ANNEX 1

SUBMISSION OF INTERNATIONAL ORGANIZATIONS:
OPERATIONALIZATION OF THE BENEFIT-SHARING FUND OF THE
INTERNATIONAL TREATY

SECTION 1: CONTACT DETAILS

Organization: United Nations Office for Project Services (UNOPS)
Address: P.O.Box 2695
Country: Denmark
Telephone: +45 3546 70 00
Fax: +45 3546 7501
Web page: www.unops.org

Contact Person: Adam C. Bouloukos
Position: Director- Outreach and Partnerships
Telephone: +45 3546 7556
Fax: +45 3546 7501
E-mail: AdamB@unops.org

SECTION 2: BACKGROUND

The General Assembly of the United Nations (resolution GA/48//501) established UNOPS in the UN system to provide high-quality, flexible and cost effective services. UNOPS specializes in project management, procurement and loan or grant supervision services for donors, governments, and the UN system. UNOPS does not have a sector mandate but supports the mandate of its clients through its management expertise. It has been operational since January 1st, 1995.

In addition, UNOPS current focus is to provide implementation support services to partners in the following areas: physical infrastructure, public order and security, census and elections, environment, and health.

UNOPS currently has four high-level goals:

1. Rebuilding peace and stability after conflict
2. Early recovery of communities affected by natural disaster
3. The ability of people to develop local economies and obtain social services
4. Environmental sustainability and adaption to climate change

UNOPS also targets three cross-cutting objectives: gender equality and the empowerment of women, national capacity development, and environmental sustainability.
UNOPS advantages

UNOPS operates as a fully self-financed provider of implementation services. This prompts efficiency and financial discipline. As a not-for-profit organization it is motivated only to meet the expectations of partners. During periods of conflict or crisis UNOPS maintains a physical presence on the ground and promotes the ownership and engagement of governments and local communities. While partners may need a public profile for fundraising or advocacy, UNOPS does not and takes a low-key position as a service provider.

UNOPS extensive experience and proven track record in its focus areas allows partners to enjoy the benefits of specialization, shared knowledge and economies of scale. UNOPS transparent, accountable management services meet the highest international standards. Partners are assured consistent performance to agreed standards of quality, timeliness and cost, and safeguards against implementation risk.

UNOPS networks and cooperation

UNOPS, as a vital member of the UN family, has established strong and efficient partnerships and networking with other UN Agencies, donor community, NGOs, international organisations and key players, particularly at the most local community levels in recipient countries. Some of UNOPS partners include: UNEP, UNDP, DPKO, EC, ECHO, The World Bank, FAO, UNODC, WHO, UNHCR, UNFPA, UNEP, USAID, etc, etc.

UNOPS regional structure

UNOPS employs almost 6,000 personnel annually and on behalf of its partners creates thousands more work opportunities in local communities. With its headquarters in Copenhagen, Denmark, a network of five regional offices and a further 20 operations and project centres, UNOPS oversees activities in more than 60 countries.

The regional offices are based in Copenhagen, Johannesburg, Bangkok, New York, and Panama. Each regional office is staffed with experts in the core UNOPS functions, including procurement, logistics, project management, financial management, information and communications, human resources, and security. Each staff member is well versed in the UNOPS business model, including its rules, regulations, and procedures relating to the management of projects. Regional offices are also familiar with regional donors, regional NGOs, and (most importantly) regional consultants. Thus, the added value provided by UNOPS regional offices consists of:

- Expertise: technical and management expertise on a regional scale;
- Rapid response: regional offices are physically close to areas where staff are likely to be deployed, and so they can deliver necessary staff, vehicles, and equipment quickly and efficiently; and,
• Language and culture: regional offices consist of international and locally recruited staff who are familiar with the languages and culture of the region where they work.

UNOPS regional offices also provide a fully operational, ready-to-go, organisational infrastructure. This includes:

• Office space: UNOPS has offices in 33 countries, as well as a standing agreement with UNDP and other UN agencies to use their offices around the world on an as-required basis;
• Computers and other hardware: each office is equipped with computer hardware and software ready to support basic procurement, logistics, security, and administration functions on demand;
• Vehicles: each office is equipped with vehicles, including sedans and trucks;
• Communications: each office has appropriate systems for fixed-base and mobile communications at all times; and,
• Security: each office is equipped and maintained in accordance with UNDSS standards, including minimum operating security standards (MOSSH) and, where appropriate minimum operating residential security standards (MORSS).

