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Report on the process innovation and digitalization programme implementation

Annual report on implementation of the process innovation and digitalization programme

Summary

This document summarizes progress in implementing the process innovation and digitalization programme. This update is in line with decision 2024/28 of the Executive Board.

The Executive Board requested in decision 2024/28 that the UNOPS management team provide updates on the progress of the programme and written information on selecting a new enterprise resource planning system in quarterly informal meetings. Additionally, in line with this decision, an annual written report on programme implementation is to be provided at the first regular session each year. This will continue until the programme has been deemed complete upon a final external evaluation submitted to the Executive Board.

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I. Introduction

1. In its decision 2024/28, the Executive Board requested UNOPS management to provide updates on the implementation of the process innovation and digitalization programme, including written information on the selection process for the enterprise resource planning system, at quarterly informal briefings, as well as an annual written report on implementation at the first regular session each year until the programme implementation is determined complete after a final external evaluation to be submitted to the Executive Board.

2. This annual report on implementation of the programme describes progress across all sub-programmes; steps taken to support and inform the selection process of the enterprise resource planning system; and changes to timelines following Executive Board decision 2024/28 requesting that a formative evaluation of the programme be submitted to the Board at its annual session 2025.

II. Background

3. In line with Executive Board decision 2022/13, UNOPS commissioned a third-party review on its internal control systems, risk management and overall governance structures. The review included 43 recommendations to UNOPS and five to the Board. In response to those recommendations, and in line with decision 2022/24, UNOPS developed a comprehensive response plan identifying 82 actions.

4. One of the recommendations from the third-party review was that "UNOPS should define what kind of operating system is required to support project and programme management, project delivery needs and key corporate functions of the organization across all regions. The regions should be engaged in the process from the start".

5. In response to this recommendation, UNOPS developed five actions, three of which were later brought under the process innovation and digitalization programme (established in early 2023):

(a) A programme to develop detailed planning, scoping, and architecture for digital transformation leading to the design and implementation of new or enhanced UNOPS digital platforms;

(b) The review and reengineering of current project management processes as part of the digital transformation journey;

(c) Building of digital capacity, skills and knowledge in order to ensure that the culture and infrastructure of the organization enable digital practices.

III. Progress on implementation of the process innovation and digitalization programme

6. The process innovation and digitalization programme is part of broader UNOPS reform efforts, which aim to strengthen our ability to deliver quality services, improve efficiency and agility, optimize value for money, and increase impact for the people we serve. The reforms take a holistic approach through work on several fronts: streamlining policies and processes; implementing advanced systems and making better use of data; improving our service delivery framework; decentralizing decision-making within an enhanced accountability framework; and designing and managing projects for impact – all underpinned by a culture that is aligned with United Nations values and which emphasises trust, respect, candour, teamwork, and excellence.

7. Within the overall reforms, the programme aims to provide UNOPS teams with the ability to move to action in a faster, clearer, more user-friendly, and more accountable manner. Specifically, it seeks to deliver **simplified and streamlined processes** in human resources, procurement, finance, and project management (see sections C to F, below); and to automate those processes using **the most appropriate digital solutions**.

8. The programme focuses on improving the use of data to support evidence-based decisions (data collection, analytics, data presentation, and reporting); and supporting the access of UNOPS personnel to knowledge, and their capacity to manage it through the progressive roll-out of artificial intelligence solutions.

9. The first year of the programme, 2023, was dedicated to setting up the team, establishing internal governance, planning the programme, and testing new digital solutions. The team worked with an external management consulting firm and with colleagues from across the organization to understand key organizational capabilities and needs. That foundational exercise and a broad range of internal and external consultations (including with partner United Nations organizations) led to the development of the process innovation and digitalization programme road map. In line with decision 2024/4, the road map was submitted to the Executive Board at its second regular session in 2024.

10. The programme comprises seven areas and sub-programmes, described in sections A to G below.

A. Country and regional engagement

11. Priorities and actions under the process innovation and digitalization programme are decided in consultation with front-line teams. Since May 2024, through surveys and interviews with personnel across the globe, the programme has collected over 2,700 suggestions for changes to processes and policies. Feedback is being redirected to relevant sub-programme teams to inform process redesign and new digital solutions. A dashboard showing the status of suggested changes is under development to provide transparency on how the programme is addressing expressed needs.

12. Beyond the active engagement of in-country personnel, regional personnel are represented in the respective governance bodies for the programme, and user-groups / consultation-forums are active at the project level to help capture needs across the organization.

B. Partnerships and project management sub-programme

13. As part of the process innovation and digitalization programme, a partnership relationship management system was developed to help UNOPS manage relationships with partners. The system is being piloted in Africa and Asia, with other regions to follow.

