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Midterm review of the UNOPS strategic plan, 2018-2021

Summary

The UNOPS strategic plan, 2018-2021, was endorsed through Executive Board decision 2017/26. The plan is focused on implementation for impact and provides direction to support Member States and the Secretary-General in realizing sustainable development and more peaceful, just and equitable societies.

This midterm review was conducted as an organizational self-evaluation. It takes stock of the implementation of the strategic plan and the UNOPS fulfilment of its role as a United Nations resource for services and solutions across peace and security, humanitarian, and development efforts.

The review reconfirms the relevance of the strategic direction set by the Executive Board, and the viability of the demand-driven, self-financed and non-programmatic UNOPS business model. This is evidenced by an increase in demand for services contributing to the operational results of governments, the United Nations and other partners; external review findings; feedback provided by partners; and achievement of key priorities.

In accordance with its mandate, UNOPS expanded its work across all three pillars of the United Nations Charter, with a notable increase in demand for development and humanitarian support. Demand increased across most sustainable development goals, especially 'good health' and 'peace, justice and strong institutions'.

Guided by its contribution goals, UNOPS enabled partners, helped people, and supported countries across the world. It saw growth in demand for services in the most vulnerable and fragile situations. Over the biennium, gross delivery across more than 72 least developed countries, landlocked developing countries, small island developing States, and other countries in fragile situations reached almost \$2.5 billion. Demand doubled for UNOPS technical assistance and implementation capacity in direct support of middle-income countries.



Over the biennium, the social impact investment initiative, encouraged by the Executive Board in 2015, provided proof of concept, and UNOPS continued to build its capacity for technical assistance in support of quality infrastructure and sustainable public procurement.

Compared to the prior strategy period, UNOPS saw an increase in demand from most partners, including governments, international financial institutions and regional intergovernmental organizations. Demand from United Nations development system partners remained relatively stable following the launch of the reform.

In its pursuit of balanced management results, UNOPS maintained high levels of partner satisfaction and personnel engagement, and made considerable progress towards its ambition to reach gender parity. It simplified policies and improved processes and tools. It achieved record delivery and reduced average fees for the benefit of partners and beneficiaries. By the end of the biennium it had achieved a financial position with a level of solidity enabling it to withstand some degree of unforeseen external shocks, including the effects of the COVID-19 pandemic.

Elements of a decision

The Executive Board may wish to:

Welcome UNOPS support to the operational results of governments, the United Nations and other partners, and the intent to sustain its focus and direction;

Endorse the continued relevance of the UNOPS strategic framework as the basis for driving the ambition to become a better known and recognized resource for Member States and the Secretary-General;

Recognize that the management results achieved reconfirm the relevance of the non-programmatic business-to-business value proposition expressed in its contribution goals, and the ability to safeguard the viability of the unique demand-driven and self-financed business model for the medium and longer term;

Encourage the continued attention of UNOPS on focusing its efforts based on the evolving operational context and policy guidance, building on its technical expertise and the comparative advantages of its implementation mandate;

Take note of the increasing demand for UNOPS to expand implementation capacity for sustainable development, including in direct support of countries and in the most fragile situations;

Applaud the progress achieved in promoting and enabling countries' sustainable infrastructure impact investment, and the potential for additional added value in the areas of quality infrastructure and sustainable public procurement; and

Reiterate its encouragement of United Nations entities to take advantage of UNOPS efficiency and effectiveness, emphasizing technical expertise in quality infrastructure, sustainable public procurement, and sustainable infrastructure impact investment.

Contents

	<i>Page</i>
I. Why we are	4
A. Our strategic framework, purpose and goals	4
B. The 2030 Agenda and developments in the global context	5
C. People, countries and operational contexts, 2018-2019	8
II. What we do	9
A. Our mandate, partners and services	10
B. Operational results, 2018-2019	11
C. Sustaining the course for operational results through 2021 and beyond	17
III. How we manage	17
A. Our governance and United Nations reform	17
B. Management results, 2018-2019	20
C. Sustaining the course for management results through 2021 and beyond	21

Annexes (available on the Executive Board website)

- I. Why we are
- II. What we do
- III. How we manage

I. Why we are

1. In 2020, the United Nations marks its seventy-fifth anniversary and commences the 2020-2030 decade of action for sustainable development. UNOPS celebrates its twenty-fifth anniversary as a ‘separate identifiable entity’ in the United Nations system, and a decade of being recognized by the General Assembly as a United Nations organization under the auspices of the Assembly, the Economic and Social Council, and the Executive Board.
2. The UNOPS strategic plan, 2018-2021, was adopted by the Executive Board in 2017. The plan provided direction for implementation of the UNOPS mandate¹ to expand implementation capacity across peace and security, humanitarian, and development efforts, including through capacity development activities.
3. The plan set an ambition for UNOPS to be more confident and articulate concerning the technical expertise it can deploy to help people and countries achieve the objectives enumerated in the 2030 Agenda. With the aim of expanding, deepening and diversifying its collaborative strategic partnerships, it set out to become better known earlier on by partners higher up in the development value chain; and to develop, enhance and strengthen its institutional knowledge and capabilities to remain an effective resource for partners.
4. The UNOPS self-financed and demand-driven business model is unique in the United Nations system. Over the biennium, the relevance of its non-programmatic implementation mandate and role as an operational resource for Member States and the Secretary-General was reconfirmed. This was evidenced by the increase in demand for services; external review findings; feedback from partners; and achievement of key priorities.
5. The outcome of the review illustrates the ability of UNOPS to innovate and quickly respond to new challenges, and how its project services can help governments, the United Nations, and other partners make contributions supporting the objectives of people in many countries.

