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UNOPS process innovation and digitalization programme implementation

**Annual report on the implementation of the process innovation
and digitalization programme and its associated risks**

Summary

This annual report is presented in response to decisions 2024/28 and 2025/33 in which the Executive Board requests an update on the implementation of the process innovation and digitalization programme and the management of its associated risks.

The programme, launched in 2023, is a multi-year transformation initiative established to strengthen UNOPS capacity to serve its partners and beneficiaries. Significant progress has been made, with several projects successfully concluded and other currently under implementation.

The programme's focus for 2026 is to ensure the successful delivery of ongoing projects and to further strengthen UNOPS approach to artificial intelligence and data capabilities. Completing these projects is essential to fully realize the benefits of the investment made to date and ensure UNOPS enhanced delivery.

Work on replacing UNOPS enterprise resource planning system is paused following Executive Board decisions¹ and the Secretary General's request² for an initial analysis of the pros and cons of a potential merger between UNDP and UNOPS.

The report also details the programme's risk management approach, providing an overview of key risks and the proactive actions being taken to mitigate them.

By increasing efficiency, the process innovation and digitalization programme allows UNOPS to pass cost savings – that come with efficiencies in processes and management capabilities – through to projects, partners and beneficiaries. It enhances the capabilities of UNOPS personnel to transfer knowledge, increase expertise, and therefore respond quicker and execute better.

The programme is at a critical financial crossroads, entering 2026 with funds to cover only two months of current commitments. This situation creates an unsustainable environment for efficient planning and management and puts at risk the investments made to date.

¹ Decision 2024/28 requesting an external formative evaluation of the programme, and decision 2025/33 with no approval of multi-year funding for the programme.

² Report of the Secretary-General, UN80 Initiative, Shifting Paradigms: United to Deliver, Workstream 3: Changing Structures and Realigning Programmes.



Elements of a decision

The Board may wish to consider establishing a multi-year process innovation and digitalization programme reserve of \$59.81 million to cover programme costs (2026-2030), or alternatively authorizing \$10.12 million from UNOPS liquid excess reserves – in addition to the rollover balance of \$1.90 million from the previously allocated \$3 million – to fully fund the 2026 programme plan of work, and to agree to revisit the programme’s multi-year plan and funding at its second regular session in 2026.

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I. Introduction

1. Prepared in response to Executive Board decisions 2024/28 and 2025/33, this annual report provides a comprehensive update on the implementation of the process innovation and digitalization programme and on measures UNOPS is taking to manage its associated risks.
2. Specifically, the report includes:
 - (a) *background* (section II): a brief overview of the programme's history;
 - (b) *progress and achievements* (section III): results and progress delivered to date across sub-programmes;
 - (c) *current status and challenges* (section IV), including priorities for 2026, challenges and the approach to replacing UNOPS enterprise resource planning (ERP) system;
 - (d) *risk mitigation* (section V): an overview of all major programme risks and the actions taken to mitigate them; and
 - (e) *conclusion* (section VI): key takeaways and suggested decisions for Board consideration.
3. This report should be read in conjunction with the “Information note: process innovation and digitalization programme budget, financial performance and funding options”, which provides detailed financial information.

II. Background

4. The process innovation and digitalization programme was grounded in a clear and compelling business case: the urgent need to modernize UNOPS core operations. In 2021-2022, UNOPS benchmarked its digital maturity against public and private-sector industry standards, with support from a leading digital transformation consultancy. The assessment confirmed that the organization faced significant operational challenges stemming from an ageing technology infrastructure and limited system functionality.³ These challenges included complex and inefficient processes that resulted in delays, quality concerns, and frustration for personnel and partners (as reflected in the 2022 UNOPS partner survey); inadequate data accessibility and accuracy that hampered real-time decision-making; and heightened security vulnerabilities. Together, these findings underscored the need for systemic reform.
5. In 2022, at the request of the Executive Board (decision 2022/13), another leading consulting firm conducted a review of UNOPS internal control systems, risk management and overall governance structures, including its processes and systems and recommended 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”. In response, at the first regular session 2023, UNOPS developed a set of initiatives captured in the comprehensive response plan (DP/OPS/2023/CRP.3) under the oversight of the Executive Board.
6. The programme was subsequently launched in early 2023 as a multi-year effort to deliver on the comprehensive response plan’s long-term commitments for system and process reform. It forms an integral part of UNOPS broader organizational transformation, aiming to strengthen its ability to deliver quality services, improve efficiency and agility, and increase overall impact in line with the Secretary-General’s Our Common Agenda (A/75/982).
7. The programme creates a comprehensive, modern operating system for UNOPS, structured around six core sub-programmes:

³ Gartner Consulting, “Digital strategy priorities and roadmap”, 2022.

