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Programme questions: evaluation

In-depth evaluation of the United Nations Human Settlements (UN-Habitat) Programme

Summary

The present report reviews the achievements and shortcomings of the United Nations Human Settlements Programme (UN-Habitat), headquartered in Nairobi. Since its creation in 1977, the programme has responded to a very broad legislative mandate by developing a comprehensive set of normative, analytical and operational activities. In January 2002, in response to General Assembly resolution 56/206, in recognition of its increased function and responsibilities, the United Nations Centre for Human Settlements (Habitat) was transformed into the secretariat of UN-Habitat, reporting to its Governing Council, which is a subsidiary organ of the General Assembly.

There is general agreement that the Global Campaign for Urban Governance (GCUG) and the Global Campaign for Secure Tenure (GCST) have raised awareness of the norms of good urban governance and secure tenure and have led to changes at the policy and institutional level in countries where campaigns were launched. The main challenges in the effective promotion of the campaigns have been the lack of clearly articulated strategies and plans and the financial constraints faced.

The Monitoring function has expanded beyond the compilation of statistics on human settlements to include urban indicators to monitor the MDG goals on improving the lives of slum dwellers and there are ongoing discussions to strengthen the partnership between UN-Habitat and the World Bank. Based on a recent evaluation commissioned by UN-Habitat, its flagship reports were reviewed positively. Nonetheless, OIOS concurs with the evaluators’ recommendation to streamline the number of reports to maintain quality and avoid duplication. The Monitoring and Research Division (MRD) has identified gaps in its research agenda and there is a need for establishing clearer priorities and providing guidance to the network of

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academic and research institutions which was established to assist UN-Habitat in its analytical work. The Best Practice and Local Leadership programme (BLP), an international award programme, is well regarded but can be better integrated into the UN-Habitat’s work programme.

Within the Regional and Technical Cooperation Division (RTCD), three regional offices manage a large portfolio of technical cooperation projects. Their shortage of funds will need to be addressed in the context of UN-Habitat overall fund-raising. OIOS found that, despite some capacity and security constraints and, in some cases unrealistic time frames, clients were satisfied with the products and the projects have contributed to introducing new norms and policies at the national and local level. There are many admirable examples of “scaling up” in the operational aspects of the Global Programme and other initiatives. However, a number of pilot projects rarely lead to large programmes capable of reversing the growth of slum settlements. UN-Habitat recently established subprogramme IV, focusing on resource mobilization for investments in human settlements.

An important achievement is the fourfold increase in its bilateral extra-budgetary contributions as well as initial efforts in innovative approaches to financing. However, the following concerns persist: (i) the substantial proportion of bilateral government contributions, and (ii) the dependency on a small number of donors. Despite the recent establishment of subprogramme IV on resources mobilization, OIOS notes that there is a lack of clarity as to who is responsible for the coordination and raising of funds for the various programmes and activities.

Partners and stakeholders have expressed appreciation for the Executive Director’s work. However, senior management need to strengthen their strategies in specific areas and focus on a few critical activities. The continued absence of a full-time Deputy Executive Director needs to be addressed. The support to the Committee of Permanent Representatives and the Governing Council of UN-Habitat could be further strengthened by reassigning some of the responsibilities currently performed by the secretariat of the Governing Council. The strengthening of the outreach and information activities has had positive results in raising the programme’s profile. Despite initiatives to strengthen the monitoring and evaluation functions, the problem of capacity and funding persist.

Recommendations are made in the following areas to: (a) further sharpen UN-Habitat focus (b) improve the planning, management and funding of the campaigns, (c) mainstreaming housing rights, (d) consolidate flagship reports, (e) eliminate gaps in research, (f) enhance the integration of the BLP in UN-Habitat’s work programme, (g) evaluate the role and effectiveness of Habitat Programme Managers, (h) ensure that relevant pilot projects involving direct assistance to slum upgrading are designed to scale up, (i) ensure early involvement by human settlement experts in post-conflict and disaster assessment and reconstruction, (j) improve coordination of fund raising activities, (k) strengthen secretariat support to Member States, and (l) strengthen the capacity of the Evaluation and Monitoring Unit in its analytical work.
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Annex

Organizational Chart of UN-Habitat Page 27
I. Introduction

A. Mandate and methodology

1. The Committee for Programme and Coordination (CPC) at its forty-second session decided that an in-depth evaluation by the Office of Internal Oversight Services (OIOS) of the United Nations Human Settlements Programme (UN-Habitat) should be submitted to the Committee at its forty-fifth session, in June 2004 (A/57/16, para. 259). The report has been reviewed by the relevant programmes and offices. Client comments are included in italics as appropriate.

2. This in-depth evaluation reviewed all the activities of the programme focusing on the medium term plan for the period 2002-2005 (A/57/6 Rev. 1) and its objectives to: (a) improve the shelter conditions of the world’s poor and ensure sustainable human settlements development; (b) ensure that the implementation of the UN-Habitat Agenda is effectively monitored and assessed; (c) strengthen organizational and technical capacity at the national and local levels for the formulation and implementation of shelter policies, strategies and programmes; and (d) increase funds from international and domestic sources in support of shelter.

3. In the conduct of this evaluation, OIOS reviewed official and internal United Nations documents, internal and external assessments and evaluations, and conducted surveys and structured interviews with management and staff of UN-Habitat, Secretariat departments, and other stakeholders.

B. Programme organization

4. The United Nations Centre for Human Settlements (Habitat) was established by the General Assembly in its resolution 32/162 (III) of 19 December 1977. In 2001, responding to the request of the General Assembly (GA), the Secretary-General proposed upgrading Habitat from a centre to a programme based on the following rationale: a) recognition of its increased function and responsibilities, b) to give higher visibility to human settlement issues, c) to open new opportunities for resource mobilization, and d) more productive and effective collaboration with other agencies (A/56/618, Para. 31). The GA in its resolution 56/206, adopted the Secretary-General proposal with effect from January 2002. The programme, known as UN-Habitat, is headed by an Executive Director at the Under-Secretary General level responsible to the Secretary-General.

5. Currently, UN-Habitat consists of four sub-programmes – a) Shelter and sustainable human settlements development (SSHSD), b) Monitoring the Habitat Agenda, c) Regional and technical cooperation, and d) Human settlements financing. Two former sub-programmes on adequate shelter for all and sustainable human settlements development were merged into one (SSHSD), to better integrate shelter into human settlements development and to strengthen the relationship between the two global campaigns. The Monitoring and Research Division (MRD) was established in 2002 in order to strengthen the capacity of the UN-Habitat secretariat to assist and
provide substantive support to the Governing Council in monitoring and assessing progress made in the implementation of the Habitat Agenda (see Annex).

II. Advocacy of norms

A. Background

6. In 1999, UN-Habitat adopted a strategic vision seeking to balance normative and operational activities. The principles and norms advocated by UN-Habitat evolved out of the outcomes of major international conferences and summits on shelter and sustainable development and international human rights covenants and instruments; primarily, the Habitat Agenda, the Millennium Declaration, the Declaration on Cities and other Human Settlements in the new Millenium (2001), and the World Summit for Sustainable Development (WSSD).

