Proposed Work Programme and Budget 2016-17

Background

This document outlines the overall process and main parameters of the biennial draft work programme and budget for 2016-2017. The meetings of the CPR Sub-Committee scheduled for 14, 17 and 18 November 2014 are intended to obtain, through a review process, the inputs and guidance of the Member States on the draft work programme and budget before it is presented to the Regular CPR during its forthcoming meeting on 3 December 2014.

The proposed programme of work for the 2016-2017 is derived from UN-Habitat’s strategic plan for 2014-2019 and strategic framework for 2016-2017. It is developed against the backdrop of significant changes in the international development environment, including growing recognition of the important role of sustainable urbanization in driving sustainable development. The first ever ECOSOC integration segment focused on sustainable urbanization as the priority theme, and underlined the transformative power of sustainable urbanization in achieving sustainable development (May 2014). As part of the Post-2015 Development Agenda, the Open Working Group on Sustainable Development Goals has proposed a stand-alone Sustainable Development Goal to “Make cities and human settlements inclusive, safe, resilient and sustainable” (July 2014). The Secretary-General’s Climate Change Summit also designated ‘Cities’ as one of the priority action areas (September 2014). UN-Habitat has also embarked on broad mobilization of Habitat Agenda Partners around the New Urban Agenda through the World Urban Campaign.

Within the UN System, UN-Habitat presented a policy paper in October 2014 on Urbanization and Sustainable Development: Towards a New United Nations Urban Agenda to the UN High Level Committee on Programmes (HLCP). The paper highlights the transformative way in which urbanization can be harnessed to enhance economic growth and productivity, wealth and state building and proposes a UN system-wide approach to the implementation of the sustainable urbanization dimensions of the post-2015 development agenda and the outcome of Habitat III, and a framework for cooperation and policy coherence in the area of sustainable urbanization.

In order to strengthen application of results-based management, ownership and accountability, the work programme and budget for 2016-2017 was prepared in a participatory manner during a Senior Management Retreat held in October 2014. The retreat, which included senior managers from headquarters and regional and liaison offices, also discussed ways to enhance coordination and coherence through programming more closely between the different sub-programmes and built on the close integration forged between normative and operational activities. Particular attention was paid to strengthening programme delivery including:

i. reflecting the emerging debate on the New Urban Agenda and ensuring that the cross-cutting issues of gender, youth, climate change and human rights are reflected to the greatest extent possible in all subprogrammes,

ii. expansion of multi-dimensional programmes, whether at country level or regional level to deliver results at scale,
iii. enhancing relationships with national and local governments and development partners, and promoting greater national ownership though joint development of Habitat Country Programme Documents,

iv. strengthening resource mobilization to cover underfunded aspects of the programme, as measured by strategic impact and portfolio, including consolidation of work programme activities to allow for larger scale programmes, particularly in view of the declining contributions to the Foundation General Purpose fund,

v. deeper and increased partnerships with UN agencies and other non-governmental partners for impact and delivery at scale,

vi. enhanced management tools and business processes to support project management and efficient delivery including Umoja,

vii. strengthened monitoring and evaluation and reporting of results achieved and impact made in the livelihoods of the organization’s beneficiaries.

Implementation of the Strategic Plan 2014-2019 through the Biennial Work Programme and Budget

The work programme and budget for 2016-2017 is the second in the three phase implementation of the strategic plan for 2014-2019. Through its Resolution 23/11 of 15 April 2011, the Governing Council requested the ED to prepare a results-based six-year strategic plan for 2014-2019 for approval by the GC during its 24th session. The strategic plan was developed by an Open-ended Working Group comprising CPR members and representatives of the UN-Habitat Secretariat and was chaired by a member of the CPR.

