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**Work programme of the United Nations Human Settlements  
Programme and budget of the United Nations Habitat and  
Human Settlements Foundation for the biennium 2014–2015**

**Proposed work programme and budget for the biennium  
2014–2015**

**Addendum**

**Draft strategic plan 2014–2019 of the United Nations Human  
Settlements Programme**

**Report of the Executive Director**

*Summary*

The implementation of the medium-term strategic and institutional plan 2008–2013 will draw to a close in December 2013. At its twenty-third session, the Governing Council of the United Nations Human Settlements Programme therefore requested the Executive Director to develop, in consultation with the Committee of Permanent Representatives, a strategic plan for 2014–2019, including a road map for the preparatory process, taking into account the recommendations of the peer review and other reviews of the medium-term strategic and institutional plan 2008–2013, for presentation to and approval by the Governing Council at its twenty-fourth session in early 2013 (resolution 23/11). The present report presents the draft strategic plan for 2014–2019, which was endorsed by the Committee of Permanent Representatives on 22 August 2012. The draft plan consists of three parts. Part I, entitled “Strategic analysis”, presents the rationale for the plan, highlighting the external and internal factors that shaped its content and responding to the question “Why?” Part II, entitled “Strategic choice”, presents the core elements of the strategic plan, and addresses the question “What?” Part III, entitled “Strategy implementation”, describes how the plan will be implemented, and addresses the question “How?”

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\* HSP/GC/24/1.

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## I. Strategic analysis

### A. Introduction

1. The Governing Council of the United Nations Human Settlements Programme (UN-Habitat), in 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.<sup>1</sup>

### B. Mandate of UN-Habitat

2. 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.

3. The mandate of the programme is also derived from General Assembly 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.

4. The UN-Habitat 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.

### C. Urban trends, challenges and opportunities

5. While some elements of this strategic plan represent continuity from the medium-term strategic and institutional 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.

6. Box 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.

#### Box 1: Factors shaping 21st century cities to which UN-Habitat should respond

##### 1. Demographic factors

- Dominance of cities: more than 50 per cent of the world population is now urban and that figure is expected to rise to 60 per cent by 2030
- Rapid urbanization in developing countries: 90 per cent of the world urban population growth between now and 2030 will be in developing countries, mostly in Africa and Asia
- Most urban growth will be in towns of between 100,000 and 250,000 people
- Ageing of the urban population in developed and transition countries
- Decline of the urban population (“shrinking cities”) in developed and transition countries
- Dominance of youth in the urban population of developing countries

<sup>1</sup> Governing Council resolution 23/11 of 15 April 2011.

**2. Environmental factors**

- Climate change: cities contribute up to 70 per cent of greenhouse gas emissions, mostly because of the concentration of industrial production and construction activities in cities
- Rising impacts of climate change and natural disasters (of increasing intensity) on cities: fourfold increase in natural disasters since 1975, with cities and their inhabitants becoming more vulnerable to the effects of climate change
- Affordable fossil fuel (oil) at stable prices during much of the twentieth century (up to the 1970s) encouraged car use and, alongside other socio-economic factors, urban sprawl
- Poor access to clean water, sanitation and waste management in developing countries

**3. Economic factors**

- A relatively weakened global economy since beginning of financial crisis in 2008
- But many developing countries are witnessing high economic growth (over 7 per cent) since 2010, thus improving the ability of those countries to attract investment in adequate urban basic services and housing for the poor
- Increasing unemployment all over the world (6.2 per cent or 205 million people unemployed in 2010)
- Youth unemployment is 2 to 3 times higher than adult unemployment globally
- Increasing economic dominance of cities, which account for 70 per cent 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)
- Energy price volatility and increasing demand for petroleum, posing challenges for national and urban economies, especially in developing countries
- The informal economy has expanded in both developing and developed countries

**4. Spatial factors**

- Most urban dwellers (62 per cent) live in small and medium-size urban settlements 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
- Rapid urbanization and urban sprawl have led to the emergence of large metropolitan regions in many parts of the world, for which an adequate governance model is required
- Urban densities are generally declining in developed countries, mainly as a result of affordable fossil fuel use and car dependency, as well as preference for suburban socio-economic lifestyles, often with negative impacts on urban-rural environments and disadvantaging those without either private vehicles or access to public transport
- Urban planning and design in both developed and developing countries has followed the modernistic model, producing sprawling cities that are resource (especially energy) inefficient, segregated, less inclusive, and economically less competitive

**5. 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 and where levels of vulnerability are increasing, especially among women and children
- Social exclusion, residential segregation and persistent pockets of poverty are now common in many developed countries
- Increasing urban crime rates in many parts of the world, which might, among other factors, represent a manifestation of social inequalities that need to be dealt with through policies of inclusion
- Increasing numbers of refugees (11–12 million in 2011) and internally displaced persons (26 million in 2008) globally

## **D. Lessons learned from the medium-term strategic and institutional plan 2008–2013**

7. Several reviews and evaluations, including the peer review of the implementation of the medium-term strategic and institutional plan 2008–2013 and six-monthly progress reports, have highlighted a number of problems regarding the formulation and implementation of the medium-term strategic and institutional plan 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 medium-term strategic and institutional plan was formulated. Gender was addressed only later, in 2009, during the elaboration of the results framework. The issue of partnerships was located in one of the focus areas rather than being reflected across all focus areas;

(b) The medium-term strategic and institutional plan 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 medium-term strategic and institutional plan being sometimes seen as a burdensome add-on;

(c) Because of the initial lack of alignment between the medium-term strategic and institutional plan and the work programme and budget, reporting was initially complex. The medium-term strategic and institutional plan 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 medium-term strategic and institutional plan 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 expected accomplishments and indicators of achievement of the medium-term strategic and institutional plan formulated in 2009 were not sufficiently specific, measurable, achievable, realistic and time-bound (SMART). 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) A main challenge for UN-Habitat is and will be the need to document social and economic changes. This is also where the learning potential lies. UN-Habitat needs to strengthen its monitoring and evaluation work in a systematic manner that takes into account the guidance of the Committee of Permanent Representatives and Governing Council resolutions.

## **E. Strengths, weaknesses, opportunities and threats**

8. In a participatory exercise, led by the Executive Director, division directors carried out an analysis of UN-Habitat strengths, weaknesses, opportunities and threats (SWOT). The results of this analysis, and of the deliberations of the Committee of Permanent Representatives open-ended contact group on the strategic plan for 2014–2019, have informed this strategic plan by highlighting areas that could be built upon and those in need of management attention.

### **1. Strengths**

9. The SWOT analysis identified a number of areas in which UN-Habitat has expertise and relative strength. These are:

(a) Very good progress in field operations in post-conflict and post-disaster countries, encompassing land conflict mediation, reconstruction of housing and infrastructure, and rehabilitation of local government, and mainstreaming in United Nations humanitarian work of the continuum from relief to sustainable recovery in urban areas;

(b) Innovative water and sanitation approaches, including leveraging of funding from regional development banks;

- (c) World Urban Forum, which is now the world's premier forum on urban issues;
- (d) 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;
- (e) Flagship publications, the *Global Report on Human Settlements* and *State of the World's Cities*, some of whose issues have been award-winning;
- (f) 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 of the Housing and Urban Development Sector in Latin America and the Caribbean (MINURVI);
- (g) Global Land Tool Network (GLTN), whose services have been strongly supported by donors and welcomed by a number of countries and cities;
- (h) Global advancement of the issues of urban safety and security, forced evictions and alternatives, inclusive urban policies, and mainstreaming of gender and youth.

