Mr President, honourable members,
It is a pleasure to speak with you all.

I would like to extend a warm welcome in particular to the new President and new members of the Board.

This is the fourth time I am addressing the Board in my capacity as UNOPS acting Executive Director. And a lot has changed in this period.

I want to thank Member States and the Board for your continued support.

Under your guidance, we have charted a path to address the failures associated with the Sustainable Infrastructure Investments and Innovation (S3i) initiative.

Challenges remain, but I am here with you today with a renewed sense of hope that we have a positive year ahead, even if this is against a backdrop of a very dire global development outlook.

In my statement, I want to reflect that sentiment by highlighting our dual approach to 2023.

Briefly, this means that we continue to respond to the S3i crisis - I will share more details on our plan shortly. But we are also keenly focused on a profound reorientation: in which we respond to our partners’ needs based on our capacity, and in collaboration with organizations in the UN.
A new UNOPS direction is articulated in our strategic plan outline and as ever I look forward to receiving your thoughts and guidance.

**Comprehensive response plan**

Firstly, let me update you on our continued response to the S3i failures.

We have an ambitious roadmap. Following your guidance, our comprehensive response plan charts a series of actions in response to the two KPMG reviews presented to you in November. It sets forth the prioritization of our actions, organizational ownership, a clear timeline and budgetary implications.

I will share a brief selection from this plan based on the six identified themes.

The first theme concerns our **mandate and strategy**.

The process to revisit the strategic plan 2022-2025 is well and truly underway. We are busy conducting our midterm review plus to inform the restatement of the UNOPS strategic plan.

An extensive series of stakeholder surveys, reflecting the views of our partners, senior leaders and personnel, will inform this process.

And the resulting restated strategic plan will present our intent and direction, anchored in the UNOPS role to expand implementation capacity, as set by the UN General Assembly.

Above all, it will recognize three core needs;

- to support the Sustainable Development Goals,
- to respond to the needs of our partners; and
- to act according to United Nations values.

I will go into more detail about this in the latter part of this statement.
The second theme concerns governance and management.

We intend to enable improved governance and management through an ambitious digitalization process, improving our effectiveness and transparency.

Our intent is to redesign our operating systems, selecting and implementing integrated platforms with the best-suited digital products.

We want to consider replacing our enterprise resource planning system, starting in 2023. We are tapping into existing UN enterprise resource planning approaches to take this forward.

Our people are the cornerstone of our organization. They are dedicated, talented and highly motivated by our purpose.

So another area we want to enable in this respect is a review of our organizational culture and the transformation of our human resources function.

We strive for an inclusive, healthy and productive organizational culture, anchored in the UN values, and one where we support our colleagues' professional development and well-being.

In the year ahead we will conduct an organizational culture review. We want to understand our strengths and weaknesses. We want to understand how to ensure we continue to attract and retain highly-qualified and diverse individuals, to meet the needs of partners and beneficiaries.

Additionally, we are looking to strengthen the coordination of our work with partners - through an integrated relationship management system. This is because being “responsive” is central to the value UNOPS bring to our partners.

Enhancing UNOPS processes, knowledge management and ways of working can be instrumental to reconnecting UNOPS with the wider UN system. It also helps us to keep costs down, while making us more effective at responding to challenges should they arise. Here, we envisage a need for digital and change management investments of an estimated $21.1 million.
Thirdly, we want to overhaul our **risk management and control environment**

In the last six months, we have made much progress across all our oversight functions, to reflect their criticality as we move forward.

Audit statistics from last year shows that through renewed focus and drive we now have 76 fewer oversight recommendations by the end of 2022 than we did by the end of 2021.

This includes recommendations by our own Internal Audit and Investigation Group (IAIG), the Joint Inspection Unit (JIU), the UN Board of Auditors (UNBOA) and the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

In total, in 2022 we have closed 273 recommendations covering all of these bodies.

At the Second Regular Session 2022, I reported to the Board that we had a total of 150 recommendations open -- 46 of these recommendations remain open today. In addition, as oversight bodies conduct their regular work, more recommendations have been added.

We are working hard to address all audit recommendations and will retain the focus of this ongoing effort, reflective of our commitment to continuous improvement.

Moving forward, lessons from audit recommendations will inform the mainstreaming of an enhanced approach to risk management into all aspects of our operations.

The goal is to strengthen risk-informed decision-making, and to embed risk considerations in the development of projects and partnerships.

Central to this change is to refocus our understanding away from “financial risk to UNOPS” to implementation effectiveness and impact. This means that we will gauge risk by considering if a proposed engagement is a good fit for the capacity of UNOPS.

