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**United Nations Office for Project Services**

## Annual report of the Executive Director

### *Summary*

In 2015, UNOPS delivered a range of projects in peacebuilding, humanitarian and development contexts on behalf of its partners. Through more than 1,000 projects in over 80 countries, UNOPS dedicated itself to helping people in need, often in the most challenging environments. In 2015, UNOPS delivery was \$1.4 billion, compared to \$1.2 billion in 2014.

The change was mainly attributable to increased demand for UNOPS support to health work in Myanmar and globally through the Stop TB Partnership; continued demand for peacebuilding support throughout Africa; and humanitarian response activities in the Middle East.

Highlights of results completed on behalf of partners included the construction, design or rehabilitation of 2,572 kilometers of road, 46 schools, 25 hospitals, 2 airstrips and 2 ports. In 2015, 29 per cent of UNOPS-supported projects provided employment for local people during the course of project implementation. More than 2.2 million days of paid work for local people were created in 2015, and UNOPS procured more than \$717 million worth of goods and services for its partners. These included almost 39,000 units of machinery and equipment as well as more than 6,200 vehicles. More than 40 million medical supplies were handled (including the distribution of almost 3 million mosquito nets) and over 240 million doses of medicine were procured or distributed.

The organization continued to improve the way it operates, remain financially solid and experience record demand for its services.

### *Elements of a decision*

The Executive Board may wish to take note of (a) UNOPS contributions to the operational results of the United Nations and its partners in 2015, through technical expertise and cost-effective management and support services; (b) the efforts made to enhance and report on UNOPS contributions to partners' sustainable results, including the pursuit of best practices and recognized standards; (c) the progress in implementing the UNOPS strategic plan, 2014-2017, which has established strong foundations for UNOPS to support Member States in implementing the 2030 Agenda for Sustainable Development; and (d) the progress made in advancing the potential for facilitating partnerships for social impact investments in UNOPS mandated areas.

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## **I. Introduction**

1. The Executive Director is pleased to inform the Executive Board of the progress made during 2015 in implementing the UNOPS strategic plan, 2014-2017. In 2015, UNOPS supported its partners in delivering tangible benefits to people in need. In doing so, it brought international standards of efficiency, effectiveness and transparency to its partners' operations, contributing to sustainable development around the world.

## **II. Results framework**

2. The UNOPS mandate was established by the General Assembly in resolution 65/176. The Executive Board approved the UNOPS strategic plan, 2014-2017, in its decision 2013/23. The Board welcomed the enhanced focus of UNOPS services to partners, and the emphasis on sustainability, national ownership and capacity development.

3. UNOPS supports partners' peacebuilding, humanitarian and development objectives. It contributes to the operational results of partners through three sustainable focus areas: project management, infrastructure, and procurement.

4. The UNOPS strategic plan, 2014-2017, defines the results framework used in this report. In 2015, over 1,000 projects were assessed using this approach. Details of the reporting methodology are outlined in annex IV.

## **III. Operational results**

### **A. Highlights of results achieved for partners**

5. In 2015, UNOPS constructed, designed, or rehabilitated 38 bridges, 2,572 kilometres of road, 2 airstrips and 2 ports (compared with 175 bridges, 4,577 kilometres of road, 2 airstrips and 1 helipad in 2014). UNOPS managed the construction, design or rehabilitation of 25 hospitals, 105 health clinics, 13 specialist health facilities, 3 medical warehouses 46 schools and 2 university facilities. In 2014, the numbers included 14 hospitals, 4 clinics, 18 health posts, 7 specialist health facilities, 30 schools and 1 university.

6. In 2015, 4 prisons and 17 detention centres were constructed, designed or renovated, in addition to 6 courthouses and 2 customs and border facilities. In 2014, UNOPS constructed, designed or renovated 11 prisons, 11 courthouses and 6 customs and border facilities.

7. In 2015, 29 per cent of UNOPS-supported projects provided employment for local people during the course of project implementation. More than 2.2 million days of paid work for local people were created, most of them generated as part of the infrastructure projects.

8. UNOPS supported the mine-clearance work of the United Nations Mine Action Service (UNMAS) and its partners in 17 countries and territories in 2015. It provided human resources management, procurement, contracting, grants management, technical and operational support, and financial and legal services.

9. UNOPS procured more than \$717 million worth of goods and services for its partners, partly within wider implementation services and partly as direct transactional support.

10. Almost 39,000 units of machinery or equipment were procured by UNOPS for its partners in 2015. Over 6,200 vehicles were procured or distributed (compared to 5,500 in 2014). More than 40 million medical supplies were handled, including the distribution of nearly 10 million condoms, over 10 million needles, and almost

3 million mosquito nets. Over 240 million doses of medicine were procured or distributed.

11. UNOPS helped partners develop local capacity by supporting the training of more than 62,000 individuals, including in health, project management and improved sanitation (compared to 84,000 people in 2014). That total includes almost 7,000 people provided with vocational training in Côte d'Ivoire, as part of a disarmament, demobilization and reintegration project.

12. UNOPS helped partners organize 236 events and outreach activities in 2015 (compared to 684 the previous year), and provided logistical support to 1,461 missions.

13. UNOPS administered or monitored 873 grants (compared with 565 in 2014) to fund various types of projects, in addition to over 4,000 UNDP-Global Environment Facility small grants in more than 120 countries.

14. UNOPS provided a range of support services for the United Nations. For example, UNOPS constructed, designed or renovated seven United Nations facilities including offices, warehouses and accommodation, compared to 15 in 2014. It also provided common procurement services, such as procuring almost \$60 million worth of goods through 'UN Web Buy' (compared with \$62 million in 2014).

