GOVERNANCE OPTIONS

UN-HABITAT
THE REPORT

- Purpose: Identify and examine options (pros and cons) as requested in ToR
- No conclusion or recommendation at the end
- Meant to inform discussion and decision making – ensure we agree what the options are
- Ultimate aim - that UN-Habitat can become more efficient, effective, accountable and representative (assessment criteria)
- Prepared by an independent/external consultant
STRUCTURE OF REPORT

• Context for reform
  – MTSIP
  – Organisational review
  – UN reform

• Justification for reform
  – The volatile financial situastion
  – Governance challenges

• Options (way forward)
  – Incremental/managerial reform
  – Executive Board
  – Combined hybrid
JUSTIFICATION FOR REFORM

• The volatile financial situation
• Constraints and limitations in the current governance system
• Good governance is necessary, but not sufficient for strengthening UN-Habitat’s credibility and effectiveness
• A need for visible and fundamental reform – creating a platform for a stronger organisation (symbols and reality)
THE OPTIONS

• Three options identified
  – Incremental/managerial reform
  – Executive Board
  – Combined hybrid

• No option will have a high score on all criteria and satisfy all stakeholders

• Different criteria and interests must be balanced

• Options not discussed: Maintain status quo and merger
Incremental/Managerial reform

- Increased frequency GC meetings
- Expanded membership GC
- Empowered CPR
- More delegated authority to regional and country offices (for faster and more flexible operational response)
- Performance based service level contracts UN-Habitat – UNON
Strengths

- Increased oversight and involvement of GC
- Untapped potential for incremental/internal reform
- Can easily be implemented with low cost
- Would improve representation/voice
- Regular budget support will be maintained
Weaknesses

• Strategic contributions from the GC limited – more meetings not the answer
• More delegated authority to CPR could be perceived as ”undemocratic” – bias towards countries with presence in Nairobi
• UN Secretariat rules will still apply
• The ambiguity in delegation of authority between UNON and UN-Habitat not resolved
• Incremental/managerial reforms have so far not been sufficient to solve more fundamental and systemic challenges
THE EXECUTIVE BOARD OPTION

- Establish an Executive Board
- Maintain UN-Habitat as a UN programme based in Nairobi, but change its relationship with the UN Secretariat
- Use the grant modality for regular support from UN Secretariat
- Provide the ED with delegated responsibility for procurement, financial and human resource management
- Select procurement systems based on assessment of quality, cost-efficiency and effectiveness
Strenghts

• Well-proven model used by the majority of UN programmes
• A small, professional and committed Board providing regular guidance and oversight
• More transparent and democratic decision making – moving decisions from ED and donors to governing body
• Strengthened accountability
Weaknesses

- Lower score on voice and representation
- A large Board not financially viable
- Grant modality no panecea
- The mandate may be two broad and demanding
- Seats may not be filled
THE COMBINED HYBRID MODEL

• Establish a Council or Commission on sustainable urban development – a global policy making body
• Establish an Executive Board for overseeing operational activities
• Maintain UN-Habitat as a programme in Nairobi
• Otherwise same systems as for the EB option
Strengths

• High score on representation and effectiveness
• One forum for normative discussions with broad representation
• A smaller Executive Board for operational decision-making
• Otherwise same strengths as EB option
Weaknesses

• More layers and governing bodies with potential for unclear lines of authority and communication

• Lower score on efficiency – since it will be the most expensive option – having both a Commission meeting biannually and regular board meetings
Way forward

• Analyse and discuss the options
• Seek consensus - if possible - on preferred option
• Develop an Action Plan to be presented to the GC next year