

The Monthly Update Briefing session for Executive Board members will be held virtually on **Tuesday 12 December 2023 from 9 a.m to 10:00 a.m EST.**

Agenda:

1. Introduction by UNOPS Executive Director
2. Presentation of UNOPS Anti-Bribery and Corruption Policy by Yngvil Foss and Marc Leppard, UNOPS Quality Assurance Group¹
 - Policy and presentation shared as attachments to this report
3. Status of budget allocation for the comprehensive response plan by Hilary Balbuena, UNOPS Chief of Staff
4. Q&A

Questions can be submitted in advance of the meeting to HafidaL@unops.org, TanviM@unops.org and NYBER@unops.org, or by requesting the floor during the session.

1. UNOPS Comprehensive Response Plan

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

Out of the 43 recommendations, 32 will be completed to planned scope by end 2023, two are not operationalized, and one is led by the United Nations Office for Legal Affairs. Of the outstanding recommendations, seven will be completed during 2024 and one will continue until 2027.

To date, and within the recommendations, there are 65 actions completed and 17 in progress.

The table below summarizes the key progress made in implementing the Comprehensive Response Plan since the last written update on 1 November 2023. It demonstrates where progress has been made on short-term technical issues as well as where long-term change processes are underway.

At the time of issuing this update, an independent third party is concluding a review that covers all categories and actions of the Comprehensive Response Plan, with a view to evaluate the quality of implementation and the degree to which the results achieved by the Comprehensive Response Plan respond to the KPMG recommendations.

¹ Risk and Compliance Group effective 1 January 2024

Workstream	Progress rate ²	Summary of key progress and challenges
Mandate and Strategy	100%	All recommendations and actions under this workstream have been completed to planned scope.
Governance and Management	73%	<p>Out of the two recommendations in this workstream, one has been completed to planned scope and the other recommendation has multiple components, is multi-year, and is on track for completion by 2027.</p> <p>Progress on outstanding actions:</p> <ul style="list-style-type: none"> ❖ Portfolio, programme and project management (P3M) review: <ul style="list-style-type: none"> ➤ A prototype of the first stage(s) of the ‘to be’ P3M process is being developed with the Process Innovation and Digitalisation Programme (PID). ➤ The current grants management system is being reviewed, redesigned and integrated into the multi-year PID programme. ➤ The review of the terms of reference of the Engagement Acceptance Committee (EAC) is ongoing to clarify roles and responsibilities and strengthen risk management. Systems will be adjusted to implement required changes early 2024. ❖ Digital transformation <ul style="list-style-type: none"> ➤ The Process Innovation and Digitalisation Programme (PID) is working on streamlining and simplifying UNOPS’ management of projects, programmes, and portfolios. The PID has now initiated work on a prototype system to improve the opportunity-to-signing phase of projects. In early January, a prototype will be shared with users for feedback, which will be followed by the digitalization of the opportunity-to-signing process and signing-to-closure process. ➤ The Partnerships Relationship Management system (PRM) was launched on 1 December 2023. The system allows UNOPS to track interactions with partners across the globe. With feedback from users, future PRM developments will be rolled out. When rolled out, the PRM and the project-management systems (first point above) will be integrated. ➤ Dedicated systems for recruitment, onboarding and ‘talent marketplace’ are being developed as part of the selection of UNOPS future digital systems. UNOPS is now ready to launch a procurement process for these systems, with an emphasis on systems that can provide innovative solutions for recruitment and talent matching - including the use of AI. ➤ UNOPS is rolling out a pilot Generative AI solution that works as a chatbot, pulling its ‘knowledge’ from UNOPS policy and process documents. The chatbot can be asked, for example, what steps need to be followed under UNOPS policies/processes to run a procurement process; what rules apply to a certain type of contract; or what the difference is between different types of HR

²Averages 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.

