In its resolution 20/15, the Governing Council requested the Executive Director “to undertake an independent strategic evaluation of the performance and impact of the Habitat Programme managers (HPMs) before the end of 2006 and to report thereon to the Governing Council at its twenty-first session”.

The terms of reference of this evaluation were finalized by the Secretariat at the end of 2005, in consultation with the Committee of Permanent Representatives (CPR) to UN-HABITAT. The evaluation process started with a self-assessment by the HPMs themselves, followed by an overall assessment by UN-HABITAT headquarters, which was shared with the CPR in May 2006.

The external evaluation took place during June-October 2006. It included a desk review of all pertinent documentation, a number of structured interviews with resource persons and evaluation missions to eight developing countries where HPMs have been active for at least two years. This external evaluation was made possible thanks to a financial contribution from the Government of Sweden. The present evaluation report is submitted to the Governing Council as HSP/GC/21/INF/3 while an Executive Summary of the same report is submitted as HSP/GC/21/2/Add.8.

Notwithstanding the findings and recommendations of the independent strategic evaluation, which have been positively reviewed by the Secretariat, the Executive Director confirms that the budgetary allocation from the Foundation for Habitat Programme Managers is fully in line with the work-programme and budget for 2006-2007, as requested by the Governing Council in resolution 20/15.

The Executive Director wishes that the Governing Council could consider the recommendations made in the evaluation report with a view to mobilize more political and financial support to the HPM initiative, as a key element of the medium-term strategic and institutional plan of UN-HABITAT (see HSP/CG/21/5).
Independent strategic evaluation of the performance and impact of UN-HABITAT Programme Managers

Report of external evaluation team
Roberto Ottolenghi and Emiel Wegelin

25 October 2006
Executive Summary

Background and programme origin
This report describes the external evaluation of the performance and impact of UN-HABITAT Programme Managers (HPMs). The evaluation team has analysed the impact of HPMs in the countries where they have been deployed. This was done through:

a) a desk review of relevant documentation (including the Internal Evaluation report presented by UN-HABITAT to the CPR in May 2006, the self-assessment by the HPMs and the assessment by the Agency’s Regional Offices and selected UNDP field offices);
b) interviews with key resource persons from UN-HABITAT HQ and Regional Offices; and
c) evaluation missions to 8 countries (Colombia, Egypt, Mexico, Mozambique, Nigeria, the Philippines, Senegal and Sri Lanka).

The HPM Programme was initiated following the signing of a Memorandum of Understanding between UN-HABITAT and UNDP in October 2002 committing to establish the positions of (HPMs) in selected developing countries, with a focus on Least Developed Countries (LDCs), for the purpose of promoting the implementation of the Agency’s mandate and of strengthening inter-agency co-ordination at country level. The first HPM positions were established in 2003, after which the programme grew rapidly in 2004-05 up to its current strength of 36 HPMs, of which 22 in Sub-Saharan Africa, 4 in the Arab States, 6 in Latin America and the Caribbean, and 4 in Asia and the Pacific.

The main reason for UN-HABITAT to launch the HPM programme was to reduce the serious constraint in implementing its mandate resulting from its lack of an in-country substantive presence. The report briefly reviews how the HPM programme appears as fully congruent with the Agency’s mandate, as defined by the UN General Assembly (GA) in 1977 (establishment of UNCHS-Habitat as part of the UN Secretariat), further strengthened by the GA in 2002 (transforming UNCHS into a UN programme as UN-HABITAT) and in line with the focus on in-country support in the ongoing UN reform process.

Scope of the report
In accordance with the Terms of Reference for the evaluation the report assesses the performance, effectiveness, value added and impact of the HPM instrument in furthering UN-HABITAT’s original mandate in its two dimensions, normative and operational. More specifically, it analyses to what extent HPMs’ deployment has helped in:

a) integrating human settlements issues in key multilateral programming instruments for national development;
b) promoting the global and normative mandate of UN-HABITAT;
c) supporting UN-HABITAT’s operational activities; and
d) addressing cross-cutting issues common to the above.

The report also reviews financial and administrative issues of the HPM programme and their impact on its efficiency.

The external evaluation was meant to be a forward-looking lesson-learning exercise and, as such, yield findings, which may be considered in the decision-making process by UN-HABITAT and UNDP, UN-HABITAT’s Governing bodies (CPR and GC) and other stakeholders. The final section of the report therefore contains a summary of the main conclusions and recommendations.

Findings and lessons learnt

General appreciation: Along all the above-mentioned dimensions, the evaluation team’s assessment is positive, highlighting the net benefits accrued to UN-HABITAT, its national
partners and the UN system at the country level through the HPM’s deployment. It notes how the HPM instrument has significantly reduced UN-HABITAT’s earlier structural disadvantage inherent in not having in-country representation. It further notes how the critical development issues under UN-HABITAT’s mandate have acquired higher visibility and more adequate reflection in national and multilateral agendas and how the Agency’s ability to positively impact at the country level has been enhanced both normatively and operationally. It also highlights a set of relative weaknesses and constraints, which need addressing as part of programme extension. The following sections summarize the evaluation’s findings for each of the key issues examined.

**Integrating shelter and urban poverty issues into multilateral programming instruments:** The evaluation team has found that HPMs’ deployment has led to multilateral programming instruments reflecting in a much more coherent and structured way key urban development issues which, prior to HPMs’ deployment, were often sidelined or fragmented. The evaluation team reviewed the HPM participation in formulating these instruments, including the Common Country Assessments (CCAs), the United Nations Development Assistance Frameworks (UNDAFs) and the National Poverty Reduction Strategy Papers (PRSPs). The evaluation team found that, in most cases, HPM participation has given an enhanced profile to UN-HABITAT’s thematic areas. Most HPMs have been fully integrated in the inter-agency Task Forces charged with their formulation. This substantive addition is appreciated by UN Resident Co-ordinators and national sectoral agencies alike. HPMs’ co-location with UNDP has positively contributed to their ability to participate fully, as integral part of the UN network, in the programming exercises. In several countries reviewed, this contribution has demonstrably provided the basis for future programme development (and resource allocation) in areas of UN-HABITAT’s key priorities, as well as for inter-agency co-operation.

**Promoting the global and normative mandate of UN-HABITAT:** Promoting the normative mandate of UN-HABITAT at country level implies for HPMs the ability to become an efficient vehicle for the large number of global UN-HABITAT programmes and to be able to mainstream them and co-ordinate them. In all countries reviewed, several global programmes have invested in activities and made use of the HPMs (often contributing to meeting their cost) for a variety of tasks. These include the Global Campaigns (Urban Governance and Secure Tenure), the Global Urban Observatory, the Urban Management Programme, the Sustainable Cities/LA21, the Slum Upgrading Facility, the Water and Sanitation Programme, and the Safer Cities Programme. The evaluation team finds that the HPMs’ presence has been instrumental in facilitating global programmes’ introduction to the country level, in increasing their presence and activities, and in providing supervision and co-ordination. Given the large number of global programmes, many HPMs have experienced problems in handling multiple requests and demands on their time, also because of insufficient information on the specificity of each programme. However, in spite of such teething problems, activities around global programmes have set the basis for useful linkages between normative and operational dimensions, and between UN-HABITAT’s Global Division and its Regional Offices (ROs).

**Supporting UN-HABITAT’s operational activities:** HPMs’ progress in developing an operational projects’ portfolio has been relatively slow. However, this is understandable for the following reasons:

- a) need to first build a normative constituency in programming instruments and among donors;
- b) the need to acquire specific project formulation skills; and
- c) insufficient project development related training of HPMs at inception.

Within these limitations the contribution of HPMs in enhancing the Agency’s project portfolio has been recognised by the internal UN-HABITAT’s evaluation in at least 15 countries. The external evaluation team has noted meaningful achievements in all eight countries visited. The
HPM instrument has been beneficial in terms of strengthening the basis for operational projects. The Regional Office for Latin America and the Caribbean (ROLAC) and of Asia and the Pacific (ROAP) have requested the deployment of additional HPMs in their regions; the Regional Office for Africa and Arab States (ROAAS), with 26 HPMs to supervise, experienced heavy staff constraints. However, the importance of deploying HPMs is especially significant for operational activities, given the essential need to establish proximity with national partners and donors in project formulation and negotiation.

**Cross-cutting issues:** In its analysis of HPMs’ work, the evaluation team notes that a strict distinction between normative and operational functions is not functional. Some of the most important successes have been achieved by HPMs where the development of operational projects had been guided coherently by prior normative advocacy (i.e. thematic integration in programming instruments) and substantive support to UN-HABITAT’s global programmes. These have often been instrumental in leading to operational project opportunities, several of which are backstopped by their staff at HQ in close collaboration with the relevant ROs. HPMs have stimulated cooperation among global programmes, and between them and ROs (and their operational projects) by forming a single reference point for all at national level. This has also had major beneficial effects for national institutions, which now find it easier to relate to the broad range of UN-HABITAT programme activities. In all eight countries reviewed in detail there is now scope for UN-HABITAT, based on the HPMs’ groundwork, to better define its strategy for each country, as a collective effort between national sector agencies, ROs and global programmes, clearly determining its goals and providing a coherent work plan for HPMs, blending normative and operational functions.

**Programme funding:** The HPM programme has a current yearly cost to UN-HABITAT of $1.65 million (covering salaries and a modest - inadequate in the evaluation team’s view - operating budget), primarily financed by the Agency’s core resources (HS Foundation) given HPMs’ predominantly normative character, and also through global programmes and overhead resources generated by project implementation. Several promising examples of cash cost-sharing (from Governments and UNDP country offices) have been noted and may hopefully become more significant. UNDP offices have generally provided in-kind support (office space, utilities, support staff, equipment, transport), sometimes free of charge, sometimes at a fee for services, which has facilitated HPMs to operate. Global programmes’ contributions to HPMs’ salaries and operating costs have been made in recognition of resulting cost savings to those programmes in terms of HQ’s missions and recruitment of consultants. The same applies to HPMs’ services to ROs in the formulation/backstopping of project activities. When these savings are factored in, the resulting net cost to the agency is considerably reduced and, in the view of the evaluation team, fully justified in terms of its increased ability to fulfil its mandate in a large number of countries.

**Summary of main conclusions**

- The evaluation team has an **overall positive appreciation** of the HPM programme, as it has significantly enhanced UN-HABITAT’s ability to perform its mandate at country level in support of Governments and the UN system. This has been possible by establishing a substantive presence at national level at a comparatively limited cost per country. An increased potential exists now in most countries to expand on-going activities into a broader, more significant country programme.
- This potential could be more successfully tapped if deployment of HPMs was be followed by consistent **strategic programming** effort by UN-HABITAT. The evaluation team found that the initial generic ToR for HPMs could not reflect the specificity of national situations and hence adequately define strategic goals for the agency in the country concerned. A consolidated programming effort at country level, based upon past and current normative and
operational work, and defining strategic goals and expected results, will better address national priorities for UN-HABITAT, and will enable the HPM to operate within a clear planning framework.

- Several constraints and inadequacies impinge on HPMs’ effectiveness, namely:
  i) inadequate operating budget: the annual amount ($5,000) provided for this by UN-HABITAT is insufficient. While in a number of cases HPMs have successfully been able to augment this by national partners’ cash/in kind cost-sharing, many HPMs still suffer serious financial limitations in operational terms;
  ii) insufficient training: HPMs have received induction training, but this has inadequately covered the full range of skills and information required, especially in crucial areas like project development and management;
  iii) unequally distributed responsibility for HPM backstopping: ROs have been logically mandated to supervise HPMs; but this has generated a serious capacity constraint in ROAAS (which covers 26 out 36 HPMs).

