Agenda Item 4

Status of the Implementation of the Medium-Term Strategic and Institutional Plan (MTSIP)
Six-monthly progress report on the implementation of the Medium-term Strategic and Institutional Plan (MTSIP) 2008-2013

Committee of Permanent Representatives (CPR)
Regular session, 7 December 2009

November 2009
Executive Summary

This progress report on MTSIP implementation covers June to November 2009. It is the second progress report to be structured around the MTSIP focus area results framework. The Secretariat noted progress and challenges in each focus area. The highlights of achievement, challenges and next steps are as follows:

Achievements:

- **Excellence in Management**: UN-Habitat conducted a staff survey, using the organizational effectiveness indicator tool as a means for measuring progress in institutional reform in the MTSIP period. The overall organizational effectiveness score was 2.7 (on a scale of 1-4 where 4 is the highest). The same survey will be repeated in 2011 and 2013 to measure progress. The review of Excellence in Management (June 2009) commissioned by Norway concluded that the new results framework had provided an overall new corporate vision and that focusing on results had led to an increased understanding of the need for collaboration and less fragmentation. The new programme review committee was launched in October 2009 to facilitate strengthened quality assurance in the programme development phase.

- **Enhanced normative and operational framework (ENOF)**: The Policy/Strategy papers for the five substantive focus areas have been revised with greater engagement of the regional offices to better establish how to deliver focus area results across divisions.

- **Reference centre for sustainable urbanization**: In 2008-2009, a total of 25 international organizations, including WHO, UNICEF, UNFPA and the World Bank have requested and referred to UN-Habitat urban data as a basis for their work. A total of 150 research centres and universities requested further details from UN-Habitat flagship reports. Progress on these figures will be tracked.

- **Improved urban planning, management and governance (UPMG)**: 28 countries have improved their policies, legislation and strategies for UPMG with UN-Habitat support so far in the MTSIP period. Human settlement issues have been integrated into 23 UNDAF’s, 20 National Development Plans, and ten Poverty Reduction Strategy Papers. These figures will be tracked to report progress.

- **Improved land and housing policies implemented**: A total of 48 countries are in the process of implementing policies to improve access to land and housing with the support of UN-Habitat, with five reforms completed so far in the MTSIP period. As a significant global mechanism to promote land reform, the Global Land Tool Network has increased its partners to 40 organisations, up from 33 partners in May 2009.

- **Basic urban infrastructure and services**: Through the Water and Sanitation Programmes, capacities of 92 partner institutions have been strengthened, up from 81 in May 2009, and as a result, approximately 1.03 million people are now receiving safe drinking water and basic sanitation, an increase of 207,000 people since May 2009.

- **Human settlements financing**: UN-Habitat is leveraging resources through SUF and ERSO. For SUF, the four current active projects, (two in Ghana, one in Sri Lanka and one in Indonesia), a value of $1,078,254 has been leveraged to date, just above the target of 1 million. Leverage of ERSO funds expected to be a total of 6.7 times (US$ 6.7 for every US$ spent) in the first two loan transactions for Tanzania and Bangladesh. In 2010, disbursement for five new projects is expected to be USD 2,325,000 with leverage of 198 to 1.

Challenges:

- Development of **supportive business processes** continues to be a significant challenge to effectively deliver the MTSIP. Improvements have been made in recruitment and cooperation agreement approval processes, and slightly above 50 per cent of the staff reported improvements
over the last 12 months. However, the overall improvement in efficiency still remains a priority
and will continue to require high attention.

• While progress has been made in application of **results-based management (RBM)**, UN-Habitat
is still in some transition as regards **RBM**. The increased demands for reporting has led to
growing transaction costs, and has highlighted the need to **streamline reporting processes**, both
in terms of harmonizing reports, and building systems that can serve as data source for multiple
reports.

• Improvement in ENOF approaches has materialized, however, consistent **alignment of
normative support and operations** across Divisions, Branches and Sections is still a challenge.

• Analysing all tasks that need to be undertaken for the remaining period of the MTSIP has required
rigorous analysis across the organization of needs and estimation of costs and realistic completion
dates. This has led to delays in the finalization of the **MTSIP Roadmap** for 2010-2013.

• Although financial resources have increased, imbalance between non-earmarked and earmarked
and reliance on a small number of donors still remain. This is especially evident in the lack of
funding for Habitat Country Programme Document implementation. Putting in place systems for
**results-based budgeting** to utilize existing resources to the maximum has also been a challenge
that will require attention.

**Next steps:**

• Development and implementation of the action plans for the staff survey follow-up to enhance
institutional effectiveness.

• Improving efficiency, transparency and delegation of authority through roll-out of new business
processes and oversight mechanisms.

• Particular attention will be paid to results-based management capacity building to strengthen
planning, budgeting, monitoring, evaluation and reporting; and improved accountability. This will
include strengthening OED’s capacity to coordinate MTSIP roll-out.

• Roll-out of the MTSIP Roadmap 2009-2013, through revision of the MTSIP Action Plan 2008-
2009.