B. UN-Habitat global campaigns

7. UN-Habitat is engaged in two global campaigns - the Global Campaign on Urban Governance (GCUG) and the Global Campaign for Secure Tenure (GCST). The GCUG, launched in 2000, is based on the Habitat Agenda, which recognized the importance of good governance and aimed to foster transparent, responsible, accountable, just and efficient urban governance. The GCST, also launched in 2000, is rooted in international covenants and conventions on human rights, in particular the International Covenant on Economic Social and Cultural Rights and the Habitat Agenda. Article 11 of that Covenant recognizes that housing is an essential element of the right of everyone to an adequate standard of living. In the Habitat Agenda, governments recognize that they have “a responsibility in the shelter sector” and that they “should take appropriate action in order to promote, protect and ensure the full and progressive realization of the rights to adequate housing.” This includes slum upgrading, access to services and credit, the gender dimension of tenure rights and the strengthening of social organizations.

1. Awareness raising

8. The external evaluation of the two campaigns in 2004 found that the campaigns raised the profile of selected issues, brought together different stakeholders and encouraged socio-political mobilization and that the campaigns should be viewed as ongoing, long term, open ended processes. The organizational framework established by UN-Habitat at the local, national and global level and the campaigns preparatory work play a key role in the dissemination of campaign norms through active participation of civil society in normative debates. Over the past four years, campaigns have been launched in ten countries and joint activities between the Urban Development Branch, responsible for the GCUG, and the Shelter Branch, responsible for the GCST, were conducted in five of them.

9. The norms of good urban governance and secure tenure have also been disseminated through various publications and documents produced in collaboration with other UN-Habitat units. There are handbooks on how to increase participation and transparency in urban decision making, participatory budgeting, security of tenure and access to land, pro-poor land
management, and guidelines on how to undertake a national campaign for secure tenure. Several casebooks have been developed, including Implementing the Habitat Agenda and Sustainable Urbanization. The publication of these casebooks, which were widely disseminated and are currently out of print, coincided with “Istanbul + 5” in 2001 and the WSSD in 2002. These resources have been used for training and capacity building in various countries and some of them have been adapted to the local context.

2. **Policy changes**

10. OIOS noted the following outcomes of campaign activities: a) adoption of legal instruments and policies granting land; b) strengthening security of tenure and regularization of informal settlements; c) integration of slum upgrading in city management; and d) actual slum upgrading through access to land and financing mechanisms. Campaigns also addressed the scope and scale of forced evictions of the poor that has raised widespread concerns. The Advisory Group on Forced Evictions (AGFE) monitors and identifies, and, if so requested, promotes alternatives to unlawful evictions and where possible, facilitates a process of negotiated relocation. AGFE is currently working on its first report to the Executive Director documenting cases of pending or ongoing evictions.

11. To persuade Governments to adopt policies consistent with the norms of good urban governance and secure tenure, UN-Habitat leadership has focused primarily on influencing the debate in regional ministerial councils and organizations. In Latin America, UN-Habitat has participated in meetings of the Ministerial Council for Housing In Africa, UN-Habitat has conducted political advocacy by working through the Organization of African Unity, and participated in the launching of the African Ministerial Conference on Housing and Urban Development in early 2005. The Executive Director stated that her appointment as a Commissioner to the Commission for Africa, an initiative of the United Kingdom’s Prime Minister, “to provide a coherent set of policies to accelerate progress towards a strong and prosperous Africa”, has given her yet another platform to promote UN-Habitat norms.

12. On the basis of field interviews in Kenya and South Africa, OIOS found that following political reform in those two countries, their respective governments adopted pro-poor housing policies which, in turn, allowed UN-Habitat to provide assistance on normative issues and institutional reform.

3. **Challenges**

13. OIOS notes that the main challenge to the effectiveness of the campaigns has been the inadequacy of planning, both globally and at the country level, and resource constraints. Globally, there is an absence of a clear strategy outlining where the campaigns should be launched based on the needs and opportunities offered by the local political context. At the country level, the campaign action plans were frequently not properly targeted to obtain the necessary support from policy makers and governmental institutions and to translate this support into tangible changes in the conditions of poor urban dwellers. Campaign timeframes were often unrealistic and there was ineffective mobilization of local resources. Resource constraints have limited the global campaigns’ coverage, which to date has included ten countries.
14. Learning lessons from initial experience, UN-Habitat envisages adopting a more strategic approach to programming, to ensure a closer linkage between the adoption of the relevant norms at the local and national level and the achievement of concrete results and improvement in the lives of urban dwellers. Tangible steps taken in this direction are the slum upgrading initiatives in Eastern Africa including the Kenya Slum Upgrading Programme. This approach needs to be emulated elsewhere.

15. Over the period 2003-2004, the level of funds raised for the two campaigns was $1 million provided mainly by four donor countries. Concerned about the low level of funds, the Executive Director appealed to Member States in July 2003 for more robust financial and technical support to implement Action Plans, respond to capacity building requests and promote changes in policies and legislation. OIOS’s assessment is that the absence of a clear strategy identifying the countries/cities where the campaigns should take place, the presence within these countries of the conditions necessary for the campaign’s success, and the costing-out of various phases of the campaign, deprives potential donors of relevant data and inhibits resource mobilization.

C. **Horizontal Collaboration**

16. Collaboration between the two organization units responsible for the two global campaigns and other entities within UN-Habitat has varied considerably. For example, the urban governance norms provide the framework for designing operational activities and the regional offices provide inputs to the Urban Governance Section regarding the planning of the campaigns. The Water, Sanitation and Infrastructure Branch (WSIB) has integrated norms of good urban governance in its activities related to water education and management. Staff members involved in the Sustainable Cities Programme in the Urban Development Branch participated in the campaigns in the Philippines and Brazil. While some units have integrated norms, particularly those related to the GCUG, into an expansive range of programme activities, there are several instances where opportunities have been missed. This can be attributed to both the lack of strategic direction from programme managers and to lingering perceptions of some UN-Habitat staff that the global campaigns do not provide the driving and organizing framework for all UN-Habitat activities, but are just another activity competing for scarce resources.

D. **Collaboration with the Office of the United Nations High Commissioner for Human Rights**

17. The United Nations Housing Rights Programme (UNHRP) was established in 2002, as a joint initiative by UN-Habitat and OHCHR in response to the Commission on Human Settlements resolution 16/7. The programme’s objective is to assist Member States and other stakeholders in the implementation of the Habitat Agenda, particularly its paragraph 61, to ensure the full and progressive realization of the right to adequate housing, as provided for in international instruments. A report on the implementation of the first phase of UNHRP (2002-2004) stressed that despite the lack of resources, the UNHRP was able to deliver concrete outputs during the First Phase. Further work is, however, required in terms of documenting the variety of national legislation on housing rights. Only then would it be possible for the programme to develop comprehensive and practical guidelines for legislative reform to promote housing rights. The report also found that within UN-Habitat there seems to be limited understanding of what a rights-based approach within the fields of ‘housing for all’ and ‘sustainable human settlements
development’ implies and that this challenge must be addressed by UN-Habitat and OHCHR senior management. Based on the above finding, OIOS believes that UN-Habitat should set up a task force on mainstreaming housing rights in all its activities.