- (a) partnerships and project management;
- (b) procurement;
- (c) human resources;
- (d) finance;
- (e) data-driven decision making; and
- (f) knowledge management.

8. The approach is holistic, ensuring that UNOPS processes are made as simple and flexible as possible, with digital systems optimally set up to meet the organization's needs. The programme is implemented jointly with teams across the organization and in consultation with other United Nations entities, highlighting a shared commitment to best practice and harmonization.

III. Progress and achievements

9. Since the launch of the process innovation and digitalization programme in 2023, a significant volume of work has been delivered, resulting in new processes and specialized digital solutions. The programme has successfully introduced several key systems to modernize core organizational functions. These changes are already generating value across UNOPS while laying a robust foundation for the critical solutions still to come. This body of work demonstrates the programme's tangible progress and the benefits realized from the initial investment.

10. **In human resources**, Talent+, the new platform for talent acquisition platform, went live in November 2025. This system streamlines processes, automates workflows, and applies smart technology to reduce manual tasks for more than 260 human resource practitioners. It also provides over 1,400 hiring managers with a personalized portal offering greater visibility and oversight of recruitment, while ensuring internal and external candidates enjoy a smoother, more transparent application and onboarding journey. Readiness assessments and adoption of the new tool indicate a smooth and successful transition. Within the first twenty days of launch, over 50 recruitments were initiated in the new system, and more than 10,000 candidates joined the Talent+ profile database. The interest expressed by UNDP in the technology behind Talent+ demonstrates the potential for shared solutions across the United Nations system. The second phase of the project will be delivered in 2026.

11. **In partnerships**, Opportunity+, a new artificial intelligence-enabled partner relationship management system, has been deployed to capture the full cycle of work with partners, adapting to various country contexts and filling a long-standing gap in siloed opportunity development. With over 500 partner-facing colleagues onboarded, 1,600 partner interactions logged, and 1,150 partner contacts recorded, the system is set to become business-critical from January 2026 as it enables the design of projects for impact and begins automating project approval workflows. Further enhancements are planned throughout 2026 to cover the entire project management cycle.

12. **In procurement**, work is underway to rebuild UNOPS sourcing system and integrate supplier management capabilities. A standard methodology and digital solution for risk assessment in medicine procurement is already operational, with more than 1,200 medicines profiled and 140 risk classifications established between June and October 2025. The database will grow as the tool is used for new procurements, supporting pharmaceutical experts and decision-makers with increasingly robust information.

13. **In finance**, efforts have focused on addressing current operational bottlenecks, rethinking the financial data model, and refining processes to support smoother operations today and for a future ERP transition. System logic improvements now allow more accurate and real-time tracking of budgets, commitments and actuals; more reliable funds availability calculations at any given point

in time; stronger financial forecasting – critical for achieving net-zero revenue; and better preparedness for a future ERP migration. Administrative controls have been automated to ensure alignment with administration-funded positions – positions not funded through a management fee and not directly charged to specific projects – and allocated budgets, strengthening expenditure management by eliminating risks of budget deviations previously caused by manual processes. Treasury functions have also been strengthened through digital enhancements to due diligence and risk management, including know-your-customer functionality and sanction-screening capabilities acquired through the United Nations International Computing Centre (UNICC).

14. **Further enhancements** have been made to contract administration and payroll for human resource services (when UNOPS administers human resources contracts on behalf of partners). These include enabling partner branding on personnel contracts and payslips and integrating an electronic signature solution to accelerate the onboarding of new UNOPS personnel.

