

Annexes

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Annex I
Methodological note on UNOPS management results and budget framework

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Introduction

1. The present annex outlines UNOPS management results and budget framework, developed for the organization's budget estimates for the biennium 2012-2013. The framework establishes conceptual alignment and clear linkages of the organization's results-based management and results-based budgeting approaches. Compared to prior versions, the framework has been simplified, and developed to facilitate alignment of UNOPS global structure and the corporate balanced scorecard (BSC). In turn, the framework forms the basis for presenting UNOPS 2012-2013 budget estimates in accordance with the framework of seven harmonized functional clusters, decided by the Executive Board at its first regular session 2011. UNOPS management results and budget framework comprise three key components:

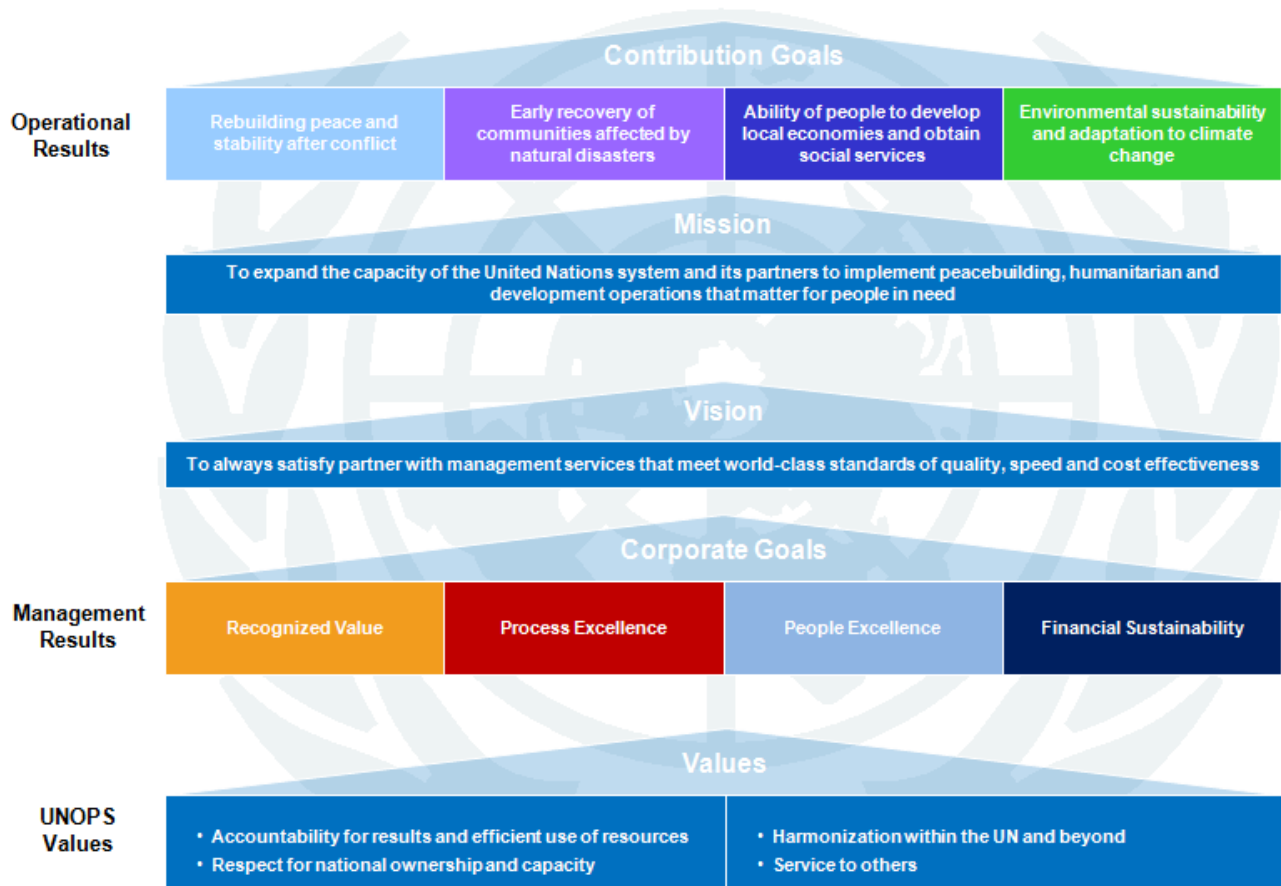
- I. Management results
- II. Core activities
- III. Corporate functions

I. UNOPS management results

2. During the preparation of the 2012-2013 budget estimates UNOPS has updated its management results terminology and underlying framework, in 2010-2011 referred to as: "strategic goals" and "strategic performance objectives". They were updated:

- (a) To establish a clearer definition of UNOPS management results (corporate goals) as key to sustaining and enhancing the organization's ability to contribute to the United Nations and its partners;
- (b) To ensure a clearer distinction between UNOPS management results and operational results frameworks. The latter comprises UNOPS contribution goals, specifying the areas in which UNOPS contributes to the results of partners;
- (c) To enhance implementation of the management strategy through a more communicable and action-oriented management results framework from a conceptual, and rhetoric point of view;
- (d) To maintain and enhance alignment of corporate goals and corporate drivers with UNOPS Balanced Scorecard (BSC) and the results-based budget (RBB) framework
- (e) To ensure continuity with UNOPS 2007-2009 business strategy and 2010-2013 strategic plan

Figure I. Management results sustaining UNOPS contributions to operational results