- In terms of funding arrangements, the evaluation team endorses the GC decisions reflected in Resolution 20/15 and in the approved UN-HABITAT Work Programme and Budget for 2006-07 that the HPM programme, given its pre-eminently normative character, should primarily be financed through general purpose HS Foundation resources. The current allocation is sufficient to cover a significant critical mass of HPMs. Promising examples in terms of partners’ cost-sharing provide a positive potential to be further explored. Global programmes and operational projects have shared significantly to support HPMs’ cost, but formulas for their contributions need to be more transparently and systematically defined as part of an agency-wide strategic programming exercise for each country. UNDP has generally been helpful in providing office space and support services, some times as an in-kind contribution, sometimes on the basis of fees for services.

- Regarding country selection and future programme expansion, the evaluation team finds that selection of countries for HPM deployment has not always been based upon an analysis of ‘value’ in terms of scope for bringing about policy change and for developing operational programmes. This needs to be addressed in future programme development. The need to reduce the current geographical imbalance has also been noted. The introduction of country programme documents clearly defining scope of work and planned results can also form the basis for an exit strategy from countries where results fail to materialise.

- The evaluation team concludes that, while meaningful gains have been achieved already, it is essential to see HPMs as a long-term investment for UN-HABITAT, in recognition of the complex and lengthy process inherent in establishing national constituencies, promoting normative work and building an operational portfolio of activities.

**Principal recommendations**
The following summarizes the evaluation team’s principal recommendations:

- **The HPM programme should be continued.** In order to enhance its effectiveness, the early formulation of multi-year country programme documents is recommended for all countries and should be made mandatory in those where HPMs have been deployed already for two years. These country programme documents should express an inter-divisional common strategy, comprising both normative and operational activities, in co-ordination with national partners, and indicate strategic objectives and expected results, as well as a budget and financing plan reflecting approved and potential (hard pipeline) sources of funds.

- The identification of additional countries for HPM deployment should be based on an assessment of comparative ‘value’ expressed through the perceived potential for policy change, Government commitment and scope for operational programme development. New deployment should be carried out also with a view to reducing the current regional imbalance.
• More systematic and **comprehensive training support** should be imparted to HPMs, i.a. introducing modules on project development and management. **HPM supervision** should continue to be led by ROs, but a greater supporting role by global programmes should be introduced in countries where they are active.

• The HPM programme should continue to be **funded primarily through HS Foundation general purpose allocations**, given the pre-eminent normative significance of HPMs. To lessen recurrent costs on the Foundation, continuing efforts should be made to enhance parallel funding mechanisms like national partners’ and UNDP cost-sharing, contributions by global programmes (which ought to be made more systematic and transparent), and support from operational projects’ budget lines.

• The recommended country programme documents should be the basis (after careful impact assessment and a yearly rolling review) for determining UN-HABITAT’s **exit strategy** from countries where results may have failed to materialise, as per the defined strategic objectives.

• The **MoU with UNDP should be reviewed and extended** as a political instrument to facilitate new co-operation and cost-sharing agreements with UNDP country offices.
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>CA</td>
<td>Cities Alliance</td>
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<td>CCA</td>
<td>Common Country Assessment</td>
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<td>CBO</td>
<td>Community Based Organisation</td>
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<td>CDS</td>
<td>City Development Strategy</td>
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<tr>
<td>CPR</td>
<td>Committee of Permanent Representatives</td>
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<td>ED</td>
<td>Executive Director</td>
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<td>GA</td>
<td>General Assembly</td>
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<td>GC</td>
<td>Governing Council</td>
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<td>GD</td>
<td>Global Division</td>
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<td>GUO</td>
<td>Global Urban Observatory</td>
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<td>HPM</td>
<td>Habitat Programme Manager</td>
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<td>HSO</td>
<td>Human Settlements Officer</td>
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<td>IE</td>
<td>Internal Evaluation</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IFRC</td>
<td>International Federation of Red Cross and Red Crescent Societies</td>
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<td>LA21</td>
<td>Localising Agenda 21</td>
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<td>LAC</td>
<td>Latin America and the Caribbean</td>
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<td>LUO</td>
<td>Local Urban Observatory</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<tr>
<td>MTSIP</td>
<td>Medium Term Structural and Institutional Plan 2008-13</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<tr>
<td>RO</td>
<td>Regional Office</td>
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<tr>
<td>ROAAS</td>
<td>Regional Office for Africa and Arab States</td>
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<tr>
<td>ROAP</td>
<td>Regional Office for Asia and the Pacific</td>
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<tr>
<td>ROLAC</td>
<td>Regional Office for Latin America and the Caribbean</td>
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<tr>
<td>RTCD</td>
<td>Regional and Technical Co-operation Division</td>
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<td>RUSPS</td>
<td>Rapid Urban Sector Profile Studies</td>
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<td>SCP</td>
<td>Sustainable Cities Programme</td>
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<td>SUF</td>
<td>Slum Upgrading Facility</td>
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<td>TCBB</td>
<td>Training and Capacity Building Branch</td>
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<tr>
<td>ToR</td>
<td>Terms of Reference</td>
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<td>ToT</td>
<td>Training of Trainers</td>
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<td>UMP</td>
<td>Urban Management Programme</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UN-RC</td>
<td>United Nations Resident Co-ordinator</td>
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<tr>
<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<td>UNFPA</td>
<td>United Nations Fund for Population Activities</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>UNIFEM</td>
<td>United Nations Development Fund for Women</td>
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<tr>
<td>UN-HABITAT</td>
<td>United Nations Human Settlements Programme</td>
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<tr>
<td>WATSAN</td>
<td>Water and Sanitation</td>
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<tr>
<td>WHD</td>
<td>World Habitat Day</td>
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<tr>
<td>WSIB</td>
<td>Water, Sanitation and Infrastructure Branch</td>
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<td>WSSSD</td>
<td>World Summit on Sustainable Development</td>
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1 Introduction

1.1 Background and programme origin

The United Nations Human Settlements Programme (UN-HABITAT) is mandated by the United Nations General Assembly to promote, monitor and report on progress in the implementation of the Habitat Agenda. UN-HABITAT is also responsible for United Nations Millennium Declaration targets on slums, water and sanitation. In implementing its mandate, UN-HABITAT is guided by the General Assembly (GA) and its subsidiary organs, which include the Governing Council (GC) and the Committee of Permanent Representatives (CPR) to UN-HABITAT. In implementing this mandate UN-HABITAT works with governments, local authorities, non-governmental organisations, the private sector and other agencies in promoting sustainable urbanisation and reduction of urban poverty. Its work involves normative, operational, knowledge/capacity-building, monitoring advocacy and partnership building; this is undertaken at global, regional, national and local levels since its establishment as the United Nations Centre for Human Settlements (Habitat) as part of the UN Secretariat in 1977.

Following the 1st World Conference on Human Settlements (Vancouver, 1976), the United Nations General Assembly established (through Resolution 36/162 of 19 December 1977) the United Nations Centre for Human Settlements – UNCHS (Habitat) the ‘status, role and functions’ of which were strengthened through GA Resolution 56/206 of 26 February 2002 elevating it to the United Nations Human Settlements Programme (UN-HABITAT). In the first GA Resolution of 1977 the Agency was entrusted with a two-fold mandate, global, as focal point for international co-operation in the field of human settlements, ‘promoting an integral concept of and comprehensive approach to human settlements’, and national, with the mandate to ‘assist countries in increasing and improving their own efforts to solve human settlements problems’ and to ‘execute human settlements projects’.

This was reiterated by the GA in 2002 when transforming the Centre into a Programme of the United Nations system, which, in global terms, emphasised the ‘role and importance of the implementation of the Habitat Agenda’ (the adopted outcome of the 2nd World Conference on Human Settlements held in Istanbul in June 1996) and, in national terms, urged UN-HABITAT’s involvement ‘in particular in the context of Common Country Assessments (CCA) and the United Nations Development Assistance Frameworks (UNDAF) as well as the Poverty Reduction Strategy Papers (PRSP) preparatory process led by the World Bank and the International Monetary Fund’. These are the main multilateral instruments for development co-operation and programming at the country level to which all UN agencies are expected to give an enhanced contribution for the sake of greater coherence of effort.

For UN-HABITAT to perform the crucial function in its mandate at national level (in addition to promoting the relevant Millennium Development Goals and the Habitat Agenda), the need emerged to ensure better presence and representation at the country level. In consequence, UNDP and UN-HABITAT signed an Memorandum of Understanding (MoU) in October 2002 to establish the positions of Habitat Programme Managers (HPMs) in selected developing countries, with a focus on LDCs. The MoU envisaged this to happen on a pilot basis, and in support of the overall UN policy on inter-agency co-operation at country level. The GA welcomed the HPM initiative in its resolution 57/275 of December 2002 and called upon UN-HABITAT to continue to work closely with other organisations of the United Nations system.

UN-Habitat’s Governing Council (GC), in its 2005 Session, expressed support through its Resolution 20/15 (Habitat Programme Managers and Regional Offices) to the HPM initiative as it responded to the GA’s Resolution 59/250, of 17 December 2004, which ‘invites the GCs of all
UN organisations to consider means to strengthen their country-level capacities’. GC resolution 20/15 further requested the UN-HABITAT Executive Director (ED) to ‘strengthen regional presence…in the framework of the current UN reform process’, reaffirmed the ‘synergy between operational and normative functions’, stressed that ‘all activities of UN-HABITAT, including HPMs, must be aligned with host country’s national development strategies and plans’ and expressed that HPMs ‘should be sustainably funded’ through a combination of financing mechanisms.

1.2 Programme description

The HPMs are recruited locally by UN-HABITAT and generally posted within the UNDP structure (some are working from a government departmental base). A generic ToR for HPMs has been prepared as a template to be reviewed and amended to suit the specific needs of each country as needed. Recruitment of HPMs is participatory and involves UN-HABITAT, UNDP, and focal point ministries in the government (and civil society representatives in case of countries in Latin America and the Caribbean). The HPMs have generally been offered a one-year fixed term renewable National Officer contract through UNDP (some HPMs have been recruited on a special services contract basis).

Currently (October 2006), 36 HPMs have been deployed, of which 22 in Sub-Saharan African countries, 4 in the Arab States, 6 in Latin America and the Caribbean, and 4 in the Asia and the Pacific region1. They are tasked to mainstream urban development and shelter issues in country level activities of the UN system such as the above-mentioned CCAs, UNDAFs and PRSPs. They are also to promote UN-HABITAT’s global and normative mandate, programmes and campaigns, and to support operational activities of UN-HABITAT at national and local levels, and to identify areas of co-operation.

1.3 Evaluation approach

The purpose of the independent evaluation was to assess the performance, effectiveness, relevance, value added and impact of HPMs in mainstreaming urban development and human settlements issues in country level activities. The evaluation was meant to be a forward looking lesson-learning exercise and to yield findings that can be incorporated into the decision-making process by UN-HABITAT and UNDP, Governing bodies of UN-HABITAT (CPR and GC) and other stakeholders. It has been evaluated as a programme, rather than as a collation of (staff) performance reviews. The evaluation comprises a review of lessons learnt and recommends improvements for strengthening the HPM programme’s overall performance and to support country level activities.

