STRATEGIC PLAN OF UN-HABITAT
FOR 2014-2019: PARTS I AND II

[Second Draft, 21 November 2011]
I. Strategic Analysis

A. Introduction

The Governing Council of the United Nations Human Settlements Programme (UN-Habitat), through its resolution 23/11 adopted at its twenty third session, requested “… the Executive Director, in consultation with the Committee of Permanent Representatives, to develop a strategic plan for 2014–2019, … taking into account the recommendations of the peer review and other reviews of the medium-term strategic and institutional plan for 2008–2013, for presentation to and approval by the Governing Council at its twenty-fourth session.” 1

B. Mandate of UN-Habitat

The mandate of UN-Habitat derives from the Habitat Agenda, adopted by the United Nations Conference on Human Settlements (Habitat II) in Istanbul, Turkey, in 1996. The goals of the Agenda are, firstly, adequate shelter for all, and, secondly, sustainable human settlements development in an urbanizing world.

The mandate of the programme is also derived from resolution 3327 (XXIX), by which the General Assembly established the United Nations Habitat and Human Settlements Foundation; resolution 32/162, by which the General Assembly established the United Nations Centre for Human Settlements (Habitat); and resolution 56/206, by which the General Assembly elevated the United Nations Centre for Human Settlements to the United Nations Human Settlements Programme.

UN-Habitat’s mandate is further derived from other internationally agreed development goals, including those contained in the United Nations Millennium Declaration (resolution 55/2), in particular the target on achieving a significant improvement in the lives of at least 100 million slum-dwellers by 2020, which has now been met; paragraph 77 (k) of the outcome document of the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals, by which Heads of State and Government committed themselves to continue working towards cities without slums, beyond current targets, by reducing slum populations and improving the lives of slum-dwellers; and the target on water and sanitation of the Johannesburg Plan of Implementation, which seeks to halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation.

1 UN-Habitat Governing Council Resolution 23/11, 15 April, 2011.
C. Urban Trends, Challenges and Opportunities

While some elements of this strategic plan represent continuity from the Medium-term Strategic and Medium-term Plan for 2008-2013, others respond to emerging urban demographic, environmental, economic, spatial and social trends, as well as challenges and opportunities related to these trends.

Table 1 summarizes the main urban trends, challenges and opportunities that are shaping twenty-first century cities and that UN-Habitat must respond to through its strategic plan for 2014-2019.

Table 1: Factors shaping 21st century cities and to which UN-Habitat’s should respond

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<th>A. Demographic factors</th>
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<tr>
<td>Dominance of cities: more than 50% of world population now urban and expected to rise to 60% by 2030</td>
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<td>Rapid urbanization in developing countries: 90% of world urban population growth between now and 2030 will be in developing countries, mostly Africa and Asia</td>
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<td>Most urban growth will be in towns of between 100,000 and 250,000 people</td>
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<td>Ageing of urban population in developed and transition countries</td>
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<td>Decline of urban population (‘shrinking cities’) in developed and transition countries</td>
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<td>Dominance of youth in urban population of developing countries</td>
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<th>B. Environmental factors</th>
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<td>Climate change – cities contribute up to 70% of greenhouse gas emissions</td>
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<td>Rising impacts of climate change on cities: a fourfold increase in natural disasters since 1975, with increasing intensity</td>
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<td>Cheap fossil fuel (oil) during much of the twentieth century encouraged car use and urban sprawl</td>
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<td>Poor access to clean water, sanitation and waste management in developing countries</td>
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<th>C. Economic factors</th>
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<tr>
<td>A relatively weakened global economy since beginning of financial crisis in 2008</td>
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<td>But many developing countries are witnessing high economic growth (over 7%) since 2010, thus presenting an opportunity for improved urban investment</td>
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<td>Increasing unemployment all over the world (6.2% or 205 million people unemployed in 2010)</td>
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<td>Youth unemployment is 2 to 3 times higher than adult unemployment globally</td>
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<td>Increasing economic dominance of cities, which account for 70% of world GDP (55 per cent in low-income countries, 73 per cent in middle-income countries, and 85 per cent in high-income economies)</td>
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<td>Increasing cost of energy: developed countries industrialized in the context of cheap energy, but the economic growth of developing countries is constrained by high energy prices</td>
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<td>Informal economy has expanded in both developing and developed countries</td>
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D. Spatial factors
- Most urban dwellers (62%) live in small and medium-size towns of less than 1 million people
- Rapid urbanization in developing countries has resulted in uncontrolled peri-urbanization, most of it informal and in the context of weak urban planning systems
- Urban densities are generally declining in developed countries (urban sprawl), mainly as a result of cheap fossil fuel use and car dependency
- Urban planning and design in both developed and developing countries has followed the modernistic model, producing sprawling and inefficient cities