15. UNOPS provided over 37,000 days of technical assistance and advice for capacity development in infrastructure, procurement and project management to its partners (72 per cent in technical assistance and 28 per cent in technical advice), up from 31,000 the previous year.

16. UNOPS organizes its work around three focus areas: project management, infrastructure, and procurement. In 2015, 43 per cent of delivery was attributable to project management and 23 per cent to infrastructure, and while most of the procurement activities took place as part of project management and infrastructure projects, stand-alone procurement represented 35 per cent of total UNOPS delivery.

## **B. Project management services**

17. UNOPS provides a wide range of sustainable project management services, from programme and project management to dedicated operational support functions.

18. In 2015, 43 per cent of UNOPS delivery was associated with the UNOPS focus area of project management. The bulk of this took the form of project support services, including managing human resources contracts, as well as grant administration and other financial management services.

19. UNOPS provides a range of technical assistance to its partners. In 2015, this included 2,272 days in Myanmar for the Department of Rural Development, developing and piloting a new village planning process to be rolled out across the country. In cooperation with the United Nations Environment Programme (UNEP), 220 days of technical assistance were provided to the Ministry of Mining in the province of San Juan, Argentina, where UNOPS conducted an independent audit of four mining projects in the province to determine the level of environmental performance and legal compliance of companies working on them. In Afghanistan, UNOPS provided 261 days of technical assistance to the Civil Aviation Authority, including a range of activities designed to meet International Civil Aviation Organization regulations.

20. Through support to 10 missions throughout Africa, UNOPS contributed to the peacebuilding work of the United Nations Department of Peacekeeping Operations (DPKO) and the Department of Political Affairs. In 2015, for example, this included issuing personnel contracts and payments for 1,487 people with the United Nations Stabilization Mission in the Democratic Republic of the Congo.

21. UNOPS is working with the Office of Political Affairs of the United Nations Assistance Mission for Iraq, and with the Iraqi Government and Council of Representatives, to support the drafting and adoption of key legislation that promotes national coexistence and dialogue. With support from the governments of Germany and the Netherlands, UNOPS organized a series of legislative drafting workshops for Iraqi Members of Parliament, including a recent initiative that brought experts on reconciliation from Egypt, South Africa, and the United Kingdom of Great Britain and Northern Ireland to Baghdad to provide input to their Iraqi counterparts.

**Box 1. Working together to rebuild infrastructure in Gaza**

A key element of the rebuilding efforts in Gaza is the materials monitoring unit project implemented by UNOPS, which allows much-needed materials to enter the territory for large-scale reconstruction, supporting essential housing and shelter needs for Palestinians.

The Gaza Reconstruction Mechanism is a temporary agreement between the State of Palestine and Israel, under the administration of the United Nations. The project tracks the supply and utilization of ‘dual-use’ materials using an online information management system, teams of engineers, quantity surveyors, and stock monitors.

In 2015, the unit conducted 36,961 monitoring activities. Those visits have generated sufficient confidence in the mechanism to allow more than one million tonnes of construction materials to enter Gaza since September 2014. More than 700 construction and infrastructure projects have been registered through the mechanism and, due to its transparent and scalable nature, the average amount of time for Israeli approval of such projects has decreased from 19 months to 36 days. Private-sector engagement has improved, so that whereas fewer than 50 contractors were active in Gaza in 2007, 248 are operating under the mechanism. It remains an effective political means of providing construction materials to the people of Gaza: more than 100,000 beneficiaries have been assisted in purchasing material to repair their shelters and homes since 2014.

22. In 2015, in partnership with the United Nations Children’s Fund, UNOPS trained 588 health-care workers in Kenya. Training was given to nurses and clinical officers, as well as to community health extension workers and community volunteers. The programme aims to reduce maternal and neonatal deaths by increasing the demand for maternal services through a community health awareness strategy, and to improve the quality of services provided. In 2015, UNOPS conducted assessments of 68 health facilities in advance of infrastructure upgrades for the next phase of the project, and will be conducting an audit of 150 more in an effort to provide them with sustainable energy solutions.

23. In Guinea, UNOPS is working with the Ministry of Environment, Water and Forests, with funding from the European Union, to develop the operational capacity of park rangers in national parks and nature reserves. In 2015, 320 park rangers were trained in anti-poaching techniques. Two ranger camps were rehabilitated and fitted with electricity and water facilities, providing accommodation for 250 park rangers.

24. In China, in an effort to increase food safety awareness, UNOPS provided 140 days of technical assistance to the upcoming Asia-Pacific Agricultural and Food Safety Industrial Development Zone in the northeast of the country. The project seeks to support the upgrading of agricultural and food industries in the region using a range of techniques, including capacity-building and facilitating public-private partnerships.

25. Through the ‘Future Cities Africa’ project, funded by Department for International Development of the United Kingdom, the UNOPS-hosted Cities Alliance partnered with national ministries and local governments in Ethiopia, Ghana, Mozambique and Uganda in 2015. The project produced a series of ‘Rapid

City Resilient Assessments’, developing and implementing a participatory process to better interpret climate change, environment, and natural resource risks to inclusive growth and poverty reduction across 21 cities in four countries.

26. Over 3,400 people were engaged through the UNOPS human resources centre in Bangkok to support projects across more than 46 countries around the world – in Africa, America, Europe, and Asia and the Pacific – for partners such as the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office for Disaster Risk Reduction, UN-Habitat and the International Organization for Migration.

