Terms of Reference

GOVERNANCE OF THE UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

1. Background

In its Resolution 21/2 of 20 April 2007 pertaining to the Medium-term Strategic and Institutional Plan (MTSIP) for 2008-2013, the Governing Council (GC21) requested the Executive Director of UN-HABITAT to, *inter alia*, consult with the Committee of Permanent Representatives (CPR) on the "need to review the efficiency and effectiveness of the governance structure of UN-HABITAT". In response to the above decision, the Secretariat adopted a staged approach.

This initially consisted of engaging a consultant, Ambassador Bengt Säve-Söderbergh, with proven expertise and experience in UN governance reform, to carry out an independent overview and assessment. The consultant's findings and report were shared with the CPR in the course of formal and informal consultations in early 2009.

This was followed by a report from the Executive Director to the 22nd session of the Governing Council (GC22) on the topic.

GC22 in consequence passed a resolution, quoted in Section 2 below, that initiated the governance review. These Terms of Reference (ToR) are intended to guide the activities undertaken under the GC22 mandate.

It is important to note that Resolution 21/2 of GC21 placed the governance review in the context of the MTSIP and the preparation of an Action Plan for its implementation. This linkage is crucial for interpretation of the scope of the current review.

Note also needs to be taken of the ongoing reform of the United Nations and the "Delivering as One UN" country pilots. It has become apparent that UN-HABITAT's participation requires a degree of flexibility in decision-making which has not been foreseen in the governance set-up for Programmes that constitute the Secretariat.

The Review seeks to build consensus between the Secretariat and the Committee of Permanent Representatives around a positive vision of the future governance of UN-Habitat that incorporates the above considerations.

2. Objective

Resolution 22/5 states the following:

(i) *Requests the Executive Director and the Committee of Permanent Representatives to undertake jointly, within the work programme and budget, an examination of the governance of the United Nations Settlement Programme with a view to identifying and implementing ways to improve the transparency,*

accountability, efficiency and effectiveness of the functioning of the governance structure and to identify options for any other potential relevant changes for consideration by the Governing Council at its twenty-third session:

(ii) Requests the Executive Director to begin work as soon as possible on the terms of reference for the above-mentioned exercise, which are to be developed in close cooperation with the Committee of Permanent Representatives and submitted for its endorsement.

3. Purpose of Review

The above will be interpreted in the context of the One UN Reforms and the current review of UN-HABITAT's strategic direction and management structure (MTSIP). The following formulation incorporates this perspective, whereby the governance review is complementary to the *Excellence in Management* Focal Area of the MTSIP (FA6):

> The development of a better functioning governance structure for UN-HABITAT that helps to create the conditions for delivering the Habitat Agenda and the Goal of the MTSIP more efficiently, effectively, transparently, accountably, collaboratively and innovatively.

The Goal of the MTSIP is defined in the Results Framework *"Sustainable urbanization created by cities and regions that provide all citizens with adequate shelter, services, security and employment regardless of age, sex and social strata".*

4. Scope

The governance review, in line with the requirements of Resolution 22/5, will be conducted in four phases outlined below and will include those aspects of the management of UN-HABITAT which impact on the functioning of governance processes.

Phase 1 – Formulation of ToR

- Development of a clear understanding, purpose and direction for improved governance in line with the requirements of Resolution 22/5

- Based on the above, draft Terms of Reference for the Review including a timetable for phases 2, 3 and 4 mentioned below.

Phase 2 – Improvement of UN-HABITAT Governance in Nairobi

This phase will be confined to those bodies identifiable as part of the governance structure based in Nairobi and whose operations and inter-relationships can be altered and improved by decision of the UN-HABITAT Governing Council.

- Governing Council

- Bureau of the Governing Council
- Secretariat to the Governing Council, CPR and Working Groups
- Committee of Permanent Representatives including Working Groups
- Bureau of the CPR
- Elements of the Secretariat of UN-HABITAT, including services administered by UNON, that interface with the GC and subsidiary bodies.
- UN Habitat Trust Funds and Programmes
- Regional / Political Groupings (limited to inter-relationships between these and the Secretariat)

This phase will also, where possible, seek to identify quick wins which could be implemented over the short term, before GC 23 on the authority of the CPR and the Executive Director of UN-HABITAT.

Phase 3 – Improvement of UN-HABITAT Governance within the wider UN System and its relations to other International Organisations

This phase will include those bodies that currently have responsibility for elements of UN-HABITAT's governance and which have the authority to undertake or to propose structural alterations to UN-HABITAT if deemed necessary.

- The General Assembly
- UN Secretariat
- ECOSOC
- ACABQ
- CPC

Phase 4 – Submission of Improvement Measures to GC23

Following the Governance Review, options will be presented for consideration by the GC 23, with an indication of the level of consensus (low, medium and high) achieved.