## 2. Weaknesses

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

- (a) Improve effectiveness of management systems, including accountability and transparency, and minimize bureaucratic load;
- (b) Improve core productivity at headquarters and delivery efficiency in the initial phases of field projects, especially in emergencies;
- (c) Systematically harvest core knowledge and lessons learned, internally and externally;
- (d) Improve internal strategic planning in order to enhance policy and programme implementation coherence;
- (e) Improve external communication and the image of UN-Habitat, including the ability of UN-Habitat to tell its success stories more effectively;
- (f) Address the problems of small and overlapping organizational units and further address the agency's silo mentality, so as to sustain and advance the progress achieved in this area through implementation of the medium-term strategic and institutional plan 2008–2013;
- (g) Make better use of existing human resources and minimize use of external consultants;
- (h) Improve funding predictability and resource mobilization;
- (i) Pay more attention to urban planning and design, urban legislation, local economic development and municipal and urban finance, which are the key levers of progress toward sustainable urban development, and encourage national Governments and local authorities to do the same;
- (j) Improve effectiveness at the country level, where most donor funding has shifted.
- (k) Improve the current lengthy and burdensome procurement and recruitment procedures that pose challenges to UN-Habitat activities, especially with respect to the post-disaster/conflict reconstruction area.

## 3. Opportunities

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

- (a) Increasing global importance of the urban agenda, in the light of the fact that, since 2008, the majority of humanity is now urban;
- (b) Recognition of the leading role of cities in national economic growth and globalization;
- (c) Rapid economic growth in some developing countries, which improves the ability of those countries to attract investment in adequate urban basic services and housing for the poor;

- (d) Global movement to revive urban planning, which began at the third session of the World Urban Forum, held in Vancouver in 2006, and has been dubbed “reinventing urban planning”;
- (e) Increasing demand for assistance in planning for small and medium-sized urban settlements 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;
- (f) Increasing global importance of cities in addressing climate change and energy efficiency, including in the areas of mobility and transport, space heating and cooling of residential and commercial buildings, construction, industrial activities and waste, in the light of their potential to mitigate greenhouse gas emissions and to innovatively adapt to climate change;
- (g) Increasing recognition of the role of UN-Habitat in the United Nations Executive Committee on Humanitarian Affairs and the Inter-Agency Standing Committee cluster working groups, through which it provides inputs and support to an urban focus on relief, recovery and reconstruction;
- (h) 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;
- (i) Importance of slum prevention and upgrading, as well as of drinking water and sanitation, in the Millennium Development Goals; and
- (j) New Executive Director, offering an opportunity to review both the substantive work and management of UN-Habitat;
- (k) The third United Nations conference on housing and sustainable urban development (Habitat III), to be held in 2016, and the continuing governance review process, through which both the mandate of UN-Habitat and the rules and regulations hindering its operations will be reviewed.

#### **4. Threats**

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

- (a) Declining donor contributions to non-earmarked income of UN-Habitat in recent years, partly due to the current global financial crisis;
- (b) Possible divergence between the UN-Habitat official work programme and donor interests, reflected in increasing earmarked income from donors;
- (c) 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;
- (d) Inability of UN-Habitat to fully respond in a timely manner to increasing demand for its services at the national and local levels if the current lengthy recruitment and procurement processes are not improved.

#### **F. Guiding principles of the strategic plan for 2014–2019**

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

- (a) 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;
- (b) While the plan reflects some continuity from the medium-term strategic and institutional plan 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;
- (c) Gender, youth, partnerships, outreach and communication, capacity development, climate change and best practices are systematically reflected in all substantive focus areas as cross-cutting issues;

(d) 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;

(e) The strategic plan contains a results framework, unlike the medium-term strategic and institutional plan 2008–2013 at the time of its adoption, thus ensuring that reporting on the six-year strategic plan and the biennial work programme and budget are unified into a single process;

(f) 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;

(g) The strategic plan will be implemented in line with the urgent need for closer cooperation and coordination with other United Nations agencies and with a view to avoiding overlapping and duplicating programmes and activities.

## **II. Strategic choice**

14. UN-Habitat works with partners to address the main challenges and opportunities affecting the sustainable development of cities and other human settlements, among them rapid urban demographic growth in developing countries, increasing spatial extension of cities, and increasing responsibility of urban local authorities to take local action on both local needs and global challenges. UN-Habitat work, which is both normative and operational, seeks to assist local, regional and national authorities responsible for urban and human settlements issues to improve the standard of living of their citizens through improved urban development, planning, management, governance and basic service delivery policies that are in conformity with the guiding principles of sustainable urban development<sup>2</sup> and subsidiarity.

### **A. Vision**

15. UN-Habitat promotes the stronger commitment of national and local governments as well as other relevant stakeholders to work towards the realization of a world with economically productive, socially inclusive and environmentally sustainable cities and other human settlements.

### **B. Mission**

16. UN-Habitat, in collaboration with relevant stakeholders and other United Nations entities, supports governments and local authorities, in line with the principle of subsidiarity, to respond positively to the opportunities and challenges of urbanization by providing normative or 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**

17. 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**

18. Environmentally, economically and socially sustainable, gender-sensitive and inclusive urban development policies implemented by national, regional and local authorities have improved the standard of living of the urban poor and enhanced their participation in the socio-economic life of the city.

### **E. Focus areas, their strategic results and scope**

19. In the light of the factors shaping twenty-first century cities, and of the UN-Habitat current strengths, weaknesses, opportunities and threats presented above, four programme areas will be prioritized

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<sup>2</sup> "Guiding principles of sustainable urban development" refers to the basic actions necessary for achieving socio-spatial equity, environmental safety and economic productivity in urban areas, see UN-Habitat (2009), *Planning Sustainable Cities: Global Report on Human Settlements 2009*, Earthscan, London, table 1, p.4, for a summary of these principles.

during 2014–2019, namely: (a) urban legislation, land and governance; (b) urban planning and design; (c) urban economy; (d) urban basic services.

20. In the past, UN-Habitat has not paid sufficient attention to the first three areas, yet they provide important frameworks for more efficient and effective delivery of basic services, housing, and upgrading of slums, as well as for more effectively responding to both human-made and natural disasters. They may be seen as the levers for the transformation of cities towards greater environmental, economic and social sustainability.

21. The reason for prioritizing the fourth area, urban basic services, is that large numbers of urban dwellers in developing countries still lack access to adequate basic services, especially water and sanitation, but also reliable waste management services, sustainable public transport and safe domestic energy. Most of the urban dwellers lacking access to basic services are concentrated in slums, which currently accommodate close to one billion people. This is also the reason why slums, safe drinking water and basic sanitation were prioritized in the Millennium Development Goals, i.e., in Goal 7, target 7C (Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation) and target 7D (By 2020, to have achieved a significant improvement in the lives of at least 100 million slum-dwellers).

22. Work in the above four focus areas will enable UN-Habitat to respond to the challenges and opportunities shaping twenty-first century cities in a more holistic way, and also to address one of the most significant areas of need in developing countries.

23. UN-Habitat will continue to work in three other important focus areas, building on its past success: (a) housing and slum upgrading; (b) risk reduction and rehabilitation; and (c) research and capacity development. All seven focus areas will be implemented simultaneously, as they are all important and are closely intertwined.

24. The emphasis in all seven focus areas will be on assisting urban local authorities and central government departments responsible for urban development to put in place more effective policies, strategies, plans and implementation systems, so as to meet the needs of the urban poor more efficiently and equitably. To achieve this, the catalytic role of UN-Habitat will need to be strengthened and the creation of partnerships at both the national and local levels promoted more vigorously.

25. In all seven focus areas, UN-Habitat will focus its work on clearly defined strategic issues and actions that have a potential for triggering or catalysing change at the urban level. This will be achieved through the implementation of clearly defined projects that combine both normative and operational work. As part of this, the UN-Habitat catalogue of model projects (developed at the end of 2011) will be continually updated during the life of the present strategic plan. In addition, the UN-Habitat organizational structure will be fully aligned to its seven focus areas and a project-based management approach will be pursued, thus ensuring greater effectiveness in strategic plan implementation.

