

## Implementation of General Assembly Resolution 72/279 on “Repositioning of the UN Development System”

### Information Note

#### Executive Board of UNDP, UNFPA and UNOPS – Annual Session 2019

### I. Introduction

1. UNDP, UNFPA, UNICEF, UNOPS, and UN Women are pleased to provide their Executive Boards with “harmonized agency-specific information” on their respective implementation of General Assembly resolution 72/279 in accordance with UNDP/UNFPA/UNOPS Executive Board decision 19/4, UNICEF Executive Board Decision 19/8 and UN Women Executive Board decision 19/1. Under the principle of collective ownership, we remain fully committed to a repositioned United Nations development system, optimally equipped to support countries to achieve the 2030 Agenda. We are unwavering in working together to drive UNDS reforms forward, under the primary objective of delivering more and better collective development results for the people we serve.

2. Much of the collective implementation of UNDS reform is being undertaken jointly by the UN Sustainable Development Group, under the leadership of the Deputy Secretary-General and with the support of the UN Development Coordination Office (DCO) and the Transition Team. Our entities are very closely engaged in these ongoing system-wide processes. Meanwhile, there are also elements of the reform which impact us individually as agencies, and which may require specific adjustments and actions, in consultation with respective Executive Boards. This background note focuses on these elements.

### II. Supporting the new Resident Coordinator system

3. Management and Accountability: UNOPS welcomes the country-level Management and Accountability Framework (MAF) and looks forward to the completion of the regional and global level framework. In particular, UNOPS was pleased that the definition of a country team was inclusive of UNOPS’ efficient operating model:

“UNCT member entities are those that carry out operational activities for development in support of countries, **irrespective of where the UN entity is physically located**, including entities with a project presence and, as such, all are required to sign the UN Cooperation Framework. UNCT members must be nominated by their agency, and empowered with sufficient decision-making authority over country-level programme activities and resources on behalf of that agency.”<sup>1</sup>

4. Funding: As part of UNOPS’ commitment to supporting the implementation of General Assembly resolution 72/279, the double cost sharing contribution was paid in full and on time. UNOPS has taken steps to ensure

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<sup>1</sup> Ref. chapter 2.2 United Nations Country Team of the ‘Management and Accountability Framework of the UN Development and Resident Coordinator System’, 18 March 2019 Version, Editorial Revision 1 - 26 April.

that the implementation of the coordination levy will be managed in accordance with the operational guidance and its financial regulations and rules adopted by Executive Board decision 2012/5.

5. Resident Coordinator (RC) Pool: As of May 2019, no UNOPS staff are serving as Resident Coordinators. Three UNOPS staff - two women and one man - are currently in the pool of Resident Coordinators. UNOPS will contribute to the strengthening of the Resident Coordinator system by actively encouraging UNOPS staff to pursue RC roles as part of their career development, and support their application to the RC pool.

### III. Strengthening system-wide analysis, planning and reporting

6. Analysis and planning: UNOPS is well positioned to respond to the needs of country-based planning processes in the context of UN Sustainable Development Cooperation Frameworks (UNSDCF), particularly in areas where it has expertise - procurement, project management, human resources, financial management services and planning for resilient and sustainable quality infrastructure.

7. Infrastructure will play a critical role for the Agenda 2030. A 2018 study, conducted by the University of Oxford and UNOPS, suggests that quality infrastructure influences 92 per cent of targets across all SDGs. UNOPS aims to harness this potential by empowering government partners to plan, deliver and manage their infrastructure systems with a clear focus on sustainability and resilience. The organization is promoting a holistic and evidence-based approach to quality infrastructure. As part of the Evidence-Based Infrastructure approach, UNOPS has successfully implemented its Capacity Assessment Tool for Infrastructure (CAT-I) in a number of countries, including in support of governments in Asia, Europe and Latin America.

8. This and other such tools used in this context lend themselves to generate structured, relevant analysis that feeds into country-based UN planning. UNOPS stands ready to provide technical expertise to support Country Teams in identifying ways to leverage this wide-ranging potential of evidence-based infrastructure for countries and people.