UNOPS and the environment

As a neutral, transparent and accountable United Nations organization, UNOPS has the status and expertise to coordinate international collaboration and help its partners realize Millennium Development Goal 7 on environmental sustainability, a matter of primary importance to the Benefit-sharing Fund.

Environmental management is increasingly recognized as vital to economic and human development. Translating that understanding into effective action is, unfortunately, not easy. Ecosystems and natural resources often straddle state borders, diminishing incentives for individual countries to manage them sustainably. Therefore issues such as climate change, biodiversity loss, land degradation and air and water pollution require international agreements and coordinated responses.

The United Nations plays a leading role in guiding environmental governance. UNOPS contributes to such efforts by working with other members of the UN family, international and non-governmental organizations and national governments, providing specialized services to ensure project success.

On behalf of partners UNOPS helps reverse environmental damage, mitigate and prepare for environmental risks and climate change, raise local, regional and global awareness and facilitate better resource management. The value of UNOPS services is reflected in the volume of projects it supports in the sector, averaging more than $100 million annually.

Biodiversity
UNOPS promotes biodiversity conservation by administering international waters projects and regional initiatives such as the Wings Over Wetlands programme. UNOPS has implemented more than 35 international waters projects involving more than 100 countries since 1990.

**Post-conflict and post-disaster**

War and natural disasters cause enormous environmental damage, jeopardizing the livelihoods of the many in developing countries who rely directly on natural resources. In recent years UNOPS has supported the work of the UNEP Post-Conflict Branch in Afghanistan, Albania, Iraq, Sudan and the former Yugoslavia. To allow UNEP to concentrate on substantive aspects of programme delivery, UNOPS ensures effective and efficient planning and administration, including contracting personnel, procuring goods and services and handling complex environmental remediation project design.

**Climate change**

UNOPS provides services to other Global Environment Facility (GEF)-financed climate initiatives, such as the UNDP Community-based Adaptation Programme, which field tests small-scale projects and policy initiatives to research adaptation at the local level. These efforts include UNDP capacity development and technical assistance projects that help countries develop adaptation policies and frameworks, climate risk analyses and management solutions.

In 2009 UNOPS helped 21 African countries build their environment management capacity and adjust national development processes to incorporate climate change risks and opportunities. The countries involved have now introduced planning mechanisms to manage the uncertainties of climate change, are implementing climate-resilient policies and have built leadership capacities and institutional frameworks to manage climate change risks and opportunities. The project was funded by UNEP, UNDP, GEF and the Universal Postal Union.

**Small Grants Programme**

UNOPS provides execution services to UNDP with respect to the GEF Small Grants Programme (SGP). The UNOPS SGP Cluster facilitates grants projects which are implemented by local NGOs and Community Based Organizations. Most grant projects include critical aspects of to improve the livelihoods of rural communities, as well as Community Based Adaptation to climate change. The ideas originate within the communities while the SGP local staff (who report to the UNOPS SGP Cluster) identify and assist in formalizing such ideas in formal proposals to be reviewed by a committee. A number of these SGP projects engage local farmer associations, fisheries etc. and are designed to showcase workable solutions on the micro-level. The SGP has been operating since 1992, executing more than 9,000 grants to support conservation projects in 104 countries. There is much evidence of SGP projects being scaled up and, at times, leading
to changes in local and national legislation. The programme uses a decentralized decision-making approach as an effective way of reaching remote communities.

At present, 95 countries participate in SGP; there are 81 country offices, two regional offices, and two sub-regional offices with day-to-day management by SGP National Coordinators. The funding comprises US$ 247.2 million from GEF and US$ 242.8 million from other partners in cash or in-kind equivalents. The maximum grant amount per project is US$50,000, but averages around US$20,000. Grants are channelled directly to community-based organizations and NGOs. More than 7,000 grants have been awarded worldwide, with many benefiting multiple communities.