Fourth is the category of **ethics, compliance and organizational culture**, which will require significant focus and attention.
Over the past six months we have placed key importance on these topics.

I have flattened hierarchies and included regional directors in the management team again.

Following the publication of the KPMG reports, the regional managers have also been meeting quarterly to coordinate and drive change from the regions.

We introduced a new whistleblowing policy and established a new way to review administrative decisions by management for individuals who work with UNOPS as contractors.

A review of the independence of the Ethics Office is well underway, led by the International Monetary Fund and UNESCO. The results and recommendations from these are expected to be available by the end of March 2023.

But again there is much more we must do.

In January, we launched the first of a series of personnel feedback surveys, which we call pulse surveys.

These surveys intend to understand the well-being and engagement of UNOPS personnel.

We will encourage open dialogue, discussion and frequent sharing of information.

The results will be used to hone our response plan and guide our HR transformation process.

I am committed to an inclusive and consultative process to transform the way we work with and for our people - these surveys are a cornerstone of this initiative.

Next, the fifth theme relates to financial and performance management.

KPMG recommendations included a reformed approach to pricing and better output reporting.

We have aligned cost recovery with the UN High-Level Committee on Management standards and Board of Auditors recommendations, so there is transparency on what costs are recovered.
Importantly, UNOPS net revenue targets will henceforth be zero. And we have moved away from the concept of pricing and profit towards cost recovery based on agreed UN standards.

We are also working on a new way of reporting aligned to the SDGs.

This will ensure UNOPS is aligned with the UN Sustainable Development Group standards and part of an increasingly well-coordinated UN Development System.

More than 600 colleagues across the world have already benefited from access to UN Staff colleague learning and development opportunities which were made available to UNOPS at the end of September 2022.

In addition, I have launched a new comprehensive training programme for a first group of 200 leaders in UNOPS. They will be trained in key UN standards and approaches, to help streamline UNOPS contributions to UN country teams. This will help foster stronger partnerships and solid collaborations with the UN Country Team and national stakeholders.

A key activity to improve the UNOPS control environment is the pending revision of UNOPS financial rules. This will ultimately lead to improved performance and promote a culture of performance, compliance and accountability across the organization.

In this regard, an approach and timeline will be presented to the Board in 2023, concurrently with the midterm review and the restated strategic plan.

In addition, in 2023 we intend to redesign our due diligence function and related processes, following UN standards as described by the UN Sustainable Development Group (UNSDG).

The final category of actions we are taking concerns the future of S3i:

We continue to collaborate with the UN Office of Legal Affairs, which is actively working on the recovery of funds from S3i investments. We are supporting these activities and are responsible for covering the costs, estimated at $8 million.
I want to take this opportunity to reiterate our profound apology to countries affected by the S3i failures.

We are sorry for the disruption that these failures have caused, and we want to truly work together to correct those wrongs.

To this end, we are also looking to dedicate specific support to enable affected countries to transition out of those activities. An additional $1.7 million will be dedicated to this support, as detailed in our 2023 financial outlook document.

Distinguished Members,

I hope through this brief update to have conveyed the level of ambition in our journey of change.

A live dashboard has been developed to publicly display all progress against our comprehensive response plan.

This outlines actions we are taking now and also initiatives that require investments.

The scale of this undertaking is significant, commensurate with the extent of the changes we must make.

In total, 43 recommendations are proposed to be addressed through 84 actions.

During the institutional crisis of 2022, triggered by the S3i failures, UNOPS personnel continued to work hard, dedicating their focus to project delivery.

Annual delivery estimates for the work undertaken by UNOPS on behalf of partners, which is at around 3.5 billion dollars, are evidence of such.

We are in demand and committed to meeting the needs of beneficiaries.
Yet the comprehensive nature of our response plan means we will not be able to implement it fully with existing resources.

To that end, in order to fully implement all of these actions, I am requesting the Board’s approval of the transfer of $35.4 million from the UNOPS operational reserve into the 2023 budget. This includes $8 million for the S3i legal fees, $1.7 million to work with affected countries, and $21.1 million for our much needed digital overhaul.

A full breakdown of costs that make up this sum is detailed in our financial outlook for 2023, which has been shared with you all in preparation for this session.

These would be one-off investments that respond to the need to correct years of underinvestment in areas identified by the KPMG and would allow us to have the necessary resources to reset the organization for the better.

The cost of activities beyond 2023 will be included in the budget estimates for 2024-2025. This will be presented to the Executive Board at its Second Regular Session in 2023.