#### **1. Focus area 1: urban legislation, land and governance**

*Strategic result: City, regional and national authorities have established systems for improved access to land, adopted enabling legislation, and put in place effective decentralized governance that fosters equitable sustainable urban development, including urban safety.*

26. Many developing countries lack effective and gender-sensitive urban land development mechanisms, legislative frameworks and governance institutions and systems. Without these, there can be no effective urban planning, economic growth and development. In addition, urban legislation in many developing countries is outdated and is not responsive to current urban issues, and laws affecting urban development either conflict or overlap with each other or, worse still, are not enforceable. Besides, in many developing and developed countries, existing urban governance models are inappropriate for urban centres that have grown beyond their boundaries and coalesced into large metropolitan regions.

27. To address these deficiencies, UN-Habitat will, through this focus area, 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, and in partnership with local government organizations, 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, in line with the principle of subsidiarity, including regulatory frameworks for urban land development, urban planning, urban management and

governance, and local economic investment. UN-Habitat will also support the development of adequate legislation and governance models for inter-municipal cooperation, as a contribution to sustainable urban development at the regional scale. In addition, it will promote the international guidelines on decentralization and strengthening of local authorities and on access to basic services for all, as well as social inclusion and participation. Through this, it will enhance the capacity of local authorities to fund, develop and maintain infrastructure and urban basic services, as well as to improve urban safety.

28. In order to enhance gender equality, specific projects designed to improve the level of participation of women in urban governance, especially at the local level, will be implemented through two work clusters of this focus area, i.e., “Urban legislation”, and “Local government and decentralization”. Projects to increase women’s access to urban land will also be implemented through two work clusters, i.e., “Land and Global Land Tool Network”, and “Urban legislation”.

## 2. Focus area 2: urban planning and design

*Strategic result: City, regional and national authorities have implemented policies, plans and designs through a participatory process including all different actors, such as civil society and poor people, for more compact, better integrated and connected cities that foster equitable sustainable urban development and are resilient to climate change.*

29. Many cities are currently facing serious challenges of ineffective development control systems, informal and often chaotic peri-urban expansion, a proliferation of informal housing and livelihood activities, poor connectivity, traffic congestion and energy inefficiency, among others. Cities are increasingly facing environmental challenges, including how to curb rising greenhouse gas emissions and the increasing impacts of anthropogenic climate change.

30. To address these challenges, UN-Habitat will, through this focus area, 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, based on the principle of subsidiarity; (b) increased capacities of institutions and stakeholders to undertake and effectively implement, in participatory and inclusive ways, urban planning processes at the most appropriate and adequate scale; and (c) new urban planning and design initiatives in selected cities.

31. 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, within the context of decentralization and multilevel governance, a number of critical principles, such as optimizing 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, while respecting locally and regionally defined urban planning and design traditions.

## 3. Focus area 3: urban economy

*Strategic result: City, regional and national authorities have adopted or implemented improved urban strategies and policies supportive of local economic development, inclusive economic participation, creation of decent jobs and livelihoods, and enhanced municipal finance.*

32. An immense challenge facing cities all over the world today is how to create decent jobs and livelihoods for their people, including the increasing numbers of urban youth, as well as women, who are often disadvantaged by discriminatory practices. 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 order to address these issues, UN-Habitat will, through this focus area, promote urban strategies and policies that strengthen the capacity of 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, in particular, contribute towards the formulation and implementation of effective urban strategies and policies supportive of local economic development, creation of decent urban jobs, especially for the youth and for women, and

enhanced municipal finance. Special emphasis will be placed on some of the key conditions necessary for increasing productive investment, including in green infrastructure and urban basic services, and for the generation of decent jobs and livelihoods. Attention will also be paid to local investment incentives and regulatory frameworks. It is envisaged that the creation of decent urban jobs and livelihoods will contribute to reducing social inequalities, including gender-based inequalities, and also to improving urban safety through its social impact. One work cluster in this focus area, “Youth and job creation”, will promote policies supportive of the creation of jobs and livelihoods, especially for young people and women.

#### 4. Focus area 4: urban basic services

*Strategic result: City, regional and national authorities have implemented policies for increasing equitable access to urban basic services and improving the standard of living of the urban poor.*

33. 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, weak governance and overlapping responsibilities between different levels of government, lack of clearly defined urban development policies and legislation, weak institutional capacity, inadequate resources available at the local level, low investments and lack of pro-poor financing mechanisms. In order to address these challenges, UN-Habitat will, through this focus area, place emphasis 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 and local authorities to: (a) rehabilitate and expand urban infrastructure and services to keep pace with growing demand and to address climate change and risk prevention concerns, including both mitigation and adaptation; (b) ensure institutional efficiency and effectiveness in service provision in order to foster cross-sectoral planning at different territorial levels, facilitate partnership among various stakeholders and improve articulation between different administrative levels and partners, including for resource mobilization, and through promotion of the guidelines on decentralization and strengthening of local authorities and on access to basic services; and (c) 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.

#### 5. Focus area 5: housing and slum upgrading

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

34. Close to 1 billion urban dwellers in developing countries currently live in slums, partly due to the ineffectiveness of land and housing policies, among other factors. In responding to this huge challenge, UN-Habitat advocates 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 slums and promote sustainable urban development. Better housing and slum upgrading will contribute to reducing social inequalities and also improving urban safety through their social and spatial impacts. UN-Habitat will provide technical assistance to city, regional and national authorities to design and implement programmes to increase the supply of affordable housing and to prevent the formation of new slums, as a viable alternative to informality, and to upgrade existing slums through a citywide slum upgrading approach. In this work, UN-Habitat will promote the active participation of residents and their grassroots organizations in the formulation, prioritization, implementation and post-implementation phases of both formal housing development and slum upgrading. It will also promote energy efficiency and renewable energy use in the urban housing sector.

35. In many countries, gender equity in access to adequate housing is still impeded by practices that discriminate against women and women-headed households. In order to enhance gender equality, specific projects designed to improve the access of women-headed households to adequate housing will be

implemented by all three work clusters in this focus area, i.e., “Housing”, “Slum upgrading”, and “Community development”.

#### **6. Focus area 6: risk reduction and rehabilitation**

*Strategic result: Cities have increased their resilience to the impacts of natural and human-made crises, in an equitable manner, and undertaken rehabilitation in ways that advance sustainable urban development.*

36. 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”. To address this challenge, UN-Habitat will, through this focus area, draw upon agency-wide expertise to engage in both reducing urban risk and responding to urban crises through its Resilient Cities Programme and Settlements Recovery Programme, respectively, in partnership with the United Nations International Strategy for Disaster Reduction and the Making Resilient Cities Campaign. 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 Settlements 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.

#### **7. Focus area 7: research and capacity development**

*Strategic result: Knowledge of sustainable urbanization issues disseminated and capacity enhanced at international, national and local levels in order to improve formulation and implementation of evidence based policies and programmes and to improve public awareness of the benefits of and conditions necessary for sustainable urbanization.*

37. While the role of cities and local authorities is becoming increasingly important in the global sustainable development debate, awareness of and the importance attached to urban challenges and opportunities remain low in many developing countries. As a result, not many Governments integrate specific urban issues in their national development plans. UN-Habitat will, through this focus area, address these concerns at the global and country levels (both national and subnational). At the global level, UN-Habitat will monitor the slum target of the Millennium Development Goals and, in general, the Habitat Agenda, as part of its assigned responsibilities in the United Nations system. 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 level 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 analyse data and indicators. This will include the capacity development of the local platforms themselves. 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 will also be collected as part of an agency-wide cross-cutting activity. Also at the country level, the focus area will be the UN-Habitat hub of expertise in developing institutional and individual capacities to ensure that the delivery of evidence-based policies and programmes benefit urban stakeholders.

