Open Ended Working Group of the CPR

SG’s REFORM AND STRENGTHENING OF UN-HABITAT

MAY 2018
SG’S Reform will address the following

- Slow and unresponsive service delivery
- Fragmentation in management structures
- A weak performance management culture
- Gaps in resourcing of mandates and ineffective management of resources for the implementation of mandates
- Gaps in transparency and accountability
- A trust deficit between Member States and the Secretariat
SG’S Reform will look at three main areas

- Measures to streamline and improve the planning and budget processes
- Increased delegation to managers and accountability
- Better management and support structures
Budget

- Approved on a trial basis the change from a biennial to an annual budget on a trial basis, subject to review of the budgetary cycle in 2022
- New programme budget document
- Requested the SG to assess the impact of the changes and mechanisms and levels of discretionary managerial authorities that may be required in order to address unanticipated programmatic needs
- It decided not to expand budget discretion, commitment authority and related issues
The Secretary-General submitted documents to the General Assembly on the budget and considerations on location for the proposed service centers in April 2018.

Four locations have been proposed.
Headquarters Management Structures

- Elimination of duplicative functions
- Clearer division of roles and responsibilities and segregation of duties
- Assurance of appropriate checks and balances
- The reorganization will lead to the creation of a
  - Department of Management Strategy, Policy and Compliance
    - clear policy, strategy and compliance role
  - Department of Operational Support
    - operations, services, transactions and surge support to entities in weak environments
Delegations, policies, financial rules, human resources, procurement etc

- The Secretary-General has not made proposals to member states on this part of his management reform initiative.
- Consultations in Secretariat in the next few months, pending a report of the Secretary-General in the last quarter of 2018, for subsequent consideration by the ACABQ and Fifth Committee.
- The Secretary-General in the meantime continues to roll out internal management initiatives.
Potential Impact of the Secretary-General’s Reforms on UN-Habitat

- **Budget reform** will allow UN-Habitat to benefit from a simplified budget process related to Regular Budget.

- **Management structures at HQ** are likely to benefit UN-Habitat as a stand-alone programme, if adopted by member states.

- The **Global Service Delivery Model (GSDM)** has the potential to assist UN-Habitat in the delivery of its programme, if adopted by member states.

- The greatest **potential positive impact** for UN-Habitat in the light of its strengthening and proposed institutional architecture could come in the Secretary-General’s proposals at the end of the year, if they are adopted by member states.
Considerations for the Open-Ended Working Group
Acknowledgement of (and legislate) the unique nature of UN-Habitat as a composite entity, as being necessary to implement its mandate, with a combined normative, operational and coordination role, with a function to support the inter-governmental agenda.
Two

- Recognition of the distinction between UN-Habitat as a Programme inside the Secretariat and other Secretariat entities, but with a distinct governing mechanism that provides significant oversight and accountability, through its own delegation from the General Assembly and ECOSOC.
Three

In the light of 2), recommend that the new Governing mechanism receive the appropriate delegation of authority from the General Assembly
Align the institutional architecture of UN-Habitat with Secretary-General reforms, including the simplification and streamlining of the planning and budget cycle and reports, increases in the transparency of reporting, increase transactional efficiency, simplification of human resources, more delegation of authority.
Five

Establish the principle of ‘at least level playing field’ with other funds and programmes outside the secretariat in terms of management and service efficiency and delivery, with the ability to recruit, procure and deliver services within timeframes aligned to international standards of efficiency and effectiveness.
While working within the UN Financial Rules and Regulations (FRR), with necessary amendments to the Habitat version of the FRRs, as per current practice, recognize that the effective and efficient delivery of the programme requires a distinct body of procedures and policies in the interpretation of the FRRs, with an enhanced level of accountability and oversight provided by the Governing body, focused on effective and efficient delivery in the field, with a special provision made for humanitarian programmes.
Seven

Recommend to the Executive Director to develop a Service, Policy and Procedure Framework to maximize efficiency, effectiveness and accountability in the delivery of the programme, in consultation with the Department of Management Strategy, Policy and Compliance; for proposal to the Governing Body.

Consider related questions of delegated authority
Recommend to the Fifth Committee to consider the benefits of providing UN-Habitat regular budget through the Grant Modality, based on a results framework to be proposed in the budget submission of UN-Habitat.
Thank you
## Annex

<table>
<thead>
<tr>
<th>Element</th>
<th>SG Reform</th>
<th>General Assembly</th>
<th>SG/ED internal</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite Entity Status</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
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<tr>
<td>UN-Habitat place in the development system at country level</td>
<td>No</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Governance</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
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<tr>
<td>Propose Tailored and Strengthened Financial Rules and Regulations</td>
<td>Partial</td>
<td>No</td>
<td>Partial</td>
<td>Note precedent of resolution creating UN-Women 64/289 OP 79,</td>
</tr>
<tr>
<td>Delegation of authority to the ED on HR</td>
<td>Partial</td>
<td>Partial</td>
<td>Yes</td>
<td>Note precedent of resolution creating UN-Women 64/289 OP 72,</td>
</tr>
<tr>
<td>Broader delegation of authority to the ED</td>
<td>Yes</td>
<td></td>
<td></td>
<td>SG has said he will tailor his proposals to the circumstances in different parts of the Secretariat</td>
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<td>Better service delivery model</td>
<td>Partially</td>
<td>Partial</td>
<td>Yes</td>
<td>GSDM to be decided by GA, other elements internally. DOA to ED would allow policies and procedures to be developed distinct from the rest of the Secretariat</td>
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<tr>
<td>Simplified financial structure</td>
<td>No</td>
<td>Partial</td>
<td>Yes</td>
<td>DOA to ED would allow modified FRRs for UN-H. Not covered by SG reforms</td>
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<tr>
<td>Grant modality for RB</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
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<tr>
<td>Results management and reporting</td>
<td>Partial</td>
<td>No</td>
<td>Yes</td>
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