• Continue reviews of institutional and governance processes. Present the MTSIP Peer Review to
the CPR in March 2010, and follow-up on the recommendations.
I Introduction

1. This is the second progress report submitted to the CPR following the decision by the CPR in January 2009, which concurred with the recommendation of the Secretariat that progress reporting on MTSIP implementation be on a six monthly basis. The Governing Council (GC) of UN-Habitat at its 21st session in April 2007, in its resolution 21/2, approved a six-year Medium-term Strategic and Institutional Plan (MTSIP) 2008-2013 and further requested the Executive Director to report to the Committee of Permanent Representatives (CPR), on a regular basis, the progress and challenges in implementing the plan.

2. In accordance with the recommendation of the GC, UN-Habitat prepared an Action Plan for implementation of the MTSIP endorsed by the CPR in December 2007. The Action Plan has three phases: kick start, roll-out and scaling up. The year 2008 marked a significant progress in implementing the targets for the kick start phase focusing on twelve priority “quick wins”.

3. As highlighted in the six monthly progress report considered by the CPR in June 2009, the Secretariat is developing an MTSIP Roadmap, which updates the MTSIP Action Plan with concrete tasks, with deadlines and allocation of responsibilities for the remaining MTSIP period, focusing on Excellence in Management.

4. This six-monthly progress report to the CPR is the second to be structured around the MTSIP results framework (refer Annex A). It should be noted that the six-monthly reports to be prepared in 2009 and 2010 will represent a transition period. Proper reporting on results requires comparison of data collected on indicators over time, based on baselines and targets. Since June 2009, UN-Habitat has reviewed and rationalized its indicators. For this report, most baselines have been collected as agreed with the CPR in June 2009. Remaining baselines will be provided in the next progress report in June 2010. It should be noted that changes have been made to the results framework for focus area 5, strengthened human settlements finance systems, given the reformulation of its strategy. New in this report is a table providing baseline data on overall MTSIP impact indicators to be tracked over the MTSIP period. These are global trends, for which UN-Habitat considers itself to be one of the global partners that can take joint accountability for trends.

5. Section II of the present report summarizes the status of progress per focus area with indicative ratings. Section III presents baselines related to overall MTSIP indicators to which all focus areas contribute. Section IV provides detailed progress against indicators of achievements, and lists specific achievements, key challenges and next steps. Excellence in Management (focus area 6) is presented first, followed by the five substantive focus areas. Section V presents a summary of MTSIP resources and utilization. The Section VI covers strategic direction for the organization in implementing the MTSIP for 2010.
## Status of progress per focus area

<table>
<thead>
<tr>
<th>On track – satisfactory progress</th>
<th>Mixed progress - stay alert</th>
<th>High attention required</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advocacy, monitoring and partnership (Focus Area 1)</strong></td>
<td><img src="image" alt="Table" /></td>
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<tr>
<td><strong>Improved awareness of sustainable urbanization issues at the national and global levels</strong></td>
<td>Media and web outreach has been further intensified, evidenced by an increase in publication downloads from the UN-Habitat website from 78,587 (January – May 2009) to 283,539 (June-October 2009). The World Habitat Day in October 2009 was celebrated in 45 countries, up from 36 in October 2008. Tentative flagship report and World Habitat Day media coverage analysis indicates a slight decline, however, analysis is ongoing.</td>
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<td><strong>Habitat Agenda partners actively participate in the formulation of sustainable urbanization policy</strong></td>
<td>Overall, mobilization of partners and building synergies with other organizations has improved since the MTSIP was adopted. 203 new cooperation agreements with partners were entered into in 2008. As an example, affordable social housing and infrastructure finance activities has reached out to several new and strategic partners. The staff survey in September 2009 indicates that 74.6 per cent of staff consider partnership development to have improved in the last 12 months. The World Urban Campaign is consolidating its partnership outreach.</td>
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<td><strong>Monitoring of sustainable urbanization conditions and trends improved</strong></td>
<td>The Urban Observatory network continues to grow and deepen its engagement in national and city monitoring of urbanization for improved urban planning and management. The number of operational Urban Observatories had increased to 135 in November 2009, up from 133 in May 2009. A total of 30 Urban Observatories have adopted full urban indicator guidelines while 40 have partially adopted the urban indicator guidelines.</td>
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<td><strong>Participatory urban planning, management and governance (UPMG) (Focus Area 2)</strong></td>
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<td><strong>Improved policies, legislation and strategies support inclusive UPMG</strong></td>
<td>28 countries have improved their policies, legislation and strategies for UPMG with UN-Habitat support for the MTSIP period. This is a baseline for tracking progress. Human settlement issues have been integrated into 23 UNDAFs, 20 National Development Plans, and ten Poverty Reduction Strategy Papers. Seven crisis prone and post-crisis countries have incorporated urban risk- and vulnerability-reduction measures in policies, legislation and strategies.</td>
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<td><strong>Strengthened institutions promote inclusive UPMG</strong></td>
<td>The number of institutions in targeted countries that have received institutional strengthening enabling them to promote sustainable urbanization regionally and/or nationally has increased to 29 by November, 2009, up from 21 institutions in May 2009.</td>
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<td><strong>Improved implementation of inclusive UPMG</strong></td>
<td>A preliminary analysis shows that a total of 112 cities are implementing inclusive UPMG with support from UN-Habitat, of the more than 200 cities supported in the area of UPMG on aspects of governance, safety, environment, risks and crises.</td>
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<td><strong>Pro-poor land and housing (Focus Area 3)</strong></td>
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<td><strong>Improved land and housing policies implemented</strong></td>
<td>As of October 2009, a total of 28 countries are either in the process of developing, implementing or have completed land and housing reforms with the support of UN-Habitat (two in Eastern Europe, seven in Asia Pacific, 15 in Africa and Arab States, and four in Latin America and the Caribbean). Of these, two land and housing reforms were completed in the reporting period.</td>
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<td><strong>Security of tenure increased</strong></td>
<td>Currently 19 countries of which six in Africa and Arab States, eight in Asia Pacific, two in Eastern and Central Europe and three in Latin America and the Caribbean are implementing policies to improve security of tenure, including reducing forced evictions, with support from UN-Habitat.</td>
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<tr>
<td><strong>Slum improvement and prevention policies promoted</strong></td>
<td>Currently 24 countries, nine in Africa and Arab States, seven in Asia Pacific, three in Eastern and Central Europe and five in Latin America and the Caribbean are implementing slum prevention and improvement policies with UN-Habitat support. No reforms were completed in the reporting period.</td>
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Environmentally sound basic urban infrastructure and services (Focus Area 4)