UNOPS North America Office provides services to SGP in several areas: project staff and consultants; subcontracts for host institutions; authorization of country programme grant allocation and disbursements; budget administration, including authorization and monitoring of expenditures; training and guidance on the above issues to country-level staff; and support for starting the programme in other countries. The UNDP Country Office provides management support to the SGP country programme, and supplies financial and administrative oversight of programme expenditures and grant disbursements on behalf of UNOPS.

NOTE: A fully detailed set of Standard operating procedures (SOPS) are included in this submission.

Rural development

UNOPS supports its partners in developing rural livelihoods, and implemented over 100 rural development schemes across Africa and Latin America in 2009 alone. For example, in Peru UNOPS worked with the United Nations Office on Drugs and Crime to reduce illicit coca cultivation, improving farmers’ incomes.

Other examples include:

Sustaining Senegal’s natural resources
In 2006 the Italian Foreign Ministry and Senegal’s Ministry of Agriculture, Rural Water and Food Security joined forces to create the Sédhiou Local Development Fund (FDLDS). UNOPS was asked to administer the fund and provide quality control. The FDLDS has helped combat poverty by improving agricultural production and commercialization, encouraging sustainable use of natural resources, and promoting communal and private access to basic services such as education, water, and healthcare.

Afghanistan Conservation Corps
The Afghanistan Conservation Corps works to conserve Afghanistan's biodiversity, improve rural livelihoods and build national capacity to manage forests and watersheds sustainably. The sub-projects have generated about 400,000 labour days and these have benefited thousands of households living in rural, isolated and some of the poorest areas
of Afghanistan. They have addressed a broad range of environment-related needs including horticulture, forestry, soil conservation, river bank stabilization and erosion control, community-based management of natural pistachio forests, landscaping of public compounds (by women), effective management of natural protected areas, environmental education and awareness raising. The Corps is funded by the United States Government and managed by UNOPS. Projects are identified by and implemented in collaboration with Afghan government ministries and local communities.

Building partnerships for rainforest conservation in Central Africa
The biodiversity of the Congo Basin is at risk from illegal timber exploitation, mining, poaching and large-scale commercial hunting. The Tri-national Dja-Odzala-Minkébé (TRIDOM) project is taking an international approach to land use planning to solve this multi-country problem. Under the auspices of the Central African Forests Commission, it is helping the governments of Cameroon, Gabon and Congo to manage a complex of nine protected areas with a central zone spread across the three countries, covering almost 150,000km², around seven percent of the entire Congo Basin. The land use plan created by the project will establish separate zones for conservation, permanent forest, extractive industries, rural development, and community forest and wildlife management. The seven year project is funded by the Global Environment Facility, implemented by UNDP and managed by UNOPS.

UNOPS experience as Trust Fund Manager
Management of a Multi Donor Trust Fund in Myanmar
The Three Diseases Fund (3DF) is supported by Australia, the European Commission the Netherlands, Norway, Sweden and the United Kingdom: these donors have committed to date US$ 104 million over five years. In 2007 grants totaling US$ 21 million were provided by 3DF to 26 implementing partners drawn from UN agencies and International Non-governmental Organizations to work with local NGOs, community-based organizations and professional associations to deliver and scale up provision of health services to address the three diseases. UNOPS was appointed as independent Fund Manager of 3DF. UNOPS administers an office operating in Yangon that disburses and monitors 3DF grants according to priorities set by the Fund Board. The Fund Manager is responsible for the financial management and the implementation of the Fund on a day-to-day basis and provides technical advice to the Fund Board on the content of the programme to be supported, the inclusion of additional activities, monitoring and evaluation, audit and operational research.

Loan administration and fund supervision for the International Fund For Agricultural Development (IFAD): The role of UNOPS as a Cooperating Institution
The agreement that established IFAD in 1977 stipulated that the organization would delegate the role of supervision to international Cooperating Institutions (CI). Although
this policy has been amended last December to internalize this function, until recently approximately 95 per cent of IFAD operations were supervised by cooperating institutions. Seventy-three percent of loan administration, programs and project supervision is entrusted by IFAD to UNOPS (125 projects and programs). Other cooperating institutions included the World Bank (15 projects and programs), Andean Development Corporation (10), West African Development Bank (8) and others. To perform the CI functions, UNOPS has recruited Portfolio Managers who are based in Thailand, Senegal, Kenya, Italy and USA. Each Portfolio Managers covers 8-10 countries.