15. **A new policy and process portal** was launched in October 2024, centralizing key information pertaining to UNOPS legislative framework. All policies are already available on the platform, and processes and guidance are gradually being added using a standard methodology that clearly distinguishes mandatory from recommended steps in organizational activities. User satisfaction has exceeded the 70 per cent performance target for 2025, with continued improvements expected as more processes are redesigned and additional guidance is added.

16. The programme has significant progress in strengthening UNOPS **data and knowledge management** capabilities. An experimental artificial intelligence-powered chatbot (Bob), trained on UNOPS-specific information, is used by approximately 500 colleagues each month as a daily task assistant. Adoption of Google Gemini with UNOPS productivity suite has reached over 4,000 active users (73.2 per cent of UNOPS licensed users), with 80 per cent of sampled users in fourth quarter 2025 reporting meaningful time savings. Over 1,000 colleagues have been trained to use artificial intelligence to enhance their day-to-day tasks.

17. **UNOPS data portal** has been revamped and now provides public access to historical data and near-real-time updates on more than 1,000 active projects. The portal has already seen a 24 per cent increase in user engagement (measured in page views).

18. The programme has also delivered a **modernized support service portal** used daily by thousands of UNOPS personnel to request services, seek assistance, and access guidance across human resources, finance, procurement, project management, legal and more. By consolidating previously fragmented systems and email-based processes into a single entry point, the portal reduces manual workload, improves tracking requests, and strengthens support delivery. It also provides managers with data on recurring issues, supporting continuous service improvement.

19. To conclude, several knowledge and task-management tools have been introduced to support the daily work of UNOPS teams across the globe.

IV. Current status and challenges

20. With significant progress achieved to date and several new systems nearing completion, the process innovation and digitalization programme faces growing uncertainties regarding its scope, timeline and funding. These uncertainties underscore the crucial importance of careful planning and delivering on commitments.

21. The programme was originally designed as a five-year effort (2023-2027) that included the selection and implementation of a new ERP system, scheduled to begin in 2025. Following

Executive Board decision 2024/28, which requested a third-party review, UNOPS postponed the ERP selection – the programme’s largest initiative – until the external evaluation could be presented to the Board. A subsequent re-planning exercise resulted in a revised programme timeline (2023-2029) and in a multi-year budget presented to the Board at its annual and second regular sessions 2025. Decisions 2025/20 and 2025/33 have led to further deferral of ERP selection and of multi-year funding of the programme from liquid excess reserves.

22. At present, work on the ERP replacement remains paused. This pause will continue until further clarity is available regarding the Secretary-General’s request for an initial analysis of a potential merger between UNDP and UNOPS, and until a decision is reached on the allocation of multi-year funding for ERP implementation. As a result, the programme’s overall timeline and budget will need to be revised again once decisions on the potential merger are made, enabling UNOPS to define an informed strategic approach to the ERP. Additional details regarding the programme’s current budget and funding situation are provided in the information note submitted alongside this annual report.

23. Overall, 12 of the 28 projects outlined in the latest implementation strategy approved by the programme board – Roadmap, version 2, August 2025 – have been completed, with several others on track for full delivery by the end of 2026. These planned 2026 deliverables – including six business-critical processes and systems – represent the culmination of investments and efforts over the past two to three years and constitute mission-critical components of UNOPS operational infrastructure. Key priorities for 2026 include:

(a) **End-to-end redesigned project management process and system (Project+).**

Building on the new approach to opportunity development delivered in 2025 through Opportunity+, work continues into 2026 to review the UNOPS entire project management framework and build Project+. This is a complex and critical initiative, affecting more than 2,300 project personnel and 500 partnership-specific roles, and will eventually replace the major existing system, OneUNOPS Projects. Project+ will provide:

- (i) *a simplified process for opportunity development to results*, ensuring a seamless data and information flow across all stages (opportunity development, implementation, and closure);
- (ii) *integrated digital tools* for project managers and teams to track results, budgets, schedules, risks, partner agreements and reporting requirements in one place;
- (iii) *a consistent experience and engagement* for partners, from initial dialogue to delivery of final results; and
- (iv) *streamlined project closure*, including timely financial reconciliation and clear reporting.