E. Social factors
- Urban poverty is increasing globally (urbanization of poverty) and inequality is rising
- In developing countries, urban poverty and inequality are manifested in slums, accommodating close to 1 billion people
- Social exclusion, residential segregation and persistent pockets of poverty now common in many developed countries
- Increasing urban crime rates
- Increasing numbers of refugees (11-12 million in 2011) and internally displaced persons (26 million in 2008) globally

D. Lessons from the MTSIP 2008-2013

Several review and evaluations, including the Peer Review of the implementation of the MTSIP 2008-2013 and six-monthly progress reports, have highlighted a number of problems regarding the formulation and implementation of the MTSIP 2008-2013. Some of these have a strong bearing on the present strategic plan for 2014-2019.

(a) Gender, youth and partnerships were not properly reflected in all focus areas as cross-cutting issues when the MTSIP was formulated. Gender was addressed only later, in 2009, during the elaboration of the results framework. Partnerships was located in one of the focus areas rather than being reflected across all focus areas.

(b) The MTSIP 2008-2013 was developed separately from the biennial Work Programme and Budget. Its focus areas were different from the subprogrammes of the Work Programme and Budget. Although the two documents were progressively aligned, an impression that UN-Habitat was implementing two separate documents was initially created, with the MTSIP being sometimes seen as a burdensome add-on.

(c) Because of the initial lack of alignment between the MTSIP and the Work Programme and Budget, reporting was initially complex. The MTSIP started with a set of focus area objectives and indicators of achievement different from the expected accomplishments and indicators of achievement in the Work Programme and Budget. The MTSIP results framework, developed later in 2009 rather than at the very beginning, came up with a
different set of focus area strategic results, expected accomplishments, sub-expected accomplishments and indicators of achievement. By that time, both the 2008-2009 and 2010-2011 Work Programme and Budget documents had already been approved.

(d) Some of the MTSIP’s expected accomplishments and indicators of achievement formulated in 2009 were not SMART² enough. In particular, those on “Effective advocacy, monitoring and partnerships” (Focus Area 1), and a few in the areas of “Environmentally sound basic urban infrastructure and services” (Focus Area 4) and “Strengthened human settlements finance systems” (Focus Area 5), were not realistic enough. A number of expected accomplishments and indicators of achievement in focus areas 2 and 3, i.e. “Promoting participatory planning, management and governance” and “Promotion of pro-poor land and housing”, respectively, were not specific enough.

E. Strengths, Weaknesses, Opportunities and Threats

The Executive Director, in a participatory exercise with division directors, carried out an analysis of UN-Habitat’s strengths, weaknesses, opportunities and threats (SWOT analysis). The results of this analysis have informed this strategic plan by highlighting areas that could be built upon and those in need of management attention.

Strengths

The SWOT analysis identified a number of areas in which UN-Habitat has excelled in the past and continues to do so. These are:

- Field operations in post-conflict and post-disaster countries, and strategy on continuum from relief to sustainable recovery in urban areas;
- Innovative water and sanitation approaches, including leveraging of funding from regional development banks;
- World Urban Forum, which is now the world’s premier periodic conference on urban issues;
- Global advocacy on urban issues and the Millennium Development Goals target on slums, with the latter having started with the publication, by UN-Habitat, of the first ever global assessment of slums and statistics on slum dwellers in 2003;
- Flagship publications, the Global Report on Human Settlements and State of the World’s Cities, some of whose issues have been award-winning;
- Regional ministerial platforms, i.e., the African Ministerial Conference on Housing and Urban Development (AMCHUD), the Asia-Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) and the Regional Meeting of Ministers and High Level Authorities on Housing and Urbanization in Latin America and the Caribbean (MINURVI);
- Global Land Tool Network (GLTN), whose services have been strongly supported by donors and welcomed by a number of countries and cities; and

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²SMART stands for specific, measurable, achievable, realistic and time-bound.
Global advancement of the issues of urban safety and security, forced evictions and alternatives, inclusive urban policies, and mainstreaming of gender and youth.

Weaknesses

The SWOT analysis revealed that UN-Habitat needed to address the following main weaknesses:

- Improve effectiveness of management systems, including accountability and transparency, and minimize bureaucratic load;
- Improve core productivity at headquarters and delivery efficiency in the initial phases of field projects, especially in emergencies;
- Systematically harvest core knowledge and lessons learnt, internally and externally;
- Improve internal strategic planning in order to enhance policy and programme implementation coherence;
- Improve external communication and image of UN-Habitat, including the ability of UN-Habitat to tell its success stories more effectively;
- Address the problems of small and overlapping organizational units as well as the agency’s silo mentality;
- Improve funding predictability and resource mobilization;
- Pay more attention to normative work on urban planning and design, urban legislation, local economic development and municipal and urban finance; and
- Improve presence and strategy at the country level, where most donor funding has shifted.