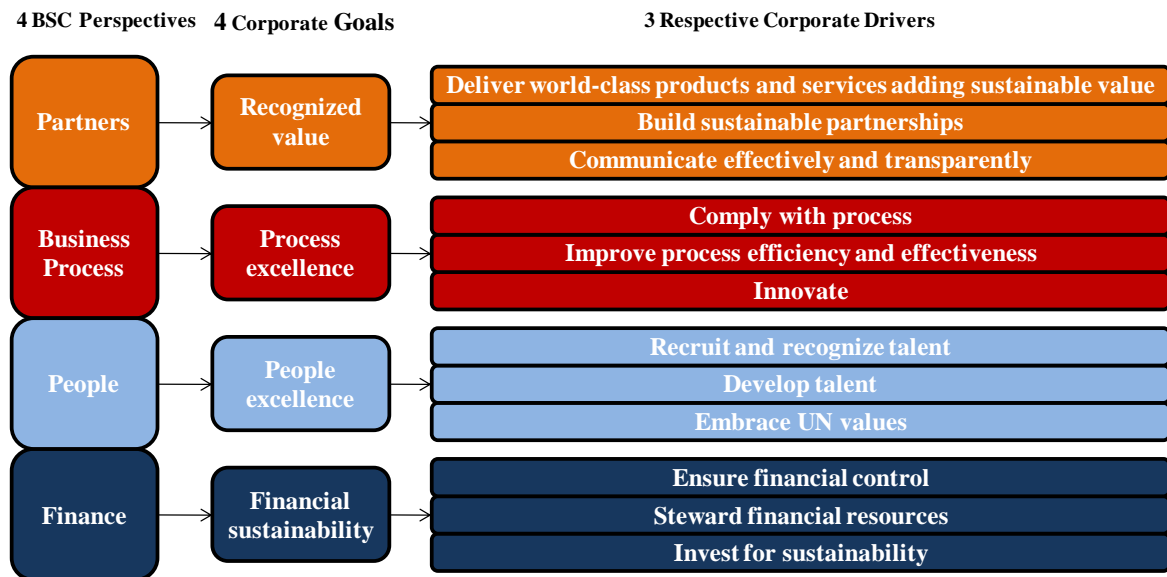
Simplification of concept and terminology

3. To further emphasize that both management results and operational results are strategic, the management results terminology of “strategic goals” and “strategic performance objectives” has been discontinued. The term “strategic goals” has been replaced with “corporate goals,” in order to further emphasize the notion of a global corporate UNOPS, to which all personnel contribute through the practice approach. The term “strategic performance objectives” has been replaced with “corporate drivers,” providing direction to how corporate goals are achieved.

4. For the sake of simplicity of concept, visual presentation and ease of communication, one single corporate goal has been established for each of the four BSC perspectives: Partners, Business Process, People and Finance. Each corporate goal has in turn been assigned three distinct corporate drivers, further operationalized by example performance measures.¹

¹ The example performance measures on the following pages have been included as an illustration of measures UNOPS may be introducing in the 2012-2013 biennium. In this context it should be noted that, to ensure cost-effectiveness and avoid adding extra cost due to introduction of manual procedures for data collection, UNOPS will phase introduction of these and other measures with a view to the organization's ability to invest in enhancement of relevant ICT based management information systems.

Figure II. Simplified management results framework



A. Partner: recognized value

5. The corporate goal ‘Recognized value’ refers to UNOPS ambition to deliver products and services with value that is acknowledged by its partners, and in accordance with international standards and recognized best practice. As described below, recognized value is driven by:

1. Deliver world-class products and services adding sustainable value

6. Deliver world-class products and services refers to the ability of UNOPS to deliver quality recognized by partners and custodians of international standards and documented best practice. Adding sustainable value refers to the ability of UNOPS to help develop partners’ capacity, when requested.

Example measures: milestone delivery rates, budget implementation, process and product certifications, share of projects active in UNOPS partner centre and number of partner visits, partner satisfaction, partner NPS (Net Promoter Score), share of projects to include partner capacity in design (lead), share of projects recognized as having transferred capacity to partners, revenue pertaining to capacity-building engagements.

2. Build sustainable partnerships

7. Build sustainable partnerships refers to the ability of UNOPS to build demonstrably beneficial long-term partnerships.

Example measures: UNOPS contributions to UNDAF, partner retention, positively revised engagement budgets, memorandum of understanding and long-term agreement utilization, new business acquisition, new engagements initiated.

3. Communicate effectively and transparently

8. Communicate effectively refers to the ability of UNOPS to convey timely, relevant and meaningful information to its partners and people. Communicate transparently refers to the ability of UNOPS to account for its operations and use of resources in a transparent manner to its partners and stakeholders.

Example measures: Intranet content updates, page views and visits, personnel satisfaction with organizational communication, partner centre utilization measures, results-based reporting, timely submissions of reports to Executive Board, publishing of Procurement and Supply Chain data on extranet, publishing of project data on extranet.

The partner perspective in UNOPS budget estimates for the biennium 2012-2013

Corporate goal	Corporate driver	Performance indicator	Baseline	Target 2012	Target 2013
A. Recognized value	A1. Deliver world-class products and services adding sustainable value	Share of global portfolio of projects delivering on track (on schedule, within budget) ²	New measure	TBD	TBD
	A2. Build sustainable partnerships	UNOPS contributions to United Nations Development Assistance Frameworks ³	New measure	75%	75%
		Total business acquisition ⁴	\$1.5 billion	\$1.53 billion	\$1.58 billion
	A3. Communicate efficiently and transparently	Average number of monthly visits to UNOPS public website ⁵	70,000	71,500	73,000
		Percentage of regional entities’ websites compliant with corporate standards ⁶	New measure	85%	90%
		Percentage of personnel satisfied with UNOPS intranet ⁷	79%	80%	80%

² The indicator reflects key partner expectations (Critical to Quality (CTQ) requirements) of delivery in accordance with agreed schedule and budget, measured as a percentage of the United States dollar value of the global portfolio. Corporate performance is ascertained based on quarterly assessment by Operations Centre Directors, Project Centre Managers and Cluster Managers.