An enabling policy and institutional framework promotes expanded access
The number of countries progressively adopting relevant policies that aim to expand access to environmentally sound urban infrastructure and services have reached 31 (13 in Asia, 3 in Latin America and the Caribbean and 15 in Africa), up from 28 in May 2009. By October 2009, the total number of institutions in target countries partnering with UN-Habitat towards expanding access to environmentally sound urban infrastructure and services has risen to 92, up from 81 in May 2009.

Increased institutional efficiency and effectiveness
UN-Habitat institutional strengthening has contributed to increased effectiveness of service providers. As a result, the total number of people benefitting from interventions of the water and sanitation programme in Asia, Africa and Latin America by the end of October 2009 stands at 1.03 million, an increase of 207,000 since May 2009. The preliminary baseline indicates the average satisfaction level with water services is 79.8 per cent and sanitation 75.7 per cent for selected communities in India.

Enhanced consumer demand
UN-Habitat’s awareness raising and capacity building has influenced and generated increased demand for affordable water and sanitation services at the community level, leading to a reduction in water tariff differentials paid by the poor. Based on a preliminary baseline, only in one out of four (25%) UN-Habitat supported initiatives in India, the poor pay a differential water tariff.

Human settlements finance systems (Focus Area 5)

Financing raised for and increases recorded in affordable and social housing stock and related infrastructure
Disbursement of USD 714,286 expected before end December 2009. Leverage of ERSO funds expected to reach 6.7 times in the first two loan transactions for Tanzania and Bangladesh. Five further ERSO loan transactions are expected to be signed by end December 2009 projects in Kenya, Uganda, Palestine, Nepal and Nicaragua. In 2010, disbursement for these projects is currently expected to be USD 2,325,000 with leverage of 198 to 1. For SUF, the four current active projects, (2 in Ghana, 1 in Sri Lanka and 1 in Indonesia), a value of $1,078,254 has been leveraged to date, just above the target of 1 million.

Increase in activities in municipal finance and affordable housing finance (globally, excluding OECD countries)
UN-Habitat is working with a variety of key partners to develop municipal finance, infrastructure and affordable housing projects in Thailand, Laos, the Caribbean, Ghana, Indonesia, Sri Lanka and Tanzania, among others.

Excellence in Management (Focus Area 6)

Staff are empowered to achieve planned results
Business process improvement has been experienced. In recruitment, average time has been reduced from 265 days in 2008 to 177 so far in 2009. In September 2009, 57.9 per cent of staff reported that information and knowledge sharing had improved in the last 12 months. While noting significant progress, senior management still request high attention to this area be maintained, especially with regard to continued improvement in business processes, additional delegation of authority and improved information sharing systems.

Institution aligned to deliver MTSIP results
With regards to better linking normative and operational activities, 65 per cent of staff reported that collaboration across units and Divisions had improved and 61 per cent reported that collaboration between Headquarters and outposted offices had improved over the last six months. Overall, the score on internal collaboration (across Divisions and Focus Areas) in the September 2009 staff survey was 2.3 (on a scale of 1-4).

RBM principles applied
A new Programme Review process has been approved with new MTSIP adjusted project templates. Training in the new programme review processes and RBM conducted for staff and senior management. The process is expected to contribute to better planning for results and facilitate quality control. The performance measurement system for MTSIP has been rolled out. Overall, the score on willingness to be held accountable for MTSIP results in the staff survey was 2.8 on (on a scale of 1-4), while the overall organizational effectiveness score was 2.7. Yet, RBM principles are not yet fully internalized in organizational culture, thus requiring high attention.