**Strategic Outlook**

Let me turn now to the UNOPS strategic outlook, and speak in more detail about our new direction.

As you know, UNOPS intends to present at the Annual Session of the Board in June an early midterm review of our strategic plan, and a restated strategic plan for 2022-2025.

**In essence, the restated strategic plan will emphasize our support for accelerating countries’ achievement of the Sustainable Development Goals and Our Common Agenda.**

Developing this is essentially a co-creation process through our midterm review.

It will include several consultations with Member States, our clients more broadly, and the Executive Board. And it will draw on a comprehensive situational analysis.
We have already provided a framework for this restated strategic plan.

Allow me to share with you some of its highlights.

**The plan is to expand our partners’ implementation capacity for the acceleration of the Sustainable Development Goals.**

In doing this, we will intensify our focus on SDGs where we have significant experience, and communicate our capacity to deliver.

We will also respond to particular demand for our support, in areas where our functional capacity matches substantive needs.

Importantly, the focus on the SDGs does not presume a normative policy mandate.

Our interventions build on our partners’ programmatic capacity.

Our value sits in the practical knowledge we bring, from having delivered around $9.1bn\(^1\) worth of projects for our partners across the world over the past three years. Of this amount, $1.7bn\(^2\) was delivered to our UN partners.

And through our upcoming restated strategic plan, we will be firmly grounded in United Nations values and principles.

Based on UN plans, we can offer solutions for sustainable development across infrastructure, procurement and project management, including by providing secretariat services for the hosting of multi-partner initiatives.

We want to stress the collaborative advantage of the UNOPS implementation role.

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\(^1\) UNOPS delivery figures for all partners from 2020-22 include: $2.2bn in 2020, $3.4bn in 2021, and $3.5 bn in 2022.

\(^2\) UNOPS delivery figures for the United Nations from 2020-22 include: $567.3m in 2020, $582m in 2021 and $561.3m in 2022.
We need to better articulate our capacity and value proposition. We need to be clearer about what type of role we as UNOPS can assume responding to the needs of our clients and partners.

Our world’s needs are great. And we can be an effective part of the response in collaboration with others. But we need to more systematically ask ourselves whether we have the capacity and maturity to be part of the response?

And who can we collaborate with - to make our response more effective and efficient? And here for us, a first port of call should be national governments and the UN.

To illustrate this, I want to borrow a phrase from Deputy Secretary-General Amina Mohammed. She said we need to focus on “development outcomes”, if we are to cooperate effectively to achieve the SDGs.

We are always ready to propose our capacity - and develop the right partnerships to respond to needs, whether it is by helping get essential medical equipment to hospitals in Syria, or by setting up solar panels and increasing access to off-grid renewable energy in Sierra Leone.

Of course, this is only possible through the strength of our partnerships, whether it is with governments, or the UN, or international financial institutions or the private sector, among others.

Of course, our business model means that our focus on the SDGs is primarily determined and captured at the level of our partners. But we commit to better capturing and presenting our contributions to the achievement of the SDGs, whether they are direct or indirect.

And then I think it’s also important to make it clear what we will not do in the future:

We will not engage in impact investment with seed capital from the UNOPS reserves.

We will not support development activities that do not directly or indirectly contribute to countries’ achieving the SDGs
And we will not enable our partners’ greenhouse gas emissions if there are workable net-zero alternatives.

At the Second Regular Session 2023, we will propose biennial budget estimates for 2024-2025 to resource the implementation of the final two years of our restated plan.

This will ensure that lessons from the independent third-party reviews have been taken into account and implemented as appropriate.

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Honorable members,

I have spoken at great length about UNOPS - how we are responding and how we intend to move forward.

But all of this is all the more meaningful when we consider the wider context in which we operate.

And our world - as the Secretary-General put it the other day - is “plagued by a perfect storm on a number of fronts,” from the global economic crisis and climate change, to conflict, geopolitical tensions and a cost of living crisis. From rising inequalities, to the ongoing impact of the COVID-19 pandemic.

Against this background, we as UNOPS owe it to our partners and the communities we serve to be more effective and efficient, in responding to challenges. And that is the ambition that our new strategic direction represents.

When I see our work to improve conditions for those impacted by mounting crises - whether it’s delivering generators in Ukraine or improving urban services in Yemen, I am hopeful that we can play a vital role, despite the challenges ahead.

And with this, I want to thank the Board once again for your support and patience so far.
The months ahead are crucial for us in our quest towards a more fit-for-purpose UNOPS in the service of the SDGs and our Common Agenda.

Your continued guidance is key to the success of this journey.

Thank you.