18. UN-Habitat collaborates with the Special Rapporteur on Adequate Housing appointed in 2000 by the Commission on Human Rights whose mandate is to report on the realization of housing rights throughout the world, particularly within the framework of GCST and UNHRP. In the March 2004 report of the Special Rapporteur, it is stated that he is particularly pleased about the assistance extended to him during his country mission by the United Nations Development Programme (UNDP), UN-Habitat and the United Nations High Commissioner for Refugees (UNHCR).

E. Contribution of UN-Habitat’s normative activities to the achievement of the Millennium Development Goal 7 (MDG7)

1. Raising awareness of MDG 7

19. The MDG 7 includes two targets which are directly relevant to the work of UN-Habitat - to have achieved by 2020 significant improvements in the lives of at least 100 million slum-dwellers (target 11) and to halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation (target 10).

20. OIOS noted that in its internal analysis, UN-Habitat emphasizes the linkages between the two global campaigns and the MDGs activities. UN-Habitat is planning over the next two years to launch campaigns in ten additional countries. In OIOS’s view, while expanding the geographical coverage is desirable, as a first step UN-Habitat should strengthen its strategic planning approach, taking more fully into account the needs of the regions as reflected in the latest monitoring data and country assessments conducted by the regional offices, and develop and apply the lessons learned from previous campaigns.

2. Monitoring MDG target 10 related to water and sanitation

21. The WSIB is active in a number of areas in support of the MDG target 10 including Water for African Cities, Water for Asian Cities and Urban Water Governance and the preparation of the UN-Habitat report on water and sanitation in the cities of the world. In addition, the WSIB has developed a new model for cooperation, based on partnerships with governments and financial institutions, building country capacity and creating an enabling environment for investment flows, which has been replicated in 8 African and 5 Asian cities leading to improvement in water and sanitation services to approximately 18 million people including 9 millions slum-dwellers. The scaling up aspect of the above model is central in contributing to achieving the MDG’s target on water and sanitation. UN-Habitat noted that it has concluded a fast-track follow-up investment of its Water for Asian Cities programme with the Asian Development Bank as a follow-up to WSSD.

3. The Urban Millennium Partnership
22. The Urban Millennium Partnership-Localizing MDGs, an initiative of UN-Habitat in partnership with the United Cities and Local Governments (UCLG) and UNDP, was launched in September 2004. The Partnership aims at mobilizing capacity resources to achieve the MDGs and promoting activities at the global, regional, national and local level. OIOS notes that in selecting countries for implementing this partnership, UN-Habitat focused on countries where it had previously conducted campaigns. In OIOS’s view, this was a positive step because, based on lessons learned, UN-Habitat’s new initiatives have a greater likelihood of succeeding in countries where it has already established a presence, a network of contacts and partnerships and a positive track record. However, in the future, there should be a pro-active effort to link this initiative with the planning of future global campaigns.

4. The Second World Urban Forum (WUF II)

23. The WUF is convened every two years by the Executive Director as a non-legislative technical forum in which experts can exchange views in the years when the UN-Habitat Governing Council does not meet. The second WUF, held in Barcelona in September 2004, saw an increase in participation, from 1,195 to 4,389, reflecting a growing interest by policy makers and NGOs in issues of sustainable urban development. Discussions centred on overcoming urban poverty and ensuring a sustainable urban future, and fostered thorough reflection on best policies and strategies for achieving poverty reduction and slum upgrading. WUF II provided the venue for concluding a number of partnership agreements between UN-Habitat and the following organizations: United Cities and Local Governments, Habitat for Humanity International, Green Cross International and a new phase of cooperation with the European Union. At the WUF II opening, the late, former Prime Minister Hariri of Lebanon was honoured for his outstanding and visionary leadership in the post-conflict reconstruction of his country. WUF II key recommendations are being submitted to the Governing Council for consideration at its 20th session in April 2005.

III. Monitoring and research

A. The monitoring function

24. The Monitoring and Research Division (MRD) has pursued a two pronged strategy. First, to continue the established programmes of developing and compiling statistics on housing and human settlements, including the Compendium of Human Settlements Statistics and the Urban Indicators Programme. Second, to better monitor the MDG targets concerning slum dwellers.

1. Statistics on housing and human settlements

25. In cooperation with the Statistics Division of the Department of Economic and Social Affairs (DESA), MRD mobilized a network of national statistics offices to collect urban statistics. The Urban Indicators Programme established contacts with experts in cities to provide indicators on the Habitat Agenda themes of shelter, governance, social and economic development and the environment. The databases for urban statistics and indicators available on the UN-Habitat website (Global Urban Observatory web page), have provided the information for the Global Report on Human Settlements and were used for various analytical and policy documents.
26. There are ongoing discussions between UN-Habitat and the World Bank to expand their existing partnership to include urban and housing indicators collected by UN-Habitat in the World Development Indicators (WDI) published by the World Bank. In OIOS’s view, the partnership is highly desirable since it could enhance the capacity of UN-Habitat, both by contributing rigor to the data collection and making it available to a wider audience of policy makers.

2. Monitoring MDG target 11

27. In its monitoring of progress towards the MDG target 11 on achieving significant improvements in the lives of slum dwellers, the Monitoring Systems Branch (MSB) facilitated an expert definition of slum household used for preparing the slum estimates published in the Global Report on Human Settlements 2003. MSB took the lead in organizing in-house meetings and consultations with Millennium Project Task Force 8 on improving the lives of slum dwellers, and expanded its monitoring function to include the Monitoring of Urban Inequities Programme (MUIP) whose objectives are global monitoring of urban poverty and enhanced local policy formulation through capacity building and the establishment of local urban observatories. Another contribution of UN-Habitat to the monitoring of the MDG target 11 has been the development and wide dissemination through different channels and mechanisms of tools and guidelines. OIOS observed that the MRD actively cooperates with many relevant partners in the Secretariat and system-wide, as well as participating in the system-wide coordination network and working groups.

28. OIOS noted, albeit with some qualifications, the overall favourable opinion of MRD partners regarding the quality and usefulness of the MRD statistics and indicators. MRD has contributed to improvement in the quality of statistics and estimates, and through a more dynamic collaboration with national statistical offices and other local institutions, to refining and implementing statistical methodologies. UNDP shared this view while noting that the Urban Governance Index, a tool being developed to measure good urban governance, required further refinement.

B. Substantive research and reports

29. Within MRD, the Policy and Analysis, Synthesis and Dialogue Branch is responsible for coordinating research related to the preparation of the two flagship reports: “The Global Report on Human Settlements” (GRHS) and “State of the World’s Cities.”

30. Searches by OIOS in the Economic Literature Index and the Social Science Citation Index yielded no citations of UN-Habitat publications in the professional literature covered by these data bases. A search by OIOS in the NEXIS data base yielded three positive brief reviews of flagship reports. OIOS noted that while the September 2004 external evaluation commissioned by UN-Habitat reviewed the flagship reports positively, it also found that they were too long and lacked internal coherence, as they were written by several consultants. Given limited resources and the similarity of the issues covered by the two reports, and in order to maintain quality, it was recommended to combine them in one flagship report every two years, which would include a summary of key findings relevant to policy makers. OIOS shares the view that one flagship report every other year should be published and disseminated extensively and sent to key
professional and policy journals for review. OIOS also notes that the Commission on Human Settlements in its resolution 17/8 had already asked the Executive Director to consider the consolidation of the two flagship reports. *UN-Habitat noted that the flagship reports effectiveness should be assessed over a longer duration as the second flagship report was first issued in 2001, and that UN-Habitat has the legislative mandate to produce both reports which are respectively targeted to the Governing Council and the World Urban Forum.* While UN-Habitat should continue contracting out the major tasks of writing the flagship report, it must increase ownership and coherence of inputs through its own guidance. Publicity for the reports also needs to be increased using as a model the impressive press and media campaigns for the 2003 GRHS which included press conferences in several cities, radio and television interviews by UN-Habitat management and senior staff and distribution of press kits to the media worldwide.