The strategic plan outlines the vision, mission, goal and overall strategic result for the organization. It defines seven focus/priority areas, and for each of them a strategic result and its indicator of achievement, identifies the main challenges faced by the countries under each of the focus areas and articulates the strategies for addressing them. The seven focus areas of the strategic plan are fully aligned to the subprogrammes of the work programme which are in turn, aligned to the organizational structure of UN-Habitat. The strategic plan was approved by the Governing Council through its resolution 24/15 of April 2013. Figure 1 on page 3 is a flowchart that depicts how the strategic plan is implemented through the biennial work programme and budget (also known as the programme budget).

In preparing for effective implementation of the strategic plan and in line with results-based management principles, UN-Habitat developed a number of documents that include a results framework and a performance measurement plan. The results framework reflects the strategic results of each of the focus areas of the strategic plan and cascades these to three expected accomplishments (outcomes), sub-expected accomplishments (sub-outcomes) and their indicators. These are the results that UN-Habitat committed to contribute to or achieve during the six-year period of the strategic plan. These were arrived at in a participatory process. The performance measurement plan is a document that defines the expected accomplishments and their indicators and provides baselines and targets for the six-year period. It indicates how implementation of the strategic plan will be monitored and reported on, how the data will be
collected, by whom and how often. It also states how frequently implementation of the strategic plan would be evaluated.

The strategic plan is implemented through three successive strategic frameworks and work programme and budgets (for 2014-2015, 2016-2017, 2018-2019), in line with Governing Council resolution 24/15 paragraph 5, by which the Council requested the Executive Director "... to consult with the Committee of Permanent Representatives during the preparation of the results-based strategic framework and work programme and budget documents for the biennium 2016–2017, and to ensure that the two exercises are aligned with the strategic plan for 2014–2019". The strategic framework is a policy document in the UN Secretariat and is the first stage in the preparation of the biennial work programme and budget. Its preparation is guided by a Support Guide on the Proposed Strategic Framework from the UN Controller. The strategic framework comprises the following sections:

- Overall Orientation (introduction); and for each subprogramme:
- Overall Objective or strategic result (what is to be achieved in the long-term through the subprogramme);
- Three expected accomplishments (outcomes) and their indicators;
- The strategy (for achieving the expected accomplishments and ultimately the objective); and
- Relevant mandates of the ECOSOC, GA and GC

In the case of UN-Habitat, all the sections of the strategic framework are derived from the approved six-year strategic plan. The objective, the expected accomplishments and their indicators of achievement are taken from the results framework, while the strategy sections are taken from the strategic plan. The CPR Sub-committee on Finance and Administration provides inputs into the strategic framework, which is subsequently presented to a regular CPR meeting for endorsement. The document is then submitted to the UN Controller’s Office where it becomes one chapter in the overall UN strategic framework. This is reviewed by the Committee on Programme and Coordination (CPC). The UN-Habitat strategic framework for 2016-2017 was endorsed, with some amendments, by the CPC during its 54th session in June 2014. According to GA resolution A/58/269, the logframe of the strategic framework is supposed to be identical to that of the work programme.

The biennial work programme and budget is a continuation of the CPC endorsed strategic framework for that biennium and its preparation is guided by a Support Guide on the Proposed Programme Budget. In line with the above mentioned resolution, all the sections of the strategic framework comprising the overall orientation, subprogramme objectives, expected accomplishments and their indicators, as well as the strategy sections are replicated in the work programme and budget. The work programme and budget includes the following additional elements: Performance measures for each of the indicators (baselines and targets):

- Outputs (what are UN-Habitat and partners going to do during the biennium in order to contribute towards the achievement of the expected accomplishments and objectives);
- External factors (assumptions);
- Resources required to deliver the work programme; and
- Sources of the resources.
Figure 1: Flowchart on Implementation of the Strategic Plan through the Work Programme and Budget