(b) **End-to-end grants management system (Grant+).** UNOPS grant support portfolio is substantial, having delivered \$4.3 billion through more than 500 projects since 2015 and approximately \$500 million delivered annually over the last five years. UNOPS currently supports more than 3,500 active implementing partners. Historically, grant support projects relied on project-developed processes and systems that were not integrated with core UNOPS platforms, creating challenges in oversight and reporting. The need for a dedicated grant management system has been highlighted by the United Nations Board of Auditors,⁴ the Joint Inspection Unit⁵, and the Internal Audit and Investigations Group.⁶ Grant+ is fully underway

⁴ United Nations Board of Auditors: A/78/5/Add.11.

⁵ JIU/REP/2021/4.

⁶ UNOPS Internal Audit and Investigations Group (IAIG/11101/206).

and on track for delivery in 2026. It will introduce redesigned processes covering the full grant lifecycle – from proposal to closure – and a new grant management system supporting over 1,500 UNOPS personnel and thousands of implementing partners in delivering efficient and transparent grant support. While some functionalities are already live, the system will be fully deployed and mandatory in 2026, as more capabilities become available.

(c) **Candidate relationship management functionalities within Talent+.** These capabilities will allow UNOPS to centrally manage candidate relationships and talent pools, enabling human resources practitioners to proactively engage with potential candidates, track interactions and communications over time, and build strategic talent pipelines for future hiring needs. This system will complement Talent+ by maintaining ongoing relationships with candidates beyond individual recruitments, supporting more efficient talent sourcing and reducing time-to-hire.

(d) **Integrated internal marketplace.** A current gap is the absence of a comprehensive, centralized view of personnel data – including who works on which project, how long people have been in their roles, and the range of skills individuals possess across the organization. This impedes UNOPS ability to efficiently allocate internal talent to emerging needs, conduct effective workforce planning, support staff mobility, and identify critical in-house skills or skills needing to be developed or acquired. The talent marketplace solution will address this by:

- (i) mapping UNOPS personnel skills, experiences, interests and preferences; and
- (ii) enabling hiring teams to match internal talent to emerging opportunities.

(e) **New sourcing system with integrated internal reviews and sustainability considerations that support supplier management.** Procurement generates over half of UNOPS global annual delivery (over \$1.7 billion) through UNOPS current sourcing, working with over 5,700 suppliers worldwide. The current system, developed in-house in 2016, has served UNOPS well, but evolving operational complexities require faster procurement cycles and enhanced quality assurance to accelerate beneficiary impact. Work began in 2025 to rebuild the sourcing system. The new solution will support reliable supplier identification, robust evaluation criteria, management of complex tenders, flexibility for emergency and offline awards, and integration of sustainability consideration in procurement and supply chain operations. This tool will support the daily activities of more than 1,200 procurement officials and authorities.

(f) **Supplier management platform.** UNOPS engages with over 6,000 suppliers, yet most supplier interactions are conducted manually via email with multiple frontline teams. This results in duplication of effort, missed opportunities for synergy, and lost insights regarding supplier engagement. The new supplier portal will close these gaps and serve as a one-stop shop to improve efficiency, collaboration and transparency in supplier engagement.

(g) **Continued improvement of financial processes and mitigation of bottlenecks in the existing enterprise resources planning system.** In 2026, the programme will implement substantial changes to the way in client financial data is structured across multiple systems. This work is essential to comply with the new International Public Sector Accounting Standards (IPSAS) 47 and 48 requirements, entering into effect on 1 January 2026.

(h) **Establishment of an artificial intelligence practice.** The objective is to transition UNOPS from ad hoc artificial intelligence to a systematic, organization-wide capability that drives operational excellence, innovation and strategic value. A team of experts will support

programme-wide digital solutions and lay the foundations for UNOPS long-term digital and artificial intelligence strategy across three pillars:

- (i) *capability and adoption* – building digital and artificial intelligence dexterity and cultivating an artificial intelligence-proficient UNOPS workforce to drive productivity, efficiency and development effectiveness;
- (ii) *partnerships and outreach* – serving as the external interface for artificial intelligence, translating artificial intelligence capabilities into tangible business value and enhancing the project pipeline; and
- (iii) *solutions incubator* – conceptualizing, prioritizing and blueprinting high-impact artificial intelligence use cases to address risks associated with inconsistent quality, low scalability and ad-hoc integration.