The functions of CI entail the following activities:

Project supervision services:

Participation in the last phase of project appraisal and loan negotiations to contribute towards the identification of workable solutions for achievement of project objectives:

- Organizing ‘start-up workshops’ in the project area, to explain the procedures to targeted beneficiaries;
- Undertaking supervision visits to the project area to review project issues with national authorities, project personnel and beneficiaries, to examine project management and technical issues, to check compliance and assess progress made;
- Delivering a complete package of project reporting services, analyzing financial status and progress of activities, offering technical advice and making specific recommendations to national executing agencies, the host Government, IFAD and other clients;
- Providing project backstopping services that include year-round managerial and technical provision of feedback, budget administration and monitoring, organization of short-term technical assistance, procurement assistance and external training; and,
- Providing procurement review services to ensure compliance with procedures established in the loan agreement

The loan administration services

- Review of withdrawal applications submitted by borrowing countries prior to approval of the application for payments;
- Organization and leadership of seminars and workshops on loan disbursement procedures for project personnel and government representatives; and,
- Maintenance of computerized disbursement records and monitoring of the status of loan accounts.

Assessment of recipients, supervision and monitoring of grants for the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM)

The Global Fund to fight AIDS, Tuberculosis and Malaria is a public-private partnership,
created to rapidly provide large resources to those that can make a difference in the fight against HIV/AIDS, tuberculosis and malaria in poor countries. The Global Fund has approved (31.10.2007) a total of US$ 8.7 billion to more than 450 grants in 136 countries.

The role of UNOPS as Local Fund Agent.

UNOPS supports the Global Fund’s mission. And since 2003 UNOPS has been one of the institutions (together with PWC, KPMG, Crown Agent and The Swiss Tropical Institute) selected to perform Local Fund Agent services in Serbia, Kosovo, Macedonia, Azerbaijan, Tunisia (UNOPS Geneva Office), China, India and Mongolia (UNOPS Regional Office in Bangkok), and Ethiopia (UNOPS Regional office in Johannesburg).

SECTION 3: OPERATIONS OF THE BENEFIT-SHARING FUND

SECTION 3.1: OVERSIGHT AND IMPLEMENTATION OF PROJECTS

Project Planning and Management

UNOPS uses a strong project management methodology for design and implementation of projects. The key principles are:

Maintaining focus on the objective; Control and management of risk; Ensuring quality output and delivery on time.

The methodology is adapted from the PRINCE2 system for project planning and management. PRINCE2 (projects in controlled environments) is a structured approach to project management that was developed by the UK Treasury. PRINCE2 provides a method for managing projects within a clearly defined framework. PRINCE2 describes procedures to coordinate people and activities in a project, to design and supervise the project, and to adjust the project, if it does not proceed according to plan.

The key features of PRINCE2 are: a focus on business justification; a defined organisation structure for the project management team; a product-based planning approach; an emphasis on dividing the project into manageable and controllable stages; and a commitment to flexibility and adjustment. Thus, PRINCE2 is divided into eight distinct functions or ‘processes’ and 45 sub-processes. The eight processes are as follows:
1. Starting up a Project (SU)
2. Planning (PL)
3. Initiating a Project (IP)
4. Directing a Project (DP)
5. Controlling a Stage (CS)
6. Managing Product Delivery (MP)
7. Managing Stage Boundaries (SB)
8. Closing a Project (CP)

In the PRINCE2 method, each process is specified with its key inputs and outputs and with specific goals and activities to be carried out. This provides for the automatic control of any deviations from the plan. The PRINCE2 model is depicted in the Figure 3.1 below. The programmatic implications of our emphasis on project planning and management are discussed further in section 3.2.5 below.