Financial resources achieve MTSIP results
While targets for earmarked funding are exceeded, the target for non-earmarked funding in 2008 was not met (93 per cent), and for 2009 stands at 98 per cent. As for transparency in resource allocation, staff ranked this item as 2.3 (of a scale from 1-4). A resource allocation exercise for 2010-2011 has commenced, and further guidelines in participatory budgeting for the 2012-2013 work programme is being developed.
III MTSIP impact indicators – baselines and targets

6. Using UN-Habitat Global Urban Observatory data, UN-Habitat will track a selected number of indicators to which all Focus Areas are expected to contribute. The indicators point to longer term progress in sustainable urbanization, in areas of slum improvement, water and sanitation, security of tenure and housing quality. It must be noted that any progress on these indicators can not be attributed solely to interventions by UN-Habitat. These figures represent global progress, for which UN-Habitat considers itself to be one of the global partners that can take joint accountability for trends. As the data is based on extensive surveys that are only conducted periodically, progress on the pre-MTSIP baselines will only be available in 2010.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2007 (pre-MTIPS baseline)</th>
<th>2010 Target</th>
<th>2013 Target</th>
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<tbody>
<tr>
<td>Proportion of urban population living in slums</td>
<td>34.3%</td>
<td>32.5%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Access to improved water: connection to piped water</td>
<td>70%</td>
<td>72.5%</td>
<td>74%</td>
</tr>
<tr>
<td>Access to improved sanitation (all types)</td>
<td>71%</td>
<td>73.5%</td>
<td>75%</td>
</tr>
<tr>
<td>Access to durable housing (floor, wall and roof)</td>
<td>46.8%</td>
<td>48.8%</td>
<td>50.5%</td>
</tr>
<tr>
<td>Access to sufficient living area (not overcrowded, three or less persons per room)</td>
<td>81.8%</td>
<td>82.5%</td>
<td>83.8%</td>
</tr>
</tbody>
</table>

Data source: UN-Habitat Global Urban Observatory. Above figures are for urban areas in the developing world.
IV Detailed achievements, challenges and next steps per focus area

A. Advocacy, monitoring and partnership (Focus Area 1)

Strategic result: Improved sustainable urbanization policies from local to global levels adopted

(a) Degree to which UN-Habitat is viewed as a premier reference centre for urban trends and issues as evidenced by number of requests for urban indicator data and information from flagship reports from international organizations, research institutions and universities.


In 2008-2009, a total of 25 international organizations, including WHO, UNICEF, UNFPA and the World Bank have requested and referred to UN-Habitat urban data as a basis for their work. A total of 150 research centres and universities from all regions have requested for further detailed information related to the flagship reports to utilize in their work. Examples are found below.

Expected Accomplishment 1: Improved awareness of sustainable urbanization issues at the national and global levels

<table>
<thead>
<tr>
<th>Indicator of achievement</th>
<th>Progress/accomplishments</th>
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<tbody>
<tr>
<td>(a) Number of media articles on Flagship reports and World Habitat Day. Baseline: October 2008-May 2009: 4,570 May 2009 – October 2009: 3,340</td>
<td>Progress on indicators: (a) The number of media articles on flagship reports and major events is collected a month before and after the launch. For the Global Report on Human Settlements and World Habitat Day – Planning Our Urban Future, there were 3,340 media articles with mentions of both events. This is down from 4,570 in the previous reporting period. However, articles from World Habitat Day are still being collected. Thus, the final figure will be reported in the next progress report.</td>
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<tr>
<td>b) Number of downloads from UN-Habitat website on sustainable urbanization materials Baseline (January – May 2009): 78,587 June-October: 283,539 Target 2010: 390,000 Target 2011: 400,000 Target 2012: 410,000 Target 2013: 420,000</td>
<td>(b) Downloads from the UN-Habitat website of electronic publications (June to 29 October 2009) totalled 283,539, up from 78,587 in January to May 2009. During the same period, there were 30,011 book visits for all UN-Habitat publications on Google Print website (<a href="http://www.books.google.com">www.books.google.com</a>), up from 21,424 and 306,235 page views, up from 229,563.</td>
</tr>
<tr>
<td>(c) Number of countries that celebrate World Habitat Day Baseline 2008: 36 Targets: 2009: 45</td>
<td>(c) A total of 109 events were held in 45 countries to celebrate World Habitat Day 2009, up from 62 events in 36 countries in 2008. Of these countries, 14 were in Africa and the Arab States, 14 in Asia and the Pacific, six in Latin America and the Caribbean, nine in Europe and two in North America.</td>
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<tr>
<td>(d) A preliminary survey shows that National Urban Forums have been established in 12 countries. This baseline will be validated and refined in 2010.</td>
<td>(d)</td>
</tr>
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Achievements:
- The number of countries celebrating the World Habitat Day increased by nine countries. This has been attributed to the more aggressive marketing and mobilization of partners as well as the presence of HPMs who helped raise awareness and facilitate the preparations for WHD celebrations. The existence of National Urban Forums also contributed to the diverse events in the 12 countries.
- There are at least 14 active National Urban Forums in the Philippines, Brazil, Afghanistan, Colombia, Cuba, Rwanda, DR of Congo, Myanmar, Lebanon, Vietnam, Nepal and Burkina Faso. The membership composition and capacity of the NUFs is varied. Another example of awareness raising support mechanism is in Indonesia, where the National Habitat Secretariat (NHS) is dedicated to facilitate interagency cooperation and knowledge management on Housing and Urban Development. Through NHS, UN-Habitat support Ministry of Public Works to set up and run Sustainable Urban Development Forum, dedicated to assist local governments and cities to improve their capacity to implement sustainable urban development approaches.
- Improved web outreach: a) Publications downloads and reviews on the UN-Habitat home page tripled after launching a new feature that presents four new publications a month and removing the obligation for users to register before downloading. b) Land tools, relevant publications, news items and advocacy materials are being uploaded in the GLTN website (www.gltln.net). Between early 2007 to date, an estimated total of 72,000 publications have been downloaded resulting an average of 2,300 publications downloads per month. c) The UN-Habitat Warsaw Office website is available in English, Polish and Russian languages and provides information on UN-Habitat global and regional activities. Number of visits has in the period of operation increased from 300 visits per month in January 2007 to over 3000 visits in January 2009. d) There has been world-wide participation and positive response to the new UN-Habitat online surveys and interactive debates launched to engage our partners in exchanges on urban issues. These included a Take a Minute survey to find out people's views about their city's problems and how to solve them which drew participants from 53 countries; a Plan Your City survey on the theme of World Habitat Day which drew participants from 70 countries, a How well is your city managed? Governance Index tool for local authorities to assess their performance which was downloaded 847 times, cDebates on the World Urban Forum which are still running and have 264 participants so far from 66 countries and a Kids Survey on what they think of their cities which drew interest from schools in Europe Africa and North America.
- Flagship reports: a) The Global Report on Human Settlements 2009, titled Planning Sustainable Cities, as well as its abridged edition, were published in September 2009 and launched in Washington DC, USA, on World Habitat Day global celebrations. The report was also launched in many other cities all over the world, with the support of the urban planning professional associations in the respective countries, including New York, Brussels, Warsaw, London, Johannesburg, Cape Town, Abuja, Toronto, New Delhi, Nepal and Santiago. b) Reputable research Centers and Universities, such as ITC, Lincoln Foundation and others are using the State of the World Cities Report 2008 methodology as well as the information for academic purposes. c) Governments of Brazil, Mexico, South Africa, India, Thailand, Singapore, Nigeria and Bahrain have conducted specific national/international meetings on the topic of the State of the World Cities Report 2008, using information and structure of the report as the basis for these meetings.
- A 123% increase was recorded in the number of submissions for the Habitat Scroll of Honour award in 2009 over the 2008 submissions, an indication of the increasing awareness on urbanization and innovative initiatives for sustainable urbanization.
**Expected Accomplishment 2: Number of partnerships (by category) contributing to sustainable urbanization.**