		contracts. The pilot will allow UNOPS to further improve this digital solution.
Risk Management and Control Environment	92%	<p>Out of the seven recommendations, five will be completed to planned scope by end 2023 and two are on track for completion by June 2024.</p> <p>Completed actions in November 2023:</p> <ul style="list-style-type: none"> ❖ Risk management organization and competence requirements: <ul style="list-style-type: none"> ➢ UNOPS has reviewed the design and functionality of its current risk management framework and compared it against Joint Inspection Unit benchmarks and the High Level Committee on Management's Risk Forum maturity model. ➢ A Risk Management Advisor and Risk Management Senior Analyst have joined in November 2023, which completes key recruitments to strengthen the risk management function in the organization. ❖ Review of risk management policies and procedures <ul style="list-style-type: none"> ➢ UNOPS has completed a review of its risk management policies and mapped how, as part of continuous improvement, the related principles will be integrated into the UNOPS policy framework. <p>Progress on outstanding actions:</p> <ul style="list-style-type: none"> ❖ Independent end-to-end process reviews: <ul style="list-style-type: none"> ➢ The Internal Audit and Investigations Group has been conducting a number of end-to-end process reviews to assess the efficiency and effectiveness of UNOPS core processes, including for human resources (HR), procurement, finance, and project management. The reviews of HR and procurement have been concluded, while the other two will be concluded by the end 2023. ❖ Risk-informed decision making and capabilities: <ul style="list-style-type: none"> ➢ The annual budgeting and target setting process for 2024 included articulation of key assumptions, risks and opportunities by all submitting units. ➢ The new approach to incorporate portfolio risks within standard Quarterly Management Reviews will be launched in the first quarter of 2024, under the coordination of the new Risk and Compliance Group. ❖ Identification and escalation of portfolio risk exposures: <ul style="list-style-type: none"> ➢ A cross-functional team has been formed to consolidate existing data on portfolio risks as well as form an overview of existing assurance and oversight activities on such risks. External consultancy work on supporting global data analytics and reporting improvements will commence before the end of 2023 and will continue into 2024. ➢ A review is ongoing to assess the process and mechanism

		through which UNOPS considers and accepts risks for new projects, including an update to the approach of the Engagement Acceptance Committee (EAC). This work will continue in 2024.
Ethics, Compliance and Organizational Culture	93%	<p>Of the fifteen recommendations, twelve are completed to planned scope, and three are on track for completion in 2024.</p> <p>Completed actions in November 2023:</p> <ul style="list-style-type: none"> ❖ Definition of the ownership and tasks of the compliance function <ul style="list-style-type: none"> ➤ Review of the compliance function in UNOPS and its interlinkages with the wider Second Line of Defence functions was finalized. The outcome of that review led to the creation of the Risk and Compliance Group, effective 1 January 2024, reporting to the Deputy Executive Director for Management and Policy. ❖ Policy for anti-bribery and corruption: <ul style="list-style-type: none"> ➤ The draft Policy for Anti Bribery and Anti Corruption was presented to the Management Team on 14 November 2023, and approved by the Executive Director. The policy will be presented to the Executive Board at the monthly update briefing session on 12 December 2023. ❖ Organizational structure and recruitment of Deputy Executive Directors: <ul style="list-style-type: none"> ➤ A new organizational structure with clear segregation between management functions and delivery functions was established in January 2023. The structure ensures appropriate separation whereby the corporate policy groups and the regions report to different deputy executive directors. The Deputy Executive Director for Management and Policy took office on 1 October 2023. The recruitment process of the Deputy Executive Director for Delivery and Partnerships is advancing. ❖ Awareness briefing sessions: <ul style="list-style-type: none"> ➤ The Internal Audit and Investigations Group has conducted awareness briefing sessions in all regions and HQ, with over 700 personnel trained. ❖ Structured change management: <ul style="list-style-type: none"> ➤ UNOPS has taken a structured change management approach to delivering the Comprehensive Response Plan outcomes through: (a) project and change management support to the overall delivery of the plan; (b) designing and delivering key transformation initiatives; (c) building change management capability; (d) development, dissemination and use of the UNOPS Change Management Framework and Toolbox. Supporting the organization with change management capability will continue throughout the transformation of UNOPS going beyond the comprehensive response plan.