The external evaluation has been carried out by two international individual consultants, messrs. Roberto Ottolenghi and Emiel Wegelin during June - October 2006. The external evaluation was preceded by an internal evaluation, based on HPMs’ self-assessments, and UNDP and UN-HABITATs Headquarters assessments, which was synthesized in a UN-HABITAT report presented to the CPR in May 2006. The external evaluation has been based on:

a) a desk review of pertinent documentation (particularly the self-assessment of the HPMs, the assessment by Regional Offices, UNDP Offices and UN-HABITAT Headquarters);

b) structured interviews with selected strategic resource persons; and

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1 In 2003, 7 HPMs were fielded, in 2004 this increased to 26 and in 2005 to 35. In the course of 2006 one more HPM was added (in Papua New Guinea), bringing the total number to 36, and the number in the Asia Pacific region to 4.
c) evaluation missions to 8 developing countries for the purpose of an in-depth operational assessment of work undertaken by the HPMs concerned.

1.3.1 Desk review and interviews with resource persons

The desk review has primarily focused on the report on the Internal Evaluation (IE) of HPMs as presented to the CPR in May 2006, which comprises the output of the self-assessment of the HPMs (32 out of the 36 deployed), and the assessment by Regional Offices, UNDP Offices and UN-HABITAT Headquarters. The IE report focused on the assessment of HPMs contributions to the three primary areas of work for the HPMs:

a) integrating shelter and urban poverty issues into the UNDAFs and national poverty reduction strategy papers;

b) promoting UN-HABITAT’s global and normative mandates; and

c) supporting operational activities of UN-HABITAT at the national and local levels, while
d) also assessing the administrative and financial arrangements and relationships that condition the HPMs work.

The consultants have reviewed the IE report in order to validate its findings, going back to its source data from the 32 HPMs and UNDP offices selectively as needed.

The interviews with selected resource persons (other than those in the 8 countries targeted for field visits) have also taken the validation of this report’s findings as its point of departure, and therefore focused on views of the resource persons vis-à-vis the report’s conclusions. In addition the interviews with some resource persons also addressed the history and gradual emergence of the HPM programme (i.e. including selection of countries, phasing and funding).

The interviews with resource persons was not limited to strengths and weaknesses of the HPM programme as it currently operates, but also addressed possible ways and means of how to improve its performance.

1.3.2 Country reviews

Reflecting the current pattern of deployment of HPMs, country reviews have been carried out in three African countries (Mozambique, Nigeria and Senegal), one Arab States country (Egypt), two Asian countries (Philippines and Sri Lanka) and two Latin American countries (Colombia and Mexico). The sample of these countries had been selected by UN-HABITAT on the basis of regional and sub-regional spread from among the countries in which there had been a resident HPM for at least two years (in order to ensure that sufficient operational experience had been generated to make such an in-depth review worthwhile). The country reviews addressed the same blocks of work as in the IE report, but could deal with this more in-depth, and additionally included a review with partner groups (concerned government departments, local governments, NGOs, private sector entities as appropriate), UNDP and selected other UN agencies and other multi- and bilateral support agencies in each country as deemed relevant.

The reviews with partner groups had a broad focus and also addressed the relevance and value-added of HPMs to country needs and policies, and the effectiveness of HPMs to address these. In addition, the country review addressed the relevance and value-added of HPMs to UNDP and other partner and donor policies, and the effectiveness of HPM to generate co-operation initiatives.

The country reviews were not limited to an assessment of the strengths and weaknesses of the HPM programme as it currently operates in each country, but also addressed possible ways and
means of how to improve its responsiveness and performance in the country. At the end of each country review a debriefing was conducted with the UN Resident Co-ordinator and the HPM, supported by a brief report prepared by the consultant concerned, summarising the salient findings of the country review by way of an aide-memoire (these reports are available through UN-HABITAT on request).

1.3.3 Report structure

This consolidated draft final evaluation report summarises the findings and lessons learnt as perceived by the external evaluation team and provides recommendations to UN-HABITAT, UNDP and other partners on how the programme’s operation can be improved. The report reviews these in turn for each of the three main areas of the HPM’s ToR, for the administrative and financial arrangements and relationships that condition the HPMs work, and ends with a summary of the main conclusions and recommendations.
2 Findings, lessons learnt and recommendations

2.1 Integrating shelter and urban poverty issues into the United Nations Development Assistance Frameworks (UNDAFs) and national poverty reduction strategy papers.

2.1.1 Findings

The HPMs have all made considerable efforts to integrate shelter and urban poverty issues into the United Nations Common Country Assessments (CCAs), United Nations Development Assistance Frameworks (UNDAFs), national poverty reduction strategy papers (PRSPs) and other country level UN interagency and donor co-ordination mechanisms as anticipated under clause 3 of the UNDP/UN-HABITAT Memorandum of Understanding (MoU) of 30 September 2002. In all applicable cases this has led to an increased profile of UN-HABITAT’s thematic areas in the CCA, UNDAF, PRSPs and other strategy documents (e.g. national MDG strategies) as prepared locally. It has also led to opening avenues for joint programming and joint project development for UN-HABITAT with other UN agencies within the UNDAF framework.

UN Resident-Coordinators have generally found HPM participation in CCA and UNDAF preparatory exercises helpful in ensuring that such issues were highlighted and discussed, and in enhancing inter-agency co-ordination. However, the effectiveness of implementing this part of the HPMs’ ToR has been affected by the following factors:

a) in the majority of countries the HPMs have not formally been included as official members of the UN Country Team (CT), given that this is to consist of Agency Country Representatives. This is often interpreted as international agency staff with formal representation status. The CT thus composed generally deals with a very broad range of common issues (generally e.g. including the security situation in the country) and only marginally with the unified development support programming issues intended to be targeted by the above MoU which are the responsibility of substantive inter-agency Task Forces. The evaluation team has observed that this formal limitation has not generally impaired the HPMs significantly in making a recognised contribution in the country Task Forces for the CCA and UNDAF exercises, as long as this was clearly endorsed by the UN-RC. This was the case in all countries visited by the evaluation team, with positive outcomes along the above lines as a result, namely more adequately reflecting human settlements issues in the programming instruments.

b) In some middle-income countries (e.g. in some Latin American countries) the CCA/UNDAF and/or PRSP exercises are considered less important by Governments given the very limited amount of external resources made available through these programming instruments; HPMs have however been central in policy debate and sectoral strategy formulation through other mechanisms (i.e. in Colombia and Mexico, where, in the present absence of CCA/UNDAF, HPMs have acquired a prominent role in broad inter-institutional Government policy forums).

c) In some countries such programming exercises have not (yet) been undertaken: e.g. there is no PRSP in the Philippines, because an elaborate anti-poverty strategy has already been developed by government; in Sri Lanka the CCA and UNDAF exercises were delayed in the aftermath of the Tsunami – the HPM participated fully and productively in the CCA and is expected to do so in the UNDAF sequel as well; CCA and UNDAF are to be prepared next year in Colombia and Mexico with expected participation of HPMs. In Nigeria the UNDAF had been completed prior to HPM deployment. The HPM will participate in the next CCA/UNDAF cycle preparation starting in early 2007.

d) Co-location with UNDP has positively contributed to the HPM’s ability to participate effectively in the CCA/UNDAF exercises, as that has helped to make UNDP consider the
HPM part of its internal network, in contrast to (larger) specialised UN agencies with their own separate country office.

e) Compared to other, larger agencies bringing some of their own financial resources to the UNDAF exercise, the HPMs could only bring substantive knowledge and advocacy/information on UN-HABITAT normative and operational tools available to support national policies and programmes. Therefore no miracles should be expected with regards to the subsequent down-stream joint programme and project development (where resource mobilisation remains a major constraint).

However, with these variations, the general picture observed in the countries visited by the evaluation team, is that the HPMs’ presence has succeeded in placing Habitat issues on the development agenda. This has remedied to a large extent the earlier disadvantage suffered by UN-HABITAT (as compared to other, larger UN agencies) by not having its in-country representation, which had led to protracted programming arguments between UN-HABITAT and UNDP country offices. The positive changes in the elaboration of the above programming instruments resulting from HPMs’ in-country presence has effectively ended such arguments and are seen as the necessary prerequisite to allow for any subsequent resource allocation to operational programmes formulated by UN-HABITAT.

2.1.2 Lessons learnt

The most important positive lesson learnt is that providing HPMs with the UN-RC endorsed mandate to participate in the CCA/UNDAF preparatory exercises has definitely had a positive impact on the extent in which the UN-HABITAT themes have been reflected in the CCA document and the UNDAF matrix. This matrix sets out UN development support lines of action but stops short of activity programming/project preparation. Therefore, this element in the scope of the HPM (while generally not immediately leading to an increased level of operational activities to be managed by UN-HABITAT) has therefore proven to be useful and should be maintained. The HPM time spent on this initially only brings intangible, but important benefits of higher visibility and greater understanding of UN-HABITAT issues (and of UN-HABITAT’s ability to deal with them) among fellow UN agencies. Translation of UNDAF priorities into concrete operational support activities generally requires further programming and project preparation efforts on the part of the HPM and the Regional Office (RO) concerned (see section 2.3 below).

A second lesson of experience is that often a good deal of persuasion has been necessary to convince the UN-RC of the value added of the HPM participating in the CCA/UNDAF exercises. This has needed to be supported by UN-HABITAT’s RTCD ROs, and sometimes by senior management at HQ. Once the UN-RC clearly perceives the benefits for the system and for UNDP, the HPMs have been able to operate quite freely and develop strategic alliances within the UN family and beyond.

Thirdly, Government sectoral agencies dealing with urban issues have benefited and generally appreciated HPMs’ contribution, which has often resulted in introducing their priority concerns in a coherent and strategic way in overall programming frameworks for development.

A fourth lesson of experience is that this part of the assignment was generally more successful in cases where the HPM is a senior substantive person respected by his peers in the UN agencies and in government.

Lastly, experience has shown that HPMs on service contracts have not always been well recognised. In order to be able to participate in CCA/UNDAF discussions most effectively
HPMs should be hired as national UN staff, to emphasize that they are part of the UN family while should be recruited on service contracts only in exceptional circumstances.

2.1.3 Recommendations

The first and obvious recommendation is that HPMs should continue to participate in the development of such strategic collaborative frameworks. Secondly, where there are opportunities for joint programming of activities with other UN agencies emanating out of the approved UNDAF, this should be vigorously followed up on by the HPM supported by the RO concerned. There are distinct opportunities for this in several of the countries visited by the evaluation team (e.g. in Egypt, Mozambique, Senegal and the Philippines, while in Sri Lanka the UNDAF preparation, based on the completed CCA holds out similar promise; in Colombia and Mexico, the serious ground-work carried out by HPMs at policy level is expected to produce similar positive results). Thirdly, where the UNDAF framework provides sufficient rationale, a multi-year UN-HABITAT country programme within this framework should be developed, based on the strategic developmental lines identified.

However, it must be recognised that the above line of action will not be a suitable strategy in all countries. For middle level countries it may often be more rewarding for the HPM to associate him/herself with and support priority housing and urban development strategies developed by the Government (such as the village and small towns strategic planning in Egypt), and develop a pipeline of projects out of that.

2.2 Promoting the global and normative mandate of UN-HABITAT

2.2.1 Findings

The evaluation team found that all HPMs have attempted to promote UN-HABITAT’s normative mandate and global programmes, as all understand this as a core element in their ToR. However, out of the three major elements of the HPM’s ToR this part has been the least well-defined and subject to local interpretation. It is also an area where the HPMs cannot operate independently very effectively without strong support from the ROs and from UN-HABITAT HQ, particularly from the Global Division and the Monitoring Division.

In a number of cases the HPMs have supported the launches of the campaigns on good urban governance and on security of tenure in their countries, as decided upon by UN-HABITAT HQ in consultation with the national governments concerned. However, for reasons of operational constraints, high-profile launches could only take place in a limited number of countries.