(i) **Establishment of a data practice.** Achieving UNOPS Strategic Plan, 2026-2029, requires a strong commitment to data, performance tracking and assessment, specifically strengthening capacity in data collection, analytics and governance. The data practice will:

- (i) deliver strategic information to leaders through authoritative dashboards and analytics for monitoring and performance management;
- (ii) improve data quality by fixing input issues through governance and user training;
- (iii) create formal roles for data stewardship and establish processes for escalating issues;
- (iv) systematically collect and manage data on project outcomes and impact;
- (v) boost data capabilities for field operations across all regions; and
- (vi) support decision-making through high-quality, data-driven dashboards.

24. The programme’s most immediate challenge is the lack of predictable funding authorization, especially for the immediate needs of the full year of 2026. While the Executive Board approved the use of \$3 million from UNOPS reserves in its decision 2025/33, no commitment has been made for multi-year funding, and the programme currently has sufficient funds only for the first two months of 2026. To ensure completion of ongoing strategic projects and avoid sunk costs from unfinished work, funding certainty is required for at least the full year. Further details on the programme’s budget, financial performance and funding situation are available in the information note submitted in conjunction with this annual report.

25. Confirming the 2026 workplan is essential to secure talent retention, enable effective resource planning, and ensure full realization of the benefits of investments generated to date. All remaining programme projects – apart from ERP replacement and ongoing work in artificial intelligence and data analytics – are planned for completion by the end of 2027.

26. The Executive Board has maintained close engagement with the programme since its inception through regular monthly and quarterly briefings. This dedicated oversight, combined with the recent third-party review confirming that the process innovation and digitalization programme is relevant and “progressing towards its objectives of strengthening UNOPS delivery for partners and beneficiaries”,⁷ consistently demonstrates that the programme remains on a solid foundation. While this progress is validated, the programme continues to welcome opportunities for improvement and has taken actions in response to all the recommendations and risks identified in the review. Section V provides details of the programme’s response and mitigation measures.

⁷ KPMG, “External evaluation of the process innovation and digitalization programme”, UNOPS, May 2025, final report, executive summary, main observations.

V. Approach and progress on risk mitigation

27. It is both natural and expected for a transformative initiative of the scale of the process innovation and digitalization programme to present risks. The programme's approach is therefore one of best practices, focusing on continuous identification, monitoring and proactive management of risks. It is important to note that the risks outlined in this section are potential threats; they are not (and should not be confused with) issues that have already materialized.

28. In alignment with best practice, the programme maintains and manages risk registers for all projects, and risks are routinely discussed at management meetings and across all governance layers. To ensure adequate attention, risk-specific meetings are now held at different levels of governance, and the programme's management team collaborates with the Risk and Compliance Group and the Internal Audit and Investigations Group.

29. The third-party evaluation conducted in 2025 identified seven key risks, and the programme has taken all recommendations to heart, integrating them into its management practices:

(a) **Advancing all six sub-programmes simultaneously without quantitative prioritization metrics risks resource overextension and sub-optimal delivery focus.** This risk is being mitigated by the establishment of quantitative prioritization criteria, scoring mechanisms, and a formal process for approving changes or additions to the programme scope and implementation plan. The prioritization criteria and process are now in use, with three requests currently under review. Furthermore, efforts in 2026 will focus on fewer but larger projects with a broader set of long-term benefits, shifting from the more numerous concurrent projects of 2025.

(b) **Limited adoption of an end-to-end process development approach could result in fragmented systems and sub-optimal decision-making.** To prevent this, process redesign is being coordinated across all functional areas, supported by regular cross-practice meetings and workshops tailored to specific cross-functional processes. End-to-end processes have been mapped and continue to be refined to ensure systems are integrated as new systems are designed and implemented, enabling optimal decision-making.

(c) **Dependence on certain key resources, without sufficient external expert insights, could hinder alignment with modern industry best practices and create programme-level implementation challenges.** To manage this, the programme has relied extensively on external expert input from its inception, including leading consultancy firms (Accenture in 2023, Gartner in 2022 and 2024), and the independent third-party review (KPMG in 2025), with all recommendations now integrated. Additional external expert support is being provided on cybersecurity challenges (Deloitte in 2025). Implementation challenges are monitored closely through the three layers of governance and supported by an external portfolio management function overseeing organization-wide transformation.