1. In 2012 Open Working Group (UN-Habitat/CPR) developed Strategic Plan for 2014-2019
2. Strategic Plan 2014-2019 discussed and finalized with CPR. Main sections:
   - Vision, Goal, Mission
   - Strategic Result
   - 7 Focus areas/SubP
   - Cross-cutting issues
4. SP 2014-2019 operationalized through
   - 1. Results Framework
   - 2. Performance Measurement Plan
6. CPR subcommittee provided inputs. SF includes:
   - 1. Overall orientation
   - 2. For each Subprogramme:
     - Logframe (objectives, EAs, indicators)
     - Strategy
7. Regular CPR endorses Strategic Framework
8. CPC reviews Strategic Framework for UN GA. SF 2016 2017 recommended by CPC in June 2014
10. WP & Budget contains: SF, outputs, performance measures, resources and their sources. CPR subcommittee reviews WP&B and provides inputs.
11. Regular CPR endorses WP&B
12. ACABQ reviews WP&B for approval by GC and GA
13. GC approves WP&B before GA final approval
Proposed 2016-2017 budget

UN-Habitat’s programme of work is financed through four major sources of funding:

i. **Regular budget**: UN-Habitat’s allocation from assessed contributions to the United Nations

ii. **Foundation General Purpose**: voluntary non-earmarked contributions for core normative activities

iii. **Foundation Special Purpose**: voluntary earmarked contributions for normative activities

iv. **Technical Cooperation**: voluntary earmarked contributions for operational activities at country or regional levels

Having defined the programme of work to be delivered in the 2016-2017 biennium, the level of resources required to deliver the programme is estimated, broken down by source of funding. The budget preparation process also takes into account the past contribution trends, income forecasts and resource mobilization strategies.

The chart below shows the income trends under the different funds since 2008.

As illustrated in the above chart, the **regular budget** allocation to UN-Habitat has remained at the same level since 2008. In line with budget instructions from UN Headquarters, UN-Habitat is required to maintain a cost neutral budget in 2016-17 at US$21 million and to reduce its level of Programme Support budget to reflect efficiency savings resulting from the implementation of the Umoja Enterprise Resource Planning System. The current regular budget allocation does not take into account the implications on UN-Habitat’s mandate emerging from the post-2015 development agenda or Habitat III.
Contributions to the **Foundation General Purpose** budget have declined significantly, which affects UN-Habitat's capacity to deliver all the core normative outputs and results in the programme of work. UN-Habitat launched a strengthened resource mobilization strategy in 2013 and while this has succeeded in enhancing earmarked income, this account has continued to decline. The strategic programming exercise has placed emphasis on redressing this situation through a range of measures, including:

i. prioritization of the programme of work;

ii. expansion of large thematic, country or regional programmes to provide member states and other donors with greater flexibility for soft earmarking donations to programmes that are more aligned with their priorities;

iii. strengthened procedures to facilitate cost recovery.

In 2016-2017, the Foundation General Purpose budget is proposed at the same level as the 2014-2015 level in view of current low level of contributions, but also taking into account global recognition of the importance of the urban agenda for sustainable development, particularly with regard to the post-2015 development agenda, Habitat III and a review of the resource mobilization strategy to attract soft earmarked funding.

Contributions to the **Foundation Special Purpose** account increased significantly in 2013, in line with UN-Habitat's strategy to expand its earmarked portfolio, including in its normative work. This allows the organization to deliver on its core normative mandate for specific strategic areas. Resource requirements for outputs in the 2016-17 programme of work financed by the General Special Purpose contributions will be provided by 10 November 2014. The 2016-17 budget will reflect with UN-Habitat's strategy of expanding its foundation special purpose normative work.

**Technical Cooperation** income also grew significantly in 2013, confirming increased demand for UN-Habitat's support to countries on sustainable urbanization and human settlements programmes. Resource requirements for outputs in the 2016-17 programme of work financed by the Technical Cooperation contributions will be provided by 10 November 2014.

This document has provided an overview of the work programme and budget. The draft work programme and budget document will be sent to the CPR on 10 November, with details of the prioritized outputs and resource requirements categorized by sub programme, cost category and funding source. The 2016-17 budget will reflect with UN-Habitat's strategy of expanding the level of the organizations assistance at country level and regional levels.