In some cases the HPM clearly did not have enough information to be able to begin the local operationalisation of global initiatives such as the campaigns and the Global Urban Observatory (GOU) on their own. In part this has been caused by limited knowledge of the substance of these initiatives and by not knowing where to find operational guidelines, and in part because the HQ global campaign units have not engaged the HPMs sufficiently enough (obviously caused in part by staffing and funding constraints at UN-HABITAT HQ).

Similar issues pertain to the relationships with the GUO (which has had fairly intensive interaction with HPMs in 8 countries, with significant positive examples of the value added in co-operation). The same applies to the training and capacity-building initiatives supported by the Training and Capacity Building Branch, which has interacted with 23 out of the 36 HPMs deployed to date.
Supportive interaction has been easier with global programmes such as the Urban Management Programme (UMP), Sustainable Cities/LA21 Programme (SCP/LA21), the Slum Upgrading Facility (SUF) and the Water and Sanitation Programme (WATSAN), all of which have a higher operational content, and core programme resources, which can be brought to bear in developing in-country activities. The collaboration with those programmes (particularly with UMP, SCP/LA21 and SUF) has been quite positive and has demonstrated how global normative messages can be articulated and operationalised through local activities. Such collaboration has also helped to engage UNDP and other partners in specific activities and has levered cost-sharing for such activities.

Several HPMs have taken initiatives independently from the UN-Habitat campaigns and global programmes to collaborate intensively with national sector agencies to develop policy and legislative initiatives (e.g. support for modifications in the spatial planning laws in Egypt and Nigeria, and for the operationalisation and application of the law on Territorial Development in Colombia) as a strategic entry point to selectively articulate UN-Habitat’s normative mandates. These efforts have generally been well-appreciated (as substantive inputs responsive to demand) and, in the evaluation team’s view, should be considered as major positive initiatives to articulate UN-HABITAT’s normative contribution at national level, deserving more significant substantive support from UN-HABITAT’s HQ.

The HPMs in all countries have routinely supported the preparation and implementation of World Habitat Day (WHD), which has been the singular most used platform for normative advocacy. HPMs have selectively used the media and special events such as the Dubai best practices awards for such advocacy. HPMs have also supported their countries’ participation in relevant international events, such as meetings of the global Commission on Sustainable Development (CSD) and the World Urban Forum (WUF). Only in a few instances have the HPMs worked with national habitat committees on an on-going basis, as these committees are generally seen as ad-hoc arrangements for the purpose of periodic country reporting on the implementation of the Habitat Agenda in the country concerned. In the evaluation team’s view, the existence of such routine mechanisms could be more effectively utilised to articulate UN-HABITAT’s global mandate.

The HPM’s task in this normative area has inadvertently been made more difficult by the combined disincentives of lack of operational resources at the HPMs disposal and the pressure felt by HPMs to develop operational projects within a short period of time. This has effectively meant that the normative mandate of UN-HABITAT in a number of cases has not been given the emphasis and recognition it clearly deserves in the HPM scope of work. As noted in section 2.4 below, better results seem to have been obtained when, rather than seeing normative and operational work as conflicting requirements for HPMs’ time, operational projects’ development was based upon the build-up of a strong normative argument and constituency at country level.

### 2.2.2 Lessons learnt

Promoting the global and normative mandate of UN-HABITAT at country level is a complex task for which the HPMs are not intrinsically well-equipped. To ensure that this is handled effectively, a high level of pro-active backstopping by UN-HABITAT HQ and the ROs is required. In some cases, HPMs have been conditioned by the understandable pre-occupation with generating projects and related agency overheads, while the campaigns and GOU have only been able to provide limited support, given their human and financial resource constraints. Therefore, a main lesson learnt is that global programmes’ support, which seems to have been quite effective, may be used more strategically to contribute to the overall normative objective, also as
part of a better articulated common strategy in each country between the Global Division, the Monitoring Division and the ROs.

Particularly at times of overload in terms of demand on the HPMs time, the limited core operational budgets available for HPMs has adversely impacted on the rather imprecisely defined block of normative support work, for which there are only very limited opportunities to generate resources through other means.

As a result of the above two factors, this area of work has been under-represented in the HPM’s ToR implementation in some countries. However, the HPM support to CCA and UNDAF exercises (section 2.1.1 above) clearly has a very high normative content, while quite a number of operational activities generated by the HPMs (see section 2.3.1. below) like-wise have a high normative-policy content. Therefore, the distinction made between normative and operational support work is often more artificial than real (see also section 2.4 below).

In addition, the HPMs have often not been able to develop their own capacity and skills to an adequate level of understanding of these normative issues and UN-HABITAT approaches adopted to enable them to effectively conduct advocacy activities independently. Therefore, continuing capacity-building in this area is required through awareness-raising, through improved information and communication, and through additional training for the HPMs.

2.2.3 Recommendations

The evaluation team recommends that the normative support activities to be undertaken by HPMs will be better defined in the HPM scope of work, and formulated in terms of specific activities to be conducted as part of a bi-annual country-specific HPM work plan. The work plan, to be approved by the ED through the ROs will also specify the required RO and HQ support envisaged for each activity (see section 2.5.3).

The HPM needs to be endowed out of UN-HABITAT core resources with basic operational support outlays for conducting meetings, media campaigns, travel and other local support actions required for this normative block of work, as this intrinsically comprises non-revenue earning activities, for which it is difficult to tap other sources of funds legitimately.

A structured programme of HPM capacity building requires to be formulated and implemented under HQ direction, with a strong focus on the agency’s normative mandate. This should comprise induction training, on-going global programme exposure, as well as periodic refresher courses or seminars.

2.3 Supporting operational activities of UN-HABITAT at national and local levels

2.3.1 Findings

From its inception, the HPM programme was seen as an instrument to enhance UN-HABITAT’s ability to meaningfully perform its mandate as Executing Agency of development projects in the thematic area of human settlements development, delivering technical assistance and programme support to Governments.

Engaging rapidly and productively in systematically developing operational activities has proved hard for the HPMs (with a few exceptions). In part this was due to a generalised position of inherited disadvantage for UN-HABITAT (relative to other UN agencies), which since its inception in 1976 had operated without an in-country presence. As a result of recent changing
trends in international developing co-operation, this limitation turned into an increasingly serious negative factor. These trends can be briefly summarised as follows:

a) The drastic curtailing of funds for development made available to the UN system affecting all developing countries (with the partial exception of LDCs), has greatly reduced the scope for all UN agencies, including UN-HABITAT to access external resources to assist Governments in operational development programmes.

b) UN-HABITAT’s inability to participate in a continuous and meaningful way (prior to the fielding of HPMs) in the in-country formulation of crucial UN programming instruments like CCA and UNDAF implied that development priorities (and therefore subsequent resource allocation) rarely reflected human settlements issues adequately in multilateral and bilateral country programmes.

c) As a result, urban issues have often been addressed in a fragmented manner by other UN agencies with in-country representation, often failing, however, to address complex issues of urban governance and management reform, decentralisation and municipal development, land management and housing policies. Funding allocation has generally not reflected sector needs.

d) Among UN agencies, UNDP, under the label of ‘Governance’ and based on the relatively recent provision which allows it to directly execute operational projects itself, has often occupied the technical space related to UN-HABITAT’s mandate. Within national and local institutions this has heightened the feeling of being cut off from the specialised policy-oriented expertise, which, in the UN system, would be available from UN-HABITAT.

These gaps have been acutely felt at national and local Government levels by UN-HABITAT’s traditional partners. It was therefore not surprising for the evaluation team to find that national partners in Government (and civil society) were enthusiastically supportive of the HPM initiative, seen as a much needed step to give human settlements issues due recognition and development priority and to mobilise resources accordingly.

Another limiting factor in HPMs’ engagement in operational activities has been the lack of sufficient and specific training for a complex and demanding task, requiring moreover expert supervision along a fairly long learning curve. Supervision and guidance to HPMs are provided by international Human Settlements Officers (HSOs) in RTCD Regional Offices (Regional Office for Africa and Arab States –ROAAS, currently responsible for 26 HPMs: Regional Office for Latin America and the Caribbean – ROLAC, with 6 HPMs: and Regional Office for Asia and the Pacific – ROAP, with 3 HPMs).

ROLAC and ROAP have repeatedly expressed interest in deploying additional HPMs in crucial countries of strategic importance to assist in developing pipeline project initiatives. ROAAS, with by far the largest number of HPMs to supervise, has experienced a capacity constraint, especially after the number of HPMs grew rapidly in 2004. ROAAS’ heavy responsibility in terms of supervision, stretching its own limited personnel capacity, calls for some specific support mechanisms (see section 2.3.3).

In spite of the above-noted constraints, HPMs’ contribution in formulating operational projects, in collaboration with ROs’ international staff, has been recognised by UN-HABITAT (see its Internal Evaluation of May 2006, and confirmed by the external evaluation team with respect to the countries it visited) in Burundi, Burkina Faso, Egypt, Madagascar, Mozambique, Nigeria, Rwanda, Senegal and Sierra Leone (ROAAS); Colombia, Ecuador and Mexico (ROLAC); Indonesia, the Philippines and Sri Lanka (ROAP). The evaluation team considers this an acceptable result, considering that HPMs have had, on average, no more than two years from the date of their recruitment (the majority of HPMs were recruited from mid to late 2004 onward) to develop an operational portfolio, a time too short (considering the long-lead time generally
required in project development and resource mobilisation) to ensure that project initiatives may indeed be conceived, formulated and approved.

However, new project development cannot generally be attributed solely or predominantly to HPMs, considering that developing an operational project at country level results in virtually all cases from the combined efforts of Human Settlements Officers in ROs, UN-HABITAT international experts and consultants who may be posted in and/or sent on formulation missions to the country, and often of HQ staff of Global Programmes, together with the HPM. Management and supervision of all these inputs and guidance to HPMs by ROs is therefore crucial.

2.3.2 Lessons learnt

In assessing to what extent the HPMs’ presence has contributed to UN-HABITAT’s development of operational project initiatives and to the backstopping of the ongoing ones, the overall appreciation of the evaluation team is positive with the following qualifications:

First, positive trends are visible (significantly more positive where the normative-operational linkage has been successfully established - see section 2.4 below). Portfolios of pipeline projects have been strengthened, some have been approved already also in countries where until HPM deployment UN-HABITAT had none. This strengthens the view that the fielding of HPMs is to be seen as an investment demanding sufficient time to produce full results.

Second, additional training is clearly required to ensure that HPMs can increasingly perform the complex and difficult role of spearheading operational projects. In this respect, the Induction Training which was given in Nairobi to HPMs, which covered a wide range of issues mostly related to the Agency’s mandate and programmes, was insufficient and could usefully be supplemented by training modules on project formulation and project administration and financing. This may be handled at regional level, as already done by ROLAC for HPMs in the LAC region. If this were done systematically, the need for guidance and supervision from Regional Offices on operational activities would also decrease over time.

Third, promising operational results at country level testify to the potential of the HPM instrument in a broad variety of countries with different available funding sources, showing that the instrument may work well across the board, from LDCs (where UNDP and bilateral funding is still available) to middle-income countries where funding would be available almost only from national sources. In the latter category, it is quite evident that the HPM initiative has made a very significant difference, as shown by relevant examples in Egypt, Colombia, Mexico and Nigeria (only citing countries which were visited by the evaluation team) where projects have been formulated (already approved or in the process of approval) to be financed through the budgets of Government institutions explicitly valuing the possibility of receiving UN-HABITAT technical and managerial support in their programmes (and willing to pay for it). The HPMs’ role in helping reverse a negative situation for UN-HABITAT has been central in all these countries.