		<p>Progress on outstanding actions:</p> <ul style="list-style-type: none"> ❖ Review of the whistleblower processes: <ul style="list-style-type: none"> ➤ The review continues to get high-level support by the Executive Director through a Steering Committee³. High level principles for the review have been agreed. A subject-matter expert is conducting a benchmarking exercise. Workshops for technical experts have been launched and are ongoing. A collaboration forum to engage personnel was launched to engage all interested personnel in the review process. ❖ Protocols for dealing with complaints and allegations involving senior managers <ul style="list-style-type: none"> ➤ Discussions with the Executive Director, the General Counsel and Director of the Internal Audit and Investigations Group are ongoing. ❖ Organizational culture: <ul style="list-style-type: none"> ➤ The most recent pulse survey was conducted with Gallup over a three week period in October 2023 and the results will be shared with the Executive Board before the first regular session in January 2024. ➤ As per the Executive Board decision 2023/23, paragraphs 11 -13, UNOPS will share with the Executive Board a strategy for the implementation of organizational culture reform in response to the KPMG Culture Review. This high level strategy on UNOPS' organizational culture transformation journey will be shared in December 2023, ahead of the first regular session 2024.
Financial and Performance Management	92%	<p>Out of the seven recommendations, five have been completed to planned scope and two are on track for completion by end 2024.</p> <p>Progress on outstanding actions:</p> <ul style="list-style-type: none"> ❖ Outcome-based reporting: <ul style="list-style-type: none"> ➤ The UNOPS investments in resources and capabilities to enhance outcome reporting will continue throughout 2024. In the response UNOPS will draw on the findings of an external study relevant to its non-programmatic and demand-driven operating model. Actions will be taken to enhance the capacity of the organization with respect to evidence, insights and learning. Work in this area is closely connected to the Process Innovation and Digitalisation Programme and the review of project, programme and portfolio management. ❖ Review of the Financial Regulations and Rules: <ul style="list-style-type: none"> ➤ The review exercise of the Financial Regulations and Rules

³ The Steering Committee includes the Executive Director, the Deputy Executive Director, the Chief of Staff, the Director of the Ethics Office, the Director of the Internal Audit and Investigations Group, the Director of the People and Culture Group and the General Counsel.

		<p>began on 2 November 2023. The Working Group, comprising policy experts and field practitioners, has convened six times to review specific articles of the Financial Regulations and Rules, identify challenges in the current text and suggest alternative language. This review phase by the Working Group will continue through the end of January 2024. A zero draft document should be ready shortly thereafter for discussions with Executive Board Members and key internal UN stakeholders (i.e. UN OLA).</p> <ul style="list-style-type: none"> ➤ On 16 November 2023, the Audit Advisory Committee was officially notified of the launch of the review process as required by Financial Regulation 3.02 (d). In preparation for this meeting, members of the Committee received advance documentation on the nature, scope and process of the Review Exercise. The Committee took note of the launch and stated their interest and willingness to provide substantial advice once a draft is ready for circulation. ➤ The scope of the review exercise and the roadmap of consultations with key internal and external stakeholders is ambitious. All efforts are being made to adhere to the timeframe presented to the Board on 5 October 2023.
S3i	95%	<p>Out of the nine recommendations, six have been completed to planned scope and two have not been operationalized as UNOPS will not engage in S3i investments. The outstanding recommendation to recover the funds of the S3i investments is led by the UN Office of Legal Affairs.</p> <p>Progress on actions:</p> <ul style="list-style-type: none"> ❖ Recovery of funds from S3i investments: <ul style="list-style-type: none"> ➤ The United Nations Office of Legal Affairs (OLA) is leading the efforts to recover the funds from the S3i investments. UNOPS pays the costs associated with these funds recovery efforts, which are expected to continue through 2024-2025. Due to the highly confidential nature of the recovery process, and so as not to prejudice ongoing funds recovery efforts, UNOPS/OLA is not in a position to provide any further report on this matter at this time. ❖ Programmatic support to affected S3i countries: <ul style="list-style-type: none"> ➤ Kenya: <ul style="list-style-type: none"> ■ Project description: <ul style="list-style-type: none"> ● UNOPS was approached by the North & North Eastern Development Initiative (NEDI) National coordination office to provide possible technical advisory services to accelerate the delivery of 17 projects under the NEDI programme. Areas of identified support include strengthening NEDI coordination and programmatic framework as well as operationalizing the implementation of programme-level outputs to accelerate project delivery. ● Furthermore, UNOPS is carrying out an aquifer recharge feasibility study (MAR* - Managed Aquifer Recharge or Artificial Groundwater Recharge) in the Turkwel basin of Northwestern Kenya and Northeastern Uganda in

