

Distr.: General
22 January 2002

Original: English

First regular session 2002

28 January – 8 February 2002, New York

Item 6 of the provisional agenda

Evaluation**UNDP – UNOPS relationship
Conference room paper submitted jointly by UNDP
and UNOPS****Introduction**

1. The documents and Executive Board decisions pertaining to the establishment of UNOPS as a separate entity have consistently recognized the unique relationship between UNOPS and UNDP. In accordance with its function as the governing body of UNDP and UNOPS, the Executive Board has, from time to time, considered issues that affect the relationship between the two organizations.
2. Document DP/2000/13, submitted to the Executive Board at its second regular session 2000, presented the findings of an independent evaluation of the UNDP-UNOPS relationship that had been commissioned by UNDP. Document DP/2000/CRP.8, submitted at the same session, provided a joint review of the recommendations contained in the evaluation report. A second joint report (DP/2000/35) submitted at the third regular session 2000 provided a progress report on follow-up actions associated with the evaluation. In its decision 2000/22 of 28 September 2000, the Executive Board urged action without delay to implement outstanding recommendations, requesting that the organizations report thereon at the annual session 2001.
3. While UNDP and UNOPS continued to work on implementation of the recommendations, the United Nations Office of Internal Oversight Services (OIOS) was requested by the Secretary-General to carry out an internal management review of UNOPS. Aware of the evolving context of the relationship issue, the Executive Board twice deferred discussion of the subject in 2001. The views and specific proposals of the Secretary-General will be contained in a separate document.
4. Both UNDP and UNOPS wish to reaffirm to the Executive Board their commitment to maintaining and strengthening an effective and harmonious partnership. Drawing from previous findings, documents, and decisions, the present

document reflects events that have transpired since the Board discussed these issues at the third regular session 2000. It is intended to supersede previous reports and conference room papers in order to outline mutually agreed principles according to which UNDP and UNOPS will move constructively forward.

5. UNDP and UNOPS address below four key issues that are at the centre of their relationship: (a) the status of UNOPS and the roles and responsibilities of UNDP and of UNOPS; (b) representation and field presence of UNOPS; (c) resource mobilization; and (d) execution modalities. A fifth key issue concerns the governance of UNOPS: proposals relating to the governance of UNOPS, including the role and composition of the Management Coordination Committee (MCC) and the accountability to the Executive Board, are dealt with in a separate note by the Secretary-General.

A. UNOPS status and roles and the responsibilities of UNDP and of UNOPS

6. Executive Board decisions 94/12 of 9 June 1994 and 94/32 of 10 October 1994, taken together with the various documents to which they refer, set forth the key operational parameters for UNOPS:

- It would be a “self-financing” and “separate and identifiable entity in a form that does not create a new agency and in partnership with the UNDP and other operational entities”;
- It would “undertake implementation rather than funding activities”;
- Its “administrative support, including that relating to financial and personnel matters, will continue to be provided by UNDP and ...should continue to work through the UNDP field network.”

7. As expressed in paragraph 5 of their joint document DP/2000/35, both organizations are in agreement with the fundamental principles upon which UNOPS was established as a service provider to the organizations of the United Nations system. Within the context of United Nations programmes, projects and activities, UNOPS also provides services to associated governmental, intergovernmental, and non-governmental entities, when requested or agreed to by the concerned United Nations organization. UNOPS does not have, and does not aspire to have, a substantive mandate that mirrors those of the programmatic organizations of the United Nations system for which UNOPS provides services. At the same time, programme and project management and support service provision — the particular area of expertise of UNOPS — complement and make effective activities of substantive focus.

8. Since 1995, when UNDP was virtually the sole UNOPS client, UNOPS has, as intended, succeeded in expanding the provision of its services to a wider range of United Nations clients. The Executive Director suggests that the evolution of the complexity, diversification and volume of its business makes a case for more extensive dialogue between UNOPS and the Executive Board than has thus far been possible. The Executive Director requests the Executive Board to consider, consistent with the proposal put forward by the Secretary-General in paragraph 11 of

document DP/1994/52, allocating a separate segment of the Board sessions to UNOPS business. The Administrator agrees with this request.

9. The new UNDP business model is also resulting in changes to its approach to the delivery of its assistance to Member States. In view of the changed circumstances on both sides, UNDP and UNOPS recognize the need to make their relationship contemporary in a way that (a) respects the intentions of the Executive Board and of the Secretary-General; (b) strengthens responsiveness to meeting the needs of programme countries; and (c) re-establishes a complementary working relationship between the two organizations.