A. Our strategic framework, purpose and goals

6. In 2017 the Executive Board welcomed the UNOPS strategic framework, 2018-2021, delineating its purpose and strategic goals. The framework is grounded in the Charter and in legislative mandates of the General Assembly. It has evolved over time pursuant to Executive Board decisions.²
7. The midterm review reconfirms the direction set through the strategic framework. It provides focus for the continued growth of UNOPS support to countries’ achievement of the Sustainable Development Goals in different sectors and operational contexts.
8. Continued growth was achieved through a broader composition of the UNOPS partner base and deepening of existing partnerships, and by development of expertise and innovation of core services and their deployment as integrated offerings.
9. The UNOPS purpose, vision, mission and values are summarized below. Its seven strategic goals – three contribution goals and four management goals – will frame chapters II and III of this review.

¹ [DP/OPS/2017/5-Annex I](#).

² [2013/23](#), [2016/19](#) and [2017/26](#).

10. The UNOPS raison d'être is expressed in its purpose statement³ and summarized in its vision, mission and values:

Our vision is a world where people can live full lives, supported by appropriate, sustainable and resilient infrastructure and by efficient and transparent use of public resources in procurement and project management.

Our mission is to help people build better lives and countries achieve peace and sustainable development.

Our values include: (a) national ownership and capacity; (b) accountability for results and transparency; (c) partnerships and coordination; and (d) quality and excellence.

11. The UNOPS mission, vision and values continue to provide purpose for the organization in the present global context.

B. The 2030 Agenda and developments in the global context

12. The strategic plan articulates the UNOPS response to the global agreements forming the 2030 Agenda for Sustainable Development.⁴ It identifies how UNOPS, across the three pillars of the Charter, can contribute to realizing the Secretary-General's vision of an integrated platform for prevention, enabled by management reform and repositioning the United Nations development system⁵ in accordance with the quadrennial comprehensive policy review.⁶

13. Following Executive Board approval of the plan, there were developments in the global context of particular relevance to the UNOPS mandate and role. The COVID-19 pandemic recently generated uncertainties potentially affecting social and economic development for the foreseeable future. The recovery will offer opportunities to 'build back better', including in combating climate change.

Developments in the global context

14. The 2030 Agenda provided a broad vision for the future and set bold ambitions for action, including in sustainable development, climate change, and development financing. While many people and countries are progressing, immense global challenges and risks remain, particularly for those left farthest behind.

Sustainable development

15. In his 2019 report to the Economic and Social Council⁷ the Secretary-General emphasised that by the end of the first cycle of implementation and review, a number of the Sustainable Development Goals and targets had made progress. Yet the global response had been wanting, resulting in slow progress on many Goals, with the most vulnerable people and countries suffering most.

16. During the high-level week of the 74th General Assembly, Member States convened for five summits with leaders from civil society and the private sector. With the fifth year of implementation approaching, they kick-started the decade of action to deliver the Sustainable Development Goals by 2030.⁸

³ Annex I.

⁴ [A/RES/70/1](#).

⁵ [A/RES/72/279](#).

⁶ [A/RES/71/243](#).

⁷ [E/2019/68](#).

⁸ [A/RES/74/4](#).

Gender equality and mainstreaming

17. In December 2019, the General Assembly noted that 2020 marks the twenty-fifth anniversary of the Beijing Declaration and Platform for Action, and adopted a resolution on follow-up to the Fourth World Conference on Women.⁹

18. The resolution called on governments and stakeholders to maintain a gender perspective in implementing the 2030 Agenda. It reaffirmed women's role in preventing and resolving conflict, and of gender mainstreaming as a globally accepted strategy to promote women's empowerment and achieve gender equality.

Small island developing States and oceans

19. The high-level midterm review of the SIDS Accelerated Modalities of Action (SAMOA) Pathway reemphasized how small island developing States remain at the forefront of development and climate change challenges, threatening not only their health systems and infrastructure, but their very survival.

20. At the 25th session of the Conference of the Parties, the Intergovernmental Panel on Climate Change presented its special report on oceans,¹⁰ and 39 countries committed to including oceans in their nationally determined contributions.

Climate change

21. Member States indicated how they would boost action to respond to the climate emergency. At the end of the summit, about 70 countries announced their intention to submit increased nationally determined contributions in 2020, and 65 countries and major subnational economies promised to work towards achieving net zero emissions by 2050.

22. In advance of the 25th session, the United Nations Environment Programme showed that the Paris Agreement stretch target of 1.5°C above pre-industrial levels is slipping out of reach.¹¹ The conference deferred key decisions, including on rules for carbon markets. In early 2020, the 26th session was deferred to 2021.

23. By the end of 2019, the United Nations Department of Economic and Social Affairs reiterated that breaking the connection between greenhouse gas emissions and economic activity would require a change in the energy mix and significant investment in infrastructure and technology.¹²

Economic outlook

24. In 2018, the world gross product amounted to \$84.6 trillion. It is estimated that world gross product growth slipped to 2.3 per cent in 2019 – the lowest since the global financial crisis in 2008-2009.¹³ Economic developments threaten to impede efforts to reduce poverty, create decent jobs, broaden access to affordable clean energy, and achieve many other Sustainable Development Goals.

25. In 2019, official development assistance totalled \$153 billion, representing 0.30 per cent of gross national income in Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) member countries.¹⁴

⁹ [A/RES/74/128](#).

¹⁰ [IPCC, 2019](#).

¹¹ [UNEP, 2019](#).

¹² [Department of Economic and Social Affairs, 2019](#).

¹³ [Ibid.](#)

¹⁴ [OECD, April 2020](#).

26. Foreign direct investment flows to developing economies countries remained stable in 2019, at \$695 billion,¹⁵ and remittances to low- and middle-income countries were expected to reach \$554 billion.¹⁶

COVID-19 pandemic

27. This midterm review was developed during the COVID-19 pandemic, in the first half of 2020. As the pandemic intensified, forecasted effects on the global economy increased.¹⁷ By June, the baseline World Bank forecast envisioned a 5.2 per cent contraction of global gross domestic product (GDP) in 2020,¹⁸ a larger impact than the 2008-2009 financial crisis.