Opportunities

Most of the opportunities identified through the SWOT analysis relate to the main global factors that are currently shaping cities and towns. These include:

- Increasing global importance of the urban agenda, in light of the fact that, since 2008, the majority of humanity is now urban;
- Recognition of the leading role of cities in national economic growth and globalization;
- Rapid economic growth in some developing countries, which augurs well for investment in improved urban basic services and housing;
- Global movement to revive urban planning, which began at the third session of the World Urban Forum in Vancouver, 2006, and has been dubbed “reinventing urban planning”;
- Increasing demand for assistance in planning for small and medium-sized towns of less than one million people in developing countries, which currently accommodate most of the world’s urban population and will absorb most of the predicted urban growth in the next few decades, but are institutionally weak;
• Increasing global importance of cities in addressing climate change and energy efficiency, including in the area of mobility and transport, in light of their potential to mitigate greenhouse gas emissions and to innovatively adapt to climate change;
• Increasing recognition of UN-Habitat's role in the UN Executive Committee on Humanitarian Affairs and the Inter-Agency Standing Committee, and its leadership in the Sub-Working Group on Housing, Land and Property of the Global Protection Cluster Working Group, through which it provides an urban focus on relief, recovery and reconstruction;
• Normative and operational mandate of UN-Habitat, which enables it to conceive innovative solutions and test them in the field, but also provide technical assistance to scaled-up country programmes and projects;
• Importance of slum prevention and upgrading, as well as of drinking water and sanitation, in the Millennium Development Goals; and
• New Executive Director, offering an opportunity to review both the substantive work and management of UN-Habitat.

Threats

The main threats facing UN-Habitat are mostly from the external environment. These include the following:

• Declining donor contributions to non-earmarked income of UN-Habitat in recent years, mainly due to the current global financial crisis;
• Possible divergence between UN-Habitat's official work programme and donor interests, reflected in increasing ear-marked income from donors;
• Rising interest in the urban agenda among other multilateral agencies, which, in one sense, is a positive development reflecting a global increase in the importance of the urban agenda, but, in another sense, could mark the beginning of unnecessary duplication and turf conflicts among international agencies, if not handled properly; and
• Inability of UN-Habitat to respond in a timely manner to demand for its services, especially at the national and local levels, partly due to staffing constraints as well as to internal procurement and recruitment rules and regulations of the UN Secretariat.

F. Guiding Principles of the Strategic Plan for 2014-2019

In light of the current mandate of UN-Habitat, the global urban challenges and opportunities, the lessons learnt from the MTSIP 2008-2013, and the results of the SWOT analysis presented above, this strategic plan is guided by the following basic principles:

• The plan reflects the official mandates of UN-Habitat, i.e. the Habitat Agenda, the Millennium Development Goals, and key General Assembly and Governing Council resolutions;
While the plan reflects some continuity from the MTSIP 2008-2013, in terms of focus areas and implementation approaches, it also responds to emerging urban trends, challenges and opportunities, as elaborated in the Executive Director’s policy statement at the twenty-third session of the Governing Council;

Gender, youth and partnerships are systematically reflected in all substantive focus areas as cross-cutting issues;

The strategic plan’s focus areas are also the subprogrammes in the biennial strategic framework and work programme and budget, thus ensuring complete alignment among the three documents;

The strategic plan contains a results framework, prepared at the very beginning, thus ensuring that reporting on the six-year strategic plan and the biennial work programme and budget are unified into a single process;

The strategic plan is an outcome of both top-down and bottom-up preparation processes, i.e., combining the Executive Director’s new vision and strategic direction, on one hand, with focus areas, a results framework and other components of the plan elaborated through a participatory process, on the other hand.

II. Strategic Choice

A. Vision

UN-Habitat works towards the realization of a world with economically productive, socially inclusive and environmentally sustainable cities and other human settlements.

B. Mission

UN-Habitat, in collaboration with partners, supports governments and local authorities to respond positively to the opportunities and challenges of urbanization by providing policy advice and technical assistance on transforming cities and other human settlements into inclusive centres of vibrant economic growth, social progress and environmental safety.

C. Goal

Well-planned, well-governed and efficient cities and other human settlements with adequate infrastructure and universal access to employment, land and basic services, including housing, water, sanitation, energy and transport.

