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OTHER MATTERS

Change of name of the Office for Projects Execution to
Office for Project Services

Note by the Administrator

1. In 1974, when a unit was created within the United Nations Development Programme (UNDP) for the purpose of executing projects directly, it was designated as the Project Execution Division (PED). Two years later, it was renamed the Office for Projects Execution (OPE), since its particular functions could not be conveniently accommodated, as a division, within any of the then existing larger organizational entities.
2. The need to rename OPE at the present time stems from a lengthy, if intermittent, examination of the essential characteristics of direct execution and of the particular role of OPE as the operational unit in UNDP concerned with the administration of field projects.
3. It is also the result of the recent growth of OPE, both in the volume of project disbursements and in the number of staff. While activities funded from UNDP core funds and executed directly, expressed as a percentage of total disbursements, have been relatively stable (at about 8 per cent), funding from special funds and trust funds through OPE has continued to grow. The project category of management services, in particular, has shown a sharp increase and currently accounts for 25 per cent of OPE disbursements.
4. The role performed by OPE in the execution of projects differs in important ways from that of the specialized agencies of the United Nations system. Its present designation is not an adequate reflection of the distinction that exists between the management and service-oriented nature of direct execution on the one hand, and the technical emphasis of project execution by the specialized agencies on the other, possessing as they do institutional technical interests and

competence. The present name tends, rather, to blur the picture by equating OPE, as an executing agency, with the technical specialized agencies.

5. The management and subcontracting approaches of OPE are intrinsically different. Having no sectoral orientation, OPE enters the project cycle once implementation is about to commence, by mobilizing and managing the various inputs called for in support of the development activity concerned. The management-type services that OPE provides cover a wide range and can entail both full or partial services in the implementation of projects. In the former case, OPE will act as a management contractor, on behalf of the funding entity, using the best expertise and advice available to it, normally from sources outside the United Nations system. In perhaps the majority of cases, however, OPE is called on to provide services limited to the delivery of specific project components, in association with the recipient Government or another executing agent, with the funding agency providing overall policy direction.

6. In performing such services, OPE is not restricted to the direct execution of projects funded by UNDP, but also co-operates with the special funds or financing entities outside UNDP, such as the World Bank, the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD) and the United Nations Fund for Drug Abuse Control (UNFDAC) or the recipient Governments themselves. OPE will consult with them closely on all matters of policy and substance in managing the external project inputs they are funding.

7. In implementing projects, OPE normally assigns the delivery of technical project components to qualified subcontractors and has over the years acquired expertise in locating resources of recognized competence. By turning to international research institutions, private consulting firms, state corporations, non-governmental organizations (NGOs) and voluntary agencies, UNDP - through OPE - reaches out to intellectual and technological resources outside the United Nations system that can be put to good effect for implementing projects. At present, 50 per cent of all project disbursements by OPE are through subcontracts. For project backstopping, it also draws on outside capacities and independent advice to help resolve technical issues that arise. The essential function of OPE is thus that of a management or service intermediary, setting in motion the project actors and inputs on behalf of the funding agencies and of the recipient Governments.

8. The service character of OPE activities has become more pronounced with the advent of the management services modality, where OPE acts as agent on behalf of countries that are recipients of loans from international development banks or of grants from bilateral donors. This modality is the logical extension of the OPE service approach to project implementation. While still evolving, it demonstrates how flexible an instrument OPE has become in that it is able to respond with actions to a wide range of needs in a large variety of situations including the administration of contracts for engineering works and construction.

9. A vital partner for OPE in providing effective service to donor and recipient countries alike is the network of field offices in 113 countries. These constitute a unique, decentralized administrative infrastructure in the field. Apart from performing an indispensable programme and liaison function, the field offices can be activated at short notice for operational purposes, since they are supported

centrally by OPE access to specialized know-how, to suppliers of equipment and to training institutions.

10. For the above reasons, the Administrator wishes to inform the Council that he has decided to rename OPE as the Office for Project Services (UNDP/OPS). It is felt that the new designation of what is in effect the operational arm of UNDP better reflects the essence of its activities in the service of both Governments and the several funding partners of UNDP.