28. In early April, OECD/DAC members acknowledged the pressures on public finances in all countries, and conveyed their intent to strive to protect official development assistance budgets.¹⁹ The World Bank projected a 2020 decline in foreign direct investment remittances as well as portfolio debt and equity flows to low- and middle-income economies.²⁰

29. It seems likely that the pandemic will affect people and the global economy for the foreseeable future, and that the most vulnerable will suffer the greatest impact.

Development financing

30. The General Assembly's high-level dialogue on financing for development asserted that with global financial assets estimated at over \$200 trillion, financing for sustainable development was available. However, resources were not being channelled at the scale and speed necessary to achieve the Sustainable Development Goals and the Paris Agreement objectives. Annual investments in the range of \$5 trillion to \$7 trillion across all sectors were deemed necessary to achieve the Goals.

31. In December 2019, the General Assembly adopted resolution 74/199 on promoting investments for sustainable development.²¹ It emphasized that significant investment was needed in quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all. It noted with concern the growing number of slum-dwellers and the adverse effects on their health, safety and livelihood opportunities, and encouraged targeted investments to ensure affordable, adequate housing.

32. The resolution acknowledged that reducing disaster risk, as outlined in the Sendai Framework for Disaster Risk Reduction, 2015-2030,²² was a cost-effective investment in preventing future losses, and encouraged Member States to develop standards and regulations for disaster risk-informed public- and private-sector investments, and to ensure that pipelines and bankable projects include disaster risk assessments.

33. Stressing that achievement of the Sustainable Development Goals would require long-term investment, the resolution underscored the potential of impact investment for financing sustainable development in support of national development policies, plans, priorities and needs.

¹⁵ UNCTAD, January 2020.

¹⁶ World Bank Group, April 2020.

¹⁷ UNCTAD, March 2020, and IMF, April 2020.

¹⁸ World Bank Group, June 2020.

¹⁹ OECD, April 2020.

²⁰ World Bank Group, April 2020.

²¹ A/RES/74/199.

²² A/RES/69/283.

Strategic direction reconfirmed

34. In its last midterm review, four years ago, UNOPS took stock of the evolving global context and positioned itself to engage with governments, the United Nations and other partners as a resource for expanding their implementation capacity.

35. Global developments over the past two years have confirmed the relevance of the strategic direction and value proposition for efficiencies, effectiveness, and expanding the pool of resources.

36. Section C highlights the continued growth, over past biennium, of demand for UNOPS integrated service offerings and solutions in response to the challenges people face in different countries and operational contexts.

C. People, countries and operational contexts, 2018-2019

37. By 2020, 7.8 billion people lived across more than 200 countries and territories where economic and human development vary considerably. Since the beginning of the previous strategy period, in 2014, world population has increased by 500 million people.

38. Over the past two years the world has progressed in implementing the Sustainable Development Goals. However, the risks people face remain multifaceted and interlinked, as most recently underscored by the rapid spread of the COVID-19 pandemic.

39. UNOPS is committed to supporting its partners in addressing the challenges, and the past two years' growth in demand for its activities testify to its relevance.

40. In 2018-2019, UNOPS gross delivery totalled \$4.3 billion.²³ Eighty-six per cent of activities were in-country activities across more than 114 countries and territories.²⁴ The remaining 14 per cent were global activities from a few OECD/DAC countries.²⁵

41. From 2014 to 2019, the annual activity level increased by \$1.1 billion, or 86 per cent. Compared to an average of \$3.1 billion over the prior two bienniums, activity in 2018-2019 increased by \$1.2 billion, or 39 per cent.

The operational contexts

42. UNOPS has continued to expand its global reach and geographical presence across regions and countries.

Global reach

43. With activity in more than 114 countries, UNOPS has broad global reach. Its flexible structure of country and multi-country offices, backed by global support and delivery structures, have enabled it to scale up or down to quickly meet changing demand and expand partners' implementation capacity.

44. Over the biennium, the regional distribution of gross delivery was: 37 per cent in Asia (29 countries), 25 per cent in Africa (46 countries), 20 per cent in the Americas (27 countries), 3 per cent in Europe (5 countries), and 0.5 per cent in

²³ The gross delivery comprises IPSAS revenue and agency transactions recorded through results-based reporting.

²⁴ Annex I.

²⁵ Ibid.

Oceania (7 countries). The other 14 per cent comprised global activities, mainly delivered from Geneva and New York.

Countries of operation

45. In his vision for the United Nations as a platform for prevention, the Secretary-General emphasized the importance of recognizing fragile situations and prioritizing capacity-building for resilience, to enable people – particularly those left farthest behind – to manage risks and shocks more effectively.

46. Over the biennium, at least 57 per cent of UNOPS activities were in least developed countries, landlocked developing countries, small island developing States, and other countries in fragile situations. By 2019, annual UNOPS activity level in countries in fragile situations exceeded \$1 billion for the first time. In parallel, it saw a doubling of demand for services and technical expertise in middle-income countries, home to many of the people left farthest behind.

The challenges of people and countries

47. In its strategic plan UNOPS committed to longer-term planning based on internal and external business intelligence, including data from the evolving discourse on country risks and fragility.²⁶ UNOPS used this approach to focus its activities in developing its global business plan, 2018-2021.

48. In preparing the midterm review, UNOPS used the same type of contextual assessment. The assessment reconfirms the correlation between UNOPS in-country activities and the challenges people face in different countries and contexts, and that the majority of its activities are concentrated in countries ranking lowest on the human development index and highest on the humanitarian risk index.

49. The assessment covered aspects such as development, gross national income, least developed countries, landlocked developing countries, small island developing States, human development, peace and security, humanitarian risks, climate change and transparency.²⁷ It confirmed that as the UNOPS footprint grew over the past biennium, it retained the strong correlation of presence and the challenges faced by people and countries, and continued to help people build better lives in many different contexts, including in those where people faced the greatest risks.