Particularly note-worthly has been the role of the HPMs in the countries affected by the Tsunami. Their presence has enabled UN-HABITAT to respond quite quickly to emergency and reconstruction support needs as articulated by the Government, local communities and the international assistance community. In both Indonesia (not visited by the evaluation team) and Sri Lanka, the impact was very significant, not only in terms of the shelter reconstruction investment programmes handled by UN-HABITAT (of the order of magnitude of $ 15-20 million in each country), but also in qualitative terms helping to formulate reconstruction policies and programmes as well as new co-operation partnerships, including with the Asian...
Fourth, in all countries, HPMs are performing a useful role in supporting the implementation of on-going operational projects. This role ranges from a very substantial in-country co-ordination with technical advice (especially where no international staff are permanently fielded as part of project teams) to facilitator in the array of organisational and administrative functions required by operations and as liaison between Government, UNDP field office and UN-HABITAT ROs and HQ. In all cases it has been found to be a useful service, i.a. resulting in faster delivery and cost savings.

Finally, the issue of capacity constraint experienced by ROAAS in terms of supervision requirements of a large number of HPMs needs to addressed as part of the overall HPM mandate (not just in its operational component) by establishing better synergies at HQ between RTCD and the Global Division in the management of HPMs (see section 2.4 below).

2.3.3 Recommendations

The evaluation team strongly feels that changing trends in development co-operation, in project financing and execution modalities make it imperative, now more than ever, for an executing agency like UN-HABITAT, to establish closer proximity to its intended national operational partners. Hence the in-country HPMs’ presence is seen as potentially highly beneficial. The recommendations below are meant to enhance the agency’s ability to capitalise on this potential.

The evaluation team considers that additional HPMs may be placed in countries where the strategic benefits of doing so are significant in terms of (potential) operational activities. This may well focus on developing and middle-income countries where the challenge of urbanisation has evoked positive government policy response, which requires to be translated into operational programmes of capacity building and investment (clear examples are the PR of China and India).

Given the trial-and-error start of the programme, the rapid growth in 2004, and the structural lead-time inherent in developing programmes and projects, it is not surprising that discrepancies in performance and results in operational activities have emerged. The particular skills and experience required for the delicate process of project identification, formulation, negotiation and backstopping cannot be taken for granted. Therefore, the evaluation team recommends that specific training on operational activities be imparted to HPMs, focusing on project identification and formulation and extending to management of the project cycle, including financial/administrative backstopping. The specific training modules already developed by ROLAC could be used as example.

Such training will, in the long run, contribute to the HPMs being able to assume more of the ROs’ roles in project development and backstopping, leading to operational economies in handling a growing volume of operations. Since this will not happen overnight, the evaluation team further recommends that, especially in the case of ROAAS, backstopping requirements be addressed through better synergy between ROAAS and the programmes in the Global Division active in any given country (see section 2.4.3 below).

In addition, it is recommended that UN-Habitat (HQ and ROs) explore the possibility of giving some national HPMs a sub-regional mandate to cover selected neighbouring countries, not only for reasons of economising on resources, but also to capitalise on the scope for programmatic synergies in terms of sub-regional co-operation and trans-national projects; provided adequate funds for sub-regional travel are made available, this could achieve economies of scale.
2.4 Cross-Cutting Issues

2.4.1 Findings

HPMs at the national level, like the ROs at the regional level, are expected to engage in the entire spectrum of UN-HABITAT’s activities, from normative to operational to information and representation. As such, while formally reporting to their ROs, HPMs are supposed to liaise with and respond to the requirements of a variety of Divisions, Branches and Programmes at HQ. For this to work efficiently and produce results, adequate co-ordination and synergy of purpose must exist within the agency as a whole, especially in the crucial linkage between normative and operational work.

UN-HABITAT, while rightly maintaining a distinction between normative and operational activities (the former is mostly financed through core resources while the latter depends on separate resource mobilisation mostly at country level) has, in recent years made significant efforts to eliminate contradictions between these two components of its institutional mandate. The evaluation team, while at HQ, had the opportunity to discuss the work currently in progress to produce the Medium Term Structural and Institutional Plan (MTSIP) for the period 2008-13. This is handled by an inter-divisional Task Force appointed by the ED, which is developing mechanisms to ensure enhanced alignment and cohesion between the normative/global mandate of the Agency and its operations at country level, meant to translate this mandate into practice. In this context, HPMs operating on a ToR which clearly defined their tasks as cross-cutting (having both a normative and operational scope), are seen by the Task Force as crucial elements in the organisation to allow for greater normative-operational synergy at country level.

This is confirmed in practical terms at country level where, increasingly, funding for operational activities will be the result of a clear definition of normative and policy priorities based on a broad consensus between Government and donors (multilateral and bilateral) reflected in the joint Government-donors programmatic instruments like CCA, UNDAF and PRSP, intended to serve as basis for further resource allocation.

Additionally, while this report, in accordance with the ToR for the Independent Evaluation, treats normative and operational activities separately in the above sections, it is evident from the evaluation that the best examples of success in HPMs activities result on the ground when a common purpose and a cross-cutting strategy is established between the two (and supported by the respective Divisions and Programmes at HQ - see text box in section 2.4.2 below for selected examples).

Several UN-HABITAT’s Global Programmes (which express the Agency’s main normative guidelines) are increasingly operating also as promoters of operational activities either using their programme funds or helping mobilise resources for the purpose at country level. In either case, the resulting projects are implemented through direct co-operation between the management team of the Global Programme in question, the respective Regional Office and the HPM (see also 2.2.1). This is the case, for example, of the Sustainable Cities Programme, Local Agenda 21, Safer Cities, the Slum Upgrading Facility, the Water and Sanitation Programme, all of which have a number of operational activities in progress under the overall backstopping supervision of ROs.

Similarly, normative and capacity development tools elaborated by specific core teams at HQ also increasingly result in operational activities on the ground: this is the case for example for Training Programme Modules produced globally by the Training and Capacity Building
Branch (TCBB) and then adapted and introduced locally with additional external financing; for the Global Urban Observatory supporting the development of Local Urban Observatories; and for the Rapid Urban Sector Profile Studies (RUSPS) introduced in a range of African and Arab States countries. In principle, the Global Campaigns also lend support to the definition of operational activities (e.g. Cities Without Slums initiatives at country level have been developed by the Secure Tenure Campaign team and submitted for donor funding), as does the operational work towards achieving the Millennium Development Goals at local level.

The identification of separate programmes is important to give a clear picture of the range and scope of responsibilities of HPMs, who have to operate as representatives for a number of global initiatives at national level, and must therefore liaise with a large number of interlocutors at HQ. Good co-ordination and cohesion at HQ and between HQ programmes and branches and Regional Offices are obviously a prerequisite for the HPM’s ability to operate efficiently. Any contradiction emerging at these higher global and regional levels will be reflected inevitably at the HPM’s level. The evaluation team has noted that such cross-wires occasionally occur, but much less so than could be reasonably expected.

The ED has issued clear instructions to all parts of the agency that HPMs are the focal points for UN-HABITAT’s in-country operations and that they must be consulted in all envisaged activities in their country. The evaluation team has noted that this seems to work reasonably well in terms of information and communication, but that it has also had the unintended side-effect of adding significantly to the HPM’s workload, in many cases to the point where the HPM is forced to decide (on an ad-hoc and fairly arbitrary basis) which support requests to respond to as a matter of priority.

2.4.2 Lessons learnt

The HPMs’ cross-cutting function of harmonising normative and operational is crucial, requiring the ability to move at different levels and to keep a multiple range of working contacts and communication lines efficiently operating. In spite of the complexity of inter-programme relations, most HPMs have managed to play a meaningful role in successfully streamlining Global Programmes at the country level and blending them with operational activities.

The evidence in the countries visited clearly confirms that the best results were obtained where a logical sequence was maintained in conducting advocacy and normative work to raise awareness of the importance for national development of UN-HABITAT priority issues, followed by their introduction in programming instruments and frameworks for development, followed or accompanied in turn by the formulation of pertinent project initiatives based on a strong Government-donors consensus. An illustration of this and of the HPM’s role in bringing this about in several of the countries visited is provided in the text box below.

Normative/global to operational : cross-cutting support

**Mexico**: a very limited investment (US$ 5,000) from UN-HABITAT’s Global Urban Observatory was instrumental in setting up a Local Urban Observatory (LUO) in the city of Leon; the HPM was then particularly active in capitalising on the interest generated by the initiative and there are today close to 50 LUOs functioning in the country, all financed with local resources and producing important information for local urban development strategies. This work has recently prompted a State Government to finance (cost-sharing to UN-HABITAT) a 5-year programme locating LUOs in the State, collecting indicators and spearheading participatory work for assessment of cities’ development priorities.
**Mozambique:** UN-HABITAT Regional Office for Africa and the Arab States, with the support of an international project officer based in Maputo had formulated a multi-million dollars programme document on urban environmental vulnerability reduction which donors had however not considered a priority for funding; following the HPM’s technical and advocacy work which was instrumental in introducing the issue and the proposed initiative in the Government adopted PRSP, the European Union has recently accepted to include the programme document among the initiatives considered for its financing.

**Egypt:** The HPM has addressed the normative part of his work primarily through his working with concerned government agencies on decentralised participatory planning approaches (i.e. in the preparation of the revised law on Spatial Planning currently awaiting parliamentary approval) and on slum upgrading policy development, a core element of which is regularisation of land tenure. This has led to a large (about $ 7.1 million, 100% government cost-shared) project on support for the development of strategic urban plans in 50 small cities, and (as an outflow of the UNDAF exercise) to the multi-agency (with UNDP, UNIFEM, ILO, UNFPA and UNICEF) Participatory and Integrated Slum Upgrading in Egypt project.

**Sri Lanka:** The normative part of the HPM’s work has been articulated in the development of good urban governance practices in the ongoing UNDP/SCP Urban Governance Support project. The normative part of the HPM’s work has been articulated in the development of good urban governance practices in the on-going UNDP/SCP Urban Governance Support project (which is a long-term operational capacity-building programme jointly supported by global core resources of SCP and country resources of UNDP, with a recent focus on localising MDGs in nine local government jurisdictions. The HPM and the Urban Governance Support Project have collaborated with concerned ministries in the development of a Cabinet Policy Paper on good urban governance, localising MDGs and capacity-building. The global mandates have also been articulated in the post-Tsunami reconstruction work, with particular focus on secure tenure options and housing rights.

In terms of dealing with the complex network of UN-HABITAT Global Programmes and their impact on the HPMs’ operations, the HPMs visited during the evaluation cited the complexity inherent in keeping abreast of developments and requirements of a large number of UN-HABITAT ‘clients’, but seemed in general satisfied and appreciative of the co-ordination function of the Regional Offices in spite of the above-noted capacity constraints, particularly in the case of ROAAS.

An important lesson is that the HPMs’ presence at the country level has obviously helped in harmonising interventions from different UN-HABITAT initiatives by establishing a single reference point for all. Initiatives from Global Programmes, which before the HPMs’ inception may have acted independently, omitting to co-ordinate with Regional Offices or other ongoing activities under different Global Programmes, have now been made to go through the co-ordinating mechanism of the HPM. This has harmonised their activities and has presented a much more coherent overall strategy to national partners. Therefore, the HPM instrument has been beneficial in harmonising and streamlining potentially disparate UN-HABITAT programmes with operational projects producing an immediate benefit also for Government authorities. These now find it easier to relate their needs to the various global Agency initiatives. This improved co-ordination at country level also has an immediate benefit for UN-HABITAT in terms of increased operational efficiency.