5. Approach & Methodology

The review will encourage views and innovative ideas from a cross-section of Habitat Agenda Partners, taking into account gender sensitivity and regional balance, and will entail:

(a) Identifying the respective strengths and weaknesses of the above and the need for improvement and potential change;
(b) Building upon what already works well and transforming areas that do not currently function effectively;
(c) Prioritizing action steps against relevant time frames and available resources.

Phase 1

Completion of Terms of Reference by joint drafting group and endorsed by CPR Contact Group prior to presentation to CPR on 24 September 2009.

Phase 2

- Vision of Good Governance (this will be conducted at the Contact Group level)
  - What kind of governance is needed?
  - What does good governance look like? Can other UN agencies inspire this process? Development of high level criteria against which performance is assessed
  - What are the requirements to achieve good governance?
  - What are the needs of the CPR and Secretariat and how can these be harmonised?

- Reconnaissance of the existing set-up (this will be conducted by Assessment Teams – see (6) Organisational Arrangements)
  - Understand current Mandates (UN procedures, rules and regulations; and substance (GC decisions)), including respective expectations and interpretations.
  - Inter-relationships between elements of the existing Governance structure (hierarchy, dependencies)
  - Relationships between elements of the existing Governance structure and other stakeholders (NGOs, local authorities etc)

- Assessment (this will be conducted by Assessment Teams – see (6) Organisational Arrangements)
  - Which existing governance elements deliver their respective current mandates?
    - Identification of good and best practices and how these can be built on or upscaled
    - Those that need improvement, consider why? (Is it a problem with mandate, or problem with performance?)

  - Do the current mandates deliver the vision?

- If no, what improvements need to be made?

- o Identification of specific improvements needed in each area identified.
  - Which of these are possible quick wins (CPR and ED approval)?
  - Those improvements requiring GC approval
  - Identification of improvements that will need to be made in Phase 3

- o Does the current governance structure deliver the Vision?
  - If not, consider in Phase 3?

Phase 3

This phase will seek to address any gap between the Vision and the findings of Phase 2.

- Reconnaissance of the existing arrangements
  - o Understand current mandates (UN procedures, rules and regulations; and substance (UNGA decisions)), including respective expectations and interpretations.
  - o Inter-relationships between entities of the existing Governance structure (hierarchy, dependencies)
  - o Relationships between elements of the existing Governance structure and other stakeholders
  - o Progress on, and current direction of UN Reform

- Assessment
  - o Assess the impact on UN-HABITAT of those entities within the wider UN system which have a role to play in UN-HABITAT governance
  - o Identification of good and best practices in relationships with UN-HABITAT and how these can be built on or upscaled.
  - o Those relationships that need improvement
  - o Do the current relations facilitate delivery of the Vision?
    - If no, what improvements need to be made?
  - o Identification of specific improvements needed in each area identified.
    - Are any of these possible quick wins?
    - Those improvements requiring higher approval
  - o Assess improvements cited in Phases 2 and 3 and agree on proposed recommendations as per Resolution 22/5
    - Investigate the success of reform processes in other UN agencies
    - Consideration of alternative governance structures

Phase 4
Following the Governance Review, options will be presented for consideration by the GC 23, with an indication of the level of consensus (low, medium and high) achieved.

## 6. Organisational Arrangements

<u>Entities</u>

1. Contact Group
- A geographically balanced/open-ended Joint Contact Group comprising the members of the CPR and Secretariat reporting direct to the CPR.
- This is currently chaired by either USA or Zimbabwe
- Consideration of Vision of Good Governance as per Phase 2 in Approach & Methodology