D. Strategic Result

Environmentally, economically and socially sustainable development policies for cities and other human settlements implemented by national, regional and local authorities and the standard of living of urban dwellers improved.
E. Focus Areas, their Strategic Results and Scope

In light of the factors shaping twenty-first century cities, and of UN-Habitat’s current strengths, weaknesses, opportunities and threats presented above, three programme areas will be prioritized during 2014 to 2019, namely: (i) Urban Land, Legislation and Governance; (ii) Urban Planning; and (iii) Urban Economy. Work in these focus areas will enable UN-Habitat to respond to the challenges and opportunities shaping twenty-first century cities in a more holistic way. They may be seen as the levers for the transformation of cities towards greater environmental, economic and social sustainability. However, UN-Habitat will also build on its past success and continue work in the following areas: (iv) Urban Basic Services; (v) Housing and Slum Upgrading; (vi) Risk Reduction and Rehabilitation; and (vii) Research and Capacity Development.

Focus Area 1: Urban Land, Legislation and Governance

Strategic Result: Local authorities and national governments have established systems for improved access to land, have adopted enabling legislation, and have put in place effective decentralized governance that fosters equitable sustainable urban development.

Without effective land development mechanisms, legislative frameworks and governance institutions and systems, there can be no effective urban planning, economic growth and development. This focus area will provide policy and operational support to governments and cities with respect to urban land, legislation and governance. Building on the experience of the Global Land Tool Network, UN-Habitat will address existing urban land problems and opportunities, utilizing a wide range of tools, including land readjustment. Inadequacies in legislation and institutions (regulatory frameworks) affecting urban development will be addressed, including regulatory frameworks for urban land development, urban planning and local economic investment. Through this work, local authorities will be strengthened, including their capacity to deliver infrastructure and basic services. Urban legislation in many developing countries is out-dated, is still strongly shaped by colonial planning legislation and is not responsive to current urban issues. In many countries, laws affecting urban development either conflict or overlap with each other or, worse still, are not enforceable.

Focus Area 2: Urban Planning and Design

Strategic Result: City and regional authorities have implemented policies, plans and designs for more compact, better integrated and connected cities.

This thematic area will provide city and national governments with a set of tested approaches, guidelines, and tools to support the management of growth and improved sustainability, efficiency and equity of cities through planning and design at different scales, i.e. the slum and neighbourhood, city, regional, national and supra-national scales. This will be achieved through: (a) Improved policies and legislation regarding urban
planning and sustainability; (b) Increased capacities of institutions and stakeholders to undertake and effectively implement urban planning processes at the most appropriate and adequate scale; and (c) New urban planning and design initiatives in selected cities. The focus area will contribute towards urban planning and design reform in order to make it a more effective tool for governments and local authorities to achieve sustainable urban development. The overall approach will focus on the creation of a spatial structure in cities and larger territories to facilitate sustainable urbanization. Special attention will be paid to promoting a number of critical principles, such as increasing the population and economic density of urban settlements, mixed land-use, diversity and better connectivity in order to take advantage of agglomeration economies and to minimize mobility demand. In particular, the new approach will emphasize the need to plan in advance of urban population growth; the need to plan at the scale of the challenges; the need to plan in phases; and the need to plan for job creation.

Focus Area 3: Urban Economy

**Strategic Result:** City and regional authorities have implemented policies and programmes for increasing employment and improving economic development.

An immense challenge facing cities all over the world today is how to create decent jobs for their people, including the increasing numbers of urban youth. Interest in cities is increasing around the world, in part, because more people are living in cities than ever before and, in part, because recent trends towards fiscal decentralization and globalization have highlighted the importance of cities as economic agents. In this context, this focus area will promote economic and financial reforms to strengthen the capacity of towns and cities to act as engines of economic development and to enhance their contribution to value creation and the building of wealth and assets. It will also promote effective urban and regional economic development policies and strategies in order to improve urban productivity, create decent urban jobs and enhance the sustainability of urban economic development. Special emphasis will be placed on some of the key conditions necessary for productive investment and employment generation, including effective infrastructure, exploitation of local resources and assets, incentives and regulatory frameworks.

Focus Area 4: Urban Basic Services

**Strategic Result:** City and regional authorities have implemented policies for increasing access to urban basic services and for improving the standard of living.