27. In 2015, UNOPS supported mine-action, humanitarian, stabilization and explosive management activities, capacity enhancement of national actors and United Nations missions, and the weapons and ammunition management work of UNMAS and partners in 17 countries and territories. It provided human resources management, procurement, contracting, grants management, technical and operational support, and financial and legal services. For approximately \$210 million, UNOPS helped its main partner, UNMAS, deliver a range of results, including:

(a) In Afghanistan, 6,546 anti-personnel mines, 546 anti-tank mines and 265,689 explosive remnants of war were destroyed. Over 250,000 women were provided with mine risk education across the country;

(b) In Gaza, 24 deeply buried airdropped munitions were cleared, 174 suspected hazardous sites were investigated, and 101 hazardous sites with a high likelihood of buried air-dropped munitions were confirmed as requiring clearance;

(c) In Somalia, an 86-member explosive ordnance disposal unit of the police force – trained, equipped and mentored by UNMAS – responds daily to emergency callouts and reports of improvised explosive devices and explosive remnants of war in four locations;

(d) In Mali, 32,500 pieces of obsolete and unserviceable ammunition were destroyed, and training was provided to 1,700 Malian defence and security forces, 10,461 peacekeeping mission personnel and 72,271 civilians;

(e) In South Sudan, 3,008 kilometres of routes were surveyed and cleared of explosive remnants of war, and mine risk education was provided to 170,762 boys, 145,563 girls, 98,006 men and 104,440 women – the highest numbers recorded since 2004;

(f) In the Central African Republic, 2,800 explosive and ammunition items were neutralized in urban areas, 6 tons of explosives and ammunition were assessed and cleared from an ex-combatant camp, and 13 tons of commercial explosives were burned;

(g) In the Democratic Republic of the Congo, UNMAS utilized a variety of channels, such as local radio broadcasts, public events and leaflet distribution, to reach 138,510 beneficiaries with risk-education messages through 3,201 activities in 2015;

(h) In Darfur, nearly 2 million expired small-arms ammunition rounds and 2,050 items of unexploded ordnance were destroyed;

(i) In Libya, 99 people – including community volunteers, boys and girls scouts, teachers and local non-governmental organizations from western, eastern and southern regions – received training in conducting community-based mine risk sessions;

(j) In Western Sahara, 215 personnel attached to the United Nations Mission for the Referendum in Western Sahara received safety training on landmines and explosive remnants of war, and 136 kilometres of United Nations military observer patrol routes were verified;

(k) In Côte d'Ivoire, 15 armories were rehabilitated and nearly 97 tons of unserviceable ammunition was destroyed; and

(l) In Abeyi, over 590,000 square metres of land were released to the community. Non-technical surveys were conducted in 77 communities to identify possible, leading to the removal and destruction of 2,988 explosive remnants of war, six landmines, and over 3,500 rounds of small-arms ammunition.

### **C. Infrastructure services**

28. UNOPS provides a wide variety of infrastructure services. These are based on a combination of partners' demands and the ability of UNOPS to deliver appropriate technical solutions throughout the design, construction, maintenance, operations, retrofitting, refurbishment and decommissioning phases.

29. In 2015, 23 per cent of UNOPS delivery was associated with infrastructure, 41 per cent of which covered services related to buildings, while 23 per cent covered services related to transportation infrastructure. In addition, UNOPS provided infrastructure services in water and waste management, as well as in disaster risk reduction, recovery and resilience.

30. On behalf of the South Sudan Common Humanitarian Fund, UNOPS planned, designed and rehabilitated Rubkona Airstrip in Unity State, South Sudan. The rehabilitation and extension of the airstrip was ranked as the top 2015 infrastructure priority in the country by the World Food Programme-led Logistics Cluster, and serves as the primary source of access to over 100,000 internally displaced persons. By providing more reliable access, especially during the rainy season, the project contributed to improved cost-effectiveness and efficiency in the delivery of life-saving humanitarian supplies.

31. With funding from the Saudi Humanitarian Fund, and in cooperation with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), UNOPS installed 280 solar streetlights in 19 camps for internally displaced persons residing in settlements, camps and host communities in Northern Iraq in 2015. Lighting systems were installed at women's clinics, secondary schools, primary schools, health centres and a registration centre, ensuring access to sustainable lighting to promote public safety and reduce the operational costs of each camp. UNOPS also distributed more than 125,000 solar-powered lantern- and mobile phone-charging kits to families across Iraq, working with local firms for installation and distribution, supporting local economies and benefiting host communities.

**Box 2. Supporting peacebuilding efforts in the Syrian Arab Republic**

The conflict in Syria now spans half a decade, and the humanitarian situation in the country continues to deteriorate. The conflict has been the scene of the use of chemical weapons, siege and starvation as a tool of war, unlawful detention, torture, and the indiscriminate and criminal shelling and aerial bombardment of civilians. Over 200,000 people have been killed and over one million injured.

Twelve United Nations organizations and hundreds of national and international non-governmental organizations are providing protection services and humanitarian assistance, implementing a wide range of programs across affected sectors and regions.

Since October 2014, UNOPS has provided operational support to the Organization for the Prohibition of Chemical Weapons in the Syrian Arab Republic, following completion of the Joint Mission of its Organization with the United Nations. In 2015, UNOPS helped the Organization continue its internationally mandated work in the country, contributing to the destruction of 11 out of 12 declared chemical weapons production facilities.

In the absence of a viable peace, the situation is expected to deteriorate and require even more sustained humanitarian support.

32. In transportation infrastructure, UNOPS constructed, designed and rehabilitated 125 kilometres of road in South Sudan in 2015. This included the construction of main access and internal camp roads in and around Ajuong Thok Refugee Camp, home to over 30,000 refugees from Sudan. With funding from UNHCR and the United Nations Central Emergency Response Fund, new roads have facilitated access to refugees, improved security, increased enrolment in schools, and improved access to markets and health facilities.