31. Based on data obtained from DPI Sales Section and UN-Habitat, OIOS determined that over 4,000 copies of the 2001 Global Report on Human Settlements (GRHS) were distributed free of charge and 2,600 copies were sold by the end of 2004. These sales figures exceed those of the DESA 2001 flagship report, The World Economic and Social Survey, which sold approximately 2000 copies in the same period. As of December 2004, 1,400 and 3,800 copies of the 2003 GRHS edition have been respectively sold and distributed. The MRD stated that the 2003 edition sold fewer copies than the 2001 report because it has only been on the market for one year.

**Gaps in the research function**

32. The Urban Economy and Finance Branch within MRD conducts research on policies and strategies in urban planning, economic development, poverty eradication and municipal and housing finance systems. UN-Habitat reported that it has identified several gaps in this research programme. In OIOS’s view, these gaps can be attributed to a lack of prioritising of the large list of topics which require research.

33. MRD has addressed part of the problem by establishing a research network which is expected to provide substantive input and advice on the content and organization of UN-Habitat flagship reports, as well as to contribute to the human settlements research agenda. However, there still appears to be a lack of strategic prioritizing of research topics to guide the work of the network.

**C. The Best Practice and Local Leadership Programme (BLP)**

34. The Best Practice and Local Leadership Programme (BLP), administered by the BLP Section, is an international award programme established in 1995 by the Municipality of Dubai. Every two years, ten outstanding initiatives receive the Dubai International Award; initiatives meeting the criteria for a Best Practice Award are included in the Best Practices database and they are publicized on the BLP web page.

35. The BLP has collaborated with the SSHDD in developing casebooks, and has contributed many of the mini case studies in the flagship reports. The BLP web page is very popular and is among the top ten most visited pages in UN-Habitat, receiving some 2.5 million hits per year. OIOS’s assessment is that the BLP section has been successful in promoting its programme,
enlarging its network of partnerships and in raising funds and is well regarded by partners and senior management. OIOS does note that UN-Habitat can better utilize BLP’s main products, such as the briefs on best practices, by analysing the lessons learned from these briefs and integrating these lessons learned into the planning and design of all its activities particularly those related to research and technical cooperation. The Chief of the BLP section has indicated that only about ten of two thousand best practices have received direct input from UN-Habitat. OIOS also notes that BLP eligibility criteria are very broad and could be modified to achieve a sharper and narrower focus.

D. Gender mainstreaming

36. The Gender Mainstreaming Unit (GMU) was set up to coordinate and provide policy and technical support for gender mainstreaming and women’s empowerment activities in the organization. The Chief of the Unit is a member of the Senior Management Board and the Project Review Committee. In addition, each branch within a division has a Gender Focal point to monitor and liaise with the GMU. Given the unit’s very limited resources (one temporary post besides that of the Chief) it has made good progress in promoting gender mainstreaming.

37. In 2003, an evaluation of gender mainstreaming in UN-Habitat was conducted by a consultant commissioned by the UN-Habitat Evaluation Unit. In response to the evaluation report’s recommendations, the GMU, in collaboration with the Gender Focal Points and some senior managers, conducted a self assessment exercise for staff and developed a handbook on gender mainstreaming, and is planning a series of workshops for 2005. In collaboration with other relevant UN-Habitat entities, the GMU has developed gender indicators and guidelines to mainstream gender in all phases of the programme planning cycle. It has also developed pilot projects focusing on empowering urban women in select African countries.

IV. Operational activities

38. The Regional and Technical Cooperation Division (RTCD) is the operational arm of UN-Habitat, responsible for testing norms and strategies at the regional, national and local levels. RTCD has a portfolio of technical cooperation activities of over 150 projects in 61 developing and transitioning countries. This includes responsibility for the Iraq programme and the management of three regional offices: for Africa and the Arab States, Asia and the Pacific, Latin America and the Caribbean. In 2003, the Governing Council of UN-Habitat recommended the strengthening of the Programme’s regional presence and cooperation activities. Currently, the regional offices are expected to provide the following services to developing and countries in transition: a) technical cooperation services, b) assisting in achieving MDG 7 focusing on sustainable urbanization and urban poverty reduction, c) increasing awareness of campaigns, d) assisting in the reconstruction of countries affected by disasters and conflict. The regional offices are also expected to contribute to the Programme’s normative activities.

A. Current financing arrangements for regional offices

39. Historically, the three regional offices mentioned above have had to be self financing. Their need to generate revenues potentially diverts focus away from the core mandate, limits their
ability to mainstream activities and increases competition among partners.

40. The ability to generate extra-budgetary funds has decreased over recent years due to a number of different factors, including the general evolution since 1992 towards national or direct execution a sharp reduction in UNDP resources available for United Nations execution, and the tendency of bilateral agencies to decentralize, making access to bilateral funds extremely complicated. The resulting funding crisis for the regional offices has been addressed through increasing cooperation with development partners outside the UN system, mainly the European Commission and bilateral aid agencies, as well as through direct government funding. Closer operational links between the UN-Habitat global programmes are being pursued through the direct allocation of regional support budgets from the global programmes to the regional offices. Nevertheless, UN-Habitat’s management reported to the 30 September 2004 meeting of the Governing Council a budget shortfall of $1.4 million in the expenses of the regional offices for 2004, which it described as a crisis that needed to be addressed to assure the continuity of these regional offices.

B. Operational activities in support of normative principles

41. In recent years, UN-Habitat has re-oriented its operational activities to support its normative functions and to help find workable solutions for slum upgrading and sustainable urban development by putting in place and testing norms and strategies at the national, regional and local levels.

42. The results of an OIOS conducted survey, of the directors and stakeholders of a random sample of 30 projects selected by the OIOS Nairobi-based auditors from the universe of 150 technical cooperation projects, indicate that UN-Habitat technical cooperation activities contribute to introducing norms and principles into policies at the national and local level.

Graph: Survey response: Did the projects assist in developing or introducing new policies, norms and principles and the national or local level?

Source: OIOS Survey

43. Regional office staff are contributing to the normative activities of UN-Habitat. For example, a new initiative undertaken by the Regional Office for Africa and the Arab States (ROAAS), the Regional Urban Sector Profile Study, seeks to analyze regional trends and
recommendations for urban poverty reduction in Eastern and Southern Africa, compare different urban localities and profile specific urban issues by assessing slum conditions, urban governance, gender and the urban environment. Through its reliance on consultations with stakeholders at the city, regional and national level, the study also promotes the norms of good urban governance.