Figure 3.1: Outline of the PRINCE2 Planning Model

Example SGP:
On the level of individual grant projects, the UNOPS appointed local SGP staff, as one of their core responsibilities, identify potential grant projects and help NGOs /CBOs develop such proposals. This is a bottom-up approach where the ideas come from the ground and, if deemed to fit within the SGP mandate, are supported and formalized. UNOPS (in close support with UNDP) ensures that qualified local staff is recruited and maintains oversight over local operations.
In response to the size (currently 122 participating countries) and accelerated growth rate of this programme, combined with the mandate of cost effectiveness, the UNOPS Small Grants Cluster has developed a set of systematic approaches in line with UNOPS corporate policies:

- **UNOPS SGP Standard Operating Procedures (SOP) Manual** - a UNOPS intranet-based resource and operational tool which was first launched in 2008. This ‘user-friendly’ manual is accessible to all SGP practitioners around the world and is constantly updated based on changing realities, new policies, audit observations and new ideas (please refer to SOP Info Note and SOP Offline Manual in Annexes).

- **SGP Responsibility Matrix** – clearly agreed upon and defined roles, responsibilities and oversight structure of SGP practitioners at HQ and in the field (UNOPS and UNDP) regarding all operational activities.

- **SGP Comprehensive Audit System** – UNOPS standardized all SGP country audits with major international firm, conducting over 40 country audits per year.

- **UNOPS appointed SGP country teams** – each SGP country is usually managed by at least two local staff that report to UNOPS on all operational matters;

- **Global Coherence & Consistency** – the standardization, simplification and codification of processes and procedures has resulted in adherence to established baselines in all SGP countries.

- **Transparency** – Utilization of online People Soft ERP system ATLAS with users world-wide and the direct collection of all SGP grant details in a specific intranet-based Database – has resulted in more transparency and more timely delivery of funds.

- **PRINCE2 project management** – applicable elements of PRINCE2 have been implemented in managing the SGP which resulted in standardization of terminologies utilized in the programme, frequent and standardized updates with the establishment of regular SGP Board meetings etc.

### Monitoring and Supervision

The Controlling a Stage element of PRINCE2 provides a mechanism for robust monitoring and evaluation. The purpose of the UNOPS monitoring and supervision system is to assist the implementing partners to correctly, efficiently and transparently implement the projects funded by the International Treaty for Plant Genetic Resources for Food and Agriculture. All monitoring and supervision missions will contribute to the capacity building of the implementing partners. The monitoring and supervision missions will provide on-the-job training of the financial management of the funds, procurement and contracting, monitoring and evaluation and reporting. UNOPS project staff assigned to the Benefit Sharing Fund will carry out the following tasks during their supervision missions:

- Compare achievements with the established targets
- Compare financial targets with delivery
- Cross-verifications, which involve comparing programmatic results, for a given period, with other sources of information such as financial
and inventory data
- Review recording of all transactions and balances
- Review and plan contracting of and disbursements of funds to implementing partners and suppliers
- Review financial statements
- Review the inventories
- Review audit reports and plan the implementation of the audit recommendations
- Review and plan procurement activities
- Discuss training needs of personnel and design a training plan
- Promote the exchange of knowledge with other countries
- Assist in the organization of regional training events
- A draft monitoring and supervision report is included as appendix 6

Example SGP:
In the SGP, evaluating project proposals is lead by the voluntary SGP National Steering Committee while SGP National Coordinator (NC) screens the proposals and helps communities with less capacity to develop proposals. The monitoring of approved grant projects is conducted by the local SGP staff. In addition to the field visits by the NC (at least 1 per year is prescribed), progress reports (financial and substantive) are subject to a mandatory desk review before any further payments can be released. Depending on the local situation, SGP stakeholders (including NSC members) and UNDP CO staff assist with monitoring activities.
SECTION 3.2: FINANCIAL MANAGEMENT OF PROJECTS

As a UN organization, UNOPS participates in the development of a multi year revenue and budget plans (i.e., biennium support budget). The plan covers anticipated revenue and corporate expenditures for a two-year period, a required process and deliverable by the UNOPS Executive Board. Additionally, as a mechanism to course correct, UNOPS will also review revenue and expenditure projections on an annual basis. Upon review, if necessary adjustments to budget/resource allocations will be made on an annual basis. These planning processes demonstrate the forward-looking financial planning and budgeting aspects of the organization.