³ The indicator reflects share of new or revised UNDAFs for countries with a UNOPS Operations Centre or Project Centre, for which the responsible Regional Director reports substantive UNOPS contribution.

⁴ The indicator reflects the minimum business acquisition needed to sustain UNOPS budget estimates based on current assumptions. The baseline reflects UNOPS business acquisition target for 2011.

⁵ The baseline reflects 2010 monthly average.

⁶ The indicator will be based on the communication unit’s quality assurance statistics, and will reflect minimum compliance with corporate webpage guidelines for entities in UNOPS regional structure (Organizational Directive No. 15, annex 3).

⁷ The baseline reflects 2010 performance solicited via the Global Personnel Survey.

B. Business process: process excellence

9. The corporate goal Process Excellence refers to UNOPS ambition to go beyond process quality, timeliness and efficiency in its operations. Process excellence is driven by:

1. Comply with process

10. Comply with process refers to the ability of UNOPS to follow its business processes, as documented in UNOPS policies and procedures, and the Practice and Quality Management System (PQMS).

Example measures: number of internal audit recommendations and implementation rates.

2. Improve process efficiency and effectiveness

11. Improve process efficiency refers to the ability of UNOPS to achieve business process results of consistent quality, using a reduced amount of time and/or resources. Improve process effectiveness refers UNOPS ability to achieve business process results of higher quality.

Example measures: measures of efficiency include: process lead times, e.g., timeliness and speed of operational and financial closure of projects, process iterations, resource utilization and idle rates, process cost reductions; measures of effectiveness include: number of application correction entries, number of committee and board rejections, number and amount of write-offs, number of defects and rework, share of entities meeting standards.

3. Innovate

12. Innovate refers to the ability of UNOPS to create new products and services and design new or re-design existing business processes, as well as related policies and procedures in order to deliver value added to its partners.

Example measures: number of new products and services, revenue from new products and services, number of new business processes, status of improvement initiatives identified in Quality Review Meetings, improvement suggestions processed in PQMS, share of policies and procedures that are up to date.

The business process perspective in UNOPS budget estimates for the biennium 2012-2013

Corporate goal	Corporate driver	Performance indicator	Baseline	Target 2012	Target 2013
B. Process excellence	B1. Comply with process	Implementation rate of accumulated internal audit recommendation ⁸	71%	76%	80%
	B2. Improve process efficiency and effectiveness	Average duration of staff recruitments (number of days) ⁹	New measure	100	80
		Average duration of procurement through formal solicitation (number of days) ¹⁰	88	87	85
		Headquarters Contracts and Property Committee average processing time for procurement cases (number of days) ¹¹	8	8	8
		Timely recurrent corporate financial closure ¹²	New measure	75%	100%
		Percentage of regional entities meeting minimum security assurance measures ¹³	New measure	71%	82%
	Percentage of regional entities meeting Business Continuity and Disaster Recovery Planning requirements ¹⁴	80%	91%	97%	
B3. Innovate	Timely implementation of improvement initiatives agreed through UNOPS Quality Management Review process ¹⁵	New measure	90%	90%	

⁸ The base line reflects 2010 year-end implementation rate, as reported in UNOPS Management Response to DP/OPS/2011/2.

⁹ The indicator measures number of days from the date of vacancy announcement until the date on which the Hiring Manager was informed of the recommendation of the Central Review Body.

¹⁰ The indicator measures number of days from the date of advertisement until the date on which the Submitting Officer was informed of the decision of the Executive Chief Procurements Officer. The baseline reflects UNOPS Headquarters Contracts and Property Committee procurement processing time statistics for 2010.

¹¹ The indicator measures number of days from the date the submission was accepted for review to the date on which the Submitting Officer was informed of the decision of the Executive Chief Procurement Officer. The baseline reflects Headquarters Contracts and Property Committee procurement processing time statistics for 2010.

¹² The indicator reflects the percentage of recurrent corporate financial closure completed on, or before, the agreed date.

¹³ Performance will be gauged through UNOPS Security Assurance Tool, which will be rolled out in 2012. The associated Security Assurance Dashboard will reflect performance of entities in UNOPS regional structure (Organizational Directive No. 15, annex 3)

¹⁴ The baseline reflects estimated performance at the end of third quarter 2011 of entities in UNOPS regional structure (Organizational Directive No. 15, annex 3).

¹⁵ The indicator measures the share of improvement initiatives implemented in accordance with the schedule established in UNOPS Quarterly Quality Management Review Meetings.

C. People: people excellence

13. The corporate goal People Excellence refers to UNOPS ambition to enable its people to deliver excellence while being an employer of choice. People excellence is driven by:

1. Recruit and recognize talent

14. Recruit talent refers to the ability of UNOPS to attract qualified people, capable of executing the organization's business strategy. Recognize talent refers to UNOPS ability to reward, recognize and care for its people; and the ability of the organization to retain recognized talents.

Example measures: number of applications per vacancy, long list to application list ratio, number of candidates rostered, web-traffic for UNOPS vacancy announcements compared with external benchmarks, number of personnel recognized for achieving external certification, personnel satisfaction rates, personnel turnover.

2. Develop talent

15. Develop talent refers to the ability of UNOPS to ensure that people can continuously contribute to their individual as well as to the organization's development.

Example measures: Performance Results Assessment completion rates, number of internal training sessions, number of external training sessions and staff certifications.

3. Embrace UN values

16. Embrace UN values refers to the ability of the people of UNOPS and the organization as a whole to embrace the UNOPS values and the core values of the United Nations (integrity, professionalism, respect for diversity).

Example measures: gender balance, North/South balance, number/share of personnel completing mandatory training, e.g., integrity awareness and security in the field.