#### **8. Cross-cutting issues**

38. Work on cross-cutting issues will follow a two-track approach consisting of mainstreaming and issue-specific projects. Mainstreaming will seek to ensure that cross-cutting issues are integrated in the work of all focus areas, both conceptually and in all operational projects. Issue-specific projects will seek to fill identified gaps in the field and will be located in the most appropriate focus area.

39. In the past decade, rapid growth across much of the developing world has meant broad progress in reducing overall levels of income poverty. Despite this remarkable achievement, multiple forms of

inequality and marginalization persist. Gender, age, physical and mental disability, ethnicity, and geography are some of the bases of exclusion that limit participation in political, social and economic spheres. A particularly pressing problem is that, in some countries, these divides have deepened in the wake of economic transformation.

40. UN-Habitat will ensure that gender and youth perspectives are mainstreamed in the agency's programming through both careful integration in both normative and operational projects as well as monitoring using data disaggregated on the basis of age and gender.

41. Of particular concern is the fact that women continue to be systematically excluded, despite representing more than half of the world's population. Inequalities in power and discriminatory institutions limit their political, social, and economic participation in many parts of the world, with negative consequences for overall national and local development. In implementing the present strategic plan, UN-Habitat will continue promoting the empowerment of women in order to ensure equal access of both men and women to the fruits of urban development. UN-Habitat will also promote the equal participation of both women and men in urban governance and other urban development decision-making processes at the local and national levels.

42. In order to enhance gender equality, specific projects on empowerment of women will be implemented in focus areas 1, 3 and 5, i.e., "Urban legislation, land and governance"; "Urban economy"; and "Housing and slum upgrading", respectively. These projects will be designed to ensure increased access of women to urban land, decent jobs and livelihoods, and adequate housing, as well as improve the participation of women in urban governance, especially at the local level. In implementing these projects, as well as in mainstreaming gender across all focus areas, advice will be sought from the Advisory Group on Gender Issues, an independent advisory body to the Executive Director of UN-Habitat.

43. In the light of the growing importance of youth issues in the United Nations system as a whole in response to the recent global increase in youth unemployment and the social and political upheavals in some parts of the world exacerbated by this increase, special attention will be paid to projects designed to foster development capacities, policies and programmes in partner cities supportive of increased income-generating opportunities and enhanced livelihoods for youth in urban areas. A specific Youth Unit within the Urban Economy Branch will be responsible for these projects. While the focus during the life of the present plan will be on youth employment, efforts will also be made to promote the involvement of youth in urban governance processes at the local, national and international levels, and to help local governments put in place policies designed to address their social needs and problems.

44. The other two cross-cutting issues, in addition to gender and youth, will be:

(a) Climate change;

(b) Human rights, within the context of advancing the goals and mandate of UN-Habitat, as set out in the Istanbul Declaration on Human Settlements and the Habitat Agenda.

45. All cross-cutting issues will be mainstreamed throughout the seven focus areas, ensuring that all policies, knowledge management tools and operational activities address these issues in their design and implementation. Specific operational and normative projects related to cross-cutting issues will be located in the most appropriate branches, depending on their substantive content. The responsibility for mainstreaming cross-cutting issues across all seven focus areas will lie with a dedicated unit within the Project Office.

46. The seven focus areas are not seen as watertight compartments. Rather, there is an inevitable overlap among the themes and issues. For this reason, cross-programme linkages will be encouraged during the life of this six-year strategic plan.

47. Among the most important mechanisms for advocacy, outreach and communication will be the World Urban Campaign, the World Urban Forum, and flagship publications. Advocacy, outreach and communication work will seek to raise global awareness of the urban agenda (including current urbanization challenges, solutions and opportunities) among national Governments, local authorities and other partners, as well as among the public.

**F. Results framework: focus area results and indicators of achievement**

48. Table 1 presents an overview of the results framework of this strategic plan, showing focus area results and their indicators of achievement. This provides the basis for the preparation of the more detailed results frameworks of the 2014–2015, 2016–2017 and 2018–2019 biennial work programmes and budgets.

Table 1. Results Framework of the Strategic Plan for 2014-2019: Overview

UN-Habitat Strategic Result	
Strategic Result Indicators of Achievement	
Environmentally, economically and socially sustainable, gender-sensitive and inclusive urban development policies implemented by national, regional and local authorities have improved the standard of living of the urban poor and enhanced their participation in the socio-economic life of the city	
Strategic Result Indicators of Achievement	
(a) Percentage of people living in slums, disaggregated by gender	
(b) Percentage of urban population with access to adequate housing	
(c) Percentage of people residing in urban areas with access to safe drinking water, adequate sanitation and regular waste collection services, clean domestic energy and public transport, disaggregated by gender	
(d) Number of city, regional and national authorities that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods	
(e) Number of city and regional authorities that have implemented sustainable urban plans and designs that are inclusive and respond to urban population growth adequately	
Focus Area Strategic Results	
1. City, regional and national authorities have established systems for improved access to land, adopted enabling legislation, and put in place effective decentralized governance that fosters equitable sustainable urban development, including urban safety	3. City, regional and national authorities have adopted or implemented improved urban strategies and policies supportive of local economic development, inclusive economic participation, creation of decent jobs and livelihoods, and enhanced municipal finance
2. City, regional and national authorities have implemented policies, plans and designs through a participatory process including all different actors, such as civil society and poor people, for more compact, better integrated and connected cities that foster equitable sustainable urban development and are resilient to climate change	4. City, regional and national authorities have implemented policies for increasing equitable access to urban basic services and improving the standard of living of the urban poor
3. City, regional and national authorities have adopted or implemented improved urban strategies and policies supportive of local economic development, inclusive economic participation, creation of decent jobs and livelihoods, and enhanced municipal finance	5. City, regional and national authorities have implemented policies for increasing access to adequate housing and improving the standard of living in existing slums
4. City, regional and national authorities have implemented policies for increasing equitable access to urban basic services and improving the standard of living of the urban poor	6. Cities have increased their resilience to the impacts of natural and human-made crises, in an equitable manner, and undertaken rehabilitation in ways that advance sustainable urban development
5. City, regional and national authorities have implemented policies for increasing equitable access to urban basic services and improving the standard of living of the urban poor	Knowledge of sustainable urbanization issues disseminated and capacity enhanced at international, national and local levels in order to improve formulation and implementation of evidence based policies and programmes and to improve public awareness of the benefits of and conditions necessary for sustainable urbanization

## Indicators of Achievement

a) Number of partner city, regional and national authorities that have established systems for improved access to land, and adopted enabling legislation and the guidelines on decentralization and strengthening of local authorities and on access to basic services for all	a) Number of partner city, regional and national authorities that have implemented urban policies, plans and designs that apply principles and standards derived from best practices	a) Number of partner city, regional and national authorities that have implemented improved urban strategies and policies supportive of local economic development, inclusive economic participation, creation of decent jobs and livelihoods, and enhanced municipal finance	a) Number of partner city, regional and national authorities that have implemented policies for increasing equitable access to basic services, including the promotion of the guidelines on decentralization and strengthening of local authorities and on access to basic services for all, including safe drinking water, adequate sanitation, waste collection and management, domestic energy, and public transport	a) Number of partner city, regional and national authorities that have implemented and integrated risk reduction strategies and programming within their urban planning and management systems, with particular emphasis on the most vulnerable population and programmes
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### **III. Strategy implementation**

#### **A. Introduction**

49. Part I presented the rationale of this strategic plan, highlighting the external and internal factors that have shaped its content. Part II presented the core elements of the strategic plan, including its vision, mission, goal, strategic result, focus areas and the plan's results framework. Part III describes how the strategic plan will be implemented, focusing on overall strategy and phases for the implementation of the strategic plan; the new organizational structure and management approach through which the plan will be implemented; how the plan's implementation will be monitored and evaluated within the context of results-based management and using the results framework presented in part II; and, finally, the financial and human resources required for the successful implementation of the plan.