Evidence of the completed corporate budget is available on line at: http://www.undp.org/execbrd/adv2010-first.shtml

UNOPS has extensive experience in producing financial plans and budgets for donors. And in several cases UNOPS also acts as an implementing agency and/or oversight body responsible for the review of such plans.

The Enhanced Integrated Framework (EIF) is a multi donor trust fund, which currently receives contributions from various donors totaling over $250 million. UNOPS as the Trust Fund Manager (TFM) is responsible for the management of funds, disbursement of funds to recipients and in working with the Secretariat to produce financial reports documenting these activities. The ultimate role of UNOPS, as the TFM, is the assumption of fiduciary responsibility of the fund including assessments, approvals, supervision and monitoring. Through these activities UNOPS is actively involved in the development of financial plans and even more so in assuring that these plans are executed as envisioned.

Financial Management Control

The 2008/2009 biennium marks a financial turnaround for UNOPS. Positive results were delivered and the replenishment of the operational reserves was attained according to the targets set by the Executive Board. UNOPS has been given an unqualified audit opinion by the United Nations External Board of auditors.

UNOPS monitors its results continuously through the management workspace on the intranet which is interfaced with the Atlas Enterprise Resource Planning system (ERP). During 2009, the finance practice group performed monthly closure of sub-ledgers and quarterly closure of the general ledger. This improvement in financial reporting processes has resulted in increased data accuracy, completeness and timeliness of financial reporting and monitoring.

UNOPS has continued its drive to reduce the volume of cash transactions and to eliminate opportunities for fraud and theft. UNOPS has successfully retired the manual imprest account modality and replaced these accounts with more than 70 Atlas bank accounts. UNOPS is preparing to implement IPSAS (International Public Sector Accounting Standards) by January 2012 in harmony with UNDP & UNFPA who are sharing the same Atlas ERP. UNOPS is project managing the transition to IPSAS on the ‘Prince2’ project management methodology.
Fund disbursement

The Prince2 project management methodology allows UNOPS to manage and disburse funds efficiently and with safeguards to recipients on a timely basis.

Example SGP:
In particular the SGP is designed as a fast, friendly and transparent delivery mechanism. The management and disbursement of funds occurs through an online ERP and financial system – ATLAS. UNOPS adheres to an Internal Control Framework (ICF) which is integrated and reflected in the ATLAS system by ensuring clear segregation of duties, responsibilities and approval rights of the users. Subject to ATLAS being web-based, transactions, budget activities etc. can be viewed and further acted upon in real time by colleagues involved in these processes around the world. The UNOPS SGP Cluster has structured its budgets and its ATLAS processes in a way to allow quick yet transparent access to funds in the various participating countries. The established Internal Control Framework (ICF) remains as a baseline for these operations to ensure maximum possible control.

Audit

UNOPS is subject to, and is continuously, audited in accordance with external and internal auditing procedures laid down in its financial regulations and rules. UNOPS audit procedures are consistent with those of other UN organizations and can be summarised as follows:

- External audit is carried out exclusively by the United Nations Board of Auditors (UNBoA), the mandate of which is described in the United Nations financial regulations and rules. In addition to the audit findings, which are reflected in its management letters issued throughout a biennium cycle, the UNBoA issues and provides the UN General Assembly with a separate long-form audit report and an audit opinion on the financial statements of UNOPS at the end of each biennium period. (For more information concerning the UNBoA, please consult www.unsystem.org/auditors). The UNOPS audited financial statements for each biennium are publicly available.

- Internal audit is carried out by the UNOPS Internal Audit and Investigations Group, the mandate of which is described in the UNOPS financial regulations and rules. Internal audit follows a risk-based approach to auditing and provides audit coverage of the organization’s governance, management, financial, procurement, human resources and other operational activities, as well as its programmes and projects. As and when appropriate, the UNOPS Internal Audit and Investigations Group engages other auditors, such as professional auditing firms, to assist in internal audits.