The people perspective in UNOPS budget estimates for the biennium 2012-2013

Corporate goal	Corporate driver	Performance indicator	Baseline	Target 2012	Target 2013
C. People excellence	C1. Recruit and recognize talent	Performance on UNOPS personnel attitude index ¹⁶	78%	79%	80%
		Percentage of UNOPS personnel satisfied with overall access to UN/UNOPS safety and security information ¹⁷	77%	78%	80%
	C2. Develop talent	Performance appraisal completion rate ¹⁸	60%	85%	90%
	C3. Embrace UN values	Gender distribution of incumbents of posts funded through the management budget (percentage of female incumbents) ¹⁹	42%	44%	45%

¹⁶ The indicator measures the share of UNOPS supervised personnel expressing a positive attitude on the personnel attitude index. UNOPS attitude index is established as a composite measure of personnel's rating of three questions in UNOPS Global Personnel Survey (GPS): a. I am motivated to make UNOPS successful, b. Overall, I am satisfied with my job, c. I would recommend UNOPS as a good place to work. The baseline reflects 2010 performance.

¹⁷ The baseline reflects 2010 performance solicited via the Global Personnel Survey.

¹⁸ The baseline reflects 2009 PRAs completed on 31 March 2010.

¹⁹ The baseline reflects percentage of female incumbents of UNOPS posts funded through the management budget on 1 January 2011. The biennial target represents an interim milestone for UNOPS achievement of the medium-term target of 50% female incumbents.

D. Finance: financial sustainability

17. The corporate goal Financial Sustainability refers to UNOPS ambition to ensure its continued ability to self-finance contributions to the United Nations and its partners. Financial sustainability is driven by:

1. Ensure financial control

18. Ensure financial control refers to UNOPS ability to comply with International Public Sector Accounting Standards (IPSAS), as well as following UNOPS Financial Regulations and Rules, e.g., appropriate segregation of duties.

Example measures: number of external audit recommendations and implementation rates, implementation of risk-based audit plans, data quality (with raised standards and certain new indicators).

2. Steward financial resources

19. Steward financial resources refers to UNOPS ability to carefully and responsibly manage financial resources entrusted to the organization and ensure cost recovery, e.g., prudent management of entrusted finances.

Example measures: management resources expenditure rates, engagement budget expenditure rates, provision for write-offs, net revenue, recovery rate.

3. Invest for sustainability

20. Invest for sustainability refers to the ability of UNOPS to make investments into resources, such as tools, applications and people, which deliver long-term added value to the organization and its partners.

Example measures: minimum requirements for operational reserve, return on investment, investment utilization rates.

The finance perspective in UNOPS budget estimates for the biennium 2012-2013

Corporate goal	Corporate driver	Performance indicator	Baseline	Target 2012	Target 2013
D. Financial sustainability	D1. Ensure financial control	Rate of implementation of recommendations of United Nations Board of Auditors for prior biennia	90%	82%	90%
		Percentage of entities meeting financial data quality standards ²⁰	95%	96%	97%
		Level of implementation of risk-based internal audit plan for Internal Audit and Investigations Group internal audits ²¹	70%	75%	80%
		Share of required personnel filing of financial disclosure ²²	95%	98%	99%
	D2. Steward financial resources	Achievement of net revenue target approved by the Executive Board ²³	\$5 million	Biennial target	\$0 million
	D3. Invest for sustainability	Achievement of minimum operational reserves requirement ²⁴	100%	Biennial target	100%

²⁰ The indicator is based on real-time data on UNOPS management workspace. The baseline reflects performance on 23 June 2011.

²¹ The baseline reflects 2010 performance as reported in DP/OPS/2011/2.

²² The baseline reflects 2010 performance as reported in DP/OPS/2011/3.

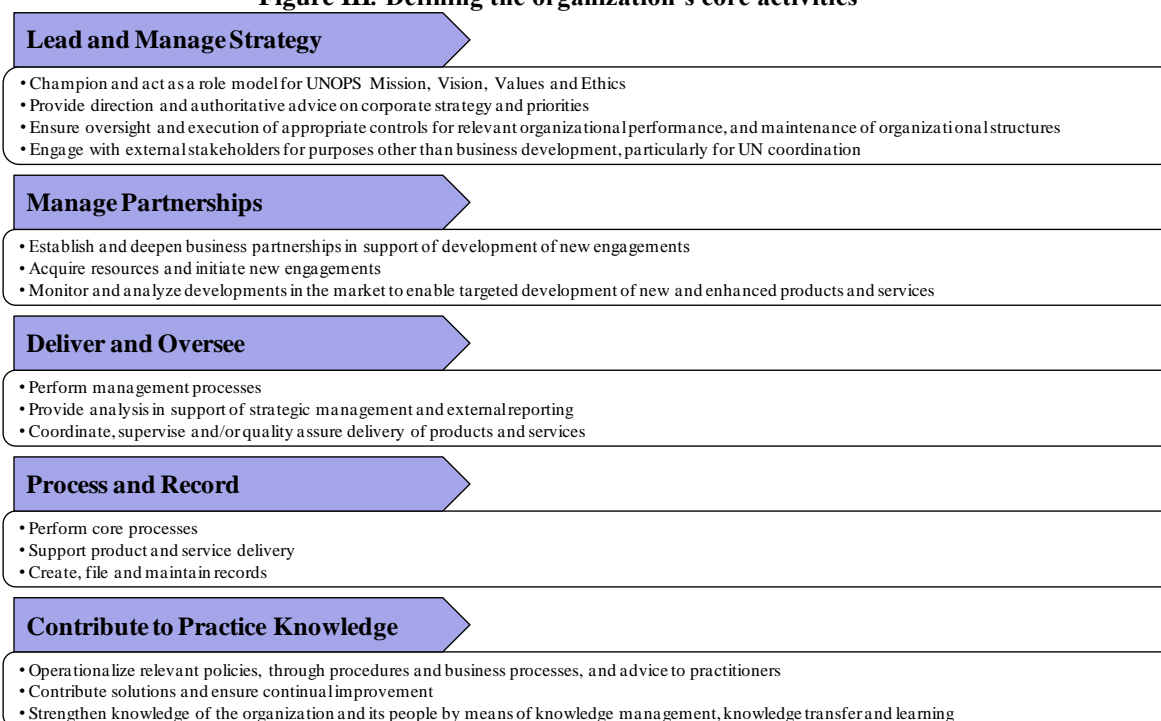
²³ The baseline reflects UNOPS 2010-2011 net revenue target. The 2012-2013 target has been set in view of anticipated accounting effect of the transition from UNSAS to IPSAS.

