Briefing Note for the CPR Working Group on Programme and Budget

DISTRIBUTION OF RESOURCES ACROSS PROGRAMMATIC AREAS AND REGIONS
(Recommendation 5.2)

Background

This note is responding to the CPR Working Group on Programme and Budget Recommendation 5.2.

‘We recommend the Executive Director to produce an analytical document that provides an adequate overview of the distribution of resources across programmatic areas and regions in order to help the Committee of Permanent Representatives and the Governing Council to better identify possible imbalances and taking into account the development needs of various regions including emerging issues such as risk reduction and rehabilitation.’

Overview

The note summarizes the overall trends in portfolio development since 2012, followed by an analysis of the trends in portfolio development by sub-programme over the same period. It then examines to what extent UN-Habitat’s portfolio is thematically integrated. The note further analyses UN-Habitat’s portfolio by administrative area, highlighting the distribution by thematic branch and by geographic region. The note ends with a brief conclusion with pointers towards addressing programmatic and thematic imbalances. The question of integration of normative and operational work is addressed in a separate document (in response to recommendation 5.5).

Trends in portfolio development since 2012

![Trends Graph]
UN-Habitat’s has seen a steady increase of portfolio acquisition since 2012. 2016 saw a significant growth in portfolio from prior years’ mainly due to the acquisition of two large projects in Afghanistan (approx. US$ 53 mil) as well as several projects for Habitat III (approx. US$ 10 mil).

Overall project acquisition in 2017 was lower than in 2016, but higher than in previous years. As at the end of Sept 2018, our portfolio acquisition stands at US$ 126.9 million, and we hope this upward trend continues as positively as in 2017 and 2016.

What is evident with the growing portfolio trend is the continued relevance of UN-Habitat at the global, country and regional levels. However, a growing portfolio and the related income generated by program support in itself is no longer sufficient for a healthy and sustainable financial situation.

**Trends in Portfolio Development by Sub-Programme:**

![Chart showing cumulative portfolio by sub-programme from 2012 to 2018 (2018 Sept)](chart)

- **ULLG**
- **UPD**
- **UE**
- **UBS**
- **HSU**
- **RRR**
- **RCD**
- **Others**

Sub programme 1: Urban Land Legislation & Governance (ULLG)
Sub programme 2: Urban Planning & Design (UPD)
Sub programme 3: Urban Economy (UD)
Sub programme 4: Urban Basic Services (UBS)
Sub programme 5: Housing & Slum Upgrading (HSU)
Sub programme 6: Risk Reduction & Rehabilitation (RRR)
Sub programme 7: Research & Capacity Development (RCD)
In recent years UN-Habitat’s engagement in urban land, legislation and governance, as well as urban planning and design continues to grow, whilst our dependence on the post disaster, post conflict portfolio has shown a decline since 2016. It is good to see the shift to a more integrated and balanced portfolio, rather than a high dependence on post disaster post conflict projects which are beyond our control.

To what extent is UN-Habitat’s portfolio thematically integrated?

It has been asserted by evaluators that UN-Habitat can achieve most impact where several thematic areas work together in one geographic location and where programme activities continue for an extended period of time.

We continue to strive at both the global and regional/country level in acquisition of large scale projects which bring in different elements of the various sub-programmes of UN-Habitat’s strategic plan. Good examples of this are the Saudi Future Cities Project and the Bolivia New Urban Agenda programme, which demonstrate collaboration between the country, regional office and headquarters and cross cutting various sub-programmes.

Currently about half of the Agency’s projects span more than one sub-programme, where the other half fall under one sub-programme. The draft of the next strategic plan aims at stronger integration of UN-Habitat’s portfolio to achieve higher level objectives.