9. Reporting: UNOPS strongly supports the efforts of the High-Level Committee on Management (HLCM) and the Chief Executives Board for Coordination (CEB) to ensure quality UN system-wide financial statistics, better management information, and improved strategic partnerships in support of the 2030 Agenda. The organization will continue to report financial data to the CEB, in full alignment to the Data Standards for United Nations System-Wide Reporting of Financial Data ("UN Data Cube"). The organization will also continue to report to the International Aid Transparency Initiative (IATI), and welcomes the efforts to align frameworks across the UN Data Cube, IATI, and the OECD-DAC reporting.

10. In full support of the aim to provide transparent, accountable, and comparable information on how the organization contributes to the achievement of collective goals, UNOPS will furthermore leverage the strategic aim and principles underpinning the UN Data Cube to drive further improvements of its own analytical capacity, data quality, and reporting. UNOPS has been using a number of the dimensions now explicated through the UN Data Cube for internal planning processes and analyses supporting management decisions for a number of years, including for the analysis behind UNOPS strategic plan, 2018-2021. The ongoing work in this regard will be used for the purpose of UNOPS midterm review, as well as future strategic planning.

11. Finally, UNOPS is following closely the developments around the system-wide online platform for monitoring and reporting on the UNDS contribution to SDG progress - UN INFO - considering its applicability to project services and implementation support, and different UN Financing Instruments, while being mindful of minimizing the duplication of reporting within and beyond the UN development system.

#### **IV. Strengthening joint implementation and support to the SDGs**

12. As outlined in UNOPS strategic plan, 2018-2021, the organization aims to be an operational resource for the UN system and Member States, and to contribute direct and indirect value to expand partners' implementation capacity, in line with its comparative advantages and technical expertise. As per its business model, UNOPS partners with a wide range of actors across its global portfolio of projects. This includes, where relevant, partnering with other entities of the United Nations system for joint implementation in support of e.g. government priorities for the 2030 Agenda. Two such examples are referenced below.

13. In Somalia during 2018, in a project funded by the African Development Bank and in partnership with UN-Habitat, UNOPS provided training to 330 young people in Mogadishu, Kismayo, and Baidoa covering life skills, job readiness, and transferable skills required in the construction sector. Seventy young people were provided with job placement support and entrepreneurship training. The project is developing the capacity of the Ministry of Public Works, Reconstruction and Housing to ensure it is equipped to lead the reconstruction of Somalia, coordinate reconstruction efforts, and regulate sustainable rural development and the construction sector. Investing in the skills and potential of youth in this sector represents a long-term investment in the future of the country.

14. Providing technical expertise from Nairobi, UNOPS works with partners in Kenya and Tanzania to build resilient infrastructure, and improve rural development, education, peace and security, and governance. Women and girls remain a highly vulnerable group, and maternal health is still one of the biggest concerns worldwide. Between 2015 and 2018, UNOPS supported UNICEF to reduce maternal mortality and strengthen healthcare services across five of the worst affected counties in Kenya: Garissa, Homabay, Kakamega, Nairobi and Turkana. As part of this project, 57 health centres were rehabilitated, incorporating a range of green technology retrofits and solar powered solutions, designed to minimize electricity usage and provide access to water services. Close to 500 days of training were provided to community volunteers and health workers, with more than 14,000 people trained. The project was completed in June 2018 and the facilities were handed over in the course of 2017 and 2018. They now stand to benefit an estimated 1.6 million people across the five counties.

#### **V. Achieving efficiencies through shared business operations and premises**

15. It is too early to decisively judge if the reform will deliver the envisaged efficiencies. However, as requested by Member States and as part of UNOPS' mandate we are ready to support the UN development system and our fellow agencies, funds and programmes in the efficient and effective implementation of their work.

16. The strategic plan, 2018-2021, reiterated UNOPS' commitment and mandate to expand implementation capacity across peace and security, humanitarian and development efforts, including through capacity development activities.