- In addition to internal audit reports, which are issued regularly and directly to the UNOPS Executive Director and the United Nations Board of Auditors, an annual report containing key activities and significant audit findings is presented every year to its governing body, which is also the Executive Board of UNDP and UNFPA.
Example SGP:

The UNOPS SGP Cluster, in coordination with the UNOPS Internal Audit and Investigation Group (IAIG), has developed a comprehensive audit system for the SGP. This system is based on the following:

- Global major audit firm was selected and contracted – resulting in uniform reporting and familiarity of programme by designated professional auditors;
- Main basis for SGP audits are the UNOPS SGP SOPs;
- Each SGP country to be audited once per SGP cycle – resulting in approximately 40 country audits per year;
- Constant interaction between UNOPS SGP Cluster and auditors – resulting in prompt feedback loop and refinement of process as necessary;
- Utilization of available resources (i.e. UNOPS audit issue tracker system) to implement audit recommendations at HQ and country level in a standardized and organized manner, with regular overview updates on status.

Reporting

In the interest of full transparency, UNOPS posts all its financial transactions through its Information Disclosure mechanism on the Intranet. In addition, partners agencies will be able to view project specific reports through a secured, confidential Extranet. Naturally, UNOPS will therefore be able to make available any and all relevant financial reports in a timely manner to the International Plant Treaty.

Procurement

UNOPS is mandated to be “a central procurement resource for the United Nations system”. In order to discharge this role with the highest levels of transparency and efficiency for the benefit of the UN and its partners, UNOPS has conducted wide-ranging reforms. These include stronger internal controls, new policies, a more efficient information sharing and knowledge capture system, the enforcement of accountability and extensive training of staff (see attached).

UNOPS, in its management of public funds, is expected to comply with regulations, rules and public procurement principles. With years of experience delivering highly sensitive projects in politically charged environments, UNOPS has a strong focus on speed and flexibility. It is an essential element of projects that procurement deliver on time in logistically and politically challenging environments. Whilst maintaining a focus on flexibility and speed, UNOPS also maintain the highest standards of public accountability and transparency.

In view of this UNOPS has established 4 basic procurement principles:

- Best value for money,
- Fairness, integrity and transparency;
- Effective competition; and,
- Best interests of UNOPS and its partners.

Another important way in which UNOPS prepares for its projects in advance is by
negotiating long-term agreements (LTAs) or framework contracts with selected suppliers. Typically, these LTAs involve advance agreement on prices and delivery times for specific models of different products, thereby significantly increasing the speed of procurement.

In order to facilitate its procurement activities, UNOPS has created an on-line, procurement system known as “UN Web Buy” (see www.unwebbuy.com). UNWB is a genuine e-Procurement system that provides e-Tendering, transactional procurement, contract management, and logistics support. UNWB facilitates establishment of system contracts through its e-Tendering module and converts e-Tendering results onto online catalogues via its generic catalogue module.

**Sustainable procurement**

UNOPS recognizes that in its role as a world class provider of procurement services it must ensure that environmental, social as well as economic aspects are taken into consideration throughout all stages of the procurement process. Sustainable procurement is embedded in the organization’s procurement strategy. UNOPS will shortly feature a service line based on sustainable procurement.

UNOPS, along with UNEP, has been a lead agency in the High Level Committee on Management sub-working Group on Procurement and has developed guidance, resource materials and training courses on sustainable procurement.

UNOPS conducted a series of sustainable procurement training courses for its personnel.

**Capacity development in least developed and developing countries**

UNOPS has entered a partnership with the Chartered Institute of Purchasing and Supply (CIPS) to jointly develop strategic procurement and supply chain capacity development solutions for least developed and developing countries.

**SECTION IV: STRATEGIC DEVELOPMENT OF THE BENEFIT-SHARING FUND**

Delivery of international development assistance has rapidly evolved in recent years. The Paris Declaration on Aid Effectiveness promotes the principle of national ownership and leadership. Bilateral and multilateral assistance is therefore increasingly reaching developing country governments as direct budgetary support.

At the same time the international community is channelling more funding via pooled resources. These typically take the form of various multi-donor trust funds that can address trans-border issues – such as initiatives on environment or health – or individual country needs. Throughout this change in focus the demand for accountability has grown on the part of donors and recipients alike.