UN-Habitat’s Portfolio Acquisition 2012-2018 Sept – By Administrative Area:

Over the years, the portfolio acquisition at regional level has always exceeded that at the Headquarters level (Branches and Others). Given our proven strength in technical cooperation projects over the years, once again efforts are needed at Headquarters to harness our potential and portfolio in 2018 and beyond, looking at an integrated approach. The category ‘others’ includes the cross cutting issues (human rights, gender, climate change, youth), advocacy, management, executive direction and Habitat III.
Approximately 76% of our portfolio in monetary terms is located in the countries or regional projects, whilst 24% of our portfolio is directly Headquarter administered. It should be noted however that within our current strategic plan and the matrix structure within which we operate there is an ongoing collaboration and continued engagement between our different thematic branches and regions in terms of project design and implementation.
At the Branch level, Urban Land, Legislation & Governance Branch, Urban Planning & Design Branch, Urban Basic Services Branch and the Housing & Slum Upgrading Branch continue to have a healthy and steady acquisition between the years. Some years have shown a healthier portfolio acquisition than other years, but, projects acquired also need to be implemented, hence we need to review how to harness ongoing acquisition with successful execution.

Since its inception the Urban Economy Branch’s portfolio has grown at a relatively slower rate than the other Branches. It is important to note that this branch has focused much attention on providing inputs to other cost centers through in house agreements, which are not reflected in this overview.

Although the Risk Reduction & Rehabilitation as a thematic focus has continued to have an importance presence in our portfolio (declining since 2016), at the Branch level acquisition is relatively low and we need to see how we can acquire more projects, or better integrate this theme in other projects. Moving forward, we need to consider whether risk reduction and rehabilitation could become one of the cross-cutting areas.

The same holds true for the Research and Capacity Development Branch portfolio.

It is interesting to note the increase in the area ‘Others’, particularly in 2016. This can be attributed not only to projects under Habitat III, management, advocacy et al, but also several of our large acquisitions in 2016 had a rather large element of gender, youth, and other cross cutting.
At the Regional level, ROAP has always had a healthy project acquisition. Since 2014 ROAS has had a steadily increasing project acquisition, and we hope to see this trend increasing. In 2017 ROAF had a significant increase. ROLAC has had a small but steady acquisition over the years, but we need to also review how to harness the dormant potential, this also holds true for our portfolio in Europe.

Overview of UN-Habitat’s Portfolio – where our work takes us

UN-Habitat currently is involved in project activities in 65 countries with a portfolio (total signed project value of over US$ 650 million. This is either country projects or regional projects. In addition to this a significant number of projects are also being implemented on a global level, these projects are mostly implemented from Headquarters and supported by our Regional Offices and country offices as and when needed. Our work at Headquarters and in the countries and regions continues to be intricately linked and integrating norms and operations as we will see later in the presentation.

As can be seen by the graphic above, the majority of our active portfolio is based in Asia, followed by Global projects, then in the Arab States, Africa, and finally Latin America and the Caribbean and Europe. In Asia UN-Habitat continues to have an important presence in Afghanistan with several large projects funded by several donors. In Arab States our work in Iraq and Syria continues to generate a large number of projects, whilst in Africa our portfolio in Somalia continues to grow.

At the global level we have several important global initiatives such as the Global Land tool network, the Participatory Slum Upgrading Programme to name a few initiatives.
Conclusion

The analysis shows a steady increase in portfolio development since 2012. The distribution across sub-programmes remains uneven, but 2017 showed a marked improvement with a more equal distribution of the portfolio across the seven subprogrammes. There is a trend towards thematically integrated programmes, which are now reaching approximately half of the portfolio. At headquarters, three of the seven thematic branches are still significantly underfunded. In geographic terms, we see a continued dominance by Asia and the Pacific, with significant increases in Arab States and Africa in 2017. Latin America and the Caribbean and Europe continue to occupy a small percentage of the portfolio, which has structural reasons as most countries are middle/high income, whereby projects are funded predominantly by the direct beneficiaries. Regional and sub-regional strategies address opportunities for enhanced portfolio development in selected countries. UN-Habitat’s engagement with the repositioned UN Development System is expected to further alter our engagement at regional and country levels in 2019 and beyond. The draft new strategic plan 2020-2025 aims to further strengthen thematic integration towards higher level results and foresees stronger regional differentiation according to thematic areas.