All ROs, not just ROAAS, experience capacity constraints in handling a complex set of policy-normative and operational requirements at country level, while continuously under pressure to generate the project revenue required for their sustainability. As noted above, the HPM
deployment is beneficial in strengthening the institutional synergies, but HPM supervision and backstopping has added considerable workload onto ROAAS (and may do so in the case of ROAP and ROLAC, should the number of HPMs grow rapidly in these regions). Hence, in countries where Global Programmes are especially active, the Global Division could provide greater overall support in HPM backstopping, in line with the envisaged directions in UN-HABITAT’s Medium Term Structural and Institutional Plan preparation.

Finally, but very importantly, the evaluation team felt that the generic ToR given to HPMs, while perhaps adequate at the early stages of the HPM assignment, fail to explicitly convey (after normative work has been carried out and programme activities are underway) the specificity of a particular country’s situation and of defined programme objectives. Preparation and adoption of a comprehensive strategic framework for UN-HABITAT’s work in each country where the HPM has been active after an initial inception period, reflecting normative challenges, Global Programmes’ activities and operational projects (and establishing coherent common goals) is urgent and beneficial. This would enable the HPM to operate and respond more systematically and within a strategic consensus. A UN-HABITAT Country Programme Document along those lines and with a time-frame to be defined for each country (ranging from 2 to 5 years) would also enable better founded planning of future activities and more credible resource mobilisation (initial efforts to develop such country programme documents are underway in Colombia, Nigeria and Sri Lanka).

The instrument of a participatory National Urban Forum could also be introduced as a prime mechanism for the development of such a country strategy, co-ordinated by the HPM, and leading advocacy activities and analysis of urban issues, networking with partners including donors (initial experience in several countries, including Nigeria and Sri Lanka, is positive).

2.4.3 Recommendations

Experience in HPMs’ countries of deployment indicates that the best results were obtained where a coherent normative-operational linkage was established (with Global Programmes often instrumental in strengthening that linkage). This is an important lesson for ongoing programme re-structuring within UN-HABITAT, which would also enhance coherence of efforts at the national level. Consequently, and to better capitalise on this positive lesson, it is recommended that the Global Division assumes a greater share than at present in supporting overall supervision of HPMs to lessen the constraints experienced so far by ROAAS. This should be done as part of specific agreements for countries where Global Division programmes are particularly active and where the HQ staff in charge of that/those programme(s) could, in co-ordination with the RO concerned, ensure greater support to ROs’ overall backstopping of the HPM across the whole spectrum of UN-HABITAT’s activities.

Keeping in mind the above, it is recommended that, moving beyond the generic Terms of Reference given to HPMs at inception, UN-HABITAT Country Programme Documents be prepared (on a two-years rolling basis, with a 5 year vision time horizon, unless otherwise indicated by UNDAF or PRSP time horizons). This should result from a co-operative effort among the HPM, the RO concerned and the Global Programmes (and in close dialogue with national partners, UN system and donors), reflecting the normative and operational work already undertaken (and planned for, based on the sectoral priorities reflected in CCA/UNDAF and PRSP), the ongoing and pipeline activities, identified gaps and strategic goals.

Once approved by UN-HABITAT (the ED at the recommendation of the RO concerned), the country Programme Document should be treated as the guiding framework for all future
interventions by any Division, Branch or Programme of UN-HABITAT in the country, so as coherently support ongoing activities in that framework.

In that context, HPMs should be encouraged and supported in launching and co-ordinating participatory National Urban Forums to raise awareness on crucial development priorities and to further promote sectoral reform.

UN-HABITAT should then undertake a country by country annual review, based on the approved Programme Document, to assess progress as well as the continued relevance of the HPM instrument in any given country. This analysis should provide the basis to decide on an exit-strategy from countries where no appreciable results are achieved either in normative or operational terms after a few years from initial deployment.

2.5 Programme Funding

2.5.1 Findings

The current HPM Programme, operating in 36 countries, has a cost to UN-HABITAT of about $1.65 million per year, covering the HPMs’ salaries and a small allocation for operating expenses of $5,000 per country. The UN-HABITAT work programme and budget, approved by the GC in 2005, allocates a total of $2.4 million for HPMs in the biennium 2006-07 from Foundation general-purpose contribution (recognising the HPMs’ primary normative function. This is sufficient to cover a substantial critical mass of HPMs. As stated in Resolution 20/15, other funding mechanisms, ‘host-country contributions, special purpose contributions and earmarked contributions including from global programmes’ are indicated to ‘continue to support the deployment of HPMs as the sources of financing are secured’. The allocations made by Global Programmes to the HPM programme (about $600,000 in 2003-04), generally in recognition of specific services provided by HPMs, are significant.

The Overhead account (revenues from operational projects’ implementation) contributed in 2003-04 with $300,000 yearly, but this has been discontinued since. However, in several cases HPM office support costs continue to be charged to specific technical co-operation projects, when project-specific support services (including additional professional and support staff, vehicles and in-country travel provisions) are provided.

Available data on confirmed commitments by Global Programmes to renewed financing suggest that this is adequate to cover the balance of the current programme cost level not covered by the above Foundation allocation.

The above assessed yearly cost is a net expenditure for UN-HABITAT, which may, however, be reduced or provided with extra mileage through partners’ cost-sharing in-cash or in-kind. Some examples of this already exist, as noted during the evaluation team’s country visits:

- UNDP-Mozambique has decided, as of June 2006, to cost-share 30% of the HPM’s salary based on the assessment of benefits accruing from the HPM’s work to the UN programme as a whole;
- The Government of Nigeria has provided a $150,000 capital grant and an annual recurrent grant of $50,000 (increased to $120,000 from 2006) to UN-HABITAT by way of endowment of the HPM office with additional staff and a MOSS-compliant vehicle);
- The Government of Mexico, applying the principle of ‘matching funds’ is reimbursing UN-HABITAT on a yearly basis of the full amount contributed for the HPM. This amount is currently used to strengthen the HPM’s office operations by covering salaries of additional technical staff and activities.
These examples are still few but may set a trend and UN-HABITAT may capitalise on this possibility in further negotiations with partners both at global and country level, particularly in case of middle income countries.

UNDP offices and, at times, national governments contribute in kind to the HPMs’ operations through the provision of office space, utilities’ cost, transport, equipment and office expendables, all of which are pre-conditions for HPMs to function with basic minimal efficiency. In some countries this UNDP support is provided on a fee for services basis. All UNDP Representatives interviewed by the evaluation team have expressed appreciation for the HPM initiative and have highlighted the contribution made to the overall advancement of the UN system’s work at country level. In the view of the evaluation team there is now therefore increased potential for exploring more advantageous concrete contract agreements with individual UNDP country offices in cases where HPMs’ efforts have been particularly significant.

A cost and benefit analysis involves more than just matching funds disbursed against funds received. In the evaluation team’s view, based on its findings, the main justification for the HPMs’ programme and its continuation lies in the impressive impact it already had at country level in terms of assisting Governments in their human settlements policies and programmes, hence in allowing UN-HABITAT to better implement its normative mandate. This normative benefit is impossible to quantify in monetary terms, but is fundamental to UN-HABITAT.

The immediate savings to UN-HABITAT deriving from the HPMs’ presence can be couched in terms of reduced need for HQ/ROs’ staff support missions and backstopping costs; savings to Global Programmes, again in terms of reduced need for support missions and, often, in terms of reduced need for local consultants. There is broad recognition on the part of Global Programmes’ staff of the savings (and benefits) accruing to their programmes thanks to the HPMs’ presence. As noted above, Global Programmes have financially contributed in a number of cases to HPMs’ salaries and other costs in recognition of the input dedicated to their programme activities.

In terms of benefits accruing to the agency’s operational portfolio, it was noted above that this normally is the result of collaborative efforts involving a variety of staff members at HQ, ROs and field personnel along with the HPMs. However, the positive impact of the HPMs on advancing the Agency’s prospects for generating a project portfolio (especially in countries where UN-Habitat had not managed to do so prior to the fielding of HPMs) is evidence that the HPM instrument eventually will also pay off financially in operational programme terms, at least in countries with a quantitatively significant portfolio potential.

2.5.2 Lessons learnt

For good results to be shown in financial terms through increased revenue from projects, the time factor must be kept in mind also recognising that (particularly within the much reduced overall availability of resources for operational activities) a logical sequence must be maintained:

i) advocacy and confidence building,
ii) recognition of the importance of UN-HABITAT’s priority issues for overall development,
iii) their introduction in programming instruments for development
iv) subsequent or parallel formulation and approval of pertinent project initiatives based on a strong Government-donors consensus.

In this respect, UN-HABITAT and its HPMs are on the right track, but it is clear that operational results could not have been expected immediately, given the inevitably protracted gestation period of the above stages.
To further improve operational prospects, the evaluation team feels that a number of administrative-financial issues concerning the functioning of HPMs requires attention:

a) Most HPMs have inadequate funds to cover operating costs, which has limited their ability to perform with maximum efficiency. The standard amount provided to HPMs by UN-HABITAT of $5,000 per year is clearly insufficient.

b) In the majority of cases, HPMs have been able to operate by virtue of the above-mentioned ad-hoc contributions in cash or in kind by global programmes, by in-country projects and by other partners (mostly UNDP), but difficulties have nevertheless been experienced across the board; in the case of Global Programmes, there is no generally accepted rule to define how these, when relying on an HPM to support their operations in a country, are meant to ‘recognise’ the HPM’s time and need for operating expenses; agreements result on a case by case basis where possibly the most vocal and self-assured among the HPMs manage to secure more favourable terms, but there seems to be no Agency-wide consensus on the issue.

c) Not surprisingly, a problem has emerged in countries where several programmes are active: a many-fold increase of workload and activities and, as a result, increasing difficulty in coping with current expenditures and administration, as in the case of Colombia, Mexico and Sri Lanka, which requires additional programme management support capacity in the HPM office.

2.5.3 Recommendations

With respect to future funding of the HPM programme the evaluation team recommends the following: in keeping with the decisions and recommendations of the GC (Res. 20/15) and to ease the long-term financing of the HPM programme, a cross-section of funding mechanisms should be examined:

a) As noted above, the evaluation team is convinced that the strongest intrinsic justification for the deployment of HPMs is the advancement of the normative mandate of UN-HABITAT at the country level, in accordance with the principles of ongoing reform of the UN system. Hence its base cost should continue to be primarily covered from core Foundation resources as an instrument in the implementation of the Work Programme. The formula of a Trust Fund for the purpose could be usefully explored in negotiations with donors.

b) A formula of cost-sharing from Global Programmes may be more sustainably, predictably and transparently applied based on a quantification of benefits and savings accruing to each Programme resulting from inputs by specific HPMs; this should translate in partial cost-sharing toward their salaries and operating expenses, in substitution of expenditure, like costs of consultants, which these Programmes would otherwise have to incur.

c) It does not seem appropriate to use overhead earnings originating from field project implementation to cover HPMs’ salaries partially or in full because of the primary need of covering the salaries of HQ and RO’ staff in charge of backstopping technical and administratively the operational portfolio with those resources. Competition for overhead earnings should be avoided in the light of the already noted difficulty of assessing the relative contribution of HPMs versus other UN-HABITAT colleagues in generating these revenues. For exceptional cases in which the HPMs’ time and skills are crucial in ensuring field supervision and backstopping of ongoing operational activities (as well as the formulation of new initiatives), charging their partial cost to projects’ revenue or budget lines could be explored by ROs and applied explicitly as part of the UN-HABITAT Country Programme financing when justified and feasible.