#### **B. Implementation strategy and phases**

50. The Habitat Agenda (1996) and General Assembly resolution 56/206 contain the latest descriptions of the functions of UN-Habitat. UN-Habitat is the focal point for the implementation of the Habitat Agenda and its primary functions are:

- (a) Providing substantive servicing to the Governing Council of the United Nations Human Settlements Programme;
- (b) Coordinating, within the United Nations system, the implementation of the Habitat Agenda;
- (c) Monitoring global urbanization trends and conditions and assessing progress in the implementation of the Habitat Agenda;
- (d) Facilitating and executing adequate shelter and sustainable human settlements development programmes and projects;
- (e) Within the legal framework of each country, promoting and consolidating collaboration with all partners, including local authorities, the private sector and non-governmental organizations, in the implementation of the Habitat Agenda;
- (f) Facilitating global exchange of information and best practices and initiating public information activities on adequate shelter for all and sustainable human settlements development.

51. In the light of the above, UN-Habitat will, on the normative side of its work, seek to raise awareness and inform Governments and local authorities of changing urban conditions and trends, as well as effective policies, strategies and practices. On the operational side, UN-Habitat will assist Governments and local authorities to plan, govern and manage cities in accordance with the guiding principles of sustainable development, as well as to deliver urban basic services to their citizens more efficiently and equitably.

52. Within the context of advancing the goals of the Istanbul Declaration and the Habitat Agenda, which includes enabling the provision of adequate housing, basic services, and promoting participatory decision-making, UN-Habitat will continue to mainstream human rights in its work.

##### **1. Implementation of the plan through biennial work programmes and budgets**

53. This strategic plan will be implemented in three successive phases, linked to the biennial work programmes and budgets approved by the Governing Council and the General Assembly. Whereas in the past strategic planning in UN-Habitat was undertaken separately from the development of work programmes and budgets, the three successive work programmes for 2014–2015, 2016–2017 and 2018–2019 will be fully aligned with this strategic plan. In this respect, the strategic plan's seven focus areas will be identical to the work programme's subprogrammes. The strategic plan's overall strategic result and focus area strategic results, and their respective indicators of achievement, will also be identical to those in the work programme.

54. The preparatory phase, 2013, will include delivery of the following:

- (a) Establishment of a strategic plan steering committee to oversee the implementation of the plan, including assessment of the results of implementation and adjustment of the plan;

- (b) Finalization of an action plan, including a road map for the implementation of the strategic plan;
- (c) Finalization of focus area policy papers to guide the work of each of the focus areas, which will be accessible to all staff and UN-Habitat partners;
- (d) Establishment of baselines for all indicators of achievement in the results framework;
- (e) Finalization of a policy paper on resource mobilization, a project acquisition strategy to guide the development of new projects, and a catalogue of model projects;
- (f) Finalization of policy papers on monitoring, evaluation, and advocacy.

55. Phase 1, 2014–2015, will include delivery of the following:

- (a) Establishment of a UN-Habitat database, accessible to both internal and external users, containing core data and indicators necessary for the global monitoring of progress in the implementation of this plan and the Habitat Agenda in general;
- (b) Adjustment of the UN-Habitat project-based accrual and accountability system (PAAS) to reflect the change from the six medium-term strategic and institutional plan focus areas and four subprogrammes in the work programme, to seven strategic plan focus areas and seven subprogrammes in the work programme;
- (c) Finalization of regional implementation strategies and UN-Habitat country programme documents.

56. Phase 2, 2016–2017, will include delivery of the following:

- (a) Mid-term evaluation of the implementation of the strategic plan at the end of 2016, including the first reporting on the indicators of achievement of the plan's overall strategic result;
- (b) Global assessment of progress in the implementation of the Habitat Agenda, as an input to both the preparatory process for Habitat III and the midterm evaluation of the strategic plan;
- (c) Convening of Habitat III and adoption of a new urban agenda for the twenty-first century;
- (d) Adjustment of the strategic plan on the basis of the midterm evaluation, the new urban agenda for the twenty-first century and any changes in the governance structure of UN-Habitat, as well as implementation of those elements of the adjusted strategic plan that can be implemented as part of the 2016–2017 work programme and budget.

57. Phase 3, 2018–2019, will include delivery of the following:

- (a) Full implementation of the adjusted strategic plan, taking into account the new urban agenda for the twenty-first century and the midterm evaluation of the strategic plan;
- (b) Final evaluation of the strategic plan, including reporting on the overall strategic result indicators of achievement.

58. The activities in each work programme will be highly focused. The number of outputs will be considerably fewer in comparison to the 2012–2013 work programme, but more purposeful. Both normative and operational outputs will be produced as part of projects of not less than \$300,000, and will be designed to contribute to transformative strategic actions that have the potential to trigger or catalyse change at the city level. Both normative and operational projects, and the outputs from them, will aim at assisting city, regional and national authorities responsible for the development of urban and other human settlements to significantly improve the effectiveness of their planning, governance and service delivery systems. The integration of normative work into operational projects will safeguard the delivery of normative work, even when non-earmarked core income declines.

## **2. Catalytic role and partnerships**

59. Greater emphasis will be placed on the catalytic role of UN-Habitat in global monitoring, assessment and advocacy, as well as in national policy and institutional capacity development. Consistent with this catalytic role, UN-Habitat will continue working with its key partners, i.e., national Governments, local authorities, non-governmental organizations and private sector organizations, and a more systematic approach to partnerships will be developed. The ultimate objective is to increase the

number of partners and networks engaged in supporting the implementation of the sustainable urbanization agenda at the global, regional, national and local levels. Accordingly, the partnership and networking approach will be mainstreamed across all seven focus areas of the strategic plan.

60. Partnerships will be strengthened and expanded with United Nations bodies, international finance institutions and other Habitat Agenda partners for the monitoring, reporting and advocacy of urbanization issues and for capacity development and technical assistance at the national and local levels. Of particular importance will be the enhancement of UN-Habitat participation in the “Delivering as one” initiative at the country level, including its participation in the United Nations country teams and the United Nations Development Assistance Frameworks.

61. Common objectives and activities to promote sustainable urbanization will be agreed upon with specific Habitat Agenda partner groups, principally through the World Urban Campaign (see box 2) and the World Urban Forum as key catalytic vehicles for mobilizing partnerships and networks.

### Box 2. World Urban Campaign

62. In addition, for each substantive focus area, UN-Habitat will strengthen its working relationships with key networks of professionals and other partners, and also explore the possibility of partnerships with non-conventional partners, especially in the non-governmental and private sectors.



63. For focus area 1, urban legislation, land and governance, fruitful relations already exist with parliamentarians, associations of local authorities at the international, regional and national levels, and also with surveyors and land professionals under the auspices of the Global Land Tool Network. Urban legal specialists represent an additional professional group to be engaged in efforts to strengthen legal frameworks for sustainable urbanization.

64. In focus area 2, urban planning and design, UN-Habitat will continue to strengthen its ties with national, regional and global professional institutes or associations of urban and regional planners, in particular regional planning associations (such as the African Planning Association), the International Society for City and Regional Planning, the Commonwealth Association of Planners and the Global Planners Network.

65. In focus area 3, urban economy, on the basis of a well-established track record of building partnerships between local governments and youth for entrepreneurship and skills development, UN-Habitat will leverage global and regional networks on local economic development, such as the Local Economic Development Network of Africa, and ensure their inclusion of cities in the developing world.