Despite efforts being made by many governments and local authorities to provide urban basic services, the numbers of people in urban areas without proper access to the basic services of water supply and sanitation as well as safe domestic energy and public transport is increasing, partly as a result of rapid urban population growth and partly as a result of increasing urban poverty and growing financial resource constraints. The problem is complicated by dilapidated infrastructure, lack of clearly defined urban
development policies and legislation, weak institutional capacity, low investments and lack of pro-poor financing mechanisms. In this focus area, emphasis will be placed on strengthening policies and institutional frameworks for expanding access to urban basic services, specifically targeted at the urban poor. Policy and technical assistance will be provided to partner countries to: (i) rehabilitate and expand urban infrastructure and services to keep pace with growing demand; (ii) ensure institutional efficiency and effectiveness in service provision; and (iii) provide adequate levels of service for the urban poor. The focus area will have four programmatic clusters: (a) water and sanitation; (b) urban waste management; (c) urban mobility; and (d) urban energy.

Focus Area 5: Housing and Slum Upgrading

**Strategic Result:** City and regional authorities have implemented policies for increasing access to adequate housing and improving the standard of living in existing slums.

UN-HABITAT advocates for a twin-track approach that focuses on improving the supply and affordability of new housing through the supply of serviced land and housing opportunities at scale, which can curb the growth of new slums, alongside implementing citywide and national slum upgrading programmes that can improve housing conditions and quality of life in existing slums. By widening housing choices and enabling the provision of housing opportunities at appropriate scale, affordable price, with sufficient diversity of size, price, and typology, and at suitable locations vis-à-vis access to employment and income generation, housing will directly impact the future of cities and its ecological and economic footprint. Enabling the housing sector to work is thus critical, if not a sine-qua-non condition, to prevent the multiplication of slum and promote sustainable urban development. Increasing affordable housing supply acts to prevent the formation of new slums and becomes a viable alternative to informality. However existing consolidated slums also must be upgraded. The city-wide slum upgrading approach embraced by UN-HABITAT entails a planning approach with the active participation of residents and their grassroots organizations in the formulation, prioritization, implementation and post-implementation phases of slum upgrading.

Focus Area 6: Risk Reduction and Rehabilitation

**Strategic Result:** Cities are more resilient to the impacts of natural and human-made crises.

Many developing country cities are unable to retrofit their infrastructure as part of preparedness and risk reduction programmes. It is often only through reconstruction and recovery programming (after a crisis) that opportunities arise to ‘plan out’ vulnerabilities and ‘build in resilience’. This focus area will draw upon agency-wide expertise to engage in both reducing urban risk and responding to urban crises through its ‘Resilient Cities’ Programme’ and ‘City Recovery Programme’, respectively. The focus area will address crisis affected cities in terms of both disaster prevention and disaster response. The ‘Resilient Cities Programme’ will be implemented wherever possible before disasters
occur, and will be a critical driver for ‘building back better’ in post-disaster interventions. The ‘City Recovery Programme’ will operate in the early days following crisis and is intended to add value to the humanitarian community and, together with national and local stakeholders, will seek the earliest possible means to reduce the period of crisis and introduce elements of sustainable recovery and sustainability. There will be five key entry points for urban risk reduction and post-crisis reconstruction: shelter and housing; basic infrastructure and services; land use and tenure; climate change and urban environment; and economic recovery and livelihoods.

Focus Area 7: Research and Capacity Development

**Strategic Result:** Knowledge of sustainable urbanization issues and capacity enhanced at international, national and local levels in order to improve formulation and implementation of evidence based policies and programmes.

The Urban Research and Capacity Development focus area will operate at the global and country levels (both national and sub-national). At the global level, the focus area will monitor the slum target of the Millennium Development Goals and, in general, the Habitat Agenda. The flagship publications, i.e. the *Global Report on Human Settlements* and the *State of the World’s Cities*, will be the means by which UN-Habitat reports the results of its global monitoring and assessment work to Governments and Habitat Agenda Partners. Also at the global level, UN-Habitat will publish official statistics through the ‘Urban Indicators Programme’. Using its neutral convening role, and through the Habitat Partner University Initiative and other means such as the World Urban Forum, the focus area will drive the global urban research agenda in a coordinated manner. The country and local level services of the focus area will include supporting the production of local urban knowledge and the establishment of urban platforms, i.e. local urban observatories, to collect and analyze data and indicators. This will include the capacity development of the local platforms themselves. Another core function of the R & CD thematic area will be to collect information and knowledge on best practices and lessons learned in terms of policies, programmes, and institutional arrangements that are fit-for-purpose for different urban contexts and urban services delivery systems. Also at the country level, the focus area will be UN-Habitat’s hub of expertise in developing institutional and individual capacities to ensure that the delivery of policies and programmes benefit urban stakeholders.

F. Results Framework: Focus Area Results and Indicators of Achievement


III. Strategy Implementation

[To be developed in early 2012]