14. The system will be integrated with a new project, programme, and portfolio management platform (under construction), which captures project opportunities and takes them all the way to signing a contract with the funding partner.

15. In September 2024, the project, programme, and portfolio management board endorsed a framework that allows UNOPS to tailor its delivery approach, controls, and delegation of authority levels to the particular needs and complexity of each initiative (project, programme, or portfolio). The framework aligns with the accountability framework that UNOPS will present at the annual session 2025.

16. In early 2024, UNOPS established a long-term agreement with a well-regarded grant and project management software provider with clients across various sectors, including other United Nations and international development organizations. Through this partnership, UNOPS is developing a new grants management system with input from grant practitioners, the first version of which is set to be deployed in the second quarter of 2025.

C. Procurement sub-programme

17. In the area of procurement, the mapping of all 'as-is' processes will be finalized by the end of 2024, in preparation for the redesign effort that will take place once the appropriate digital solutions have been identified.

18. UNOPS concluded an 'expression of interest' process for sourcing, contract management, and supplier management capabilities. Nine suppliers were identified as capable of delivering compliant sourcing solutions; six of them also demonstrated expertise in contract and supplier management.

19. UNOPS is now able to compare leading solutions available on the market with current UNOPS capabilities, and to make decisions about new solutions. It became clear that even if our current sourcing solution – eSourcing – has gaps, it would be preferable for the organization to enhance it rather than procure a new solution. The enhanced platform will be rolled out in 2025, in accordance with the road map.

20. In the areas of supplier and contract management, the expression of interest process has shown that compliant suppliers have advanced off-the-shelf solutions that cover UNOPS needs. With the enterprise resource planning now delayed by a year (see explanation below), UNOPS is working to

reach a final decision on solution selection and implementation timelines for supplier and contract management.

21.   The digital solution that supports the Contract and Property Committee in its evaluation of UNOPS procurement processes is progressing; roll-out is now planned for the first quarter of 2025.

D.   Human resources sub-programme

22.   In the area of human resources, UNOPS has completed the competitive procurement of a specialized solution for recruitment and on-boarding. The recruitment process, which has already been simplified, is being redesigned leveraging innovative technology and taking into account feedback received from across the organization – including from recently recruited external candidates. Detailed implementation planning is underway for the phased roll-out of the new recruitment and on-boarding processes and system, starting in the second quarter of 2025.

23.   UNOPS has yet to determine to what extent it will need to develop a separate solution for the talent marketplace (the system that supports matching personnel with opportunities), or if solutions already selected could meet expectations in terms of identifying talent and opportunities for mobility and effective workforce planning. A decision will be made in the first quarter of 2025, and UNOPS will adjust the programme road map accordingly.

24.   The new digital solution for performance management will be developed either as part of the enterprise resource planning solution (now delayed), or as a specialized system. The decision will be made in early 2025 and the road map adjusted accordingly.

E.   Finance sub-programme

25.   By the end of 2024, the financial data model will have been fully revised in preparation for a new enterprise resource planning system.

26.   As part of the programme, three treasury solutions will be delivered within the enterprise resource planning system or through specialized systems. The solutions aim to: (a) enhance the due-diligence processes in place within the treasury function for direct financial counterparts (also known as the 'know your client' tool); (b) enhance existing manual processes for treasury investment analytics and accounting; and (c) replace existing manual processes and data storage, enabling real-time bank guarantee management.

F.   Data and analytics sub-programme

27.   All UNOPS data is being *cleaned* in order to strengthen the quality of data transparency and integrity, and to prepare for the implementation of data analytics and machine learning tools.

28.   Efforts in the area of systems integration include the implementation of an application programming interface-based integration platform. This platform plays a crucial role in connecting different digital solutions and ensuring that data flows between them.

29.   The UNOPS public data portal (beta version) was released for testing in June 2024 and will be released for general availability before the end of 2024. The portal allows the public to explore information on over 1,000 active UNOPS projects; provides visibility into key UNOPS deliverables; and serves as a portfolio of UNOPS projects. Improvements to the portal will continue to be implemented into 2025.

G.   Information, knowledge management, and digital tools sub-programme

30.   In June 2024, UNOPS launched an experimental artificial intelligence-powered chatbot solution. The chatbot is fed with UNOPS data and provides a secure environment for personnel to get help with daily tasks and access UNOPS-specific knowledge and information in a matter of seconds. The chatbot is still a proof of concept and will continue to be enhanced as part of the process innovation and digitalization programme.

31.   Other artificial intelligence use cases are being explored. A group of UNOPS personnel is piloting the 'Gemini' solutions embedded into Google Workspace, which includes all the productivity tools used by personnel in their day-to-day work.