17. The Plan, inter alia, emphasizes the contributions UNOPS can make by enabling partners to do more with less through efficient management support services, delivered locally or as global shared services.

18. The Plan further stresses UNOPS' ambition to be a better-known and recognized resource for Member States and the Secretary-General, including in support of the Secretary-General's vision for an efficient, field-focused United Nations.

19. When UNOPS strategic plan, 2018-2021, was approved, the Executive Board reiterated its 2013 call on entities in the United Nations system to seek efficiency gains through greater collaboration with UNOPS (decision 2013/23). The Executive Board:

“Urges entities of the United Nations system to recognize the comparative advantages and technical expertise of UNOPS and engage in collaborative strategic partnerships for efficiency and effectiveness, including at the country level” (decision 2017/26)

20. The operational advantages UNOPS can offer to the United Nations system have over the years been emphasized in a number of external studies<sup>2</sup>. In 2018, this was also emphasized in two reviews conducted by the Joint Inspection Unit: JIU/REP/2018/3 and JIU/REP/2018/5.

21. As a demand-driven, self-financed organization with a non-programmatic implementation mandate, UNOPS operates on market terms and does not control the demand for its services. However, it continuously seeks to monitor and understand partners' demand for its services, and to innovate its service offerings.

22. Innovation through the use of IT is at the centre of the continued enhancement of UNOPS' service delivery. Already in 2014, UNOPS established a shared services centre leveraging IT for consistent delivery of HR services throughout its operations. Likewise, innovations in procurement services leverage IT. UNOPS e-sourcing, a subset of our e-procurement platform, has recently been independently verified by the Gartner Group as having generated 24 per cent reduction of processing time for procurement processes, generating savings of USD400 on each procurement exercise, or over USD1,000,000 when compared to costs in 2016. We look forward to working with the Business Innovations Group Project Team of the UN Sustainable Development Group to offer this and other efficiencies in service provision to the rest of the UN development system.

23. The overall cost efficiency of UNOPS' services is evidenced by the comparatively low fee margins on its exchange transactions. Over the period 2014 to 2018, UNOPS' overall delivery grew from USD1.2 billion to over USD1.9 billion. In the same period, the overall average fee was below 6 per cent. Although the fees associated with the delivery of specific services vary depending on the volume, service mix and the risks associated with the delivery, UNOPS' margins are highly competitive when compared with alternatives in the private sector and the United Nations system.

24. While in 2014 UNOPS' delivery of services to entities in the UN system amounted to almost USD700 million, by 2018 delivery to the UN system was a little above USD600 million. In 2018, after observing for two consecutive years a decrease in delivery on behalf of the UN system, in terms of actual volume UNOPS' delivery on behalf of UN partners increased by over 4 per cent compared to 2017.

25. At the same time, the services in demand have shifted. The UNOPS HR services have seen a significant increase and also demand for procurement services has increased. Since 2015, UNOPS' work on behalf of its UN partners in one of the organization's focus areas - procurement - has increased by 34 per cent. With 70 per cent, the increase in delivery of services in the area of human resources has been even more significant. A preliminary analysis suggested that by 2018 the two service lines comprise around 83 per cent of UNOPS' delivery to organizations in the UN system. This is in line with the indication of high demand for such transactional services, particularly for human resources, as identified through UNOPS' partner survey.

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<sup>2</sup> Ref. DP/OPS/2017/5, paragraph 70. The referenced studies include: A/70/95-8/2015/446, paragraph 224; 'Constraints Analysis for Common UN Business Operations at Country Level', New York, May 2016; and 'Restructuring the UN Secretariat to strengthen preventative diplomacy and peace operations, New York, Centre on International Cooperation, February 2017, p. 32.

26. The total annual UN system expenditure is around USD50 billion. The UNOPS delivery of 600-700 million to the UN system amounts to 1.2-1.4 per cent of the total UN system expense. In other words, notwithstanding the cost-efficiencies UNOPS can offer, the demand for UNOPS' management services in the internal UN system 'market place' is still relatively modest. Although this is the case, the above may suggest that particularly UNOPS' procurement and HR services may be areas where further efficiency gains can be achieved, including for development-related activities.