		<p>collaboration with UNESCO (lead agency for the UN Kenya water sector working group). The project is aimed at strengthening community flood and drought resilience by mitigating the effects of floods and ensuring groundwater sustainability.</p> <ul style="list-style-type: none"> ■ Status: <ul style="list-style-type: none"> ● The meeting with the new World Bank focal point for the NEDI programme is scheduled on 14 December 2023 to discuss the proposed activities as articulated in the UNOPS NEDI technical assistance concept note. There has been a delay in kicking off the activities under the NEDI component and the meeting above is aimed at agreeing on feasible activities, if any, in Q1 of 2024. ● Field work activities under the water security component in Turkana County, Northern Kenya are ongoing. <p>➤ Ghana:</p> <ul style="list-style-type: none"> ■ Project description: <ul style="list-style-type: none"> ● Revision of the Ghana housing profile to support the functions of the National Housing Authority and improve access to adequate housing for all through a UN-to-UN agreement with UN-Habitat. ● Support for feasibility studies and proposal development for Solar mini-grids in island communities as part of the Ghana Energy Transition Framework. ■ Status: <ul style="list-style-type: none"> ● Review of the Ghana Housing Profile by UN-Habitat is progressing steadily given that the timeline has been extended to March 2024. Dialogue was held with the sectorial minister to facilitate communication and cooperation between the ministry and UN-Habitat in this regard in October 2023. Literature review of the 2010 Ghana Housing profile is completed. A major milestone of the literature review is the compiled data on the Ghana 2021 population and housing census required to be used as relevant data source for updating the housing profile. Stakeholder profile analysis has successfully been completed by the UN-Habitat team. Also, recruitment of field assistants to be trained to support in data collection/collation and analysis is underway. Four metropolitan cities and secondary cities each have been identified and mapped for the survey and key informant interviews to commence next month. ● The project cooperation agreement is undergoing review by the Ministry of Energy. <p>➤ Pakistan:</p> <ul style="list-style-type: none"> ■ Project description: Strengthen efforts to increase technical capacity to design, construct and manage climate-resilient housing, through research and development, training and communication on passive techniques improving the building performance. ■ Status: Technical guidance has been provided to Sindh
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2. Expenditure overview

The Executive Board, in its decision [2023/4](#), approved the allocation of a maximum sum of USD 35.4 million, with one immediate tranche of USD11.8 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](#).

As part of its decision [2023/22](#), the Executive Board approved the carry forward of the remaining balance of the allocation of USD 35.4 million from 2023 to the budget period 2024-2025, and

approved the release of a second tranche of USD 11.8 million to continue implementation of the Comprehensive Response Plan.

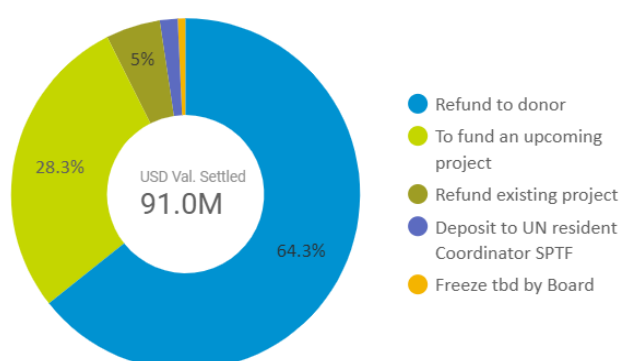
The [online expenditures tracking tool](#) provides a near-real time overview of expenditures and commitments in relation to the approved allocation. An expected balance of approximately USD 27.7 million will be carried forward to 2024 to continue implementation of the Comprehensive Response Plan and the outstanding recommendations from the third party review. An update will be provided to the Members during the briefing session on 12 December 2023.

3. Distribution of excess reserves to paying entities (as of 1 December 2023)

UNOPS has submitted a proposal to the Executive Board on the alternative use of undisbursed funds (DP/OPS/2024/3). In this document, UNOPS proposes options on how to progress with the 2021 excess reserve refund process. One of the options is extending the timeline for this round of refunds depending on the status at year-end due to the unique and unprecedented nature of the process. In preparation for the first regular session 2024, UNOPS will provide the Board with an overview of the unrefunded balances as of 31 December 2023 to allow for a fully-informed decision on the way forward for the refund process.

In regards to the progress of the refund process, many partners were able to make a final determination on how to allocate their share of the 2021 excess reserves following the third party review undertaken by Deloitte. This has led to a significant increase in refunded balances from \$68.4m in November to now \$91m. This represents 74% of the total refundable amount of \$123.8m. At the same time there are still significant amounts that are under discussion with donors who implement with national governments and UNOPS in a tripartite setup. In view of these complexities, UNOPS considers that an extension will allow enough time for consultations in order to reach the best possible outcome for all the involved parties. UNOPS is looking forward to discussing this further during the Executive Board first regular session in January 2024.

Settled cases - By USD Value



Instruction	Number	USD Value
1. Refund to donor	64	58,532,472
2. To fund an upcoming project	8	25,728,318
3. Refund existing project	21	4,572,165
4. Deposit to UN resident Coordin...	3	1,506,425
5. Freeze tbd by Board	10	661,079