II. What we do

50. In its strategic plan, UNOPS set a clear ambition to continue delivering high-quality services and solutions to partners, thus becoming a more widely known and recognized resource for expanding the implementation capacity of Member States and the Secretary-General and enabling partners, helping people, and supporting countries in achieving the 2030 Agenda.

51. UNOPS set out three contribution goals to express its mandate, value proposition and commitment, and to provide direction for its aspirations for operational results supported by its services. Over the past biennium, UNOPS saw developments in the types of partners it supported and the services and integrated offerings that were in demand. It harnessed its technical expertise in quality infrastructure, public procurement and impact investment; and became a better known and recognized resource.

²⁶ [DP/OPS/2016/5](#); [DP/OPS/2017/5](#).

²⁷ Annex I.

A. Our mandate, partners and services

The mandate we work from

52. The UNOPS mandate to expand implementation capacity across peace and security, humanitarian and development efforts was established through resolutions and decisions.²⁸ Its value proposition is grounded in flexible, modular project services, comprising infrastructure, procurement, project management, financial management and human resources.

53. As a demand-driven, self-financed United Nations organization, UNOPS can enter into collaborative strategic partnerships with governments, the United Nations system and other partners, including intergovernmental institutions, international and regional financing institutions, foundations, non-governmental organizations, and the private sector.

A better known and recognized resource

54. UNOPS became a better known and recognized resource. Drawing on its technical expertise and operational knowledge, UNOPS became a more frequent and clearer voice highlighting persistent gaps and offering solutions in relation to quality infrastructure, sustainable public procurement, and sustainability in project implementation and impact investment. Through that engagement, it built a wider appreciation of its value proposition, resulting in innovative partnerships for knowledge and effect in support of the 2030 Agenda.

55. Engagement in collaborative strategic partnerships guided the development of context-specific solutions responding to people's needs, and countries' goals. As an integral part of the United Nations system, UNOPS is a proponent of quality infrastructure; the integration of economic, social and environmental considerations for sustainability; and demonstrating how infrastructure can be effectively implemented with a view to the needs of women and girls, lifetime costs, and resilience, including when financed on market terms.

The partners we work with

56. UNOPS worked with more than 170 different partners over the biennium. This, combined with the growth it experienced, strongly indicated that its business-to-business value proposition was becoming better known and recognized.

57. In 2018-2019, the distribution of the \$4.3 billion worth of activities was 29 per cent United Nations, 25 per cent non-OECD/DAC governments, 15 per cent OECD/DAC governments, 10 per cent multi-partner initiatives, 10 per cent vertical funds, 7 per cent international financial institutions, 3 per cent regional and other intergovernmental organizations, and 1 per cent other partners.

58. Compared to the prior strategy period, UNOPS experienced increased demand from all types of partners. Demand from non-OECD/DAC government partners more than doubled, accounting for half of the growth. OECD/DAC governments accounted for 17 per cent of the growth, and the United Nations for 13 per cent. Demand from international financial institutions grew 80 per cent, accounting for 11 per cent of the growth.

59. As a result of the increased demand from non-OECD/DAC governments, UNOPS activities in middle-income countries more than doubled. UNOPS work with governments and new institutional partners in attracting and operationalizing

²⁸ [DP/OPS/2017/5-annex I](#).

financing for social impact investments will have effects well beyond the increase in its gross delivery.

Our integrated offerings

60. The five UNOPS service lines are a long-standing feature of its implementation mandate and the bedrock of its ability to innovate and respond flexibly to partner demand. Consequently, the overall increase in gross delivery is reflected as growth across all five service lines, which comprise a number of project outputs making up the integrated offerings.

61. In 2018-2019, procurement accounted for 36 per cent of gross delivery and represented 46 per cent of the growth. Financial management accounted for 24 per cent, and 26 per cent of the growth. Seventeen per cent of gross delivery was infrastructure and 14 per cent human resources. Those two service lines represented 10 and 11 per cent of the growth, respectively. Project management spans stand-alone technical assistance and implementation management, tying the other service lines together into integrated offerings. At 10 per cent it remained the smallest of the five service lines.²⁹

62. In the 2018-2019 survey, partners confirmed that all five service lines remained in demand, and most indicated demand for more than one. In their responses the majority of partners – 63 per cent – indicated future demand for project management. Fifty-two per cent indicated demand for infrastructure, and 49 per cent for procurement. Partners indicated demand for human resources (41 per cent) and financial management (38 per cent).

63. The strategic plan emphasized that while these service lines are the bedrock of UNOPS expertise, it is its ability to flexibly combine them as integrated offerings and specialized solutions for purpose that increases the value it can add to the 2030 Agenda and countries' achievement of the Sustainable Development Goals.

B. Operational results, 2018-2019

64. The strategic plan emphasized that continued delivery of high-quality services and solutions to partners would be an essential lever for realizing its ambitions, and summarized the UNOPS differentiated value proposition through three contribution goals:

- (a) enable partners through efficient management support services;
- (b) help people through effective specialized expertise; and
- (c) support countries in expanding the pool and effect of resources.

65. Those three goals provide focus for the UNOPS operational results. The relevance of this value proposition was reconfirmed in 2018 through a review conducted by the Joint Inspection Unit³⁰ and supported by feedback volunteered through the partner survey and the client board.

66. The Joint Inspection Unit highlighted the UNOPS emphasis on operational excellence, technical expertise, international norms and standards, experience, and

²⁹ Gross delivery associated with each service line is derived based on the output-based approach adopted in 2020.

³⁰ [JIU/REP/2018/3](#).

impartiality, and noted that partners acknowledged its appetite for innovation, and the fact that it was a one-stop shop for a range of services.³¹

67. The partner survey reiterated past results: United Nations partners are interested in management support services for efficient transactions, whereas government partners are more prone to demand advice for effect through specialized technical expertise.

68. For a more detailed account of UNOPS activities based on new United Nations standards for reporting according to the United Nations pillars, development sectors, and Sustainable Development Goals, see annex II.