27. UNOPS was integral to the design of the mutual recognition statement and duly signed it. While the mutual recognition statement is a useful step towards removing some organizations bureaucratic barriers against simple efficiencies, we believe it is important to be viewed as a tool, and therefore as a means to a result. We therefore look forward to its application to aid efficiencies for those who need it.

28. UNOPS also welcomes the rest of the work of the Business Innovations Group and urges that there is competition in the delivery of services. Competition is needed to continually ensure quality, effective and efficient service delivery and to avoid slow, planned and unagile systems that cannot respond to necessary change.

## **VI. Review of agency assets at country and regional level**

29. UNOPS has provided information as requested to the regional review and we look forward to the outcome of the report.

30. As stated in UNOPS strategic plan, 2018-2021, paragraph 87, "Member States and the Secretary-General agree that the United Nations system must be united in its thinking and actions at the country level, putting people at the centre of its work. It must attempt to break institutional incentives for zero-sum collaboration, and bring its parts together for a stronger whole, focused yet flexible and adaptable to the operational context of the 21st century. Coordination is a means, not an end in itself."

31. UNOPS stands ready to collaborate with a purpose, and to deploy its technical expertise in an agile manner to where capacities need to be reinforced and enhanced, irrespective of UNOPS' physical presence in a given location (ref. section 2 on the MAF above). This may be particularly relevant in the context of leveraging complementarities in mandate and capacity in the area of infrastructure, including in humanitarian emergency and conflict/post-conflict situations. UNOPS' Capacity Assessment Tool for Infrastructure (CAT-I), which aims to help governments identify gaps in their capacity to plan, deliver and manage their infrastructure systems, is one such tool that can be leveraged to quickly reinforce capacities.

32. We note that the Multi-Country Office (MCO) Review has focused primarily on representation and therefore UNOPS' concept of multi-country offices as part of our business delivery model for efficiencies does not fit now within the scope of the review. We continue to believe while physical presence is important it is not necessary on a permanent basis to deliver effectively in the 21st century. We would still welcome a genuine review of MCOs with respect to operational efficiency.

## **VII. Funding Compact**

33. In the United Nations system, UNOPS is classified as "other entity" (DPI/2470 rev.4), signifying, inter alia, its unique, demand-driven business model and status as a self-financed non-programmatic entity. As such, UNOPS does not receive core or non-core resources, but rather renders services for a fee, i.e. "revenue from other sources".

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34. At the same time, UNOPS recognized the objectives of the Funding Compact, and fully supports the drive towards a more transparent and accountable United Nations development system that is more efficient and effective in the use of limited resources, and working more towards collective results. The organization aims to comply with the specific commitments and report against the related indicators outlined in the Funding Compact, insofar as they apply.

## VIII. Conclusion

35. Together with UNDP, UNFPA, UNICEF and UN Women, UNOPS reiterates its strong commitment to the implementation of General Assembly resolution 72/279 and to build on the lessons learned to further strengthen our common impact on the ground.

36. UNOPS' commitment to the UN development system reform is demonstrated through our active participation at the working level in all Strategic Results Groups and most of the sub-task teams of the UN Sustainable Development Group. Commitment is also demonstrated through examples such as our timely payment of the double cost of the RC system and listening to Member States' call to improve analysis and planning evidence by the development of our capacity-assessment tool for infrastructure.

37. UNOPS often speaks to efficiency, effectiveness and quality. As such, and as a non-resident member of many UN Country Teams we firmly believe our comparative advantage is in demonstrating that the way the UN operated traditionally can change and must. UNOPS has found that permanent physical country presence is often counterproductive to efficiency. Embracing technology and innovation has allowed UNOPS to be flexible and have scalability when needed to respond to partners' needs. We remain confident that the most valuable role we can play in reform is by enabling others in the UN system to be more efficient with available resources, and therefore effective in the impact of work and all underpinned by quality.