**Box 3. Better health-care centres in Guinea**

In 2014 and 2015, Guinea battled one of the worst outbreaks of Ebola in its history, which is now under control. To contribute to this effort, UNOPS rehabilitated and renovated 41 health-care centres across the country.

On behalf of the Government of Guinea, UNOPS undertook technical and financial evaluations as well as procurement activities. Each centre was individually assessed, and existing infrastructure was overhauled and rehabilitated to make the facilities accessible and safe, improving working conditions for health workers and access to care for Guineans.

The UNOPS team selected, trained and supervised 23 local companies, five of which are managed by women, to complete the rehabilitation works. Training sessions were organized to build capacities of about 50 national construction companies in procurement and contract management. The project created 4,000 days of paid work for local people.

33. In 2015, UNOPS provided 3,200 days of technical assistance in El Salvador. This included 1,553 days for UNDP to evaluate the technical designs of roads and bridges to improve key infrastructure and reduce vulnerability to flooding, erosion and landslides caused by the extreme precipitation associated with climate change.

34. In 2015, in partnership with the Government of Maldives and UNDP, UNOPS completed the construction of integrated water resource management systems on three Maldivian islands in an effort to mitigate the effects of climate change. Using solar energy, the initiative combines rainwater collection with seawater desalination, reducing costs and dependency on fuel. The systems contribute to building more resilient communities and provide over 8,000 island inhabitants with year-round access to safe drinking water. UNOPS was responsible for the planning, design and construction of the facilities, and trained local utility suppliers in operating and maintaining the new systems.

35. In cooperation with the Government of Japan, UNOPS planned, designed and implemented the emergency rehabilitation of five schools and one health facility in North Darfur, Sudan, damaged during heavy rains in 2013. In 2015, UNOPS implemented a project using sustainable disaster risk reduction mitigation measures to reconstruct selected schools and clinics by providing enhanced flood protection works. The buildings were redesigned and rehabilitated in alignment with the long-term development plans of the North Darfur state government.

36. In 2015, on behalf of the Government of Nicaragua, UNOPS provided 332 days of technical advisory services for the construction of the largest hospital in the country, as well as the procurement of necessary equipment. UNOPS also provided 228 days of project management advisory services to support the daily administration and technical management of project implementation. In an example of South-South cooperation, the Governments of Mexico and Nicaragua co-funded the project.

37. UNOPS supported the United Nations Office on Drugs and Crime and its efforts in combatting maritime piracy in the Gulf of Aden in 2015. As part of those efforts, UNOPS planned, designed and initiated the construction of the Mogadishu Prison and Court Complex in Somalia. Further work was conducted on Garowe Prison in the Puntland region in north-eastern Somalia, increasing security and improving the provision of water supplies.

38. In 2015, UNOPS supported the Government of Serbia in its efforts to restore the living and working conditions of municipalities affected by the May 2014 floods. With funding from the United Kingdom, UNOPS reconstructed 24 priority structures on the embankments of the Kolubara, Pestan, Lukavica and Turija rivers. The work will ultimately protect an estimated 58,622 citizens of the Lazarevac Municipality from future flooding, help secure approximately 23,222 hectares of agricultural land, and protect some 2,316 agricultural producers, 576 small and medium-sized businesses, and 1,715 entrepreneurs, from future flooding.

#### **Box 4. Improving homes and home-related skills for families in Colombia**

Throughout 2015, UNOPS improved housing conditions in Chocó, Bolívar, Atlántico and Magdalena on behalf of the Government of Colombia, Department of Social Prosperity. The project drove interventions in housing, infrastructure and community social work, teaching sanitary, health and nutrition-related skills to 1,853 families across 17 municipalities, and designed, constructed or rehabilitated the same number of houses. The project reached 10,992 individuals and created 370 direct jobs and 2,200 indirect jobs, boosting employment and a sense of community in the municipalities.

Home improvements helped participants meet minimum housing conditions related to water, sanitation, architectural spaces, lighting and ventilation. The project also addressed the well-being of senior citizens, children under five years old, pregnant women, breastfeeding women, and teenagers with undesired pregnancies.

Following the success of the project, the Government of Colombia asked UNOPS to undertake a second, related project in 2016, this one comprising interventions and involving 2,500 families and homes spread across 15 municipalities.

## **D. Procurement services**

39. Efficient, effective procurement is integral to ensuring the sustainable and timely implementation of our partners' peacebuilding, humanitarian and development objectives. Reflecting the interdependent areas of UNOPS expertise, many procurement activities in 2015 took place as part of project management and infrastructure projects, while stand-alone procurement represented 35 per cent of UNOPS total delivery.

40. In 2015, UNOPS procured over \$717 million worth of goods (35 per cent) and services (65 per cent). The top five countries of supply, in descending order, were Afghanistan, the United States of America, Peru, Japan, and the United Kingdom.

41. In Cambodia, UNOPS is the principal recipient of The Global Fund to Fight AIDS, Tuberculosis and Malaria. In 2015, UNOPS procured and distributed 121,607 doses of antimalarial drugs, 1,676,550 mosquito nets and 407,000 rapid diagnostics kits to strengthen and scale up malaria prevention, care and treatment activities in the country.

42. UNOPS is the fund manager for the multi-donor Three Millennium Development Goals Fund in Myanmar. In partnership with the Ministry of Health, the fund seeks to address the basic health needs of the most vulnerable people in the country. In 2015, UNOPS procured and distributed \$15,730,032 worth of goods and services to support activities related to malaria, tuberculosis, HIV/AIDS, and maternal, newborn and child health. This included procuring and distributing 1,682,352 condoms, 584,700 diagnostic tests, 17.5 million tablets for the treatment of multi-drug resistant tuberculosis, 4,590 pieces of medical equipment, and \$1,142,418 worth of supplies to support X-ray diagnostics in detecting tuberculosis.