Enable partners

69. The first contribution goal is to “*enable partners to do more with less through efficient management support services, delivered locally or as global shared services*”.

70. The focus on creating efficiencies for partners is not new to UNOPS. That dedication goes back longer than the 25 years of its existence, and was part of the reason that it became a separate identifiable entity. It remains an essential feature of the UNOPS value proposition, which continues to be in strong demand by partners in the United Nations system and traditional donors, and in support of the implementation of vertical funds and multi-partner initiatives.

71. UNOPS saw a sustained and steady increase in demand for management support services over the biennium, confirming their continued relevance for partners. Annex II provides a summary of how the demand for services in human resources and procurement developed.

72. At its first meeting the UNOPS client board recognized the relevance of the value proposition for operational efficiencies and implementation capacity. Partners emphasized:

(a) comparative advantage as a service provider, deploying fast and delivering efficiently;

(b) strength of long-standing partnerships, expanding their operational capacity and ability to operate flexibly in fragile situations and complex operational contexts; and

(c) implementation mandate and ability to act as a discreet, neutral and constructive partner for implementation of the Sustainable Development Goals.

73. On several occasions over the years, the Executive Board has encouraged other entities in the United Nations system to take advantage of the efficiency and effectiveness UNOPS can bring to their operations.³² This has also been the case in a number of external studies and Joint Inspection Unit reviews.³³

74. The Joint Inspection Unit recently completed a study on outsourcing practices of its participating organizations.³⁴ The study suggested that the annual value of outsourcing in infrastructure and human resources would be about \$3.2 billion, around 6.4 per cent of annual United Nations expenditures. This suggests that there is significant potential for UNOPS as a resource providing added value to partner organizations by systematically supporting their efforts in these and related areas.

³¹ Ibid.

³² Decisions 2013/23 and 2017/26.

³³ DP/OPS/2017/5, JIU/REP/2018/3 and JIU/REP/2018/5.

³⁴ JIU/REP/2019/9.

Help people

75. The second contribution goal is to “*Help people achieve individual, local, national and global objectives, through effective specialized technical expertise grounded in international norms and standards*”.

76. Helping people has always been at the heart of the UNOPS purpose as a United Nations organization, and the strategic plan accentuated that focus.

77. At its first meeting the client board recognized the relevance of the UNOPS value proposition for technical expertise and capacity-building. Areas emphasized by partners included:

- (a) attention to capacity building, while balancing the need to get the job done and leave something behind;
- (b) technical expertise in quality infrastructure and sustainable procurement, which is relevant for both programme countries and United Nations operations; and
- (c) expertise in working directly with national authorities in middle-income countries to build public procurement institutions and capacity, ensuring that funds are freed up for further activities.

Sustainable implementation approaches

78. The strategic plan articulates the UNOPS sustainable implementation approaches, which strive to provide safeguards and drive tangible impacts for people through its implementation projects. The embedding of sustainable approaches is based on context and the nature of the activities performed. The UNOPS standards management framework provides tools and guidance on recognized practices for implementation.

79. In its biennial budget estimates, 2020-2021, UNOPS presented an initial framework for monitoring and reporting on its sustainable implementation approaches across the three mutually reinforcing dimensions of economic, social, and environmental sustainability. The framework was finalized drawing on key indicators from the UNOPS sustainability report. Annex II provides a detailed overview of the new framework and a summary of results achieved over the past biennium.³⁵

Safeguarding

80. Sustainable implementation approaches safeguard UNOPS operations. They focus on society and the environment, protecting people’s health and safety. In early 2020 UNOPS launched the ‘Goal Zero’ global initiative, which focuses on reducing injuries, incidents, and accidents across UNOPS operations. Safeguarding also includes aspects of cyber-security and protection of personal and institutional data.

81. ‘DRiVE’ (Delivering Responsibility in Vendor Engagement) provides supply-chain safeguards. It focuses on human rights, labour rights, ethical conduct, sexual exploitation and abuse, and environmental responsibility; and is an integral part of the sustainable procurement framework that became mandatory in January 2020.

Targeting Sustainable Development Goals in infrastructure projects

82. In 2018, UNOPS launched the online tool ‘SustainABLE’.³⁶ Recognizing that targeted interventions throughout the project life cycle can impact the achievement of Sustainable Development Goals targets, the tool provides a catalogue of measures to

³⁵ Annex II.

³⁶ SustainABLE.org.

amplify the impact of infrastructure projects in relation to women's empowerment. Pursuant to the lessons learned, UNOPS may expand the tool to cover environmental protection, resilience, disaster risk reduction, and procurement.

Activities for purpose

83. Over the years, UNOPS annual reports have provided a wealth of examples of projects undertaken, outputs delivered, operational results achieved, and people benefiting from technical expertise deployed to achieve various goals. This was also the case in 2018 and 2019.³⁷

84. Towards the end of 2018, the High-level Committee on Management and the United Nations Sustainable Development Group adopted harmonized standards for reporting financial data.³⁸ These provide a useful framework for analysing and illustrating activities over the biennium.

85. Annex II provides a detailed analysis of biennial activities across: (a) the three United Nations pillars, (b) the development sectors, and (c) support to countries' achievement of the Sustainable Development Goals. It illustrates (a) that there has been a significant increase in demand for support under the development and humanitarian pillars; (b) a significant breadth in activities across development sectors, with 'social infrastructure and services' comprising the majority of activities; and (c) that demand for support increased across most Sustainable Development Goals, with 'good health' and 'peace justice and strong institutions' remaining the two with the strongest demand.

86. In relation to the Sustainable Development Goals, analysis of the partner survey illustrates that many partners consider UNOPS a key resource for Goals 3, 9, 11, 16 and 17, and that there is increasing recognition of the value it can add as a partner for Goals 1, 6, 7, 8 and 13. It also reconfirms the strategic emphasis UNOPS attaches to gender mainstreaming, which is among the top priorities of most partners.