Therefore, the HPM programme (salaries and operating costs) should continue to be funded through the following mechanisms:

- primarily through core (HS Foundation general purpose) resources:
• increasingly attempting to lessen the Foundation’s contribution through in-country cost-sharing agreements with partners (UNDP, national Governments);
• through a more systematic and transparent contribution from Global Programmes toward HPMs’ cost in countries where these Programmes are active and rely on the HPMs for services;
• through operational in-country projects’ budget lines commensurate with the HPM’s expected time input to the project concerned;
• the use of overhead revenues to partially finance HPMs is not advised in principle, but ROs may decide to make use of these resources in special cases, where the HPM has been instrumental in generating considerable revenue, which would justify its partial allocation toward the HPM’s salary.

The formulation of a UN-HABITAT Country Strategy and Programme Document in each HPM country (as recommended in Section 2.4.3 above, clearly stating intended activities and roles by each UN-HABITAT programme) should serve as basis for assessment of HPM’s time-sharing and facilitate the definition of respective financial contributions by each Programme. It is strongly recommended that the development of such a programme will be made mandatory after maximum two years of initial deployment. The country programme document should include a specific budget item for HPM support with identified sources of funds, to adequately cover the HPM’s salary and operating expenses. RTCD should provide a template to guide the formulation of Country Documents.

UN-HABITAT should then undertake a country by country rolling annual review, as recommended in section 2.4.3, to assess the progress of the country strategy and of the HPM’s work. The overall programme review should include a cost-benefit financial review to advise on the continuation of the HPM in-country programme or, where no results to justify its extension can be found, to recommend an exit strategy. Such an exit strategy should also be considered in cases where, for a variety of operational or political reasons it may not be possible to develop a significant and sustainable UN-HABITAT country strategy and operational programme. If this has not materialised after several years of initial deployment of an HPM (say after 3 years maximum), UN-HABITAT should consider the effort failed and withdraw the HPM.

3 Summary conclusions and recommendations

3.1 Main conclusions

a) Overall positive appreciation

The evaluation team has concluded that the deployment of HPMs is fully coherent with UN-HABITAT’s two-fold mandate (global and national), as a strategy to allow for significant positive changes in Government human settlements policies and programmes. The strategy has unquestionably been very successful. In the eight countries in which the evaluation team was able to conduct an in-depth review, the contributions of the HPMs along all dimensions of their assignment have been assessed as very positive by all concerned, including, importantly, UNDP and government sector agencies. Based on the documentation reviewed, a positive impact is also suggested in most of the other countries not visited by the evaluation team.

As described in detail in previous sections of this report, positive gains have been noted in normative terms, where through direct UN-HABITAT’s participation in the CCA, UNDAF, PRSP and other country programming exercises, the Habitat-related thematic contents in such programming documents have in all cases significantly increased.
The Agency’s Global Programmes and normative tools have found in the HPMs’ presence a practical and efficient instrument to promote their in-country application and ensure follow-up and co-ordination among them (significantly improved as compared to pre-HPM days, as a result of the establishment of an in-country UN-HABITAT reference point).

The development of an operational programme by HPMs has been harder and is still at the incipient stages in many countries, although, altogether, the HPMs’ presence has definitely contributed to improve the Agency’s prospects (see the fairly long list of countries in section 2.3.1, where the HPMs’ contribution has been recognised as instrumental in developing the operational portfolio). Some notable successes stand out: in two cases (Egypt, and Sri Lanka) multiplying the pre-HPM UN-HABITAT operational programme manifold in financial terms, and thus generating very considerable overheads for the agency; elsewhere (Mexico, Colombia, Mozambique and Nigeria) in helping to generate operational projects with serious prospects for major expansion.

More importantly, moving beyond the somewhat artificial distinction between normative and operational activities, in many countries where HPMs have been deployed UN-HABITAT now has the opportunity to develop a coherent strategic approach to human settlements and urban poverty issues. Formulation of operational programmes and the required resource mobilisation can then be more logically based on a sustained policy- and programme framework.

b) Need for better strategic programming at country level
The above-noted strategic potential needs to be capitalised upon as part of a collective effort on the part of all Agency’s Divisions and Programmes involved in countries where the HPMs are located. The evaluation team considers that, after normative work in multilateral programming exercises has been undertaken, and global programmes and operational activities have been introduced, the initial generic HPM ToR prove inadequate to reflect the specificity of a given national situation and to define precise strategic goals for the Agency and the HPM. The formulation of a UN-HABITAT Country Strategy and Programme would enable the HPMs to operate more systematically in terms of setting priorities within a clearly defined programme of work rather than responding ad hoc to often disconnected requirements from UN-HABITAT’s different Divisions and Programmes and from partners at country-level.

The team notes with appreciation that such programming work is already being initiated by several HPMs (e.g. in Colombia, Nigeria and Sri Lanka) in collaboration with the respective ROs. The results achieved to date in terms of UNDAF outcomes and on-going normative and operational activities now provide sufficient basis to do so in most other countries too, at least in those where HPMs have been established for 2 years (initial experimentation/inception time) or more. Such a Country Strategy and Programme instrument would also contribute to establishing a more coherent basis for in-country constituency building and resource mobilisation and in defining expected products as benchmarks to allow UN-HABITAT to assess the degree of success of the HPM deployment.

c) Constraints impinging on HPMs’ effectiveness
The evaluation team has noted the following negative effect of operational constraints on HPMs’ effectiveness:

i) Inadequate operating budget: The evaluation team has noted that the HPMs have to do their work under very constrained circumstances and with marginal core operational budgetary resources at their disposal ($ 5,000 per annum per HPM from UN-HABITAT). This considerably limits their effectiveness and the overall scope for UN-HABITAT in promoting new activities, organising advocacy and information events, proactively supporting key
aspects of the normative mandate like the Global Campaigns, an area of the Agency’s work which the evaluation team feels was not always adequately addressed. UNDP has generally been helpful in providing office space and facilities (sometimes as an in-kind contribution, sometimes at cost) and has also, in some cases, provided sizeable support to cover operating expenses and activities. Financial contributions have also been made by Global Programmes using the HPMs to promote their in-country work, but mostly on an ad-hoc basis rather than as the result of a clear and transparent collective agreement, within UN-HABITAT, over the use and the costing of the HPMs time.

ii) Unequally distributed responsibility for HPM supervision: in UN-HABITAT, the three Regional Offices (ROs) have correctly been assigned the responsibility for HPM supervision, because of their main operational mandate at country level. The team has noted that the rapid build-up of the HPM programme from the initial 7 HPMs deployed in 2003 to the present number of 36, while strategically fully justified, has led to a visible constraint in HPM supervision in ROAAS, which backstops 26 HPMs out of 36 with an effective Human Settlements Officers complement of 4 staff. The staffing constraints in that office have limited its effectiveness in backstopping, and also limited the extent to which HPMs themselves could fully function effectively. Within a more coherent UN-HABITAT Country Programme Framework, reflecting activities spearheaded by a range of the Agency’s Divisions and Programmes, it will be possible to capitalise on synergies in sharing supervisory and backstopping responsibilities, based on the respective in-country involvement of each Agency’s partner, through clear inter-divisional agreements.

iii) Insufficient training support to HPMs: The limited amount of induction and exposure training and information exchange provided to the HPMs, at inception and during the initial period of their deployment, has also acted as a constraint on their operational effectiveness. This particularly applies to training on operational project development.

d) Programme financing
UN-HABITAT’s investment in the HPM programme clearly represents a sizeable expenditure for the Agency. However, in relative terms, the HPM instrument, if compared to all other available UN mechanisms for establishing an Agency’s in-country presence, is remarkably inexpensive (a national salary and operating costs); as an instrument, it is strong on substance and very ‘light’ in terms of representational, office, administrative and equipment costs. The evaluation team recognises that it is an original and cost-effective formula, not tried out before in the UN system, which deserves appreciation and support.

Nevertheless, with a view to reducing the net recurrent cost of the programme to the Agency, the promising examples noted earlier in terms of national partners’ cost-sharing (by UNDP country offices and middle-income countries’ Governments), combined with more systematic support from ongoing global programmes, provide a good potential worth exploring. In the case of global programmes, the evaluation team notes that their contributions to HPMs’ salaries and operating costs were made because this seemed strategic and cost-effective for their specific in-country activities, which in turn resulted in benefits and cost-savings to their Programmes.

e) Strategic determination of countries for HPM deployment and exit strategy
Not all countries in which HPMs have been deployed have a similar strategic value for the agency. This ‘value’ would be a combination of the assessed scope for bringing about positive policy change through normative work and for developing operational projects; these can in turn be measured by Government’s genuine interest and commitment as well as by availability of resources to the sector within multilateral, bilateral and government programmes when new countries are considered for HPM deployment.
The evaluation team has noted the sharp geographical imbalance currently existing among regions, along with the strong interest from ROLAC and ROAP to deploy more HPMs in their regions. Countries’ relative strategic value and regional balance are therefore, in the evaluation team’s view, important factors for consideration for the future of the programme and its possible expansion to new countries.

HPMs were not deployed with the intention that they may become permanent institutional structures, their continuing justification, as a programme instrument, depending on the actual production of results in the Agency’s implementation of its mandate. The evaluation team has noted the need for a fairly long (minimum three years) ‘investment’ time for the HPM instrument to produce meaningful results and has identified the need for the formulation in each country of a coherent and strategic Programme Document to set priorities and define expected results both in normative and operational terms; the above considerations also form the basis for UN-HABITAT’s definition of an exit-strategy from any given country wherever results fail to materialise.

f) HPMs as long term investment
The evaluation team also notes that at the outset of the HPMs deployment (and even now after more than 3 years of operation) expectations by UN-HABITAT were perhaps unrealistic in terms of what could reasonably be expected to be achieved within a short period of time and with very limited resources. In the eight countries visited, where the HPMs had all been deployed for more than 2 years, the team was impressed with the time it takes to build confidence, to develop positive working relationships, to place UN-HABITAT’s key concerns and priority issues firmly within multilateral and Government agendas and to establish a functioning operational network.

However, gains have been achieved almost everywhere and the prerequisites are now visible in many countries for the expected results to materialise and the full benefits of an in-country UN-HABITAT presence to be reaped. The deployment of HPMs should therefore be seen as a long-term investment. Perhaps one of the most interesting lessons for UN-HABITAT is the evidence that the best results may have been registered in countries where a strong synergy was built between the normative component of UN-HABITAT work and the formulation of operational projects once the correct policy justification and the constituency within Government (and donors) was properly established. This is a complex task for anyone, more so for HPMs who had to function in relative isolation and thus having a fairly long learning curve. In terms of time, the development of an operational programme pipeline requires the longest learning curve to produce tangible results.

In sum, the evaluation team considers that, within its overall positive appreciation of the programme, the initial years of its implementation must be seen as a trial period in which a significant number of lessons of experience have emerged. These lead to the team’s recommendations for improvement, which are summarised in the next section.