**Box 5. Fighting one of the world's top health challenges**

Tuberculosis, still endemic in many countries, killed more than 4,000 people a day in 2014 – approximately 1.5 million people during the year – making it the main infectious disease killer on the planet.

In 2015, UNOPS took over the hosting and administration duties of the Stop TB Partnership from the World Health Organization (WHO). The partnership comprises more than 1,400 partners across 100 countries, including international and technical organizations, government programmes, research and funding agencies, foundations, non-governmental organizations, civil society and community groups, and the private sector, working to accelerate the fight to stop the spread of tuberculosis.

To support its activities, UNOPS provides human resources, procurement, contracting and other administrative services. In 2015, UNOPS established or amended 16 new donor agreements and one governance document; established or amended 49 procurement agreements and 25 new service contracts; procured services for 7 regional meetings; established or amended 56 new grants and paid out 143 grants; and conducted recruitment processes for 205 people – in support of the partnership and its work.

43. In Honduras, in partnership with the Ministry of Health, UNOPS provided technical assistance in the procurement of more than 324 million doses of medicines through a service-only model. The model entails UNOPS managing the procurement process until the selection of provider has been finalized, at which point the process is handed over to national authorities to conclude. By relying on UNOPS for rapid and transparent services, national authorities stocked more than 1,300 health centres with vital supplies in response to critical shortages. Significant savings for the Ministry of Health – estimated to be in the range of \$2.1 million for the first stage alone of a nine-stage process – were identified using this model. As a result of UNOPS engagement, the number of vendors participating in the provision of health-care supplies and medicines in the country expanded from eight to 29, leading to more competitive market conditions and greater value for money for the Government in providing health-care services. In addition, in 2015, UNOPS procured more than 87 million doses of medicine and 13 million pieces of medical and surgical equipment on behalf of the Honduran Social Security Institute, supplying 13 health-care facilities.

44. As part of wider humanitarian relief efforts in the Middle East, UNOPS procured and distributed 57 vehicles on behalf of the Government of Japan in 2015. These included 20 ambulances equipped with specialized paramedic equipment for the Bureau of Migration and Displacement of the Kurdistan Regional Government,

in Iraq, to help increase internally displaced persons' access to emergency health-care services.

45. In support of the pre-disarmament, demobilization and reintegration operations work of the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic in 2015, UNOPS procured and delivered 119,175 kilograms of food and beverage items for ex-combatants.

46. On behalf of the Government of Canada, UNOPS procured 137,385 medical supplies for the La Providence Hospital in Gonaïves, Haiti, in 2015. Those procurement activities concluded a four-year project during which UNOPS was responsible for the construction and equipment of the hospital. With a focus on maternal and child health care, the hospital will increase local health-care access for a community of more than 900,000 people.

47. To aid Haiti in its fight against a cholera outbreak in 2015, UNOPS, in coordination with OCHA, distributed 153,245 emergency relief items to cholera centres around the country, consisting primarily of water purification tablets, oral rehydration serum, and antiseptic soap.

48. To assist the Government of Madagascar in responding effectively to food insecurity, UNOPS procured 34 motorcycles to support emergency food security and social protection activities. Funded by the International Development Association of the World Bank, the project seeks to improve the capacity of Madagascar to respond promptly and efficiently to food emergencies.

49. In 2015, UNOPS provided 1,260 days of technical assistance to the Government of Peru. These included 750 days of technical assistance related to contract management in the areas of construction and sanitation, social rehabilitation services, and water and wastewater systems.

50. To support efforts in Ethiopia to increase access to health-care services for those most in need, UNOPS procured 1,300 motorcycles and 40 ambulances on behalf of the Government. The ambulances will provide much-needed health transportation services to administrative districts across the country, improving the efficiency and reach of health-care services to local communities, in particular for mothers and infants.

#### **Box 6. Preventing the spread of malaria**

The emergence of parasite resistance to artemisinin drugs and their derivatives in five countries of the Greater Mekong subregion is threatening the control and elimination of malaria globally.

To address this emergency, The Global Fund allocated \$100 million to the Regional Artemisinin Initiative in Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam. As the principal recipient, UNOPS is responsible for the delivery of targets set in the grant agreement, in collaboration with selected sub-recipients, under the oversight of the country coordinating mechanism.

With an unprecedented level of funding for a single regional grant, the goal of the initiative is to accelerate the elimination of this form of malaria from the Greater Mekong Subregion and prevent the emergence of artemisinin-resistance in new areas. The initiative supports impregnated nets, diagnosis and treatment, and case detection and surveillance.

## **E. Contributions to sustainability**

51. UNOPS is committed to focusing on managing and reporting on sustainability. In line with Executive Board decisions 2012/16 and 2012/24, the UNOPS approach to national capacity and sustainability is embedded across the organization. Following the strategic plan, 2014-2017, UNOPS will further mainstream the

national capacity development agenda and sustainable approaches in its mandated areas, including through the use of local resources.

52. UNOPS has refined its ability to measure contributions made to sustainability through project implementation. As part of that refinement, 2015 sustainability results have been weighted by delivery. Details on the UNOPS methodology are outlined in annex IV.

53. In 2015, UNOPS project managers assessed aspects of national capacity and sustainability (in terms of equitable economic growth, social justice and inclusion, and environmental impacts) in more than 1,000 projects.

54. In 2016, UNOPS will further explore best practices and standards in sustainability reporting by combining aspects of the Global Reporting Initiative framework into an annual report product. All 2016 results for subsequent UNOPS Executive Board Annual reports will follow the Global Reporting Initiative framework.