Support countries

87. The third contribution goal is to "*Support countries in expanding the pool and effect of resources available to achieve the 2030 Agenda.*"

88. The UNOPS mandate and focus on capacity-building dates back more than a decade. Its dedicated focus on supporting expanding the pool of resources is more recent.³⁹

89. The quadrennial comprehensive policy review reaffirmed the call of the Addis Ababa outcome document to strengthen domestic enabling environments and national capacity.⁴⁰ In its strategic plan UNOPS highlighted that its expertise and global reach could add value and contribute to the results of many partners beyond United Nations system organizations.

90. Taking to heart that national ownership, and the mobilization and effective use of domestic resources – based on sound economic, social, and environmental approaches – and transparent institutions responsive to people's needs will be essential to fulfilling the 2030 Agenda, it highlighted how its mandate and technical expertise in infrastructure, procurement and project management could be brought to fore by engaging higher up and earlier on in the value chain.

³⁷ DP/OPS/2019/2 and DP/OPS/2020/4.

³⁸ HLCM and UNSDG, 2019.

³⁹ Decisions: 2015/12, 2016/12, 2016/19, 2017/16, 2017/26, 2019/12, and 2020/8.

⁴⁰ A/RES/69/313.

Quality infrastructure

91. Infrastructure supporting sustainable development is essential. In 2018, infrastructure investments needed until 2030 were estimated to amount to about \$90 trillion,⁴¹ more than the world gross product the same year. The majority of those investments are long-term, locking countries' development and spending paths for decades.

92. How infrastructure is planned, delivered and maintained will significantly affect governments' ability to meet people's needs and achieve the goals of the 2030 Agenda. A holistic view of infrastructure as a portfolio of assets – a 'system-of-systems' – and an evidence-based approach is important for making informed choices when prioritizing current and new resources.

93. By 2013, UNOPS had committed to integrating the principles of the United Nations Plan of Action on Disaster Risk Reduction for Resilience into its infrastructure practices;⁴² and in collaboration with the Danish Institute for International Studies it continues to explore the role of infrastructure in fragile and conflict-affected countries.⁴³

94. The right infrastructure investments promise a meaningful return for sustainable development, and may even help reduce violence and fragility. A 2018 study, developed in collaboration with the University of Oxford,⁴⁴ established that infrastructure systems impact 92 per cent of targets for the Sustainable Development Goals. A 2019 essay supported by UNOPS⁴⁵ further demonstrated infrastructure's critical role for economic, social and environmental sustainability. In 2019, UNOPS supported the G-20 in outlining principles for investment in quality infrastructure.⁴⁶

95. Over the biennium UNOPS developed and tested two tools to support evidence-based infrastructure: (a) the National Infrastructure Systems Model, to support governments in making infrastructure planning decisions; and (b) the Capacity Assessment Tool for Infrastructure, to support governments in assessing their capacity to effectively plan, deliver and manage infrastructure systems.

96. Through the evidence-based infrastructure approach, UNOPS can enable governments to 'spend better' when investing in infrastructure. The approach can empower government partners to plan, deliver and manage their infrastructure systems and optimize the impact of their investments while keeping a sharp focus on sustainability and resilience. This helps partner governments to establish a comprehensive and realistic understanding of future needs, and project gaps for an uncertain future, marked by population growth, urbanization, and the effects of climate change.

Sustainable public procurement

97. In 2019, UNOPS sustainable procurement practices received a fourth consecutive gold-level award from the Chartered Institute of Procurement and Supply; it is the only organization to have accomplished this. By the end of 2019, UNOPS had made its sustainable procurement framework mandatory.

⁴¹ Global Commission on Economy and Climate, 2018.

⁴² [DP/OPS/2013/3](#).

⁴³ DIIS and UNOPS, 2020.

⁴⁴ ITRC and UNOPS, 2018.

⁴⁵ Economist Intelligence Unit, 2019.

⁴⁶ G-20, 2019.

98. A recent assessment of public procurement across 180 countries estimated that average public procurement spend ranges from 12.6 per cent of GDP in high-income countries to 14.4 per cent in low-income countries.⁴⁷

99. With a world gross product of \$84.6 trillion, global public procurement spend can be estimated at around \$10.9 trillion – a significant portion of economic activity. Consequently, systematic introduction of sustainable procurement practices can have a big impact, even if interventions are relatively small. For example, the impact of a 1.5 per cent global optimization through sustainable practices would exceed a full year of official development assistance.

100. A recent study supported by UNOPS⁴⁸ highlights that governments are increasingly recognizing the potential effect of sustainable public procurement. It suggests that a first step is proficiency in the basics – cost-efficiency and delivery of effective, high-quality services – and emphasizes that efficiencies can contribute to sustainable development by freeing up resources. It identifies a number of impediments that sustainable public procurement practices can potentially address. These include short-term thinking, fragmented organizational structures, corruption, and insufficient knowledge about the procurement market.

101. UNOPS has documented experience in supporting sustainable public procurement and will continue to maintain and build capacities to respond to demand.

Sustainable infrastructure impact investment

102. Social impact investment was a novel focus area for UNOPS when its strategic plan was approved. The plan emphasized that UNOPS, with its expertise in project management, could also be a resource for expanding implementation capacity when financed on market terms. The need for new and alternative sources of development financing was emphasized and is likely to be essential in mobilizing resources to respond to the COVID-19 pandemic.

103. The United Nations Conference on Trade and Development (UNCTAD) estimated that developing countries face an annual investment gap in key sustainable development sectors of \$2.5 trillion;⁴⁹ and the Addis Ababa outcome document estimated the annual infrastructure investment gap in developing countries to be between \$1 trillion and 1.5 trillion.

104. In 2019, UNOPS gross delivery amounted to some 1.5 per cent of official development assistance – 0.09 per cent of the investment gap estimated by UNCTAD, or between 0.16 and 0.24 per cent of the estimated infrastructure investment gap for developing countries.