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<tr>
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<tbody>
<tr>
<td>International organizations</td>
<td>25</td>
<td>35</td>
<td>48</td>
</tr>
<tr>
<td>National Governments</td>
<td>45</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>Research, Training Institutions/Universities</td>
<td>25</td>
<td>32</td>
<td>37</td>
</tr>
<tr>
<td>Foundations</td>
<td>9</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Local authorities</td>
<td>38</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Private sector</td>
<td>26</td>
<td>36</td>
<td>50</td>
</tr>
<tr>
<td>Civil Society Organizations</td>
<td>35</td>
<td>50</td>
<td>65</td>
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</table>

**Progress on indicator:**
The baseline for UN-Habitat active partnerships contributing to sustainable urbanization has been established at 203 partners for seven types as of (2008). These are partners that have entered into formal agreements with UN-Habitat through Cooperation Agreements. These include: a) International organizations (25); b) National Governments (45); c) Research, Training Institutions/Universities (25); d) Foundations (9); e) Local authorities (38); f) Private sector (26) and; g) Civil Society Organizations (35).

**Key Achievements**
- Findings of the organizational effectiveness survey conducted among all UN-Habitat staff in September 2009 indicate that the organization has become more strategic and proactive in terms of partnerships. Partnership development scored 3.37 on a scale from 1-4, the highest single organizational effectiveness item in the survey. 74.60 per cent of staff considered partnership development to have improved in the last 12 months. Through an Expert Group Meeting in October 2009, the UN-Habitat Partnership Strategy was reviewed and discussed by the Habitat Agenda Partners.
- Preparations for the launch of the World Urban Campaign at WUF5 were initiated. A total of 45 partners representing the conventional Habitat Agenda partners as well as the private corporate sector participated in the first Steering Committee meeting of the Campaign hosted by the regional government of Barcelona in October 2009. These partners, representing a combined audience of some 20 million people, rallied around the campaign objective of elevating the importance accorded to sustainable urbanization in public policy and private investment.
- **Private Sector:** a) The First International Habitat Business Forum (HBF) was launched in July 2009 with the theme “Innovative Cities: Show-casing and debating urban challenges and solutions”. The HBF was attended by about 400 delegates and culminated in the New Delhi Declaration which calls for closer cooperation between UN-Habitat and the Private Sector. The Habitat Business Award took place during the Habitat Business Forum. Awards were presented to five companies from Mexico, India, Kenya and China within the themes of affordable housing, sustainable water, sanitation and waste management, urban infrastructure solutions, clean urban energy solutions, and mitigation and adaptation to climate change. The initiative has helped increase the engagement of the private sector in promoting innovative approaches for sustainable urbanization.
- Through the Habitat Professionals Forum, human settlements professionals’ network (architects, planners, engineers, surveyors) have been mobilized and are involved in the preparation of the 2010 Rio Charter to be presented at the WUF5. Through the Warsaw office, a network of urban management officials and practitioners from seven countries in the Southern and Eastern Europe region has been established and serves as a useful platform for meeting and exchange of experience and regional cooperation. The World Urban Campaign has mobilized private sector companies and professionals for the Campaign. The first Steering Committee meeting took place 12-14 October 2009. UN-Habitat has strengthened its networks of partners in all regions, including in Asia Pacific with the establishment of the Sustainable Cities Network consisting national and local governments, development banks, bilateral agencies, UN agencies, academic institutions, civil society organizations, NGOs.
- **Youth:** a) Through the Youth Empowerment Programme, 250 youth from informal settlements in Nairobi, Kenya, are benefiting from vocational skills training in landscaping, block making and on basic road construction. b) A total of 67 applications to the Opportunities fund for Urban Youth-Led Development were approved, worth 959,000 USD. More than 50% of the beneficiaries were...
from African and Arab states focusing mainly on vocational training and entrepreneurship.