#### *National capacity*

55. UNOPS respects and supports national ownership. It helps develop national capacity by providing advice and training; sharing experience, best practices and expertise; and supporting the enhancing of management oversight to improve transparency and accountability.

56. Around 55 per cent of all projects supported by UNOPS in 2015 reported one or more activities that contributed to developing national capacity in the course of project activities. Fifty-seven per cent of project management and support services, 65 per cent of infrastructure services and 46 per cent of stand-alone procurement services included such activities.

57. Thirty-three per cent of all projects reported providing on-the-job training activities during implementation. In Bangladesh, over 180 government and non-governmental organization workers were trained on project and financial management so as to strengthen the capacity of the organizations receiving grants from USAID that are working in engineering and wildlife conservation activities.

58. In 2015, the inclusion of formal certification programmes was reported by 28 per cent of UNOPS projects. Fifteen per cent of projects reported that certifications had been achieved in 2015. In Sri Lanka, for example, UNOPS joined forces with the International Labour Organization, which, in partnership with the European Union, is working to improve skilled labour in the region by providing national vocational qualifications. With the support of the National Apprentice and Industrial Training Authority, the joint approach may include certifying construction sector labourers through recognition of prior learning.

#### *Equitable economic growth*

59. UNOPS provides assistance to governments to encourage social and economic empowerment. It contributes to economic sustainability by pursuing effective management and investment strategies and practices; supporting livelihoods through the creation of local employment and income opportunities; enhancing access to markets using local suppliers; and considering, where possible, the total cost of ownership (including financing, operating, maintaining and replacing assets).

60. In 2015, 48 per cent of all projects included one or more activities that contributed to economic sustainability over the course of the project. Thirty-six per cent of project management and support services, 68 per cent of infrastructure services and 51 per cent of stand-alone procurement services included such activities. The most commonly reported activity was creating work for local people, reported by 29 per cent of all projects.

61. In 2015, 30 per cent of infrastructure-related projects reported reduced maintenance needs in the final outcome. In Brazil, for example, where UNOPS is providing infrastructure support to the Government for hospital construction, designs for specific locations encouraged increased the use of ramps and stairs to reduce dependency on elevators, and their maintenance costs, over the life-cycle of the building.

#### *Social justice and inclusion*

62. UNOPS contributes to social sustainability by exercising due diligence and respect for international human rights principles; engaging local communities and ensuring equitable access to project benefits, with particular emphasis on protecting the most vulnerable; facilitating access to food, water, sanitation, energy, health, education, justice and security-related services; providing advice and implementation support in the area of disaster risk reduction for resilience; and mainstreaming gender equality in its activities.

63. In 2015, 58 per cent of all projects reported one or more activities that contributed to social sustainability over the course of the project. Fifty-two per cent of project management and support services, 56 per cent of infrastructure services, and 70 per cent of stand-alone procurement services included such activities.

64. Thirty-eight per cent of projects reported engaging local communities. For example, in Afghanistan, a project with funding from Japan rehabilitating education and health infrastructure for returnees and the host community reported formal consultations with 13 community leaders to support action on issues such as land-use permits, hiring local workers, and purchasing locally produced construction materials.

65. About 27 per cent of infrastructure projects reported increased resilience to climate change in the final product. For example, in Somalia, a project to rehabilitate the runway at Bossaso Airport, with funding from the Government of Italy, ensured that there was sufficient drainage to prevent future flooding of the runway, enabling continued use of the airport during the rainy season.

#### *Environmental impact*

66. UNOPS contributes to environmental sustainability by mitigating adverse impacts on the environment; improving biodiversity and ecological resilience; and using renewable resources, taking into account the interactions between human development and environmental sustainability.

67. In 2015, 43 per cent of all projects reported on one or more activities that contributed to environmental sustainability in the course of the project. Twenty-eight per cent of project management and support services, 72 per cent of infrastructure services and 43 per cent of stand-alone procurement services included such activities.

68. Ten per cent of all projects and 33 per cent of infrastructure services reported that efforts were made to mitigate the environmental impact of the project on the location. For example, in Mali, as part of a project to support the disarmament, demobilization and reintegration of ex-combatants for MINUSMA, the location of a health centre was chosen so as to avoid fragile ecosystems and wetland areas.

69. UNOPS is able to provide support when the cross-border nature of environmental issues necessitates coordinated international action. For example, UNOPS executes a water resources and climate change portfolio of projects that can support a range of partners in meeting their commitments to the objectives outlined in the 2030 Agenda. Responding to the need for improved transparency within the Paris Agreement, the Initiative for Climate Action Transparency is a neutral, multi-donor fund designed to improve the capacity of developing countries to assess how

they are meeting their commitments under the agreement. UNOPS began hosting the administrative and governance structures for the initiative in 2015. In addition, UNOPS provided managerial and operational support to the Climate Technology Centre and Network and the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants, both led by UNEP.

## **IV. Management results**

### **A. Delivery and partnerships**

70. In 2015, overall UNOPS delivery was \$1.4 billion, making it a record year compared to \$1.2 billion in 2014. The increase was mainly attributable to an upsurge in the demand for UNOPS support to partners' health work in Myanmar and globally through the Stop TB Partnership; continued demand for peacebuilding-related support in Africa; and humanitarian response activities in the Middle East.

71. In 2015, 50 per cent of UNOPS delivery was on behalf of the United Nations system. In terms of actual volume, delivery on behalf of United Nations partners increased slightly from \$698 million to \$710 million dollars. Trends among United Nations partners included a third consecutive year of increasing delivery on behalf of UNHCR, from \$58 million in 2014 to \$64 million in 2015. Support services to UNEP and WHO increased during 2015. The largest United Nations partner was DPKO, accounting for \$251 million, or 18 per cent of implementation expenditure. Specifically, this delivery comprised providing support to the global peace and security work of UNMAS. UNDP was the second-largest United Nations partner, accounting for \$173 million, or 12 per cent of total delivery, a 7 percentage point decline compared to 2014.