66. In focus area 4, urban basic services, UN-Habitat will intensify existing relationships with international and regional finance institutions to increase the flow of investments into this critical sector, in particular the African Development Bank, the Asian Development Bank and the Inter-American Development Bank. Efforts will also be made to promote the integration of urban basic services in the work of regional social and economic commissions of the United Nations, as well as regional organizations such as the Association of Southeast Asian Nations, the African Union and the Organization of American States.

67. For focus area 5, housing and slum upgrading, UN-Habitat will build a platform to promote adequate housing, slum upgrading and slum prevention through stronger partnerships with national and local governments; civil society, particularly slum dweller organizations, such as Slum Dwellers International, housing federations, advocacy groups and academia; as well as the private sector and finance institutions.

68. For focus area 6, risk reduction and rehabilitation, UN-Habitat will continue to contribute to inter-agency cooperation, principally through the Inter-agency Standing Committee mechanisms, in particular the cluster approach. It will continue building other partnerships and networks outside the United Nations system for emergency interventions linked to long-term technical and capacity-building support to countries facing or recovering from crisis. Important partners will include the International Federation of Red Cross and Red Crescent Societies and the International Organization for Migration.

69. Finally, with respect to focus area 7, research and capacity development, UN-Habitat will continue to depend on partnerships with local and national urban observatories, national statistics offices, academic institutions and local government training institutions in monitoring and assessing local, national and global urban conditions and trends. As part of the “Delivering as one” approach, UN-Habitat will intensify partnerships with the United Nations Children’s Fund and the World Health Organization in the establishment of a joint system for data collection and analysis of urban issues in developing countries.

### **3. Risk management**

70. The major risk likely to affect the implementation of the strategic plan is the decline in non-earmarked funding. While UN-Habitat earmarked income, mainly from technical cooperation activities, has been increasing during the last few years, non-earmarked income has been declining as a result of the global economic and financial crisis, among other reasons. Income from the United Nations regular budget is likely to remain stagnant, or to decline as well. The imbalance between earmarked and non-earmarked income is likely to persist, especially as increasing the project portfolio at the country level is likely to be the most feasible way of increasing the UN-Habitat overall income. If this trend persists, UN-Habitat activities will be increasingly donor-driven, and its ability to implement the approved work programme, especially the normative elements, will be increasingly constrained.

71. To mitigate the funding risk, a number of strategies will be pursued. These will include:

(a) Enhanced pursuit of non-conventional avenues for fundraising, including mass appeals and working with private sector organizations committed to corporate social responsibility as well as profit-motivated investment in pro-poor housing and urban infrastructure development;

(b) Expansion of partnerships with international institutions and regional development banks, building on the success already achieved in this respect, especially with the Asian and African regional development banks.

(c) Enhancement of multi-year agreements with development partners in order to increase non-earmarked and soft-earmarked income. This will build on the experience of existing successful agreements with a number of development partners. As part of this, the existing system of joint annual consultations with development partners will be strengthened.

72. Another risk in implementing the strategic plan is likely to arise from insufficient in-house expertise in the areas of project-based accountability and management practices, knowledge management, human resources management in the context of flex teams, and results-based management, although some progress has been made with the latter as part of the implementation of the medium-term strategic and institutional plan 2008–2013. To address these needs, the staff training system initiated during the implementation of the medium-term strategic and institutional plan 2008–2013 will be strengthened and maintained.

73. More comprehensive and detailed risk analysis will be carried out, and risk management proposals made, during the preparation of each of the three biennial work programmes and budgets through which this plan will be implemented.

### **C. Organizational structure and management approach**

74. In its resolution 21/2 of 20 April 2007, the Governing Council requested that priority be given to the proposed institutional reforms necessary to bring about better organizational alignment in the delivery of the medium-term strategic and institutional plan. A medium-term strategic and institutional plan peer review carried out in 2010 recommended that the next Executive Director of UN-Habitat should consider a new organizational structure with the aim of achieving better alignment with the medium-term strategic and institutional plan focus areas. Achievement of results within the medium-term strategic and institutional plan priority areas should be the primary motivation for any such reorganization.

75. Towards the end of the 2008–2013 medium-term strategic and institutional plan cycle, an organizational review of UN-Habitat was carried out. The main elements of the new organizational structure resulting from this review are shown in figure 1, while the formal organizational chart is shown in annex 1. The main rationale of this new structure is to ensure more effective and efficient delivery of the UN-Habitat mandate at the country, regional and global levels.

76. In more specific terms, the organizational structure and management system aim at:

- (a) Increasing project efficiency in the field, especially in the early stages of implementation;
- (b) Increasing the productivity of the normative work performed at headquarters;
- (c) Increasing transparency in UN-Habitat management and substantive work;
- (d) Increasing accountability at all levels;
- (e) Reducing the silo mentality by enhancing teamwork and integrating normative and operational activities.

77. The strategic plan will be implemented through seven thematic branches corresponding to the plan’s seven focus areas (shown in circles in figure 1) and the biennial work programme’s seven subprogrammes.

78. However, the required organizational culture change will take longer to achieve, and will continue to be implemented during the life of the 2014–2019 strategic plan. This will be achieved through staff training, coaching and mentoring. This will involve learning how to manage UN-Habitat activities through the project approach, how to orient all activities towards the attainment of results rather than outputs, how to work in flex teams, and how to account for staff time and financial resources by project.

79. The main characteristics of the new organizational structure and management system are as follows:

- (a) A horizontal, flatter matrix organization;
- (b) A project-based management system which brings together normative and operational work under each project;
- (c) A flexible organization working through flex teams established around projects;
- (d) An organization with clear delegation of authority, down to the project level, and accountability through a new PAAS.

80. PAAS, a computer software business solution for managing and coordinating all resources, information and functions of the organization from a shared data source in which data and information can be attributed to and managed through individual projects, is central to the new project-based management system. This system, whose primary objective is to improve management decision-making, monitoring and reporting, is complementary to Umoja, a United Nations system-wide enterprise resource planning solution designed to ensure that resources are managed more efficiently through improvements in the

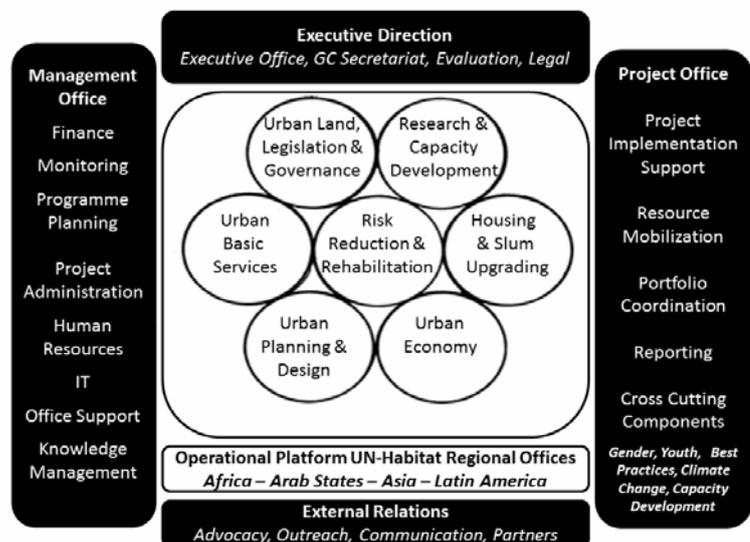


Figure 1. UN-Habitat new functional structure

United Nations business processes in the areas of finance, human resources, central support services, supply chain, and programme and project management.

81. Also central to the new system are flex teams. A flex team will be established for each project and a staff member may be assigned to several projects, against which their time is accounted. Each flex team will exist for as long as the project exists, after which staff will be reassigned to new projects. This will ensure maximum flexibility and efficiency in the use of human resources.