²⁴ The baseline is established based on the report of United Nations Board of Auditors for the biennium ended 31 December 2009.

II. UNOPS core activities

21. In the UNOPS enterprise resource planning system, Atlas, budgeting is planned and recorded on activity level. In turn, activities map to the organization's corporate functions. The 2010-2011 budget was planned and recorded using some 37 activities, representing a full and function-specific spectrum of activities in UNOPS. For the 2012-2013 biennium, a new activity framework, comprising only five core activities, has been established. This new framework of core activities has been created under the assumption that regardless of their corporate function, all personnel engage in certain kinds of generic activities to achieve the goals of the corporate function they perform. In addition, to further operationalize the five core activities, and put them in a results-based context, all core activities have been associated with corporate drivers and generic indicators in UNOPS corporate balanced scorecard. The five core activities are illustrated in figure III.

Figure III. Defining the organization's core activities



1. Lead and manage strategy

22. The core activity Lead and Manage Strategy takes place in all parts of the organization and within all corporate functions. The activity includes:

- (a) Champion and act as a role model for UNOPS mission, vision, values and ethics;
- (b) Provide direction and authoritative advice on corporate strategy and priorities;
- (c) Ensure oversight and execution of appropriate controls for relevant organizational performance, and maintenance of organizational structures;
- (d) Engage with external stakeholders for purposes other than business development, particularly for United Nations coordination.

Example associated BSC measures:

Partner, Business Process, People and Finance: Strategic management and leadership include overseeing relevant organizational performance and executing appropriate controls. Therefore,

strong balanced performance on all indicators is the best indicator of strong strategic management and leadership.

2. Manage partnerships

23. The core activity Manage Partnerships is the activity which represents UNOPS business development. The activity includes:

- (a) Establish and deepen business partnerships in support of development of new engagements;
- (b) Acquire resources and initiate new engagements;
- (c) Monitor and analyse developments in the market to enable targeted development of new and enhanced products and services.

Example associated BSC measures:

Partner: Example measures correspond to those listed under driver A2. Build sustainable partnerships.

3. Deliver and oversee

24. The core activity Deliver and Oversee is at the heart of the UNOPS management processes, and is geared towards delivering recognized value to both internal and external partners; performing management oversight and/or analysis for management of risks; and ensuring that motivated and qualified people are in place to make this delivery. The activity includes:

- (a) Perform management processes;
- (b) Provide analysis in support of strategic management and external reporting;
- (c) Coordinate, supervise and/or quality assure delivery of products and services.

Example associated BSC measures:

Partner: Example measures correspond to those pertaining to driver A1. Deliver world-class products and services adding sustainable value, and driver A3. Communicate effectively and transparently.

Business process: Example measures correspond to those listed under driver B1. Comply with process.

People: Example measures correspond to those listed under driver C1. Recruit and recognize talent, and driver C3. Embrace United Nations values.

Finance: Example measures correspond to those listed under driver D1. Ensure financial control, D2. Steward financial resources, and D3. Invest for sustainability.

4. Process and record

25. The core activity Process and Record is at the heart of UNOPS core business processes. Example measures are therefore to be found only under this BSC perspective. The activity includes:

- (a) Perform core processes;
- (b) Support product and service delivery;
- (c) Create, file and maintain records.

Example associated BSC measures:

Business process: Example measures correspond to those listed under driver B2. Improve process efficiency and effectiveness.

5. Contribute to practice knowledge

26. The core activity Contribute to Practice Knowledge is the activity by which UNOPS improves and develops as an organization and also by which the people of UNOPS develop. The activity includes:

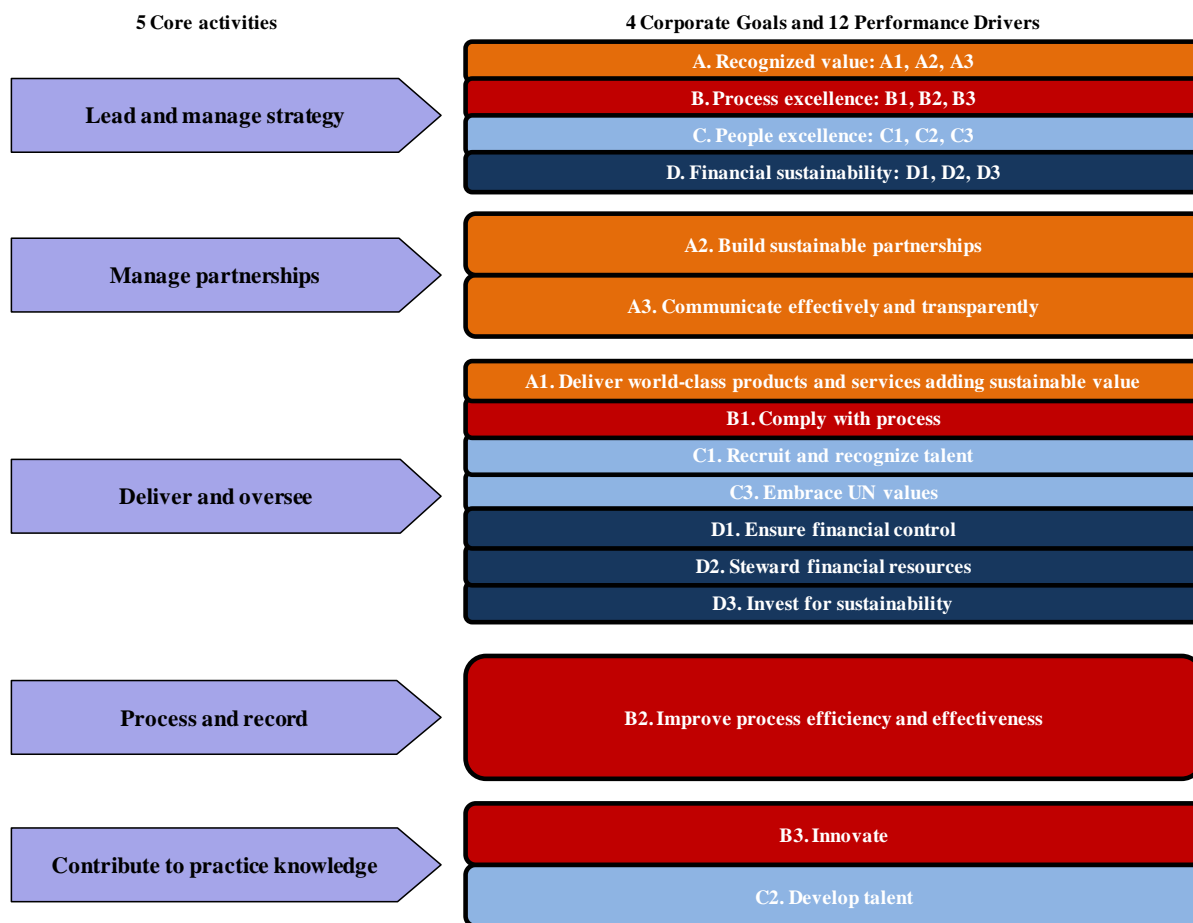
- (a) Operationalize relevant policies, through procedures and business processes, and advice to practitioners
- (b) Contribute solutions and ensure continual improvement
- (c) Strengthen knowledge of the organization and its people by means of knowledge management, knowledge transfer and learning

Example associated BSC measures:

Business Process: Example measures correspond to those listed under driver B3. Innovate.

People: Example measure correspond to those listed under driver C2. Develop talent.

Figure IV. Linkage of core activities and corporate drivers



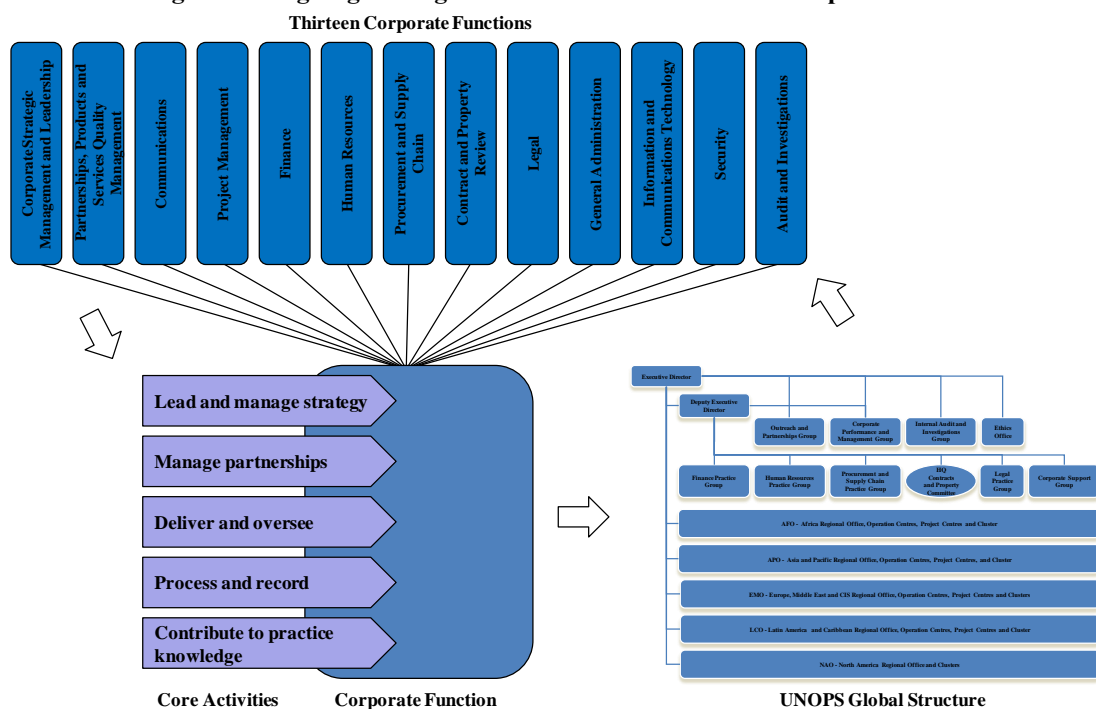
III. UNOPS Corporate functions

27. UNOPS submits its biennial budget estimates in accordance with the framework of seven harmonized functional clusters of UNDP, UNFPA, UNOPS and UNICEF. The budget estimates for the biennium 2010-2011 were submitted in a format comprising 16 harmonized functions. To enable institutional operationalization of UNOPS 2012-2013 budget estimates UNOPS will maintain corporate functions, and in its enterprise resource planning system budget against these via the five core activities. When compared to 2010-2011, UNOPS has simplified its functional framework. The main reasons for maintaining the framework of UNOPS corporate functions are:

- (a) Corporate functions are well suited to describe and focus UNOPS as an organization consisting of management and enabling practices;
- (b) Corporate functions are aligned to UNOPS Global Structure (Organizational Directive No. 15), which can be further deployed and embedded through leverage of the management results and budget framework.