(d) **Limited in-depth financial estimates, efficiency assessments, and total-cost-of-ownership calculations could lead to budget overruns and uninformed strategic decision-making.** As per the review's recommendation, the programme budget was revised to provide detailed costs per project/product. Additionally, total cost of ownership calculations is now part of the standard procedure for technology decision-making. Monthly financial reports are issued, and a programme financial dashboard enables governance layers to easily monitor financial performance across all projects and at a programme level. It is important to note that the programme successfully avoided budget overruns since 2023; rather, it has been underspent through a prudent approach that avoids long-term commitments amid funding uncertainty.

(e) **Gaps in integrating cybersecurity considerations into system development, coupled with an assumption that internally developed solutions offer higher security, could expose systems to vulnerabilities and security breaches.** To address this, senior management has clarified and formalized accountability and responsibilities for cybersecurity across key roles. Organizational structure adjustments were made, and regular coordination meetings were established to ensure alignment and a consistent approach across all projects. A consulting firm has been engaged to assess UNOPS most critical assets and cybersecurity threats. This assessment, based on the organization's strategic goals and operational model, will inform a prioritized strategy and roadmap for asset protection and serve as the foundation for UNOPS new cybersecurity framework. Expert advice also covers enhancements to incident response, business continuity, and recovery – to ensure swift response and minimal disruption – as well as periodic security maturity assessments benchmarked against industry standards.

(f) **Continuing with the current highly customized ERP introduces risks related to system integration and long-term maintenance.** UNOPS is fully aware of the need to modernize its enterprise resources planning system and has planned to do so since 2023 as part of the programme. In the context of the initial analysis of a potential UNDP-UNOPS merger, however, UNOPS will wait for additional information before deciding on ERP replacement. In the meantime, new solutions being developed have a strong focus on integration and are built to connect with both the current and any future enterprise resources planning system.

(g) **Limited awareness of programme-level strategic progress and objectives at sub-programme levels may lead to ineffective and inefficient implementation.** To mitigate this, strategic updates on the programme and broader organizational transformation are shared at governance board meeting. Dashboards accessible to all personnel present up-to-date information on project status, milestones, slippages against approved plans, performance against key indicators, stakeholder engagement across different sub-programmes (with at least one-third of UNOPS personnel in some form), and near-real-time data on financial performance and budgets by project. Dedicated risk management meetings support governance layers, and communications continue to reinforce project rationales and objectives.

30. As reported to the Executive Board in advance of the annual session 2025⁸, as well as in informal consultations in July, August, August and October 2025, progress is being made against all recommendations from the third-party evaluation and is tracked in an action plan that is regularly updated. The recommendation from the United Nations Board of Auditors in 2024 – “that UNOPS strictly control project timeline changes throughout the entire PID [process innovation and digitalization] programme to implement it in time, according to the PID Roadmap new version, once approved”⁹ – was recently assessed as implemented by Board of Auditors in its status interim audit of November 2025. UNOPS looks forward to a final confirmation in 2026.

31. The programme also highlights the highest-rated programme-level risks identified internally, in addition to those identified in third-party findings:

⁸ Information note: management response to the external evaluation of the process innovation and digitalization programme, <https://www.unops.org/about/governance/executive-board/executive-board-documents?documentType=documents-for-sessions&year=2025>

⁹ Report of the Board of Auditors, A/80/5/Add.11, 2024 paragraph. 74

(a) **Lack of commitment to multi-year funding creates an uncertain context, which may lead to constant re-evaluation of the timeline and scope, increased cost implications, and sunk costs on unfinished projects.** Mitigation strategies include pausing the refund of liquid excess reserves, engaging with the Executive Board to bring awareness to funding situations and implications, escalating funding considerations to the Transformation Board, and prioritizing ongoing activities within the available budget to maximize benefits from investments to date.

