Our goal is to support member states, together with UN and other partners, in achieving safe, inclusive, resilient and sustainable cities and human settlements through well planned and managed urbanization. This should lead to improved access to basic services, housing and infrastructure and support to peaceful and sustainable transformation as part of collective effort and wider vision for realizing the 2030 agenda and the NUA. We want to be a high value, efficient and trustworthy partner in achieving this goal.

The strengthening of UN-Habitat requires continued reform, more efficiency, transparency and accountability, greater effectiveness in coordinating urban work in the UN system and with partners at various levels and providing our services and products to countries at national and sub-national levels. The management and staff of UN-Habitat are committed to this.

**KEY MESSAGES**

A strengthened UN-Habitat requires maintaining its integrated normative, operational and coordination mandate that ensures high quality and coherent support to national and subnational governments to implement, follow up and review the urban dimensions of the SDGs and the NUA; a strong commitment to predictable and adequate financing structures; and a governance and institutional framework that ensures efficiency, transparency and accountability.

1. UN-Habitat’s portfolio needs to be further focused on helping partners implement the New Urban Agenda, guided by SDG 11 (safe, inclusive, resilient, sustainable urbanization), and geared even more towards transformative impact on the ground in the countries with the greatest needs and with the least capacities to plan and manage urbanization and human settlements.

2. Governments have acknowledged the scale of the task, requiring the full mobilization of all stakeholders at all levels. A committed and coherent UN system is key to support transformative change at country and local level.

3. For UN-Habitat to fulfil its focal point role as outlined in the NUA, it should be adequately supported to lead in the following areas among others:
   - Continued generation and sharing of relevant expert knowledge;
   - Providing clear vision and modalities to facilitate coherent UN system evidence-based guidance, policy advice and technical assistance, in particular at the regional, national and subnational level, in line with UNDS reform;
   - Coordinated and participatory monitoring and reporting on the New Urban Agenda and the urban dimensions of the SDGs;
   - Joint UN system programming and resource mobilization to help increase public and private investments in sustainable urban development;
   - Convening relevant meetings and facilitating strong partnerships and joint advocacy amongst urban actors.

4. UN-Habitat is committed to continuing its six year reform effort, demanded by member states, to become more efficient, focused and strategic. While it has become much stronger in many areas, much more needs to be done. It is fully aligned with the Secretary-General’s reform objectives.

5. UN-Habitat needs an institutional architecture that is fit for purpose that allows it to deliver quickly, efficiently and effectively on the ground, to meet clients and donor needs. This could perhaps best be achieved by granting UN-Habitat composite entity status, and providing UN-Habitat with its Regular Budget contributions through a grant modality.
6. A **structured dialogue by member states on financing** UN-Habitat is crucial, and **time-sensitive**. The right financing model is needed to fulfil the above roles. This requires basic core resources, possibly combined with the grant modality for the Regular Budget component of its core budget.

7. **Enhanced pooled funding** should help leverage financing from the [sub-]national governments, the World Bank, the private sector and other sources. A financing model supported by member states requires the adoption of strong **governance** solutions to guarantee the needed accountability and oversight.

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**A CASE FOR A STRENGTHENED UN-HABITAT**

The recent MOPAN report provides a strong evidence base for the reform results already achieved echoing areas to be strengthened in the HLP Report. The MOPAN report states that "UN-Habitat **already provides strong leadership** on sustainable urbanisation, demonstrating a deep understanding of the changing nature of urbanisation and a capability to adapt to respond to these changes. UN-Habitat’s organisational architecture is aligned with its mandate, and its programmes and interventions achieve impressive results. Considerable investments have been made in reform of the organisation, with the decentralized matrix approach allowing for effective integrated results”

While some progress has been made already, this remains limited in scale set against the fast pace and scale of urbanisation, and in particular the needs of states affected by crisis. UN-Habitat’s **capacity must be enhanced** if it is to meet the required pro-active and preventive strategy outlined in the SG’s reform agenda, and as referred to in the HLP report. This must proceed hand in hand with the modernisation of UN-Habitat, again with a view to delivering a better, more efficient service to its clients.

This said, UN-Habitat’s view is that much more reform is needed, both in terms of the necessary management and delivery mechanisms that are within the scope of its management’s decision making; but also those within the scope of the Secretary-General, and of member states, with respect to structural issues, policies and rules. UN-Habitat needs modernisation and structural strengthening, with the objective of delivering a better, more efficient service to its clients.

UN-Habitat’s technical expertise makes it the natural lead for 9 out of the 15 indicators of SDG 11 and other urban related indicators. We have developed tools to monitor performance at national and subnational level. Most of these indicators - such as on housing, access to public space, efficient land use etc., are new and there is need to develop the normative component further. The strategic advantage of utilizing streamlined **data and knowledge management** from global, regional to national level in the monitoring and implementation of SDGs cannot be over-emphasized. As indicated by the HLP report, there is indeed a need to enhance the normative function of UN-Habitat.