105. Although UNOPS saw significant growth in its traditional activities over the past biennium, its overall activity volume was modest in the context of global needs and financial flows. UNOPS nevertheless managed to leverage its experience and presence to act as a catalyst, channelling government and private-sector funding in support of the 2030 Agenda for the benefit of people.

106. Over the biennium, the UNOPS social impact investment initiative, now ‘sustainable infrastructure impact investment’, was developed and provided proof of concept, seeing particular progress in the social housing sector. It contributed to securing commitments for investments in some 860,000 housing units to be built, using sustainable methods, in the Caribbean, Ghana, India, Kenya, and Pakistan. In the area of renewable energy, the initiative included investments in a wind farm in

⁴⁷ World Bank Group, 2017.

⁴⁸ Economist Intelligence Unit Limited, 2020.

⁴⁹ UNCTAD, 2014.

Mexico, and in 2019 a number of potential new deals matured to an advanced stage of due diligence. Over the coming years UNOPS will continue to explore opportunities to expand the portfolio of investable deals, including in the area of health infrastructure.

107. By the beginning of 2020 the initiative was established as a stand-alone business unit under the auspices of the UNOPS governance structure. The Secretary-General appointed an Assistant Secretary-General as Chief Executive for the office, which for an initial four year period will drive the initiative forward from its new base in Helsinki.

C. Sustaining the course for operational results through 2021 and beyond

108. UNOPS became a better known and recognized resource over the biennium, seeing a significant increase in demand for its core services delivered as integrated offerings expanding the implementation capacity of its partners.

109. Its collaborative strategic partnerships deepened and new ones were built, including with middle-income countries and international financing institutions. Demand from partner organizations in the United Nations development system remained relatively stable following the launch of the reform.

110. The increasing demand, and the feedback provided by partners, reconfirmed the relevance of the three contribution goals and the value proposition for expanding implementation capacity for the 2030 Agenda.

111. Over the biennium UNOPS saw an increase in activities across United Nations pillars, development sectors and Sustainable Development Goals, reconfirming the relevance of the strategic direction set by the Executive Board.

112. UNOPS progressed considerably in building and consolidating capabilities for quality infrastructure, sustainable public procurement, and sustainable infrastructure impact investment. Over time, those capabilities should create development value well beyond what can be illustrated by gross delivery alone.

III. How we manage

A. Our governance and United Nations reform

113. UNOPS recognizes that ensuring institutional fit for purpose is a continuous process of improvement and innovation, learning from experience and building internal capabilities in response to changes in the external environment. This is the case for UNOPS as an organization as well as for the United Nations system of which it is an integral part. Over the past biennium UNOPS has engaged in United Nations reform, consulted with partners on operational matters, and witnessed the completion of several institutional improvements.

External governance and oversight

114. In 2019, the Secretary-General reinstated full consistency of the UNOPS governance structure by abolishing the policy advisory committee he established in

2008,⁵⁰ prior to the General Assembly resolution on the UNOPS mandate and governance structure.⁵¹

115. UNOPS governance arrangements are now consistent with those of other United Nations organizations. The Executive Director is accountable to the Executive Board and the Secretary-General. The United Nations Board of Auditors provides external audit for Member States in the Executive Board and the Fifth Committee, while the Advisory Committee on Administrative and Budgetary Questions advises on relevant matters.

Unique business model

116. While UNOPS is becoming a better known and recognized resource, its non-programmatic implementation mandate and self-financed, demand-driven business model – to which many of its stakeholders are unaccustomed – remain unique in the United Nations system.

117. UNOPS services are provided in exchange for coverage of the direct cost, plus a management ‘fee for service’ covering immediate and potential future indirect costs. This is unlike organizations with programmatic activities, which are financed predominantly through core and non-core contributions.

118. Indirect costs include relevant management and oversight structures, and investments in innovation and specialized technical expertise. The private sector model instils fiscal prudence, and focuses internal investments on the organization’s continued relevance to partners. A key lesson learned was that UNOPS must continually ensure that the unique nature of its self-financed business model is understood by an evolving constituency of stakeholders.

External review of management and administration

119. For the past 25 years, UNOPS has been a participating organization of the Joint Inspection Unit. In 2018, the Unit completed a comprehensive review of management and administration in UNOPS.⁵² The Inspector emphasized that the review confirmed the client-oriented and entrepreneurial UNOPS culture characterized by a strong business orientation, flexibility, and focus on adding value to the activities of its partners.⁵³

120. The Inspector’s findings attested to the viability of the UNOPS business model as established by the Executive Board and the General Assembly, and demonstrated that over the past 20 years UNOPS was able to deploy change management for effective organizational reform in response to the needs of partners and to the evolving external environment.⁵⁴

121. By the end of 2019 all formal recommendations made in the review had been reported implemented, and more than half of the informal recommendations offered had been taken into account as part of the organization’s continuous improvement.

United Nations coordination and reform

122. UNOPS has been a full and equal member of the Chief Executives Board for Coordination since 2016, and in 2019 the Secretary-General appointed the Executive Director Chair of the High-level Committee for Management.

⁵⁰ [DP/OPS/2019/CRP.1](#) and decision [2019/12](#).

⁵¹ [A/RES/65/176](#).

⁵² [JIU/REP/2018/3](#) and [DP/OPS/2018/6](#).

⁵³ [JIU/REP/2018/3](#).

⁵⁴ [JIU/REP/2018/3](#).

123. Over the past biennium UNOPS supported implementation of resolutions 71/243 and 72/279. It paid in full the double cost-sharing for the resident coordinator system; established accountability of country directors to resident coordinators; and took part in a pilot of mutual country-level performance appraisals.

124. Committed to efficient business operations, UNOPS is the only organization, other than the co-chairs, to be represented at Under-Secretary-General level in the Business Innovations Group; it recently assumed the role as co-chair for the task team supporting implementation of the Business Operations Strategy 2.0. Globally, it can respond to demand for location-independent procurement and human resources support.