(b) **Insufficient harmonization with other United Nations organizations may lead to the perception that UNOPS is not committed to system-wide efficiency goals and hinder the realization of collaboration benefits.** This risk is managed through UNOPS active involvement in system-wide efficiency initiatives, such as the Business Innovation Group and the High-Level Committee on Management. Bilateral engagement with partners such as the United Nations Children’s Fund, UNDP and UNICC is exploring the sharing of technology, including large-scale systems such as enterprise resources planning. Furthermore, UNOPS is involved in initial analysis of a potential merger between UNOPS and UNDP, which will examine the implications for processes and systems.

(c) **UNOPS Information Technology Group's fully utilized capacity, in light of new requests and urgent issues, may lead to delays, scope creep and timeline changes for ongoing projects.** In response, programme management continuously manages and adjusts prioritization of deliverables and actively communicates changes to plans and timelines to the programme’s Board and UNOPS personnel.

(d) **Uncertainty surrounding the programme’s funding may lead to loss of critical personnel (talent loss) and a reduction in the programme’s capacity and speed to deliver on projects.** In this case, risk mitigation is translated into transparent and regular communication from leadership on: budget status, highlighting the programme’s strategic importance and continuity of core functions; preparing for different funding scenarios, including commitment to a minimum of three months' notice period; and implementing short-term retention and engagement measures (recognition, involvement in planning, professional development).

32. These efforts demonstrate the programme's commitment to continuous improvement and to ensuring that it remains on a solid and well-managed foundation, recognizing that risk management is an ongoing activity that will continue until the programme’s completion.

VI. Conclusion and proposed way forward

33. The process innovation and digitalization programme is fundamental to UNOPS work to enhance efficiency, strengthen project management (including risk mitigation), and advance organizational reform. It is helping to build a stronger, more effective organization, fully aligned with the objectives of UN80. The programme has already delivered several solutions and is making steady progress on six business-critical systems and other digital tools scheduled for release to users in 2026.

34. By increasing efficiency, the process innovation and digitalization programme allows UNOPS to pass cost savings – that come with efficiencies in processes and management capabilities – through to project, partners and beneficiaries. It enhances the capabilities of UNOPS personnel to transfer knowledge, increase expertise, and therefore respond quicker and execute better.

35. The programme has established a robust risk management approach and has consistently addressed risks inherent to a transformation of this scale. It will continue to maintain close oversight to identify and mitigate emerging risks as the work evolves.

36. To preserve momentum and safeguard the investments made to date, the programme reiterates its request for the establishment of a multi-year process innovation and digitalization programme reserve of \$59.81 million.¹⁰ The Board may consider a short-term funding alternative to address the immediate needs for the critical 2026 workplan that excludes ERP implementation and instead focuses exclusively on delivering strategic solutions that will benefit any future organizational configuration. This alternative allows the programme to continue in 2026 while leaving open the decision regarding future plans.

37. In light of the above, UNOPS respectfully asks the Executive Board, at its first regular session 2026, to consider:

- (a) taking note of the process innovation and digitalization programme 2026 workplan and priorities;
- (b) deciding to return the balance¹¹ of the comprehensive response plan as of 31 December 2025 (forecasted at \$2.04 million) to the reserves;
- (c) establishing a multi-year process innovation and digitalization programme reserve of \$59.81 million, or alternatively authorizing an allocation of \$10.12 million from UNOPS liquid excess reserves (in addition to the rollover balance of approximately \$1.90 million from the previously allocated \$3 million) to fully fund the 2026 process innovation and digitalization programme plan of work; and
- (d) agreeing to revisit the process innovation and digitalization programme and its budget at the second regular session 2026.

¹⁰ The overall process innovation and digitalization programme budget remains at \$79.8 million for the programme's full implementation (2023-2030). Actuals and commitments for 2023-2025 are expected to amount to \$18.08 million. The request for a multi-year programme reserve of \$59.81 million reflects the total estimated funding gap for the remaining years of the programme (total estimated costs of \$61.71 million, 2026-2030, minus the balance of \$1.9 million from the \$3 million allocation approved by the Board in its decision 2025/33). Further details are available in the "Information note: process innovation and digitalization programme budget, financial performance and funding options".

¹¹ Please refer to the "Information note: process innovation and digitalization programme budget, financial performance and funding options", which provides detailed financial information, including on comprehensive response plan funding utilization and balance.