overall framing for coordinated strategic engagement with the organization's key partners at global, regional and country level over the course of the business plan.

10.11. In order to minimize potential conflict of interest the overall roles and responsibilities for the three areas of the business plan shall be divided as follows:

a. **Operations plans** shall be developed by members of Corporate Operations Group (COG) responsible for operations management, inter alia, regional directors.

b. **Functions plans** shall be developed by COG members responsible for functional policy and control management, inter alia, headquarters directors.

c. The **stakeholder and partners plan** shall be developed by directors with responsibilities to support overall corporate stakeholder and partnerships management, inter alia, designated partnerships functions reporting to the Executive Director.

10.12. Notwithstanding the overall division of responsibilities, relevant managers shall be accountable for ensuring that the three areas of the business plan are aligned, mutually informed and reinforcing.

10.13. The business plan review process shall be designed to enable that the three areas of the business plan remain aligned and mutually reinforcing over the planning period, including through recommendations for course correction presented to the Executive Director and the Deputy Executive Director.

10.14. Pursuant to paragraphs 4.3-4.5 and 5.2., the strategy function shall on behalf of the Executive Director provide authoritative advice on the metadata and other relevant indicators to be systematically maintained to enable contextual strategic review of the UNOPS portfolio. Consequent changes shall typically be introduced in the context of the strategic plan, midterm review and/or biennial budget estimates. Changes are typically detailed in annex to the relevant instrument or an operational instruction. To allow period comparison, changes shall, to the extent possible, be contextualized in retroactively adjusted prior-year baselines.