72. The largest partnership with a government during 2015 was with the Government of Afghanistan, followed by those of Peru and Ethiopia, respectively. In all three, the majority of services were in direct support to the government, with a continued decrease in support to governments through UNDP management services agreements. Total direct support to governments, including through such agreements, was 22 per cent of delivery (compared with 28 per cent in 2014).

73. In 2015, UNOPS partnered with international financial institutions, including through a variety of partnership structures with the World Bank, on \$102 million worth of projects. Within that total, direct implementation for the World Bank increased to \$46 million (from \$19 million in 2014), an increase attributable in part to supporting Ebola response activities in West Africa during the year. UNOPS overall delivery for international financial institutions fell slightly in comparison with 2014 figures (\$113 million worth of projects).

74. UNOPS work for the European Union increased from \$43 million to \$51 million worth of delivery in 2015. In Serbia, the partnership included support to continued post-flooding infrastructure rehabilitation as well as pre-accession support to the Government with European Union funding.

75. UNOPS continued partnership with the Global Fund had a record year in 2015, as work as the principal recipient for the Regional Artemisinin-Resistance Initiative in Cambodia, Laos, Myanmar, Thailand and Viet Nam started in earnest. Globally, UNOPS delivered \$106 million of services (compared with \$68 million in 2014) and worked as a local fund agent for the Fund in 15 countries.

76. The largest donor government to UNOPS projects where delivery could be directly attributed was the Government of the United States: support included facilitating the stipend payments for Somali security forces. Second was the Government of Canada, followed by the Governments of Japan, the United Kingdom and Italy.

77. UNOPS manages a limited number of pooled multi-donor funds and programmes, the largest of which are in Myanmar, such the Three Millennium Development Goals Fund, or operate globally, such as the Water Supply and Sanitation Collaborative Council Global Sanitation Fund and the Stop TB Partnership fund. In 2015, UNOPS delivered \$187 million of services for those funds and programmes.

78. In 2015, the largest countries of delivery were Myanmar, Afghanistan, Somalia, South Sudan, and Peru, in that order. In 2014, they were Afghanistan, Myanmar, Somalia, South Sudan, and Mali.

79. Reflecting the increasing recognition of UNOPS as a preferred partner of choice, new agreements between UNOPS and its partners reached \$1.6 billion, exceeding the annual target as well as the previous year's total of \$1.3 billion. The biggest increase in new and extended partner agreements with the United Nations was with WHO, with whom UNOPS signed \$32 million worth of engagements during 2015. There were also notable increases in bilateral partnerships with the governments of Japan and Korea.

80. In 2015, UNOPS expanded its annual survey eliciting feedback from partners to include aspects related to reputation. Through personal interviews and online surveys UNOPS asked more than 400 high-level respondents from partners and influential individuals about their needs and perceptions of UNOPS.

81. Review of the survey is still under way, but preliminary results on 260 past and current partners indicate that overall satisfaction has increased to 83 per cent, compared with 77 per cent recorded in 2014. Nearly 84 per cent of current partners indicated that they are likely to recommend UNOPS services to others.

## **B. Process excellence**

82. In 2015, UNOPS delivered the first stage of a new enterprise resource planning system that integrates more than 17 operational processes and systems, increasing the quality of information<sup>1</sup> for management decision-making and enabling UNOPS to provide more efficient operational support to its partners. The system is a key element of the continued efforts to optimize UNOPS risk management systems and reinforce internal controls, segregation of duties, and compliance.

83. In 2015, UNOPS was awarded 'gold level' in the sustainable procurement review conducted by the Chartered Institute of Procurement and Supply. This makes UNOPS the first United Nations organization (and only the fourth organization in the world) to achieve that level.

84. UNOPS developed a technical design and planning manual for correctional infrastructure to meet human rights obligations concerning safe, decent, and humane detention facilities. In coordination with DKPO, UNOPS guidance has been distributed to all peacekeeping and political missions in Africa, aiming to enhance best practices and standards in infrastructure.

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<sup>1</sup> It is anticipated that improved accuracy may result in a reduction of the overall number of UNOPS projects.

**Box 7: An integrated approach to national infrastructure**

Based on collaborative work with the Government of Norway and the Infrastructure Transitions Research Consortium led by the University of Oxford, UNOPS has formed a partnership to pioneer the necessary modelling tools, support and guidance to governments to enable long-term national infrastructure planning. This approach integrates multiple systems to support the development of national infrastructure that is resilient and robust in the face of an uncertain future.

The model will underpin strategic, evidence-based decision-making for investments in infrastructure. Support and guidance will include assistance to developing long-term national infrastructure plans anchored in a development vision, designed to allow governments to use existing assets efficiently while prioritizing new projects and deploying financial resources effectively to deliver maximum socio-economic benefits.

85. In a continuation of efforts to align UNOPS work with global frameworks, a dedicated ‘disaster risk reduction for resilience’ strategy was launched in 2015. UNOPS was selected to chair the steering committee of the International Recovery Platform, responsible for overseeing and providing strategic guidance to the platform secretariat, which comprises representatives from 17 organizations, including UNDP, UNEP, and the World Bank. The platform is a key pillar in implementing the Hyogo Framework for Action, the global plan for disaster risk reduction.