C. Technical cooperation projects achievements

44. OIOS audits of UN- Habitat projects in Somalia (2001) and Northern Iraq (2003) found problems in project management, procurement, delegation of authority and staffing, and have made recommendations to address these issues.

45. The OIOS survey found that the 30 sample projects were generally well designed and more than half of those which were in the final stages of implementation had achieved their objectives. With respect to project delivery, the following issues were identified as the major sources of concern: capacity constraints of finance or staff (28% of respondents), security problems (12%), unrealistic timeframes (12%) and a lack of local government support (12%).

D. Role of UN-Habitat Programme Managers

46. On a pilot basis, as part of the effort to improve collaboration between UN- Habitat and UNDP, the post of UN- Habitat Programme Manager (HPM) was established in late 2002 within the UNDP structure. These managers are recruited locally and report to the Chief of the concerned UN- Habitat regional office through UNDP. HPMs are responsible for the following: active participation in UNDP country activities and United Nations common strategic planning, advocating the norms and principles of the two global campaigns, implementation of the global programmes, and supporting the regional office with identification and monitoring of projects. A target level of 38 HPMs was set for the end of 2004. As of March 2005, 29 HPMs have been recruited and recruitment is ongoing for an additional 16. Funding for HPMs is being mobilized from multiple sources, including global programmes, the UN- Habitat Foundation, the Technical Cooperation Overhead Account and from bilateral and multilateral sources. OIOS believes that these appointments have the potential to greatly enhance UN- Habitat ’s capacity to achieve its development goals, as HPMs will help, specifically, to integrate shelter and urban poverty issues into the United Nations Development Assistance Frameworks, which, to date, have seldom included alleviation of slums or urban poverty as major targets.

E. UN-Habitat projects successfully scaled-up

47. A central issue for all parties concerned with human settlements is the question of “scaling up” programmes to the order of magnitude needed to address the growth of slum settlements in cities. OIOS found many examples of “scaling up” in the operational aspects of the Global Programmes and other initiatives by the ROAAS.
### Table 1: Strategies for scaling-up

<table>
<thead>
<tr>
<th>Programme</th>
<th>Initial application</th>
<th>Scope / Method of Scaling-up</th>
<th>Assessment</th>
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| **Safer cities programme**                     | Initially launched in 1996 in the city of Dar es Salaam, Tanzania; in 1998 in Abidjan, Cote d'Ivoire; and in 2001 in Yaounde, Cameroon. | Replicated in other countries following adaptation to the local context via developing stakeholder coalitions and a multisectoral approach to local authority coalitions.                                                                 | 1) In Dar es Salaam: a favourable assessment in 2001 identified strong political commitments at all level of governments, wide ranging coalitions and network groups.  
2) In Abidjan: established a coalition of partners to develop an institutional framework that was then replicated to other cities.  
3) In Yaounde: developed municipal action plans to facilitate local development. This approach has the potential to be replicated in 20 other cities and develop a national strategy. |
| **Water and Sanitation and Infra-structure Branch** | Initially launched in 1999 in eight African countries to deliver positive change via professional coordination. Following this success, the programme has been replicated in Asia in 2003. | In Africa, during its second phase, the programme is being expanded into secondary towns to provide water and sanitation and reduce environmental pollution. In Asia, the focus is directed at (a) building national capacity via dissemination of tools, (b) creating a network of cities and (c) creating an enabling environment to new investment flows. | In Africa, a comprehensive effort to improve water management practices has led to improvements in the living conditions of about 16 millions people in 8 cities. Further expansion of the programme is attracting additional investments of $570 million through the African Development Bank cooperation.  
In Asia, the programme is operational in 5 cities with a population of 2.5 millions. Further expansion of the programme in Africa and Asia is expected to improve the living conditions of 11.5 millions people by 2010. |
| **Regional Urban Sector Profile Study (RUSPS)** | Initially launched in Somalia in 2002 / 2003.                                         | Provides rapid, local level assessments to develop city profiles enabling the preparation of a national urban profile, identifying gaps and priority areas where intervention is required. In addition, guidance to donors is provided. | Potential to introduce large-scale changes.                                                                                                                                                                                                                           |
| **UN-Habitat - Cities Alliance (CA)**          | Launched in 1999, committed to improving the living conditions of the poor.          | A Global partnership between cities and their development partners, to improve the impact of urban development through (a) improving the living conditions of the urban poor through city, and nationwide slum upgrading programmes; and (b) supporting city development strategies with clear priorities for action and investment | Supported slum upgrading and city development strategies in more than 150 cities worldwide, including nationwide upgrading efforts at various stages of development / implementation in 7 countries. Since 1999, expenditures of $40 million are linked with over $ 5 billion of investments including $2.7 billion from World Bank investments. |

**Sources:** UN-Habitat self-assessment report, OIOS interviews and desk review of relevant documents.
48. Despite the positive examples illustrated above, a number of pilot projects involving direct technical assistance to slum upgrading designed and implemented by UN- Habitat in developing countries rarely lead to large-scale, long-term programmes capable of reversing the growth of slum settlements.

49. A consensus of development experts indicates that a major obstacle to sustained human settlement activities at the needed scale is the lack of adequate financing. Most developing countries finance human settlement programs with their own national budgets, supplemented by resources from bilateral donors and the multilateral development banks, but these are insufficient to meet the needs of the low income population. Thus, medium to long-term strategies are needed to raise domestic capital for this purpose. This is being addressed by the Slum Upgrading Facility (SUF), a new initiative by UN- Habitat aimed at assisting developing countries mobilize domestic capital for their own slum and urban upgrading activities, by facilitating links among local actors and by packaging the financial, technical and political elements of development projects.

F. UN-Habitat role in post-disaster and post-conflict activities

50. The Risk and Disaster Management Programme provides local governments, communities and business organizations with practical strategies for mitigating and recovering from conflicts and natural disasters. The 30 sample projects selected by OIOS included nine projects in six post-disaster/conflict countries. Despite difficulties experienced by most of these projects, such as procurement delays, lack of effective administrative systems and substantial security limitations, they appear to have been achieving their major objectives.

51. UN- Habitat is aware that the multi-sectoral and interdisciplin ary nature of disaster reduction and response requires continuous interaction, cooperation and partnerships among related institutions and stakeholders and has taken several steps to create inter-agency linkages. In 2003, it signed two separate Memoranda of Understanding outlining areas of collaboration and responsibilities with the UNHCR and with the United Nations Secretariat for the International Strategy For Disaster Reduction. OIOS notes that, since April 2004, UN-Habitat participates in the Executive Committee on Humanitarian Affairs, but that it does not participate in the Inter-Agency Standing Committee (IASC). As IASC was established in response to General Assembly resolution 46/182 to formulate humanitarian policy to ensure a coordinated and effective humanitarian response by all United Nations operational agencies and other relevant international organizations to both complex emergencies and natural disasters, it is essential for UN-Habitat to become a full, participating member of that Committee. Neither does UN-Habitat participate in the Executive Committee on Peace and Security (ECPS) which seeks to establish linkages between peace and security and other sectoral areas. In OIOS view, given UN-Habitat's mandate to be involved in post conflict reconstruction, consideration should be given by the Department of Political Affairs to invite UN-Habitat to attend ECPS meetings as and when appropriate.