28. UNOPS revised functional framework comprise 13 corporate functions which are aligned with UNOPS Global Structure.

Figure V. Aligning the organization’s core activities and corporate functions



1. Corporate strategic management and leadership

29. The corporate function Corporate Strategic Management and Leadership includes responsibility to:
- (a) Develop, champion and act as a role model for the UNOPS mission, vision, values and ethics;
 - (b) Set strategy based on understanding the needs and expectations of stakeholders and the external environment, and on understanding of internal performance capabilities;
 - (c) Provide strategic direction and authoritative advice on corporate priorities; ensure appropriate structural arrangements, within and between entities in the global structure;
 - (d) Oversee organizational and/or project portfolio performance and execute appropriate controls;
 - (e) Drive and support the corporate agenda of world class performance and continuous improvement, and nurture a high-performance management culture, ensuring that the organization is flexible and manages change effectively;
 - (f) Advise on and drive cross-functional integration and coordination within the organization;
 - (g) Advise on development, review and updating of relevant policies;
 - (h) Advise on implementation, communication and monitoring of relevant policies;
 - (i) Engage with external stakeholders, particularly for United Nations coordination.

2. Partnerships, and Products and Services Quality Management

30. The corporate function Partnerships, and Products and Services Quality Management includes responsibility to:
- (a) Facilitate efforts, at all levels and across regions, to optimize UNOPS value-added to partners and clients;
 - (b) Develop UNOPS products and services to create optimal value for partners and clients;
 - (c) Effectively promote and market UNOPS products and services;
 - (d) Establish and deepen strategic partnerships in support of development of new engagements and enable coordinated approaches to business partner and client relation management, for mutual, sustainable benefit;
 - (e) Facilitate the Implementation Support Practices innovation and documentation of know-how and examples, to enable knowledge development and transfer within and across regions.

3. Communications

31. The corporate function Communications includes responsibility to:
- (a) Develop communications strategy, policies, plans and channels based on communications needs and expectations;
 - (b) Maintain and strengthen UNOPS corporate identity through official reporting to the Executive Board and other external communications, enabling accountability and transparency;
 - (c) Communicate clear direction and strategic focus, ensuring that the people of UNOPS understand and can demonstrate their contribution to the organization's success;
 - (d) Enable and encourage the sharing of information, knowledge and best practices, achieving dialogue throughout the organization.

4. Project management

32. The corporate function Project Management includes responsibility to:
- (a) Ensure timely delivery of successful projects and programmes in accordance with UNOPS project success criteria;
 - (b) Provide analysis and advice on project and project portfolio and programme issues to senior managers;

- (c) Support project management as the primary modality of delivery for the organization, both externally and internally;
- (d) Enable and distribute efficient and effective provision of support and advice to users and external clients while ensuring adequate controls;
- (e) Within the field of project management, provide and deliver best practice examples, tools, guidance and oversight of projects and project portfolios.

5. Finance

33. The corporate function Finance includes responsibility to:
- (a) Steward the resources of the organization, ensuring cost recovery and accurate financial reporting to partners and clients;
 - (b) Maintain appropriate controls and integrity of financial management in accordance with relevant international standards;
 - (c) Enable prudent management and growth of financial assets;
 - (d) Build an informed and shared management engagement on financial issues in support of the organization's business strategy;
 - (e) Identify and develop opportunities for the provision of financial management services for partners and clients, and ensure appropriate modalities for service delivery.

6. Human resources

34. The corporate function Human Resources includes responsibility to:
- (a) Enable the organization to recruit, develop and retain a talented workforce with the skills and competencies to execute the organization's business strategy;
 - (b) Promote a culture that allows the mutually beneficial achievement of organizational and personnel goals: by caring, communicating, rewarding and recognizing in a way that motivates UNOPS people, builds commitment and enables them to use their skills and knowledge for the benefit of the organization;
 - (c) Promote fairness, equality and diversity;
 - (d) Identify and develop opportunities for the provision of human resources services for partners and clients, and ensure appropriate modalities for service delivery.

7. Procurement and supply chain

35. The corporate function Procurement and Supply Chain includes responsibility to:
- (a) Enable the organization's procurement of goods and services in a transparent, accountable and efficient manner in order to execute the organization's business strategy;
 - (b) Manage UNOPS suppliers for sustainable benefits for its clients and partners;
 - (c) Identify and develop opportunities for the provision of procurement services for partners and clients, and ensure appropriate modalities for service delivery.

8. Contract and property review

36. The corporate function Contract and Property Review includes responsibility to:
- (a) Ensure that proposed procurement actions are in accordance with UNOPS Financial Regulations and Rules, policies, procedures and instructions;
 - (b) Review the procurement process to ensure that it is fair, competitive, and transparent, provides best value for money, and represents best practices and commonly accepted practices of United Nations procurement;

9. Legal

37. The corporate function Legal includes responsibility to:
Enable the organization's legal and contracting activities to execute the organization's business strategy, ensuring that the organization's legal commitments reflect the organization's vision, values and ethics.

10. General administration

38. The corporate function General Administration includes responsibility to:
- (a) Enable provision of premises, facilities and support services that are functional, cost-effective and adequate;
 - (b) Optimize the use of and effectively manage the lifecycle and physical security of buildings, equipment and materials;
 - (c) Establish safe, timely and cost-effective travel arrangements;
 - (d) Establish and put into place realistic, effective and efficient business continuity and disaster recovery plans;
 - (e) Establish and put into place policy for records retention and management;
 - (f) Facilitate host country liaison.

11. Information and communications technology

39. The corporate function Information and Communications Technology includes responsibility to:
- (a) Manage information and communications technology to support the delivery of UNOPS strategy;
 - (b) Manage the technology portfolio by optimizing use of existing technology, replacing outdated technology
 - (c) Involving relevant stakeholders in the development and deployment of new technologies;
 - (d) Aid and advice on transforming data into information, and facilitate distribution of timely and accurate, strategic and tactical decision support to management.