- **Parliamentarians:** A network has been established with Parliamentarians for Global Action to promote the Habitat Agenda and MDGs in October 2009 in New York. Support was provided to the seminar by the Association of European Parliamentarians for Africa on the Role of Parliamentarians in Climate Change Adoption in the Great Lakes Regions in Eastern Africa (June 2009) and to the Second Bureau of the Asia Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) (August 2009).

- **UN cooperation for gender equality:** Working within the “One UN” principles, UN-Habitat forged a partnership with UNCDF, UNIFEM and UNDP, to support local governments in Sierra Leone, Senegal, Tanzania, Rwanda and Mozambique to ensure gender equitable development and improvement of women’s access to resources and services at the local level through gender responsive planning, programming and budgeting. In Kenya, UN-Habitat is supporting integration of gender and local governance through a joint programme with 14 other UN Agencies.

- **Affordable and social housing and infrastructure financing:** UN-Habitat’s partnerships in this area are rapidly growing as a result of up scaling of activities. They currently include a range of IFIs and international partners such as the World Bank and Cities Alliance, IDB, IFC, OPIC, DFID, CHF, MEII, AFD, Millennium Cities, K-Rep, CABI, Swedbank/ SIDA, Bank of America, GHF, Habitat for Humanity International, Rockefeller Foundation and Ayrife Partners.

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**Expected Accomplishment 3: Monitoring of sustainable urbanization conditions and trends improved**

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<thead>
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<th>Number of operational Urban Observatories</th>
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<tr>
<td>Baseline: December 2008: 126; Target: 2009: 140</td>
</tr>
<tr>
<td>2010: 160</td>
</tr>
<tr>
<td>2013: 200</td>
</tr>
</tbody>
</table>

**Progress on indicator:**
The number of operational Urban Observatories has increased to 135 by November, 2009, up from 133 in May, 2009.

**Key achievements:**
- A total of 50 Urban Observatories have adopted full urban indicator guideline and 40 have adopted partial urban indicator guidelines. While 45 have consulted urban indicator guidelines during indicator development. Beside the 135 operational Urban Observatories, there are more than 100 Local Urban Observatories (LUOs) which were established by other organizations and mostly following the MDG guidelines to develop indicators. There is an exponential growth since 2006 in LUO establishment in East Asia, Arab states, Latin America and African countries in collaboration with UN-Habitat or partner organization.

- The Al Madina LUO (Saudi Arabia) received the UN-Habitat scroll of Honour in 2009 (first LUO to receive such an award) for their contribution in sustainable urbanization.

- The effectiveness of the LUO for Commonwealth Independent States was discussed in the Ministerial meeting in Moscow, Russia (October 2009) and a proposal made to expand its establishment in the region to enhance urban planning mechanisms.

- The LUO in Belo Horizonte in Brazil contributed towards local policy formulation, especially on resettlement projects.

- In Chile, the Ministry of Housing and Urbanism implemented a National Urban Observatory that disaggregates down to the municipal level all available data in the National Statistics Bureau which allows for municipal governments to build local indicators for monitoring and policy formulation.

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**Strategic opportunities related to Focus Area 1 for 2010**

- Shanghai World Expo 2010 culminating in major forum on Cities.
- Given the close link between and climate change in terms of causes, impacts and possible mitigation and adaptation measures and with global financial crisis which had its genesis in urban housing markets, the world is likely to pay much more attention to urban issues. This provides UN-Habitat a good opportunity to raise global
awareness of urban issues.
- WUF5 in March 2010 provides an opportunity for convening partners to discuss and finalize the UN-Habitat Partnership Strategy. Social Networking tools offer opportunity for mobilization of partners for the WUF5. State of the World’s Cities Report 2010 will be used as the background document for the WUF5 constituting a key opportunity for visibility and awareness on the report as well as the urban issues, repositioning UN-Habitat as a premier centre of reference in the production of urban data.
- There exists an opportunity of putting urbanization as an emerging issue on the global and women's agenda during the 54th Session of the Commission on the Status of Women in New York in March 2010 and at the Beijing plus 15 Review.