2. Implementation Team
- Made up of 5 members of Secretariat and 5 members of the CPR and preferably to reflect regional balance. These members will be chosen by the Contact Group. Chair and Rapporteur will be chosen by the Implementation Team.
- Each member to be supported by an additional two others from the Secretariat/CPR. These members will be responsible for undertaking the work in reviewing the respective governance element(s).
- The Team will decide on process for consideration of 8 elements as defined in Phase 2 of Scope, including specification of milestones and deliverables. (Consideration can be given to each member taking responsibility for the review of each one of the entities defined under Phase 2 Scope)
- The Team will agree processes to complete reconnaissance and assessment stages in Phase 2 Methodology
- The Team will develop detailed criteria against which performance is assessed by the individual Assessment Teams
- Will review preliminary findings of each Assessment Team and integrate these into a final report for consideration by Contact Group
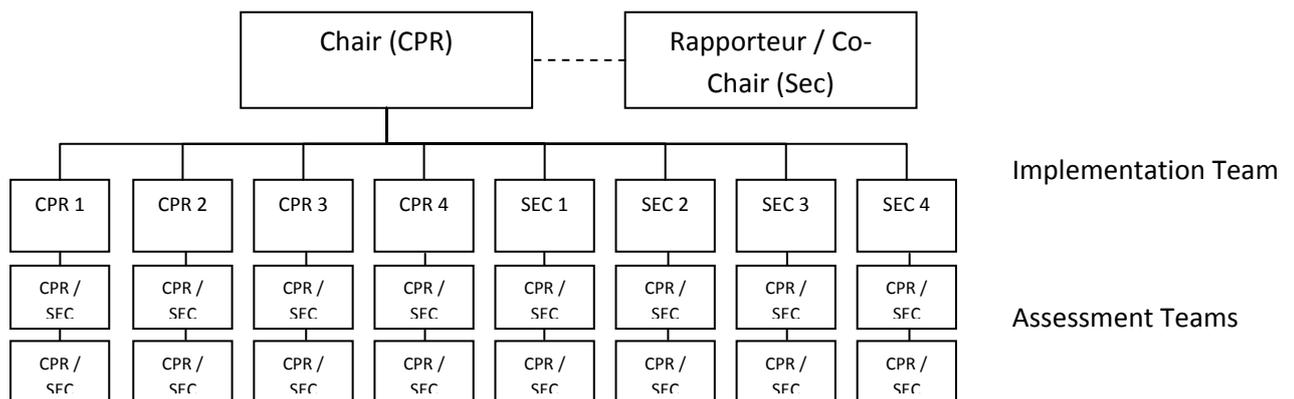
Assessment Teams
- Team leader will be member of Implementation Team
- Assessment team will include members from both CPR and Secretariat in varying portions – recommended size: 3
- Will undertake Reconnaissance and preliminary Assessment as defined under Phase 2 Methodology
- Will report preliminary findings to Implementation Team

7. Proposed Timeline

8 September 2009: Secretariat to present ToR to Contact Group. ToR to be agreed and nominations requested for Implementation Team members (by 24 September 2009)

24 September 2009: Chair of Contact Group to present to CPR to endorse ToR

Between 24 September and 2 October 2009: Implementation Team to be chosen

2 October 2009: Implementation Team to meet and consider the following issues *inter alia:*
- Constitution of each Assessment Team
- Detailed timeline for entire process with established work plan and milestones
- Consideration of methodological details (e.g. surveys etc);
- Refine assessment of resource requirements
- Organisation of brainstorming session of Contact Group on 'Vision' (Retreat? Facilitator? Etc)

5& 6 November 2009: Brainstorming session of Contact Group on 'Vision' to achieve the following *inter alia:*
- What kind of governance is needed?
- What does good governance look like? Development of criteria against which performance is assessed
- What are the requirements to achieve good governance?
- What are the needs of the CPR and Secretariat and how can these be harmonised?

Mid-November 2009: Implementation Team to meet and consider the following issues *inter alia:*
- Criteria constituting the Vision
- Incorporate criteria into draft questionnaire

10 December 2009: Chair of Implementation Team to report to CPR on vision, criteria, questionnaire and next steps

January – May 2010: Assessment Teams undertake work. Implementation Team to meet as required.

April 2010: Chair of Implementation Team to report to Contact Group to consider and agree Quick wins. Quick wins implemented as appropriate.

Late May 2010: Contact Group to meet to consider findings from Phase 2 and recommendations how to conduct Phase 3

June 2010: Chair of Contact Group to report to CPR on findings from Phase 2 and recommendations how to conduct Phase 3

Late June 2010: Implementation Team meets to detail work plan for Phase 3

September 2010: Chair of Contact Group reports back to CPR on progress

December 2010: Final report to CPR on proposed recommendations from both Phases 2 and 3 to GC 23

February 2011: Drafting of report to GC and formulation of resolutions.

April 2011: Presentation to GC 23. Report rubbished - new process proposed

May 2011: Implementation of recommendations commences

8. Indicative Costs:

- Brainstorming session to develop Vision and criteria $5,000
- Consultancy (retreat, questionnaire, analysis of results) $25,000
- Opportunity costs of CPR members
- Opportunity cost of Secretariat members - Secretariat may need to revise current scheduling of work plan commitments. Any significant changes will be reported back to CPR.

9. Potential risks

Risks

- Inability to reach a reasonable consensus between the parties in the Contact Group that is sufficient to allow progress.
- Lack of continuity amongst key players in review process due to natural turnover causing delays in progress and lack of buy-in.

It is judged that these risks are of insufficient likelihood and severity to derail the process.

Assumptions

- Sufficient funds are available from MTSIP resources to meet anticipated budget requirements of study.
- Sufficient suitably experienced personnel who have adequate time to devote to the Review and meet tight deadlines are available from within CPR and Secretariat.

The likelihood of these assumptions proving false is deemed to be low.