12. Security

40. The corporate function Security includes responsibility to:
- (a) Provide UNOPS internal entities with advice, guidance and technical assistance regarding safety and security throughout its global responsibilities;
 - (b) Provide managers and personnel with the necessary information and tools with regard to the day-to-day management of safety and security risks in a consistent manner;
 - (c) Provide instructions to support safety and security decision-making and to escalate decisions with regional or organization-wide impact to the Executive Director;
 - (d) Strengthen and make more explicit the overall safety and security framework, culture and roles and responsibilities within the organization to allow justified, measured approaches and responses to safety and security management practices globally.

13. Audit and investigations

41. The corporate function Audit and Investigations includes responsibility to:
- (a) Provide independent and impartial assurance and advice designed to improve UNOPS operations;
 - (b) Lead the Executive Director's investigations into alleged fraud, corruption, waste of resources, abuse of authority or other misconduct and violations of UNOPS regulations, rules and administrative instructions;
 - (c) Help the organization achieve its objectives by bringing a systematic approach to evaluate and enhance the effectiveness of risk management, control and governance processes.

Annex II

Technical note on UNOPS operational reserve

In accordance with UNOPS Financial Regulations and Rules, rule 9.01, “as a self-financing entity UNOPS shall operate on the basis of full cost recovery and shall set its management fees accordingly. Resulting from its ordinary activities during each biennium, UNOPS shall generate sufficient net surplus to maintain operational reserves at the level established by the Executive Board”.

At its second regular session in 2001, the Executive Board decided “to change the basis for the calculation of the level of the operational reserve of the United Nations Office for Project Services to 4 per cent of the rolling average of the combined administrative and project expenditures for the previous three years” (DP/2001/14). The continued validity of this formula was confirmed by an independent review conducted in the fourth quarter of 2006 and the Executive Board was informed about this in the statement of the Executive Director to the first regular session of the Executive Board in 2007.

According to UNOPS Financial Regulations and Rules, regulation 22.02, within the UNOPS accounts, an operational reserve shall be established at a level set by the Executive Board. The purpose of the operational reserve is to guarantee the financial viability and integrity of UNOPS as a going concern. The operational reserve shall be fully funded and held in irrevocable and promptly available liquid assets. The elements to be compensated for and covered by it shall be limited to:

- (a) Downward fluctuations or shortfalls in revenue;
- (b) Uneven cash flows;
- (c) Increases in actual costs above planning estimates or fluctuations in project expenditure; and
- (d) Other contingencies which result in a loss of resources for which UNOPS has made commitments.

The decision to draw from the operational reserve shall rest solely with the Executive Director, who shall report all drawdowns to the Executive Board.

The Executive Director considers it timely to again review the formula for the operational reserve against UNOPS current portfolio and risk profile. Furthermore, the UNOPS Strategy and Audit Advisory Committee in its annual report for 2010 submitted to the Executive Board “suggested that the aptness of UNOPS current formula for the operational reserve should be assessed in view of IPSAS” (DP/OPS/2011/2, annex 2). This review is planned for 2012.

Annex III

Terminology

Contribution goal: The highest level of expression of an operational result, stating the areas in which UNOPS contributes to partners' results.

Core activity: The action taking by an individual or a group to achieve their goals. UNOPS core activities are performed within all corporate functions at varying degrees throughout the global organization.

Corporate driver: One or more action-oriented statements associated with a corporate goal providing direction for *how* the goal is achieved.

Corporate function: An area of specialized expertise within the UNOPS operational infrastructure. All UNOPS corporate functions are institutionally anchored at the organization's headquarters. However, respective headquarters entities do not encompass the totality of the corporate functional expertise and functional specialists. In UNOPS the totality of personnel associated with a corporate function is referred to as a practice, which transcends entities in the organization's global structure.

Corporate goal: The highest level of expression of a management result, stating *what* UNOPS, throughout its global structure, must strive to achieve, to sustain and continuously enhance its ability to contribute to the results of the United Nations and its partners.

Cost increase/decrease: Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices (i.e. inflation) and exchange rates.

Enterprise resource planning: A management information system that integrates and automates business practices associated with the operations of an organization; or multi-module application software that helps an organization to support such systems; or combination of the above.

Management budget/resources: UNOPS budget estimates in support of the management results framework, i.e., budget estimates excluding net revenue target and earmarking for potential provisions.

Management results: The *balanced set of organizational objectives* UNOPS must strive to achieve, to sustain and continuously enhance its ability to contribute to the results of the United Nations and its partners. UNOPS management results are structured according to the four perspectives of the balanced scorecard: Partner, Business Process, People and Finance; and comprise corporate goals and corporate drivers.

Net revenue: The difference between gross revenue and expenditure.

Net surplus/deficit: Comprises the following components: (a) surplus or deficit from ordinary activities; and (b) extraordinary items.

Operational reserves: The reserve established at the level set by the Executive Board with the aim of guaranteeing the financial viability and integrity of UNOPS as a going concern.

Performance indicator: A quantitative expression of level of ambition, providing a gauge for the *extent to which* a goal is achieved. A performance indicator is typically expressed with a baseline (performance at the beginning of a given period) and a target (level of ambition for performance at the end of a given period). The indication of results achieved at a given point in time is typically referred to as "actuals". Results derived from performance against an indicator may express the extent to which a quantitative goal is achieved, or be used to substantiate a qualitative expression of goal achievement.

Prince2: (Projects in Controlled Environments) is a process-based method for effective project management providing an easily tailored and scalable method for managing projects, where each process is defined with its key inputs and outputs together with the specific objectives to be achieved and activities to be carried out.

Self-financing: Generating its capital from its own revenue, instead of acquiring it from external sources.

Volume increase/decrease: Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period.