### Challenges and threats

- Limited incorporation of gender aspects into the strategic planning, implementation and monitoring framework by some of the divisions of the agency.
- Weak capacity in the WUF Secretariat is a risk for effective planning and organization.

### Next steps – priorities for 2010

- A global mailing list of relevant university departments as well as public sector and non-governmental research and training institutions has almost been completed and all past and current issues of the flagship reports will be sent to the identified institutions by e-mail during the next few months.
- For gender equality, implement the Gender Equality Action Plan.
- Implementation of WUF review recommendations and implementation of WUF5 as a platform for creating partner commitment to action for sustainable urbanization. Bidding for host of WUF6.
- Improved and more interactive best practices presentation and dissemination.
- Create a system to assess policy evidence in country performance in achieving sustainable urbanisation as part of an impact monitoring mechanism.
- To re-launch the urban indicators programme on qualitative indicators for example in governance, secure tenure, crime and violence.
- Production and launch of the Latin America and the Caribbean State of Cities report.
B. Participatory urban planning, management and governance (Focus Area 2)

Strategic result: Inclusive urban planning, management and governance (UPMG) improved at national and local levels

a) Number of countries promoting comprehensive UPMG from the national level, including the economy, ecology and equity dimensions of sustainable urbanization

Baseline 2008/2009: 19, in addition to 21 are 'partly' promoting comprehensive UPMG
Target 2010/2011: 22
Target 2012/2013: 28

A total of 19 countries supported by UN-Habitat are taking a comprehensive approach to urban development.

b) Number of crisis-prone and post-crisis cities in affected countries integrating risk- and vulnerability-reduction programming in UPMG systems

Baseline 2008/2009: 30
Target 2010/2011: 32
Target 2012/2013: 34

So far in the MTSIP period, 30 cities have incorporated risk and vulnerability-reduction into city plans and implementation systems with the support of UN-Habitat. Given the deep level of commitment for such steps, moderate targets are set for the MTSIP period.

Expected Accomplishment 1: Improved policies, legislation and strategies support inclusive UPMG

<table>
<thead>
<tr>
<th>Indicator of achievement</th>
<th>Progress/accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Number of countries whose policies, legislation and strategies incorporate sustainable urbanization principles</td>
<td>Progress on indicators: Baselines for indicators (a) and (b) are now collected. So far in the MTSIP period, 28 countries have improved their policies, legislation and strategies for UPMG with UN-Habitat support. Human settlement issues have been integrated into 23 UNDAFs, 20 National Development Plans, and 10 PRSPs. Seven crisis-prone and post-crisis countries have incorporated urban risk- and vulnerability-reduction measures in policies, legislation and strategies.</td>
</tr>
<tr>
<td>Baseline 2008/2009: 28</td>
<td></td>
</tr>
<tr>
<td>Targets: 2010/11: 30; 2012-2013: 35</td>
<td></td>
</tr>
<tr>
<td>(b) Number of crisis-prone and post-crisis countries whose UPMG policies, legislation and strategies incorporate urban risk- and vulnerability-reduction measures</td>
<td>Global achievements:</td>
</tr>
<tr>
<td>Baseline 2008/2009: 9</td>
<td>• In the area of climate change, UN-Habitat is engaged in high level processes for the development of norms and standards at the global level. For example, as part of “One UN” approach to climate change action, UN-Habitat is coordinating events and debates on the linkages between urbanization and climate change at COP 15 (December 2009). At the World Bank Urban Research Seminar on Cities and Climate Change in Marseille (June 2009), UN-Habitat contributed 4 papers.</td>
</tr>
<tr>
<td>Targets: 2010/11: 10; 2012-2013: 11</td>
<td>• As a member of the working group on organized crime and crime prevention in the Global Consortium on Security Transformation, UN-Habitat, contributed to the development of strategies and policies related to safety and security in cities. UN-Habitat and the Organization of American States are working towards developing a coalition of multi-lateral partners on violence prevention in the Americas.</td>
</tr>
</tbody>
</table>

For the first time in its history, the Inter Agency Standing Committee (IASC) held a Working Group meeting in Nairobi, Kenya (11-13 November 2009) hosted by UN-HABITAT. The meeting recognized the special challenges facing human action in urban areas, and requested UN-HABITAT as chair of a specially created Task Force on “Meeting Humanitarian Challenges in Urban Areas” to prepare a report on the same theme.

- UN-Habitat and UNFEM signed a global pact (MoU) to join forces in the Global Programme on Safe Cities Free of Violence against Women and Girls. Local authorities have a key role to play in the prevention of violence against women, both in public and private spaces. The Programme will develop, test and deliver a global model for safer cities, based on proven strategies and best practice that can be replicated in different cities around the world.
- As part of its strategy towards the implementation of the Guidelines on decentralization, UN-Habitat has disseminated the Guidelines on Access to Basic
Services for All, adopted by the GC 22. Both sets of Guidelines and a joint brochure have been translated into the relevant UN languages.

- The Urban Governance Index has been redesigned and e-published for free downloading from the UN-Habitat website. To date, more than 600 copies have been downloaded.