10. To this end, UNDP and UNOPS will focus attention on the following specific issues relating to roles and responsibilities:

- The two organizations recognize the complementary nature of their roles and responsibilities in support of programme countries. They agree to take measures that will help to avoid the reality or perception of replication or duplication of their respective special roles, expertise and costs;
- With regard to administrative services, both organizations consider that for the most part the arrangements have been successful, noting in particular their cooperative implementation of management information systems and the delegation of authority from the Administrator to the Executive Director in personnel matters. As both organizations are responding to new circumstances and imperatives, it is incumbent upon them, as noted in reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), to continue to assess, on an issue-by-issue basis, the cost-effectiveness and operational implications of the present modalities on both organizations.

B. Representation and field presence of UNOPS

11. The representation of UNOPS at the country level is provided for broadly under the aegis of the resident coordinator system. As per the existing Memorandum of Understanding, the UNDP Resident Representative shall normally act as the representative of UNOPS. As with other organizations for which UNDP provides such representation, UNOPS will be considered a member of the United Nations Country Team and invited to participate in joint exercises of the United Nations organizations in that country. UNDP country offices shall also provide such access and support as are required for the effective discharge of UNOPS functions.

12. Where the scale and scope of UNOPS activities requires a physical presence at the country level, UNOPS may establish such a presence within the context of the UNOPS biennial budget process, which includes the concurrence of MCC and review by ACABQ. In establishing such presences, UNOPS will take into account the policies of the Secretary-General regarding common United Nations houses and integrated services and will draw upon the administrative and other services of UNDP country offices to the extent that they are cost-effective and efficient for both organizations.

C. Resource mobilization

13. Both UNDP and UNOPS are in fundamental agreement on the roles of the respective organizations in mobilizing resources in support of programmes and priorities of a programme country, as expressed most often in the United Nations Development Assistance Framework (UNDAF) of the country concerned. The coordinating and central funding roles of UNDP, in accordance with General Assembly resolution 47/199 and other resolutions, are reiterated in Executive Board decision 94/12. As stated in paragraph 6 above, decisions 94/12 and 94/32 also emphasize that UNOPS will “undertake implementation rather than funding activities”. Accordingly, resource mobilization is recognized to be undertaken by UNDP and other funding and programming organizations of the United Nations system.

14. As a self-financing entity, the need for UNOPS to do careful forward planning and to assure a level of service delivery consistent with its plans is recognized by both organizations. Such work would need to be in full support, knowledge and agreement of UNDP and/or other United Nations clients, as appropriate. Accordingly, UNOPS will lend support, if requested, to the resource mobilization efforts of UNDP and other funding organizations.

D. Execution

15. The roles of UNDP and UNOPS in execution and implementation have been the subject of several Executive Board decisions and General Assembly resolutions. National execution has been recognized to be the preferred modality and will continue to be the means by which the preponderance of UNDP-funded programmes will be executed. The UNDP role in support of national execution and in support of development support services has been evolving. Most recently, in its decision 98/2, the Executive Board provided for UNDP to execute projects directly under certain circumstances in countries in crisis and post-conflict situations.

16. The increasing provision of policy advisory services by UNDP, as part of the UNDP Business Plans, 2000-2003, has been welcomed by various countries that have requested these services. These services, which, to be effective, draw upon the internal knowledge resources of UNDP practice areas, are performed by UNDP itself, at the request of the country concerned and facilitated by entities such as UNDP subregional resource facilities (SURFs) and other sources. The signing of the required contracts with the experts so identified by UNDP itself, as the concluding act for the delivery of such expertise, is an integral part of the response to the request for such services. The ability of UNDP to do so would bring it in line with the procedures long used by other funds and programmes of the United Nations such as the United Nations Children’s Fund and the United Nations Population Fund and contribute further to the harmonization of the procedures of the various organizations as requested by the Executive Boards of their respective organizations. UNOPS concurs with UNDP that it is appropriate under these circumstances to adopt this procedure.

17. UNOPS continues to be an important service provider to UNDP-funded programmes, projects and activities. UNDP intends, in line with the proposals of the Secretary-General, to encourage the use of UNOPS services in support of the effective implementation of United Nations country programmes on a cost-effective and competitive basis. Thus, for the implementation of large and complex projects requiring the procurement and management of a range of project inputs — in which UNOPS has particular experience and expertise — UNDP will continue to utilize UNOPS services. Similarly, and more generally, the two organizations will collaborate in other areas, regardless of size or complexity of the programme, to the extent that in doing so, they add value to the programme countries in the implementation of their programmes. In this respect, UNDP and UNOPS will explore issues and opportunities involving the Inter-Agency Procurement Services Office.