52. UN- Habitat has prepared a theme paper on post-conflict, natural and man-made disasters assessment and reconstruction that proposes guidelines and a framework for its intervention at the earliest stage of post disaster work in order to ensure sustainable relief and reconstruction (HSP/GC/20/5). Based on UN- Habitat's past experience and positive accomplishments in this
area, OIOS believes that early involvement by urban experts will help ensure that human
settlement reconstruction follows the best possible normative practices and have positive short
and long-term impacts.

G. Cooperation between UN-Habitat and the United Nations Environment
Programme

53. UNEP and UN-Habitat cooperation in environmental aspects of policies, planning and
management of human settlements was formalized in 1996 through the establishment of a full
partnership in the Sustainable Cities Programme as recommended by their respective
intergovernmental bodies. Since then the two organizations have worked to further strengthen
and broaden their framework of cooperation through new joint activities and programmes. The
SCP has become a primary tool for supporting the implementation of Agenda 21, the
environment dimension of the Habitat Agenda and the MDG through a process of broad based
participatory urban-decision making. In connection with the Water for African Cities
Programme, UNEP has been invited by UN-Habitat to join the Lake Victoria Region Water and
Sanitation initiatives. Both UN-Habitat and UNEP support the Global Environment Outlook
process in planning the development of projects at local level that analyses the state of the local
environment and impacts of the cities. UN-Habitat has also produced guidelines for
environmental assessment requirements for UN-Habitat activities.

V. Innovative approaches to funding

A. Background

54. UN-Habitat has traditionally relied on extra-budgetary (XB) sources to fund its activities.
While regular budget resources have increased by almost 20 percent since the 1998-99 biennium,
the proportion of regular budget to total expenditures is only 10 percent. The overall decline in
donor funding available for technical co-operation activities is also expected to have an impact in
the medium term.

Table 2

UN-HABITAT Expenditure, 1998 – 2007

(Millions of US dollars)

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<tbody>
<tr>
<td>Regular budget</td>
<td>13.9</td>
<td>15.7</td>
<td>14.5</td>
<td>16.5</td>
<td>16.5</td>
</tr>
<tr>
<td>Foundation</td>
<td>25.1</td>
<td>20.8</td>
<td>45.4</td>
<td>67.0</td>
<td>82.7</td>
</tr>
<tr>
<td>Technical cooperation c</td>
<td>115.3</td>
<td>319.5</td>
<td>169.3</td>
<td>69.0</td>
<td>67.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>154.3</strong></td>
<td><strong>356.0</strong></td>
<td><strong>229.2</strong></td>
<td><strong>152.5</strong></td>
<td><strong>166.3</strong></td>
</tr>
</tbody>
</table>

Source: UN-HABITAT budget section.
55. Fundraising within the UN- Habitat programme is led by the Executive Director who promotes UN- Habitat’s activities and appeals to existing and potential donors to provide voluntary contributions to implement the UN- Habitat agenda and the Millennium Declaration on Slum Upgrading. A focal point provides each donor with a specific reference person to whom it can direct their UN- Habitat related inquiries. In addition, UN- Habitat organizes conferences with all donors to promote and appeal for increased funding and to report to them on the progress of the programmes and projects to which they had already contributed funding. Despite this arrangement, OIOS observed that, in practice, there is a general lack of coordination of fund raising efforts by UN- Habitat senior officials who use their networks to raise funds for the projects falling under their responsibility.

B. Financial concerns exist

56. UN- Habitat’s resource mobilization strategy has resulted in a steady fourfold increase over the past four years from $16.5 to $63.5 million. Despite this progress, financial concerns persist due to:
   a) the substantial proportion of earmarked or special purpose contributions, which were more than double the level of general purpose (non-earmarked) XB contributions during the past few biennia, a ratio which is expected to remain at that level.

   b) the dependency on a small number of donors. Over the past five years, on average the top ten donors have contributed 60% of total Foundation contributions.

Table 3
Foundation Income
(Millions of US dollars)

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<tbody>
<tr>
<td>General Purpose</td>
<td>7.3</td>
<td>10.9</td>
<td>14.3</td>
<td>22.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>18.0</td>
<td>14.2</td>
<td>37.8</td>
<td>45.2</td>
<td>56.5</td>
</tr>
<tr>
<td>Sub-total</td>
<td>25.3</td>
<td>25.1</td>
<td>52.1</td>
<td>67.2</td>
<td>81.5</td>
</tr>
<tr>
<td>Other Income</td>
<td>1.0</td>
<td>2.4</td>
<td>2.4</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26.3</strong></td>
<td><strong>27.5</strong></td>
<td><strong>54.5</strong></td>
<td><strong>68.7</strong></td>
<td><strong>83.0</strong></td>
</tr>
</tbody>
</table>

*Source: UN-HABITAT budget section*
57. Nevertheless, OIOS is of the opinion that the overall growth of bilateral contributions is an indicator of confidence in the Programme and its leadership.

C. **Slum Upgrading Facility**

58. General Assembly resolution 56/206, called for UN-Habitat to strengthen the United Nations Human Settlements Foundation so as to facilitate requisite investments for improving human settlements for low income people particularly in developing and transitional economies countries. In response to this resolution, the Human Settlement Financing sub-programme was established in the biennium 2004-2005. The sub-programme includes the SUF which is managed in conjunction with Cities Alliance (see paras.49 and 60). As of the end of 2004, the governments of the United Kingdom and Sweden have pledged $20 million of the $30 million needed for the initial three year effort.

59. OIOS notes that in order to implement the above mentioned General Assembly resolution, the elaboration of a complete package of operational financial regulations and rules specific to the revitalized UN-Habitat and Human Settlements Foundation (UNHHSF), which is anchored in the Human Settlement Financing Division, is necessary to enable the UNHHSF to act as a financing facility to provide seed capital and other forms of financial assistance. OIOS is also aware that there is an ongoing discussion within UN-Habitat on the terms of reference of the SUF. OIOS’s view is that UN-Habitat has not adequately defined its corporate role in raising domestic capital for the SUF. In interviews with senior officials, the latter sometimes refer to UN-Habitat playing the role of a “broker”, or that of a change agent contributing a small amount of seed capital, while in other documents they mention the option of setting up a “Global Shelter Loan Guarantee Facility,” which will guarantee to domestic financial institutions the repayment of a significant portion of the loans in case of default by domestic borrowers.

D. **Expansion of strategic partnerships**

60. Recently, UN-Habitat has embarked on the following strategic partnerships to increase its impact and leverage its resources:

i. Cities Alliance (CA) is a global alliance of cities and their development partners committed to improve the living conditions of the urban poor launched by UN-Habitat and the World Bank in 1999 with several countries and the four major global organizations of cities and local authorities recently merged as United Cities and Local Governments (UCLG). Seeking impact at scale, the CA provides support to nationwide slum upgrading and to cities committed to implementing citywide development strategies.
ii. The 2002 Memorandum of Understanding between UN-Habitat and UNDP to place national UN-Habitat Programme Managers in selected countries is aimed at improving collaboration and ensuring that urban poverty reduction will receive greater consideration, both in the planning and in the allocation of resources.

iii. UN-Habitat has signed a Memorandum of Understanding with the ADB to secure support for water and sanitation in Asian cities, and with the Inter-American Development Bank to promote cooperation in support of joint projects and programmes in housing and urban development.

iv. UN-Habitat has also encouraged multi-year core funding arrangements by donors that increase the predictability of their support. The Partnership Programme, pioneered with the government of the Netherlands, promotes the concept of soft earmarking and supports implementation of the strategic vision of UN-Habitat. It is expected that if other donors adopt this approach it will bring more stability and predictability in funding for priority areas.