3.2 Key recommendations for more effective programme implementation

a) Country strategy and programme development
The evaluation team recommends that the HPM programme should be continued. For it to achieve greater impact, it further recommends that, at least in countries where the HPMs have been deployed for 2 years or more, the formulation of a detailed UN-HABITAT country strategy and programme document be made mandatory; this should occur through an inter-divisional effort and in co-operation with in-country partners. Such a country programme document should be based upon the experience and results produced to date, have a strategic horizon of maximum 5 years, an operational programme content of two years and preferably be annually adjusted on a
rolling basis. The country programme should identify activities in detail (both normative and operational), with specified expected outputs, sources of inputs (including the definition of intervening UN-HABITAT’s divisions/programmes), and agreed sources of funds, including partners’ cost-sharing. The country programme documents should be approved by UN-HABITAT’s Executive Director, based on prior scrutiny and advice from the concerned RO.

b)  HPM deployment in additional countries and geographical balance

The evaluation team recommends that deployment of HPMs in additional countries should be based on consideration of that country’s strategic value for UN-HABITAT, after reviewing policy prospects, sectoral needs, genuine Government interest and scope for operational programmes. Noting moreover the requests from ROAP and ROLAC for additional HPMs, it also recommends that efforts be made to reduce the current regional imbalance in HPMs’ distribution. The evaluation team recommends that such requests will be judged on their merits in terms of the potential to develop a country strategy and operational programme along the above lines.

c)  Capacity building and support from UN-HABITAT

Adequate backstopping of the HPM by the ROs and the development and implementation of concrete capacity development activities by UN-HABITAT are prerequisites to the effective functioning of the HPM system. The evaluation team recommends that additional investments be made in this by UN-HABITAT to reap the full benefits of the system within a reasonable length of time. As HPMs are being replaced and new HPMs assume office periodically, a more structured capacity-building programme will be required. The evaluation team therefore recommends that UN-HABITAT develops and implements a formal recurrent HPM capacity development programme (TCBB in the lead, with the ROs) with the following elements: induction training at UN-HABITAT HQ, regular (say quarterly) information exchange and feedback review, immersion seminars on specific programmes as needed (on programmatic and/or regional basis), operational project development and management and periodic refresher training. The preparation of a comprehensive HPM handbook is recommended. HPM backstopping should be an explicit element in the ROs’ staff ToR, for which a time allocation must be made, and to be considered explicitly in their annual performance assessment.

d)  Programme funding

The evaluation team recommends that the HPM programme should continue to be funded primarily through Foundation general purpose contributions, as reflected in the 2006-07 Work Programme and Budget and given the pre-eminent normative significance of the HPMs’ work. It recommends also that, to sustain and eventually expand the geographical coverage of HPMs, efforts be made to further capitalise on prospects for additional funding mechanisms through:

- encouraging national partners’ cost-sharing (multilateral and national)
- strengthening and making more systematic and transparent the contributions from global programmes whose involvement in any given country should be clearly reflected in the recommended country programme document and with a clear budgetary indication of each global programme’s financial input, commensurate to the expected HPM’s time-share.
- charging HPMs’ salary portions (and operating costs) to operational projects’ budget lines when justified in terms of the HPM’s expected involvement in project backstopping.

More adequate resources than at present to cover HPMs’ operating costs should be ensured, ideally and increasingly as part of budget lines for in-country activities to be covered by partners’ cost-sharing and participating programmes and projects, while the first call on HS Foundation financing would be for newly deployed HPMs.

e)  Impact assessment and exit strategy
The evaluation team recommends that the proposed country programme documents be used by UN-HABITAT also as the instrument to assess whether its strategy has produced satisfactory results in all countries. From the time of country programme formulation, UN-HABITAT should carry out a rolling annual review to measure impact and assess further prospects and potential. Should it be determined that results have failed to materialise and, for a variety of operational or political reasons, it may no longer be possible or advisable to maintain a significant and sustainable UN-HABITAT country programme, UN-HABITAT should conclude that there is no longer a sufficient strategic-programmatic justification, consider the effort failed and withdraw the HPM.

f) **UNDP support**

Based on the positive assessment of the initial operational experience of the HPM programme, the evaluation team recommends that the global MoU on HPM deployment between UNDP and UN-HABITAT be reviewed and extended (it lapses in September 2007). The significance of this global MoU will be mainly political as a basis to build upon through country-specific contract agreements in recognition of the fact that UNDP’s support requirements and ability to respond vary greatly from country to country. The existing global MoU is understandably not specific regarding of the terms and conditions under which UNDP will provide such support in any one country. As ambiguities exist in several countries in terms of what UNDP is to deliver in this regard, this must be clarified in the above tailor-made country-specific contract agreements, which may be formally reviewed from time to time. A general clause to this effect may be added in the global MoU.
Appendix 1 HPM evaluation work plan

1 Purpose of evaluation

As laid down in the December 2005 ToR for the independent evaluation, its purpose is to assess the performance, effectiveness, relevance, value added and impact of HPMs in mainstreaming urban development and human settlements issues in country level activities. The evaluation is meant to be a forward looking lesson-learning exercise and to yield findings that can be incorporated into the decision-making process by UN-HABITAT and UNDP, Governing bodies of UN-HABITAT (CPR and GC) and other stakeholders. It will be evaluated as a programme, rather than be a collation of (staff) performance reviews. The evaluation will draw lessons learnt and recommend improvements for strengthening the HPM programme’s overall performance and to support country level activities.

More specifically, the ToR specified that it is intended to:

(a) Assess relevance and value-added of HPMs to UN-HABITAT strategic goals and priorities, country needs, partners and donor policies.
(b) Examine effectiveness of HPMs in contributing to UN-HABITAT’s capacity to achieve its developmental goals at country level;
(c) Assess HPMs contributions to integrating shelter and urban poverty issues into the United Nations Development Assistance Frameworks (UNDAFs) and national poverty reduction strategies; to promoting UN-HABITAT’s global and normative mandates; and to supporting operational activities of UN-HABITAT at the national and local levels;
(d) To assess capacity of HPMs to generate cooperation initiatives;
(e) Provide pointer as to what needs to be done and identify areas where further actions are needed to make HPMs cost-effective in integrating human settlements issues at country level;
(f) Draw lessons, identify good practices and suggest improvements;
(g) Make concrete recommendations on follow-ups and modalities of sustainability of the programme.

2 Scope of Evaluation and General Approach

This work plan is in response to the above-noted ToR and specifically phase (iii) as identified in its section 4 and section 5b. The evaluation will be carried out by two international individual consultants, Roberto Ottolenghi (RO) and Emiel Wegelin (EW) during June - October 2006. The evaluation will be based on:

d) a desk review of pertinent documentation (particularly the self-assessment of the HPMs, the assessment by Regional Offices, UNDP Offices and UN-HABITAT Headquarters);
e) structured interviews with selected strategic resource persons; and
f) field visits to 8 countries for the purpose of an operational assessment of work undertaken by the HPMs concerned.

This work plan has taken advantage of the fact that many actors involved were assembled at the World Urban Forum (WUF) in Vancouver 18-23 June 2006, at which the work plan was discussed and agreed, and where initial interviews with resource persons were conducted, and timing and format of the country review missions agreed.

3 Desk review and interviews with resource persons

The desk review will primarily focus on the report on the Internal Evaluation (IE) of HPMs as presented to the CPR in May 2006, which comprises the output of the self-assessment of the HPMs, and the assessment by Regional Offices, UNDP Offices and UN-HABITAT...
Headquarters. Out of the above ToR scope of work the IE report focused on the assessment of HPMs contributions to the three primary areas of work for the HPMs:

d) integrating shelter and urban poverty issues into the United Nations Development Assistance Frameworks (UNDAFs) and national poverty reduction strategies;

e) promoting UN-HABITAT’s global and normative mandates; and

f) supporting operational activities of UN-HABITAT at the national and local levels, while d) also assessing the administrative and financial arrangements and relationships that condition the HPMs work.

The consultants will review the report and endeavor to validate its findings, going back to its source data from the 32 HPMs as may be required.

The interviews with selected resource persons (other than those in the 8 countries targeted for field visits) will also take the validation of this report’s findings as its point of departure, and therefore focus on views of the resource persons vis-à-vis the report’s conclusions. In addition the interviews with resource persons will address the question out of the ToR scope that could not be addressed in the internal evaluation, i.e. to consider countries without HPM, but where there is a sizeable (potential for) UN-HABITAT programme. Some of the interviews will also cover the history and gradual emergence of the HPM programme (i.a. including selection of countries, phasing and funding).

The interviews with resource persons will not be limited to strengths and weaknesses of the HPM programme as it currently operates, but will also address possible ways and means of how to improve its performance.

A listing of resource persons to be interviewed, as agreed at WUF, are at Annex 1. Some initial interviews have been conducted at WUF, with the balance to be done during a visit by the consultants to UN-HABITAT Nairobi HQ in September 2006. Interviews may be done in person or on telephone; all interviews will be done with aid of a small checklist of items to be covered during the interviews.

5 Country reviews

Reflecting the current pattern of deployment of HPMs, country reviews will be carried out in 4 African countries (Egypt – by EW, Mozambique – by RO, Nigeria – by EW, and Senegal – by RO), 2 Asian countries (Philippines and Sri Lanka, both by EW) and two Latin American countries (Colombia and Mexico – both by RO). The focus in the country reviews will be quite similar to the above focus of the IE report, but will be more in-depth, and additionally include a review with partner groups (concerned government departments, local governments, NGOs, private sector entities as appropriate), and other partners and donors in each country.

The review with partner groups will have a broader focus and also address the relevance and value-added of HPMs to country needs and policies, and the effectiveness of HPMs to address these. In addition the country review will address the relevance and value-added of HPMs to partner and donor policies, and the effectiveness of HPM to generate co-operation initiatives. This element will be addressed through interviews with selected in-country programme partners and donors.

The country reviews will not be limited to an assessment of the strengths and weaknesses of the HPM programme as it currently operates in each country, but will also address possible ways and means of how to improve its responsiveness and performance.
A template of suggested persons to be interviewed in the country reviews from each of the three groups (primary partners: UNDP and the HPM him/herself, in-country partners and other donors) are at Annex 2, as finalised at WUF. The interviews will be done during the country review visits by the evaluation team members in person or on telephone, if unavoidable; all interviews will be done with aid of a small check-list of items to be covered during the interviews. At the end of each country review a debriefing will be done supported by a brief (three pages) report prepared by the consultant concerned, summarizing the salient findings of the country review by way of an aide-memoire.

6 Evaluation report preparation

The consultants will prepare the draft final evaluation report along the lines of the report outline provided in the ToR, but will cover the 4 chapter headings as in the IE report. The main text of the report will not be longer than 30 pages. The report will be submitted to RTCD/UN-HABITAT for presentation to the CPR by 25 October 2006. This presentation to the CPR is intended to be done by (one of the) consultants or by UN-HABITAT (as required by the CPR) on or around 31 October 2006, after which the report is to be finalised taking comments received into account. The presentation to the CPR and finalisation of the report is not part of the work plan, but is envisaged to be covered under a separate arrangement, if so required.

Annex 1 Resource persons to be interviewed

**UN-HABITAT:**
- Executive Director
- CPR/GC representatives with strong views
- RTCD Director and Regional Office Directors
- RTCD staff responsible for the 8 countries for detailed review
- Senior UN-HABITAT staff of divisions other than RTCD (particularly OED, the Campaigns and the Global Division branch chiefs)

**UNDP HQ**
- MoU initiator (through UN-HABITAT New York office)

Annex 2 Country review interviewees

- Planning Ministry staff concerned with housing and urban development (HUD) sector
- Sectoral Ministry staff responsible for HUD sector
- Specific partner agencies (particularly local authorities, but obviously depending on ongoing and pipeline UN-HABITAT support programme)
- Civic groups and academia with interest in the HUD sector
- UNDP Res. Rep. and staff
- Representatives of other partners/major donors in the HUD sector