The report’s recognition of the need for **stronger and more coherent coordination** of the urban agenda in the UN system is welcome. Improved coherence and coordination across the UN system is a core objective of the ongoing UNDS reform. This is critical for the achievement of the urban dimensions of the SDGs and the implementation of the NUA. This requires a strong connection between UN leadership (for example, RC system) and specialized agencies such as UN-Habitat. Professional expertise will allow for context-specific critical analysis to inform decision making and relevant policy and operational support at the relevant levels. UN-Habitat is developing a proposal for consideration of a **collaborative framework** to facilitate UN- system wide coordination. There are a number of options for consideration for it to strengthen its presence in the relevant UN hubs, making it easier to play its focal point role. This also requires building the right **strategic partnerships** with other UN agencies and urban stakeholders, and more flexibility to make its expertise readily available at all levels.

The HLP report’s recognition of the need for **more flexible financing modality** and adoption of the grant model is indeed critical. The same goes for the need for a global Multi-Partner Trust Fund to facilitate financing for sustainable urbanisation. A similar instrument (Implementation Facility for Sustainable Urban Development – IFSUD) was recently endorsed by UN-Habitat’s Governing Council. This could be further developed to meet the needs of member states, if required. While a focus on national and sub-national level is critical, the HLP’s recommendation to strengthen the normative dimension of operational work at these levels as well as the normative work at the global level is welcome.
WAY FORWARD

Below are some more concrete ideas on what could be the basis for a way forward. Member states will no doubt decide what can be the starting point for successful negotiations in the 2nd Committee, including what can build the necessary trust, induce immediate improvements in efficiency and effectiveness and what requires more work and time.

UN-Habitat’s Mandate

1. To support Member States in delivering on the urban dimensions of the SDGs and the implementation of the NUA, UN-Habitat needs to maintain its dual normative and operational mandate, and further strengthen their integration [see MOPAN]. UN-Habitat’s role and function as a knowledge-based organization should be invested in by member states and management as the best way of delivering this. This should be fully aligned with the UN Development System reform, calling for the UN to mobilize specialized expertise in support of member states and local actors.

2. The increasing complexity and capacity challenges of global urbanization require a more coherent, strategic and integrated universal work programme on sustainable urban development. The NUA emphasizes the importance of integrated solutions that include urban policies, planning and design; legislation and good governance; and municipal financing, and a strong urban economy. These foundations of sustainable urbanization are intrinsically linked to the key pillars of UN-Habitat’s mandate and normative expertise.

3. UN-Habitat’s global and country level normative work needs to be up-scaled. This should reflect the call in the NUA to focus on developing guidance related to the integrated drivers of change, in particular for countries affected by conflict or at risk, and the need to expand the monitoring of urbanization trends.

4. An expansion of the capacity of its Global Urban Observatory can strengthen the influence and visibility of its knowledge products, feeding into the periodic reporting on the implementation of the NUA and the urban dimension of the SDGs, as mandated by the NUA.

5. UN-Habitat needs to strengthen its project lifecycle feedback loop to systematically draw on its vast field level experience to develop norms to help member states and cities in implementing the NUA and urban dimension of SDGs.

6. UN-Habitat’s operational work can be further focused, seeking stronger strategic partnerships with and better leveraging work led by sister agencies and other actors. This has to be guided by SDG 11 and where the UN, including UN-Habitat, has a comparative advantage and/or is called upon to play a more proactive role (ex. sustaining peace, humanitarian-development nexus, urban crises and cities at risk).

7. A new institutional architecture could be adopted by member states, adjusting it to the current mandate and allowing UN-Habitat to deliver quickly, efficiently and effectively on the ground, to meet clients and donor needs. This could include granting UN-Habitat composite entity status, institutionally positioning UN-Habitat between the status of Secretariat and UN Funds and Programmes [A comparison could be drawn with UN-Women.] including with the following characteristics.

   • Full Delegation of Authority to the Executive Director, as per the practice with other UN programmes.
   • Allowing field- and project-focused policies and rules that facilitate timely and cost-effective support to member states.
   • Integrated budget, including an institutional component agreed on as a requirement by member states, who in turn would commit to financing it at the level approved.
   • Providing UN-Habitat with its Regular Budget contributions through a grant modality.
   • Enhanced oversight and accountability.

Governance

1. The strengthening of UN-Habitat requires an effective governance mechanism that has oversight over the entire Programme, is focused at a strategic and results level, buttressed by reliable and regular financial reporting and monitoring.

2. Efforts to address this issue in previous years suggest that a modality should perhaps be identified for member state dialogue to move closer to a consensus position, prior to the beginning of the formal process.
3. A revised governance mechanism should:
   • Enhance oversight and accountability;
   • Be designed around the needs of UN-Habitat as an organization, and its link with the implementation of the urban dimensions of the SDGs and the implementation of the New Urban Agenda;
   • Be affordable and financed by member states (as it cannot be financed by the programme portfolio);
   • Focus on programme level results, implementation of the strategic plan, and add value by bringing oversight at the appropriate level;
   • Broadly mobilize member states (incl. LDCs) in support to UN-Habitat, and help broaden the donor base;
   • Give a strong voice to local and regional governments and urban stakeholders.