VI. Executive direction and cross cutting issues

A. Support to the Executive Director

61. The Executive Director is well respected among partners and stakeholders for her drive and energy in pursuing the strategic vision and promoting the Programme and its mandate. The partners and stakeholders attribute much of the credit for the increase in voluntary contributions over the past four years, as well as for new partnership agreements, to her leadership. Her ability to ensure that the administrative infrastructure supports this growth has been hampered by the absence of a full time Deputy Executive Director. This function has been performed for the past two years by the Director of the RTCD in addition to his normal duties. If the gains made by the Executive Director are to be sustained there is an urgent need to ensure that this senior manager is available full time to focus on the administrative infrastructure.

B. Support to intergovernmental bodies

62. Support is provided to the Committee of Permanent Representatives (CPR) and the Governing Council (GC) by the Secretariat to the Governing Council, External Relations and Inter-Agency Affairs Section. Although the Section’s staff members advised OIOS that there is sufficient staffing and funding capacity to adequately support the CPR and the GC, discussions by OIOS with CPR members indicate that the formal support received from the Section is not sufficient or timely and that, as a recourse, they are using other parts of the organization to obtain the information they need. In OIOS’s view, this inadequate level of support is attributable to the fact that the Section is not only responsible for support to the CPR and GC but also for external relations, such as answering queries from various local governments and ministers, as well as for inter-agency affairs. The Chief of the Section’s job description lists the following responsibilities: Secretary of the Governing Council, Secretary of the Committee of Permanent Representative, Secretary of the World Urban Forum, Chief of Inter-Agency Affairs, Chief of External Relations, Chief of Protocol, Principal Liaison Officer with the host government with
respect to the implementation of diplomatic privileges and immunities under the Headquarters Agreement, undertaking special assignments of a political nature. OIOS observes that, in the United Nations Secretariat, this collection of functions is usually, not assigned solely to one unit.

C. Outreach and Information

63. In 2003, a new information strategy was drawn up, aimed at improving the organization’s effectiveness in raising awareness of human settlement issues, enhancing UN-Habitat’s profile and supporting the global exchange on information on shelter and human settlement issues. As a result, the Press and Media Unit became part of the Information Services Section and a two percent budget provision was introduced in all sub-programme budgets to ensure funds for information and evaluation activities.

64. In 2003, as a result of a contract between UN-Habitat and the Pan African News Agency, PANAPRESS, to increase coverage of news on urbanization and human settlements, 100 articles were posted on PANAPRESS’s website. Press and media guidelines were established for all UN-Habitat regional offices and journalist workshops were conducted. The Section played a major role in promoting World Habitat day and the World Urban Forum II and took steps to enhance the corporate identity of UN-Habitat.

65. Since 2001, as a result of various improvements to the website, including regular weekly updates of information, there has been an increase in the number of visits per month, from 80,000 to 120,000. In early 2004, the UN-Habitat Intranet became accessible to all UN-Habitat locations including regional offices, providing a central, searchable knowledge base. Also, in collaboration with UNEP, the UN-Habitat library was re-established as a separate collection located in the main UNON library.

66. The Section contributed to developing a new publication policy and supporting system to improve the planning, monitoring and production of UN-Habitat publications. This policy addresses many of the recommendations included in a 2002 OIOS audit report, in particular, introducing a sales and marketing strategy aimed at increasing circulation of UN-Habitat publications to the target audience and recovering publication costs.

67. OIOS is concerned that information and communication activities are still considered subsidiary activities and, in the first year, it proved difficult to mobilize the necessary funds. As a result, some activities could not be fully implemented. Once all the supervisory posts are filled, the Section, with five Professionals and 19 General Service Staff and three service contractors, will have the capacity to implement its ambitious mandate of work.

D. Monitoring and evaluation

68. UN-Habitat monitoring and evaluation functions are coordinated by the Monitoring and Evaluation Unit located in the Office of the Executive Director to give it greater independence. Between 2000 and the end of 2004, 36 assessments and evaluations were prepared. OIOS found that the quality of the reports varied greatly, there was an absence of a common methodological framework, and there were gaps in the evaluation coverage. Global programmes and urban
governance issues were well covered while secure tenure activities were not.

69. Since 2003, UN- Habitat has taken several initiatives to strengthen monitoring and self evaluation activities. A new charging system was introduced in support of evaluation activities. Two publications were issued in 2003, a Monitoring and Evaluation Guide and a Project Cycle Manual. An internal Monitoring and Evaluation Data Base Management System is being developed to plan and monitor evaluations, track progress on implementation of recommendations and analyze lessons learned.

70. The major challenge faced by the Unit is its limited staffing resources (1 Professional and 1 General Service). The two per cent provision of the new charging system covered only 10% of the required funding of US$ 850, 000 for the 2004-2005 biennium.

VII. Conclusions and recommendations

71. Since its creation in 1977, the Human Settlements Programme has evolved into a comprehensive set of normative, analytical and operational activities. The Programme has a very broad mandate and under the themes of urban governance, sustainable development and shelter, it covers a wide range of social and economic issues. Since 2000, the year of their launching, the Global Campaigns on Urban Governance and Secure Tenure, have: a) provided the value framework for several UN- Habitat activities such as the global programmes and technical cooperation activities, b) raised awareness of the norms of good urban governance and secure tenure and c) led to changes at the policy and institutional level in countries were campaigns were launched. However, OIOS found that, the global campaigns’ effectiveness was impaired by financial constraints and the lack of a clear strategy and they have not provided the driving and organizing framework for all UN-Habitat activities as was expected.

72. The contribution of UN- Habitat to the achievement of the Millennium Development Goal 7 has been constrained by the limited scope of some of the advocacy activities. However, OIOS noted the following positive accomplishments: a) the establishment of a new model of cooperation in African and Asian cities in support of the MDG targets on water and sanitation and b) the establishment in 2004 of the Urban Millennium partnership, a collaborative effort between UN- Habitat, the UCLG and UNDP, aimed at mobilizing resources to achieve the MDGs at the local level and c) the development of an expert definition and monitoring tools which have been used by Governments.

73. UN- Habitat has made a significant contribution to city statistics and slum estimations and there are ongoing discussions to strengthen the partnership between UN- Habitat and the World Bank with respect to the World Development Indicators. Based on a recent evaluation commissioned by UN- Habitat, the two flagship reports were reviewed positively. Nonetheless, OIOS concurs with the evaluators’ recommendation to streamline the number of reports to maintain quality and avoid duplication. The Monitoring and Research Division has identified gaps in its research agenda; there is a need for prioritising the large list of topics on which it is currently conducting research. This prioritizing should also serve as the basis for guiding the activities of the network of academic and research institutions established to assist UN- Habitat. The Best Practice and Leadership Programme, an international award programme, is well
regarded but needs to be better integrated into the work programme. Good progress has been achieved towards mainstreaming gender in all of UN-Habitat activities.