## D. Performance measurement

82. Monitoring, evaluation and reporting are critical elements of results-based management and together constitute the foundation of UN-Habitat accountability and transparency to the member States. Performance information from monitoring and evaluation will be used more systematically so as to take corrective action, to enhance programmatic or organizational decision-making and accountability and to ensure that programme objectives are met within a given budget by comparing actual progress against what was planned.

83. In addition, monitoring and evaluation information will be used for organizational learning, by sharing lessons learned internally and with governing bodies and development partners. Through mandatory progress reports, monitoring and evaluation information will be used to hold UN-Habitat accountable to member States and development partners by communicating the extent to which resources are efficiently and effectively used to achieve developmental results.

84. UN-Habitat is committed to meeting international standards of excellence in monitoring and evaluation. In the coming years, it will focus on improving the capacity of the agency to contribute more systemically to producing significant outcomes and development impacts.

### 1. Monitoring and reporting

85. The implementation of the strategic plan for 2014–2019 will be systematically monitored in order to effectively manage the achievement of results. In more specific terms, this means ensuring that the different levels of indicators in the results framework are reported upon at the specified times (see figure 2). The primary responsibility for monitoring the plan will lie with branches, assisted by the project and regional offices. The Quality Assurance Unit, within the Management Office, will be responsible for the overall coordination of monitoring and reporting.

86. Monitoring activities will be based upon the results frameworks, including baselines, of the biennial work programmes and budgets, themselves derived from the strategic plan's results framework. For the purposes of continuity of monitoring, the same set of indicators will be used throughout the life of the strategic plan, with minor adjustments being made as and when required. Reporting will be on outcomes,

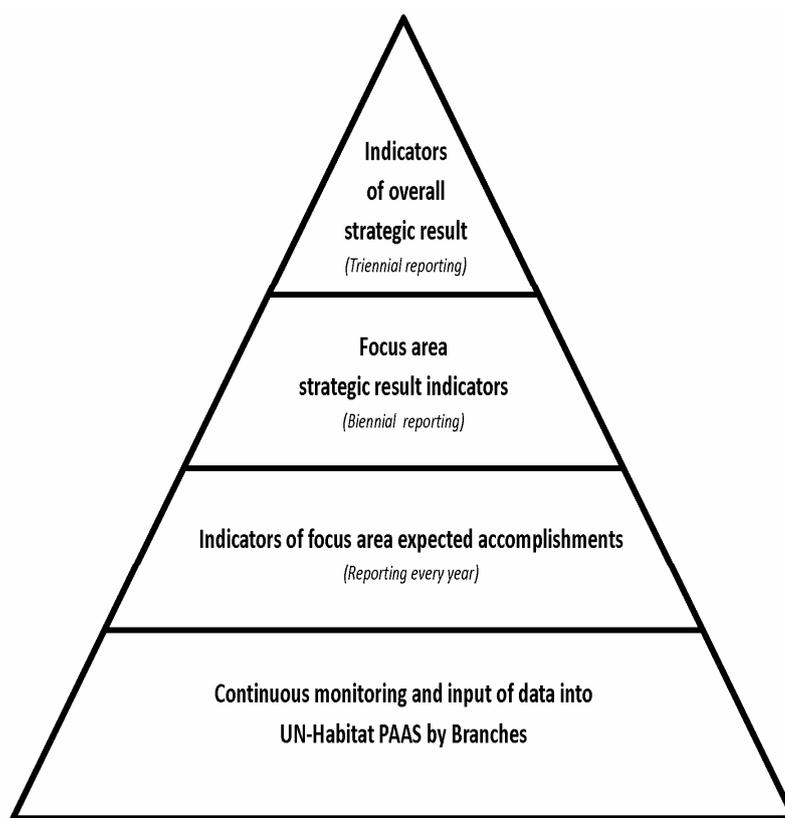


Figure 2. Indicators of achievement

rather than outputs. Clear baselines will be established before the beginning of the implementation of the strategic plan. The baselines will specify, for each indicator of achievement, the exact performance measure (unit of measurement) as well as the level at which measurement will commence. Information and data on the indicators of achievement for all focus areas will be collected and entered into the UN-Habitat PAAS on a continuous basis. The specific data to be collected will be specified in the baseline document for the strategic plan, which will be ready by the end of 2013, and also in the performance measures of the biennial work programme and budget documents. It will be possible to extract the latest information and data required for different monitoring reports at any time.

87. As shown in figure 2, progress on the indicators of achievement for all focus area expected accomplishments (results) will be reported every year, on the basis of information and data collected continuously and entered into the UN-Habitat PAAS. The main reporting mechanisms will be the annual progress report on the implementation of the strategic plan and the United Nations system-wide Integrated Monitoring and Documentation Information System (IMDIS).

88. Progress on the indicators of achievement of the strategic results of the plan's seven focus areas will be reported every two years, mainly through the biennial report on progress in the implementation of the strategic plan prepared for the UN-Habitat Governing Council, as well as through IMDIS and the biennium programme performance report prepared at the end of every biennial work programme and budget for purposes of accountability to the General Assembly.

89. Progress on the topmost indicators of achievement, i.e., those for the UN-Habitat strategic result, will be reported only twice, halfway through the life of the strategic plan and at the end. This is because reporting on these high level indicators requires global surveys, which are very costly and time-consuming. The main reporting mechanism will be the midterm evaluation and the final evaluation of the strategic plan. UN-Habitat will enhance its efforts to secure increased funding for monitoring and evaluation, building on experience gained during the implementation of the medium-term strategic and institutional plan 2008–2013.

## **2. Evaluation**

90. The UN-Habitat evaluation policy will be finalized by the end of 2013, i.e., before implementation of the strategic plan commences. Evaluations during the plan's life will provide information to guide efforts in change management and will recommend measures for enhanced relevance, efficiency, effectiveness and sustainability of subprogrammes, projects and substantive themes.

91. Biennial evaluation plans will be developed as part of the biennial work programmes and budgets. The evaluation plans will be prioritized, ensuring adequate coverage of UN-Habitat projects and subprogrammes, and will also include strategic and impact evaluations. Mandatory evaluations specified in resolutions of the General Assembly, the Governing Council and other intergovernmental bodies, and those specified in cooperation agreements with development partners, will take high priority.

92. The UN-Habitat PAAS will provide, on a continuous basis, evidence-based information that is credible, reliable and useful, thus enabling the timely incorporation of evaluation findings, recommendations and lessons into the decision-making processes of UN-Habitat.

93. The independent evaluation unit, located in the Executive Direction Office, will plan and coordinate all evaluations approved in the biennial evaluation plans and ensure consistent application of evaluation norms and standards of the United Nations system. To ensure a maximum degree of impartiality and independence of evaluation findings, external evaluators will conduct most of the planned evaluations, while the evaluation unit will conduct only a few of the evaluations.

94. Evaluation recommendations, and plans for the implementation of those recommendations, will be discussed, in a systematic way, by both senior management and the Committee of Permanent Representatives. This will ensure corporate ownership of the whole process. An evaluation-tracking database will be integrated in the UN-Habitat PAAS in order to ensure implementation of evaluation recommendations as well as monitoring of the implementation process. The implementation of evaluation recommendations will be reported on regularly. The capacity of UN-Habitat managers and staff in evaluation will be strengthened through regular training, offered as part of results-based management courses.

95. All projects with a budget of over \$3 million will be subject to external evaluation upon completion, and the budgets for all such projects will, as a matter of principle, include funds for evaluation. All focus areas of the strategic plan (or subprogrammes of the work programme) will be evaluated at least once during the life of the plan. With respect to the strategic plan itself, there will be a midterm evaluation of the implementation of the strategic plan in 2016, prior to Habitat III. This evaluation will include the first reporting on the indicators of achievement of the plan's overall strategic result, as shown in figure 2. The strategic plan will be adjusted on the basis of this midterm evaluation, the outcome of Habitat III (i.e., the new urban agenda), and any changes in the governance structure of UN-Habitat. A final evaluation of the strategic plan, including the second reporting on the overall strategic result's indicators of achievement, will be carried out during 2019.