125. At the country level, UNOPS can respond to demand for data-driven and evidence-based approaches to infrastructure assessment and planning. Through the common country analysis it can help inform infrastructure priorities for cooperation frameworks, which can in turn increase the impact of United Nations development system responses to social, environmental and economic challenges, including COVID-19.

External operational advice

126. In decision 2019/12, the Executive Board took note of the Secretary-General's decision to establish a UNOPS client board to advise the Executive Director on operational matters and opportunities to deepen collaborative strategic partnerships.

127. The partner survey, 2018-2019, revealed that partners most frequently chose to describe UNOPS as 'professional' 'efficient' and 'responsive'. The topics they volunteered for further exploration included 'value for money',⁵⁵ 'timeliness' and 'visibility'. In early 2020, those topics framed the deliberations of the first meeting of the UNOPS client board.

128. The client board confirmed the overall relevance of the UNOPS value proposition for expanding the implementation capacity of governments, United Nations and other partners.⁵⁶ It also suggested operational measures for deepening collaborative strategic partnerships.

129. Pursuant to lessons learned, it advised the Executive Director to:

(a) seek formal recognition of the UNOPS mandate and expertise in quality infrastructure and sustainable public procurement, with lead status in the United Nations system;

(b) differentiate between: (i) visibility of business-to-business brand for partners; and (ii) visibility of UNOPS and partners in projects;

(c) develop communications on: (i) 'fee for service'; and (ii) roles and responsibilities in managing individual contractor agreements.

130. The Executive Director took note of the advice, and will respond within her purview. In addition, the Executive Board may consider encouraging the United Nations system to recognize UNOPS expertise in quality infrastructure and sustainable procurement.

⁵⁵ Defined in the UNOPS financial regulations and rules as 'the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria'.

⁵⁶ See chapter II.B.

Internal governance, oversight and collaboration

131. For a decade, the Audit Advisory Committee and its predecessors provided external, independent advice to the Executive Director and an annual report to the Executive Board. The Internal Audit and Investigation Group was established in 2007. The ethics function, established in 2009, was constituted as the Ethics and Compliance Office in 2019. Both units provide internal oversight and advice to the Executive Director and the Executive Board.

132. In 2019, the Executive Director completed a review of the terms of reference for the Audit Advisory Committee.⁵⁷ This concluded the comprehensive review of the UNOPS legislative framework initiated in 2016, with the aim of simplifying work processes and empowering leadership by clarifying roles and responsibilities. By the end of 2019 the number of directives and instructions had been reduced by 31 per cent compared to 2016.

133. In 2019, the Executive Director established a new global structure for the organization. The structure included a Senior Leadership Team, which, in addition to the Executive Director, comprises the directors of the organization's four functional pillars, and the Chief Executive of the Sustainable Infrastructure Impact Investment Office.

134. The past biennium saw enhancement of the digital 'OneUNOPS' platform for organization-wide efficiency, control, and business intelligence, including for project management, global collaboration and knowledge-sharing. That platform, combined with existing policies on 'working from home', has been a key enabler of business continuity during the COVID-19 pandemic.

B. Management results, 2018-2019

135. Guided by its management goals, UNOPS pursues organizational excellence, quality, and principled performance throughout its operations. Over the biennium it has continued to build the organization and realize a balanced set of management results. The key achievements are:⁵⁸

(a) Committed to *partner value*, UNOPS has ensured that its partners are satisfied, likely to recommend it to others, and will use its services again in the future;

(b) A proponent of *people excellence*, UNOPS has demonstrated strong leadership in advancing gender parity and has maintained personnel engagement levels above industry benchmarks;

(c) Striving for *process excellence*, UNOPS has rationalized its policies and guidance; responded quickly to oversight recommendations; and deployed a new portfolio and project management system, increasing the cost-effectiveness of processing and control; and

(d) Focused on *financial stewardship*, UNOPS has achieved record delivery and reduced average fees to benefit partners and beneficiaries. It has achieved the net revenue targets established by the Executive Board and, based on its low operational surplus margins and finance income, has built net assets to safeguard its self-financed business model.

⁵⁷ DP/OPS/2020/2-Annex 3 and EOI.ED.2019.02.

⁵⁸ Annex III.

136. The four goals remain relevant in guiding the realization of a balanced set of management results, enabling the continued development of the organization and its operational capabilities.

C. Sustaining the course for management results through 2021 and beyond

137. During 2018-2019 UNOPS continued to build the organization and achieve a balanced set of management results. It entered 2020 as a robust organization with a strong financial position and a level of solidity enabling it to withstand some degree of unforeseen external shocks, including immediate effects of the COVID-19 pandemic.

138. Pursuant to the findings of the midterm review UNOPS intends to ‘S-U-S-T-A-I-N’ its course:

- (a) **Strengthen and diversify collaborative strategic partnerships with governments, the United Nations and other partners;**
- (b) **Unfold capacities for quality infrastructure and sustainable public procurement;**
- (c) **Support countries in attracting impact investments for social housing, renewable energy and health infrastructure;**
- (d) **Track the effect for people of its sustainable implementation approaches, including safeguards for health and safety;**
- (e) **Advance tools and guidance for targeting Sustainable Development Goals through infrastructure and procurement;**
- (f) **Innovate management services for the United Nations and other partners, including project management of infrastructure and other integrated offerings, as well as procurement and human resources services; and**
- (g) **Navigate visibility needs; communicate on ‘fee for service’ and individual contractor agreements; pursue gender parity; and safeguard the viability of the self-financed business model.**

139. The UNOPS strategic plan, 2022-2025, will be presented to the Executive Board in September 2021. The plan will provide direction for the organization throughout the first half of the decade for action on the Sustainable Development Goals, and its development will be guided by the findings of the present review and the resulting Executive Board decision.