4. In addition, modalities might be needed that facilitate dialogue with the governance mechanisms of other UN entities and complementary measures to incentivize integration and coherence around the urban dimensions of the SDGs (ex. through ECOSOC).

Coordination and partnerships

1. UN-Habitat proposes a collaborative framework for the UN system with sister agencies, working within the UNDS reform. The functions of coordination could include:
   • Common UN system input on sustainable urban development to inter-governmental processes at global, regional and national levels;
   • Integration of sustainable urban development into UN Agency Strategic frameworks and programmes and monitoring implementation and application of the NUA principals;
   • Co-ordinated support to monitoring of and reporting on the NUA and relevant urban SDGs targets/indicators at sub-national, national, regional and global levels working closely with other UN agencies;
   • Joint programming and resource mobilization to help increase public and private investments in sustainable urbanization to scale up interventions that make cities and human settlements safe, inclusive, resilient and sustainable, further building on the Implementation Facility for Sustainable Urban Development (IFSUD), as approved by UN-Habitat’s Governing Council;
   • Substantive guidance to countries in implementation, building on the Localization of SDGs platform; the global and regional Action Framework for the Implementation of the NUA (AFINU) as requested by UN-Habitat’s Governing Council, and integrated policy support, knowledge generation and exchange at regional and country levels;
   • Strong contribution to the RC system in supporting integration of sustainable urban development in national development plans, strategies and budgets and UNDAFs;
   • Convening of global urban actors (governments, local governments, private sector, civil society) to exchange knowledge, facilitate partnerships and joint solutions and monitor progress, building on the World Urban Forum, thematic networks and campaigns.

2. Further measures need to be worked out to strengthen UN-Habitat’s partnership modalities and convener role, to ensure effective contribution of local and regional governments, and the wide diversity of urban stakeholders (private sector, universities, professional networks, foundations, etc.) to the implementation, follow-up and review of the NUA and Agenda 2030. An effective stakeholders’ collaboration framework would:
   • Identify the key/relevant actors at global, regional, national and sub-national levels, their specific strengths/contributions and capacity needs in the implementation, follow-up and review of the NUA and urban-related sustainable development goals (SDGs);
   • Facilitate coherent partners’ support to countries to implement the NUA and SDGs, including guidance, policy support, capacity building, qualitative monitoring and reporting;
   • Facilitate public private partnerships and increased private investments to scale up Sustainable Urban Development [SUD] initiatives;
   • Facilitate joint evidence-based advocacy on critical SUD issues; and
   • Facilitate knowledge generation and exchange among partners in ways that replicate and scale up good practices.
A set of measures have to be identified to make UN-Habitat more fit-for-purpose to play its focal point role in sustainable urbanization and contribute better to overall UN reform efforts. This could include strengthening headquarters and re-thinking regional capacity and presence, re-purposing and expanding the New York Office, and defining working modalities that allow for closer collaboration and pooling of expertise (ex. with regional commissions, UNDP, DESA, RC offices). Our regional capacity needs to be suited to contributing to regional policy dialogue as well as supporting country programming.

**Financing**

1. A new financing model is urgent and a sine-qua-non to allow UN-Habitat to be strengthened and fulfil its core requirements in light of its normative and focal point role. It is understood that this, and increased voluntary funding, equally requires measures to strengthen accountability and improved efficiency. UN-Habitat fully recognizes that ‘more money’ is not a sufficient condition to strengthen the agency. While its basic requirements should be met by member states, a predictable and sufficient core budget should be coupled with further ambitious steps to reform and modernize UN-Habitat.

2. A structured financing dialogue, such as recently organized for other agencies, could help to develop proposals for financing of UN-Habitat’s core requirements, on a predictable basis, preferably prior to the negotiation of the resolution on the strengthening of UN-Habitat, including:

   - Providing regular budget support to UN-Habitat through the grant modality, anchored on a results-based approach to increase the effectiveness and efficiency of field operations.
   - The ability to flexibly use common UN system operational and service centres based on comparative cost and efficiency at regional and country levels.
   - The UN/World Bank pooled funding mechanism for sustainable urban development, endorsed by member States at the Governing Council in May 2017, should be further strengthened as a key instrument to incentivize joint catalytic action, through better articulation with other funds (ex. SDG Fund, UN WB funds).

3. At the same time, the reforms needed to strengthen UN-Habitat must focus on reducing cost of project delivery, and increasing the proportion of resources on the provision of substantive support.

UN-Habitat remains at the disposal of member states and the Secretariat as options for strengthening and continued reform are considered.