32.   The UNOPS policy and process portal was launched in October 2024, replacing a previous system that was no longer fit for purpose. The portal is a centralized repository for UNOPS policies

and processes, making them easily accessible, searchable, linked, and collaborative among all personnel. Further developments to the portal are expected throughout 2025 as policies are revised, processes are redesigned, and a new legislative framework is operationalized.

33. To make country-level operations more efficient, a series of tools supporting team knowledge, support services, and task management were developed to support country office needs. Those solutions ('country packs') were piloted and refined and are now available to country offices upon request.

IV. Selection process for the new UNOPS enterprise resource planning system

34. This chapter presents work to date regarding the selection of a new enterprise resource planning system for UNOPS and the proposed new timeline for its selection in the light of decision 2024/28.

35. Several reviews and consultations, both internal and external, informed the decision to change the UNOPS enterprise resource planning system:

(a) Findings and recommendations from the 'Digital Transformation, First Steps' project conducted with external consultants in 2022;

(b) Comprehensive response plan pursuant to the recommendations of the independent third-party reviews of UNOPS;

(c) Findings and recommendations from the ecosystem selection project conducted with external consultants in 2023; and

(d) An internal UNOPS assessment carried out by the Information Technology Group regarding the performance and sustainability of the present enterprise resource planning system.

36. In the first few months of 2024, the programme team undertook comprehensive market research to: (a) better understand the latest innovations and possibilities in the dynamic space of enterprise resource planning systems; and (b) identify which solutions could potentially meet UNOPS needs and ambitions, accompanied by a timeline for system selection and implementation.

37. The decision to change the current UNOPS enterprise resource planning system was validated by the management team in March 2024 and presented to the Executive Board (as part of the road map) at its second regular session 2024. The target-date for the 'go live' was set for 1 January 2027. The following paragraphs describe the research and analysis undertaken.

A. Options analysis

38. UNOPS commissioned a third-party analysis by an independent consulting firm to assess options for the replacement of its current enterprise resource planning system. The analysis, concluded in August 2024, was presented to the management team in October 2024. The results of that analysis will be considered once the external formative evaluation of the process innovation and digitalization programme is concluded.

B. Comprehensive market research

39. In parallel with the options analysis, UNOPS conducted market research to assess relevant enterprise resource planning solutions available on the market.

40. Relevant bidders were assessed in two main interactive phases: in July 2024, 'demos' were organized for bidders to showcase their solutions and functionalities; and in September 2024, interactive proof-of-concept sessions were organized whereby bidders showcased the practical implementation of the solutions based on use cases, prepared by UNOPS, covering key finance, procurement, and human resources processes.

41. An internal assessment panel was established, comprising internal stakeholders (including human resources, procurement, finance, project management, shared services, and regional and field-based personnel). The proof-of-concept sessions were observed by an independent assessor. The panel took into account functional and non-functional criteria, implementation considerations, and input received from panel members and observers.

42. The assessment allowed UNOPS to define a very precise picture of available enterprise resource planning solutions on the market.

C. Change in timeline for implementation of a new enterprise resource planning system

43. In its decision 2024/28, the Executive Board requested the Internal Audit and Investigation Group to commission an external formative evaluation of the process innovation and digitalization programme, to be completed in April 2025. In October 2024, the group recommended, and the Executive Director decided that the selection of the new enterprise resource planning system for UNOPS would take place only after the evaluation was presented to the Board at its annual session 2025.

44 With that adjustment in timing, the go-live date for the enterprise resource planning system was tentatively moved to 1 January 2028. The road map for the programme, which is being updated to reflect the adjusted timeline, will be shared with the Board further to its decision regarding the formative evaluation of the programme at the annual session 2025.

V. Conclusion

45. Progress is being made across all areas and sub-programmes of the process innovation and digitalization programme. The mapping of existing processes is progressing; consultations are ongoing with front-line teams to gather their preferences for new processes; UNOPS has conducted market research for many of its digital solutions (sourcing, supplier and contract management, treasury, and enterprise resource planning); and key procurement processes have been completed (grant management, recruitment and on-boarding).

46. Significant strides have been made to inform the selection process for a new enterprise resource planning system. Thorough options analysis and market research have been conducted in line with the planned timelines. The next steps regarding the selection and procurement process of a new enterprise resource planning system are on hold until the external formative evaluation of the programme is presented to the Executive Board at its annual session 2025. As a result, the go-live date for the new enterprise resource planning system has been tentatively moved to 1 January 2028, and the programme road map is being adjusted. Programme components not affected by the selection of the enterprise resource planning system continue to be implemented.

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