86. In 2015 UNOPS continued to explore social impact investing, and the potential to encourage financial institutions and the private sector to invest in development projects. Preparations were established for an approach focused on environmental infrastructure projects in areas such as renewables, waste management, water and water treatment, and social infrastructure, including health care and social housing. Additionally, planning has been undertaken to initiate a seed-capital approach to attract capital for the development or revitalization of early-stage infrastructure projects.

87. In 2015, UNOPS realigned its global structure to better suit the needs of its partners. Among other changes, the Asia Europe and Middle East Office and Global Partner Services Office were divided to establish three new regional offices: Asia, Europe and Central Asia, and the Middle East, respectively. Project management and infrastructure groups were merged to provide streamlined support to field offices. UNOPS operations in Jerusalem were identified as a ‘Project Management and Infrastructure Centre of Excellence’.

88. Alongside a range of initiatives to strengthen governance, risk management and compliance, aiming to align responsibility with distributed authority, a dedicated function was established in the form of the ‘risk and quality’ group. The group will work towards further integrating the management of operational and strategic risks across the organization. In addition, partnerships and communications functions were combined to increase UNOPS visibility and raise awareness of the services UNOPS can provide to help people in need around the world.

89. UNOPS is committed to introducing internationally recognized standards and good practices into its operations. In 2015, UNOPS maintained its ISO 9001 quality management systems certification and expanded the coverage of its ISO 14001 certified environmental management system to cover infrastructure projects in Guatemala and Sri Lanka, complementing existing coverage of projects in Afghanistan, Kosovo, and the Jerusalem office. Furthermore, UNOPS achieved certification to the internationally applied British Standard for occupational health, safety and management systems, OHSAS 18001, for its operations in Kosovo and the Jerusalem office. This achievement forms the basis for UNOPS compliance with the adoption of occupational safety and health systems in all United Nations organizations (CEB/2015/HLCM/7/Rev.2).

90. The UNOPS Ethics Office continued its support as a consultative, impartial and service-oriented resource for the organization, maintaining 100 per cent compliance with the UNOPS financial disclosure programme. Ethics Office activities are detailed in a dedicated report (DP/OPS/2016/4). In internal audit, the organization maintained its commitment to prompt implementation of recommended improvements. By the end of 2015, the overall implementation rate of audit recommendations stood at 96 per cent, and only four recommendations had been open for more than 18 months. Further details on internal audit findings for 2015 are included in report DP/OPS/2016/3, for presentation to the Executive Board at its annual session 2016.

### C. People excellence

91. At the end of 2015 the total combined workforce stood at 9,852 (an increase from 6,925 in 2014), due largely to additional support for United Nations partners in the Democratic Republic of the Congo and Pakistan. UNOPS also administers personnel contracts on behalf of a range of partners. A breakdown of personnel by contract category is shown in table 1, below.

**Table 1: Number of personnel by category as of 31 December 2015**

Contract modality	Staff	International contractors	Local contractors	Total
UNOPS personnel	863	694	3004	4561
Partner personnel	0	343	4948	5291
<b>Combined workforce</b>	<b>863</b>	<b>1037</b>	<b>7952</b>	<b>9852</b>

92. UNOPS recruited 70 staff in 2015. Of those, 63 were international professional staff and seven were general service staff. Eighty-two staff members left the organization. Staff turnover declined to 16.9 per cent, as compared to 17.2 per cent a year earlier. Women made up 32.7 per cent of UNOPS international personnel, a 0.4 per cent increase compared with 31 December 2014.

93. In 2015, UNOPS introduced a new talent management framework to identify, develop and retain key UNOPS personnel for business-critical roles. During an annual awards ceremony, seven individuals and five project teams were recognized for their exceptional contributions in areas including innovation and United Nations core values.

94. More than 2,080 personnel participated in UNOPS learning activities (up from 1,406 in 2014). More than 50 per cent of all learning activities were in support of the new UNOPS enterprise resource planning system, equipping personnel with the skills and knowledge needed to transition from previous systems.

95. Over 700 personnel received external project management qualifications, 246 received internal training in UNOPS infrastructure discipline, and 94 received external and internal training in procurement operations. Over 100 senior and mid-level personnel took part in management and leadership courses (as compared to 60 the previous year).

96. In 2015, the UNOPS Global Shared Service Centre, providing cost-effective transactional services in personnel contract administration, benefits and entitlements, and payroll, was strengthened through insourcing personnel administration and payroll functions that were previously outsourced to UNDP.

### D. Financial stewardship

97. During 2015, UNOPS delivered \$1.4 billion in project services (against \$1.2 billion in 2014), an increase of 18 per cent. Project-related net revenue was

\$87.2 million (compared to \$66.3 million in 2014). Miscellaneous income earned was \$2.4 million (against \$4 million in the previous year), and non-exchange revenue was \$0.4 million (compared to \$3.8 million in 2014). Management expenses were \$65.4 million, compared to \$58.9 million a year earlier – (an increase of 11 per cent). Nevertheless, demonstrating UNOPS commitment to delivering more with less, the ratio of management expenses to delivery in 2015 dropped to 4.54 per cent (from 4.83 per cent in 2014). This resulted in a net surplus of income over expenditure, after provisions, of \$14.3 million (compared to \$9.9 million in 2014). At yearend 2014, UNOPS continued to maintain its operational reserve above the minimum requirement established by the Executive Board.

98. An actuarial revaluation of UNOPS end-of-service employee liabilities indicated that such liabilities at year end 2015 were about \$1.9 million less than liabilities at the end of 2014. This resulted in an actuarial gain of \$5.1 million, including further funding made by UNOPS during the year.

99. The expenses, revenue and reserve balance for 2015 are early figures calculated by UNOPS, and may be subject to change. They have yet to be verified and audited by the United Nations Board of Auditors.

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