---

1 The system was originally created by UNDP-IAPSO beginning in 1999. But both the ICT team that developed UNWB and the transactional procurement team using it have been part of UNOPS since the merger of IAPSO with UNOPS in January 2008. UNOPS also hosts the United Nations Global Marketplace (UNGM), which is an online register of suppliers to the United Nations (go to www.ungm.org).
In September 2009 the Executive Board which provides oversight and governance to UNOPS as well as to UNDP, UNFPA and other smaller agencies, recognized the potential for value-adding contributions that UNOPS can make in providing efficient, cost-effective services to development partners in financial management.

In line with UNOPS mission – to expand the capacity of the UN system and its partners – UNOPS administers multi-donor trust funds in its mandated areas and in close coordination with other relevant UN partners.

Specific tasks, performed together or separately based on partner wishes, include:

- Supervise and/or support administration of donor grants or loans implemented by national authorities or international organizations;
- Carry out capacity assessments of implementing partners;
- Ensure timely, transparent fund disbursements; and
- Support the development of national implementation capacity.

In the case of the International Plant Treaty, UNOPS would be a partner whose identity would be second to that of the Treaty. In other words, the mandate of UNOPS is to provide support, to bolster systems, to remove risk and administrative burdens so the Treaty Secretariat can direct its attention to substantive matters. With its presence in the field and its ability to imbed its personnel in ministries and other partners, UNOPS can provide very hands-on, sustainable capacity building support to the recipients of the Benefit-Sharing Fund while providing, as required, essential implementation capacity to ensure that funds received by beneficiaries are properly spent.

In short, the strategic advantages of UNOPS to the development of the Benefit-Sharing Fund are as follows:

- UNOPS operates as a fully self-financed provider of implementation services. This promotes efficiency and financial discipline. As a not-for-profit organization it is motivated only to meet the expectations of partners.
- UNOPS is a United Nations organization with membership and active participation in UN Country Teams and the UN Security Management Teams in the field. This enables a high level of co-ordination between different aid providers and implementation agencies on the ground, and avoids duplication and the wasting of resources.
- During periods of conflict or crisis UNOPS maintains a physical presence on the ground and promotes the ownership and engagement of governments and local communities.
- While partners may need a public profile for fundraising or advocacy, UNOPS does not and takes a low-key position as a service provider.
- UNOPS extensive experience and proven track record in its focus areas allows partners to enjoy the benefits of specialization, shared knowledge and economies of scale.
- UNOPS transparent, accountable management services meet the highest international standards. Partners are assured consistent performance to agreed standards of quality, timeliness and cost, and safeguards against implementation risk.
• UNOPS is a recognized and respected name in project management and implementation. As such, partnering with UNOPS gives donors confidence that resources will be spent properly.

SGP example:

The SGP is already partnering with a number of organizations, either through co-financing, sharing knowledge etc. These partnerships involve entities such as AusAID, NZAID, PEMSEA, UNEP. The SGP modality, in its flexible set-up, allows for innovative approaches for new partnerships and replication of the existing structure for parallel funding opportunities, making it ideal for the Benefit-Sharing Fund whose reach and range of partners is not fully known at this time.

The SGP is a corporate programme of the Global Environment Facility (GEF) which is governed by the GEF Council of its member states and head by the GEF Secretariat. Its mandate is to create global environmental benefits in at least one of the five focal areas – Climate Change, Biodiversity, Land Degradation, International Waters and Persistent Organic Pollutants (POPs). In addition aspects such as gender equality, sustainable livelihood, health, etc. are addressed in SGP grant projects. Thereby, the SGP is contributing to a number of the MDGs. There are certainly a number of opportunities for strategic cooperation with the Benefit-Sharing Fund, in particular in the area of transformation and cross-cutting agendas.

Co-financing of Projects, SGP example:

The SGP has a mandate to generate co-financing on the global, regional and local level. This can be in the form of general contributions for SGP activities or grant project specific co-financing (in cash and in kind). In many instances SGP funds are co-financing grant projects that receive their main funding from other sources.