74. OIOS finds that, despite some capacity constraints and security concerns, clients were generally satisfied with UN-Habitat’s technical cooperation projects and that the projects have contributed to introducing new norms and policies at the national and local level. While OIOS found many admirable examples of scaling up of successful initiatives in the operational aspects of the Global Programmes and other initiatives, a number of pilot projects involving direct technical assistance to slum upgrading designed and implemented by UN-Habitat in developing countries rarely lead to large scale programmes capable of reversing the growth of slum settlements. The placement of UN-Habitat Programme Managers in UNDP offices in a number of developing countries is a positive step in integrating the Habitat Agenda more fully into the United Nations Development Assistance Frameworks.

75. Despite commendable progress in resource mobilization including innovative approaches to funding, the following financial concerns persist: a) the substantial proportion of bilateral governments contributions that is earmarked, b) the dependency on a small number of donors. Despite the recent establishment, in the biennium 2004-2005, of a sub-programme focusing on resource mobilization, OIOS notes that there is lack of clarity as to who is responsible for the coordination and raising of funds for the various programmes and activities.

76. Partners and stakeholders have expressed appreciation for the drive and energy demonstrated by the UN-Habitat Executive Director in pursuing the Programme’s strategic vision, and her promotion of the Programme and its mandate. They also attribute much of the credit for the increase in voluntary contributions and for the development of new partnership to her leadership. However, OIOS also notes the need for UN-Habitat’s senior management to take immediate steps to: a) narrow the scope of the Programme and focus on fewer activities (see para. 78 below), b) strengthen programme planning, design and coherence in several functional areas, c) improve the support to the Governing Council and the CPR and d) enhance the Evaluation and Monitoring Unit capacity.

77. As was noted above, UN-Habitat has a very broad mandate. A number of important stakeholders have suggested that, given the unpredictability of extra-budgetary funding and other considerations, UN-Habitat could be a more effective organization if it narrowed the scope of its Programme and focused on fewer activities. UN-Habitat has pointed out that this might be limited by practical considerations, including the need to implement its approved work programme. UN-Habitat’s view is that, historically, urban issues have been marginalized in the development agenda. OIOS agrees and suggests that correcting this deficiency could be the organizing principle for greater focus.

78. Based on the above, and findings throughout the report, OIOS makes the following recommendations
Recommendation 1
*Sharpening UN-Habitat focus*

79. Given its very broad mandate and the very limited scale of its available resources, UN-Habitat should identify a few critical areas within these mandates on which it can focus in order to have the greatest impact within constraints imposed by its approved work programme. This process of identifying areas of focus should result in proposals to be submitted to the CPR in the first half of 2006 (see paras. 71, 77).

Recommendation 2
*Improve the planning, management and funding of the global campaigns*

80. The Shelter and Sustainable Development Division should enhance the impact of the campaigns through a strategic review and programming exercise to (a) refine the current campaign model on the basis on past lessons and (b) assist sustainability of the campaign momentum beyond the launch event by developing and sharing, at the planning stage, the strategic plans of actions with traditional donors and potential new donors and (c) mobilize adequate resources for campaign activities (see paras. 13-15).

Recommendation 3
*Mainstream housing rights*

81. The Executive Director should establish an in-house task force to mainstream housing rights, including security of tenure and slum upgrading in all aspects of UN-Habitat activities in the same way that gender issues have been mainstreamed (see paras. 14, 15 above).

Recommendation 4
*Consolidate Flagship reports*

82. UN-Habitat should publish one flagship report every other year and publicize it through extensive launch activities, utilizing lessons learned from the launch of 2003 report, The Challenge of Slums. All UN-Habitat publications, including the flagship reports, should contain a summary of key findings with policy implications, and these findings should be publicized through press releases and interviews. All publications should be sent for review to professional and policy journals concerned with human settlements, and the reviews discussed at the management level (see para. 30).

Recommendation 5
*Eliminate gaps in research*

83. MRD should prioritise its research programme of work to eliminate the critical gaps in coverage it has identified. One priority should be to provide guidance and leadership to the Human Settlements Network, focusing it on policy-oriented research (see paras. 32, 33).
Recommendation 6  
*Best Practice and Local Leadership Programme (BLP)*

84. (a) **UN-Habitat** management should ensure that the lessons learned from the BLP are more systematically integrated into the work of the other UN-Habitat units.

(b) BLP guidelines and mode of operations should be reviewed in order to focus its work more closely on human settlement and urban poverty issues (see para. 35).

Recommendation 7  
*Evaluate the impact of the UN-Habitat Programme Managers*

85. An evaluation of the role and effectiveness of the UN-Habitat Programme Managers should be conducted in early 2007 for review by senior management in both UN-Habitat and UNDP (see para.46).

Recommendation 8:  
*Relevant pilot projects involving direct technical assistance should be designed to scale up*

86. (a) It should be the policy governing technical assistance for which UN-Habitat is the executing agency that the relevant pilot projects involving direct technical assistance to slum upgrading should be designed to scale up, if assessed to have had a positive impact.

(b) In the context of addressing the problem of raising medium to long term domestic capital, a critical element of moving to scale, the Slum Upgrading Facility should clearly define its role, and the division of labour, *vis a vis* other international organizations and lending institutions.

(c) The Financial Rules and Regulations of the Habitat and Human Settlements Foundation should be published and promulgated by the end of 2005 (see paras. 47-49,58,59).

Recommendation 9  
*Early involvement by human settlement experts in post-conflict and disaster assessment and reconstruction*

87. (a) **UN-Habitat**, through its involvement in the Executive Committee on Humanitarian Affairs, should promote the early involvement of human settlement experts in post-conflict and disaster assessment and reconstruction in order to ensure that human settlement reconstruction follows best practices; to be fully integrated into the United Nations humanitarian and reconstruction process, **UN-Habitat** must become a member of the Inter-Agency Standing Committee.

(b) The Department of Political Affairs should consider inviting **UN-Habitat** to participate in the meetings of the Executive Committee on Peace and Security as and when
appropriate (see paras.50-52).

Recommendation 10

*Fund-raisng activities*

88. UN-Habitat should clarify who within the organization set up is responsible for coordinating fundraising and raising funds for the global campaigns, global programmes and technical assistance projects (see paras.55, 58, 59).

Recommendation 11

*Appointment of a Deputy Executive Director*

89. The appointment of a Deputy Executive Director should be expedited to ensure that this senior manager is available full time to focus on the administrative infrastructure and cross cutting issues (see para.61).

Recommendation 12

*Secretariat support to Member States*

90. In order to strengthen support of the CPR and the Governing Council, UN-Habitat should streamline the functions of the Secretariat of the Governing Council by reassigning its, inter-agency affairs responsibilities to another organizational unit (see para. 62).

Recommendation 13

*Evaluation and Monitoring Unit capacity*

91. UN-Habitat should increase the capacity of the Monitoring and Evaluation unit by at least one post to better meet its requirements and improve the quality of the evaluation and monitoring (see paras.68-70).

(Signed) Dileep Nair
Under-Secretary-General for
Internal Oversight Services
Annex 1: Organizational Chart of UN-Habitat

[Diagram of the organizational structure of UN-Habitat, showing hierarchical relationships between different departments and units.]