96. All evaluation reports will be made available on the UN-Habitat evaluation website. Biennial evaluation reports will be prepared for presentation to the Governing Council. The reports will summarize the results of the evaluations carried out during the preceding biennium, including lessons learned, recommendations, and action taken to implement those recommendations.

97. As development occurs over time, it is important to report on short-term outcomes, as well as intermediate and long-term results. Reporting on short-term-outcomes will highlight immediate outcomes and relevant outputs, on the basis of information and data derived from the monitoring process. Reporting on long-term results is essential and will involve measurement of long-term impacts. The emphasis will be on measuring, on the basis of the established baselines, contribution to development results rather than attribution.

98. Dialogue with the Committee of Permanent Representatives and development partners on improving the quality of results reporting will take place during the implementation of the strategic plan in order to agree on simple, clear and easily understandable reporting formats that demonstrate progress in achieving planned results. A web-based facility listing key results for each UN-Habitat project will be created. The facility will be accessible both for UN-Habitat staff and external users.

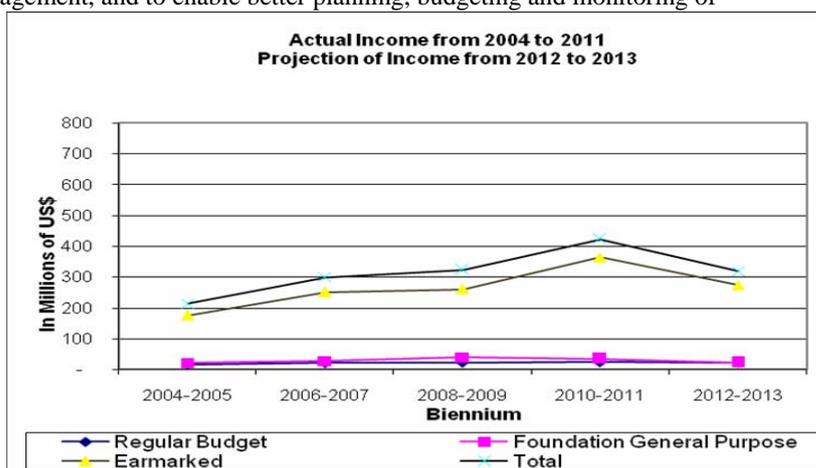
## E. Financial and human resources

99. Over the course of this strategic plan, UN-Habitat intends to significantly increase its project portfolio and total income, thus reversing the decline in income illustrated in figure 3. This ambitious aim is a means of challenging the organization to redefine its ways of doing business, including its approach to partnerships and to the development of new projects. This is necessary given the scale and scope of the challenges which cities face today.

100. UN-Habitat will continue improving its systems and tools, including its PAAS, in order to support sound financial and risk management, and to enable better planning, budgeting and monitoring of expenditure at the project, regional, thematic and corporate levels. These tools will also help the agency to improve income forecasting and management of expenditures at sustainable levels.

101. UN-Habitat resource mobilization during the course of this strategic plan will support the income and portfolio growth targets of the agency. To this extent, resource mobilization will be closely linked to the project acquisition policy, which will be fully in place before 2014.

102. To increase the project portfolio and non-earmarked resources, UN-Habitat will actively work towards consolidating and broadening its existing donor base. This will involve enhancing the quality of



**Figure 3. Income trends**

existing long-term partnerships with major development partners, exploring opportunities with former major donors and using existing relations with partners to leverage and expand the donor base. UN-Habitat will also develop more systematic approaches and structures for securing non-earmarked voluntary contributions from all member States.

103. Non-conventional avenues for fundraising will also be pursued, including mass appeals, together with the engagement of private sector organizations committed to corporate social responsibility as well as those involved in investment, for profit, in low-income housing and urban infrastructure development.

104. As part of its project acquisition strategy, UN-Habitat will provide seed funding for pre-investment activities. For this purpose, two already established internal revolving funds, the Internal Development Fund and the Emergency Fund, will be strengthened in order to facilitate the acquisition of new projects and to respond quickly to natural and human-made disasters. These internal revolving funds are a transparent financial management mechanism set up from core non-earmarked income to provide a limited amount of money to explore opportunities for new projects, or to rapidly assess the need for emergency response projects soon after disasters. The money advanced is expected to be returned when the projects developed take off.

105. Greater emphasis will be placed on strengthening communication and demonstrating to existing and potential development partners the UN-Habitat role in current economic and social development, partly through its catalogue of model projects. UN-Habitat will also actively demonstrate its achievements in management efficiency, as well as in organizational transparency and accountability.

106. The UN-Habitat project acquisition strategy will focus on country-level resource mobilization and will provide guidance on how to develop new projects for implementation at the city and national levels. Efforts will also be made to ensure full participation of the agency in pooled resources managed under the United Nations system, but also under other multilateral organizations such as international finance institutions. In addition, UN-Habitat will seek to add to its portfolio by building and intensifying close collaboration with trusts and foundations.

107. Portfolio growth will be further facilitated by enhancing the in-house donor intelligence knowledge base, developing tools to market UN-Habitat projects, knowledge and experience, and by the development of a resource mobilization policy designed to ensure that the headquarters, regional offices and country offices systematically organize and coordinate their fundraising activities.

108. UN-Habitat will also engage more actively with middle-income countries, many of whom have large and fast-growing economies. Most of these countries have, in the last decade or so, experienced major urban growth, thus providing a platform for expanding UN-Habitat technical assistance activities as well as for promoting South-South cooperation.

109. The Resource Mobilization Unit, located in the Project Office, will support the UN-Habitat interface with donors, in close collaboration with the thematic branches and regional offices. The Resource Mobilization Unit will also provide an in-house knowledge base for donor intelligence and analysis of global urban development financing opportunities and trends.

110. Finally, the success of this strategic plan will depend on its staff. The planned growth of the UN-Habitat project portfolio and income is likely to necessitate a corresponding increase in its core staff in order to create the necessary management capacity. However, a very cautious approach to the establishment of new posts will be pursued. The basic approach will be to engage project staff where and when required so as to meet immediate needs, thus providing the agency with the necessary flexibility to respond to variable project demands. UN-Habitat will also strengthen its matrix management system, which uniquely combines thematic priorities with sensitivity to regional and national priorities and needs. Flex teams operating within its headquarters and across regional and national offices will provide UN-Habitat with additional flexibility and efficiency in the management of its portfolio of joint normative and operational projects.

111. In general, UN-Habitat will seek to provide a stimulating work environment that attracts people from diverse cultural and professional backgrounds through its commitment to sustainable urban development, openness to change and dedication to the provision of solutions to the challenges posed by national and local development. UN-Habitat will enhance ongoing professional development and learning. Maintaining and enhancing the reputation of UN-Habitat will require continuous improvement as well as a

willingness to challenge established practices and to be flexible in the face of a constantly changing environment.

112. By strengthening the role of the four regional offices in Latin America and the Caribbean, Africa, the Arab States, and Asia and the Pacific, UN-Habitat will be better positioned to gather strategic intelligence, develop regional strategies, manage information and disseminate knowledge, develop and implement locally relevant programmes, strengthen regional partnerships and provide for more efficient delivery of services through enhanced delegation of authority away from headquarters. The representation role of regional office directors will also be enhanced. As such, regional offices will be a strategic asset in the delivery of this strategic plan.

**Annex**

**Formal organizational chart of UN-Habitat**

*(To be inserted when finalized through the Secretary-General's Bulletin on the Organization of UN-Habitat)*