**Country achievements**

- UN-Habitat supported the government of Madagascar in preparing a policy on Decentralization through a project on Regional planning and management, contributing to strengthening the capacities of local authorities in the field of urban management, urban planning, infrastructure management and Local leadership, resources mobilization and budgeting.

- In Iraq, UN-Habitat is a lead coordinator for the Local Area Development Planning Process through which a participatory Local Area Plan (2010-2015) has been finalized with a wide range of local stakeholders. Passing the Provincial Powers Law 2008 was a major milestone for the introduction of the decentralized government in Iraq. This legislation was formulated under the auspices of the Iraqi Local Government Association.

- The National Development Strategy of Afghanistan has a dedicated chapter on Urban Development with the strategy and policies which was prepared with the assistance of UN-Habitat and also provided technical support for the preparation of Operational instruments for the implementation of the national urban.

- In Iraq, UN-Habitat supported technical working groups which conducted the analysis of the housing market and an assessment of opportunities to improve policy framework for affordable housing and infrastructure. Findings of the working group culminated in the development of a new housing policy for Iraq which is currently being finalised.

- In Mongolia, UN-Habitat provided technical and financial assistance for the preparation of the first citywide pro-poor Ger-area Upgrading Strategy of Ulaanbaatar which was adopted by the municipality of Ulaanbaatar for its implementation.

- Since the government of Rwanda approved the Urban development policy and the of Urban Planning and construction Code initiated and financed by UN-Habitat, the Ministry of Infrastructure in charge of Urban planning and housing has started to promote a comprehensive approach to urban planning, management and governance at national and local levels through sensitization and information.

- In the Philippines, through UN-Habitat technical and financial assistance, the Housing and Urban Development Coordinating Council has developed the National Urban Development and Housing Framework which sets the basic action agenda and thrust of the national and local government in ensuring sustainable urban development that supports the plight of the vulnerable groups in urban areas.

- The new national housing and urban development policy for Burkina Faso, incorporates the key components of urban planning, sustainable urbanization and promotion of good governance. This provides an enabling policy environment for promoting UPMG in the country.

- UN-Habitat supported the process of integrating the Right to Housing and the City, as well as the participatory planning principle into the new Constitution approved by the Government of Ecuador in 2008. The National Office for Planning, SENPLADES, has developed a National Plan of Development that guides the process and coordination for national-local policy.

- Since 2008, Papua New Guinea and Cape Verde have expanded the urban profiling to more cities which will lead to the formulation of a national policy. Further, Central African Republic, Namibia, Kiribati, Samoa and Vanuatu have launched the programme and the urban profiling with extra funding.
### Expected Accomplishment 2: Strengthened institutions promote inclusive UPMG

<table>
<thead>
<tr>
<th>Number of institutions in targeted countries that actively promote sustainable urbanization dimensions</th>
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</thead>
<tbody>
<tr>
<td>Baseline 2008: 15</td>
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<tr>
<td>Targets 2009: 30; 2010: 40; 2011: 50; 2012: 60; 2013: 70</td>
</tr>
</tbody>
</table>

**Progress on indicators:**
The number of institutions in targeted countries that have received institutional strengthening enabling them to promote sustainable urbanization has increased to 29 by November, 2009, up from 21 institutions in May 2009.

**Achievements:**
- In addition to the on-going capacity building engagement on UPMG with the 21 institutions reported before, UN-Habitat has supported additional national and regional institutions covering a wide range of capacity strengthening needs.
- A global training of trainers’ event was held in collaboration with the Mount Carmel Training Centre in Israel on Gender in Local Governance for thirty participants bringing together traditional partners as well as new partners. Three institutions have reported replicating parts of the training. Institute of Local Government Studies (Ghana), the Indian Institute of Public Administration and Kerala Institute of Local Authorities, (India) and Municipal Development Partnership (Zimbabwe) took initial steps to roll out the training soon.
- Through UN-Habitat support, a regional training institution on City Development Strategies has been established for the Lake Victoria Region (Tanzania, Kenya, and Uganda). The Institute for Governance and Sustainable Development Studies is based in Nairobi (Kenya) and has conducted four courses in the reporting period. The centre receives support from Institute of Housing and Urban Studies (Netherlands).
- The Weitz Centre for Development Studies has been conducting local training courses on local economic development in collaboration with UN-Habitat for three years. The centre has added another UN-Habitat course on an integrated approach to urban safety.
- In Cuba, UN-Habitat’s partner institution, the Physical Urban Planning Institute carried out 5 workshops on the following topics: (1) Urban Risk Reduction, (2) Preparing Local Action Plans, (3) Habitat and Gender, (4) Participation and local development, and (5) Urban Environment.
- Over 100 state level officials from the Government of Southern Sudan have benefited from urban management training. A team of thirty trainers has been created to deliver a training package across ten states targeting land, planning and housing. The University of Juba.
- As a result of UN-Habitat’s capacity strengthening of the training unit of Ministry of Internal Affairs in Liberia, the Unit now has the required skills to conduct Local Governance Training Needs Assessments to strengthen its on-going capacity building programme to realize effective decentralization.
- In Vanuatu, over three thousand community leaders are being trained using UN-Habitat’s Locally Elected Leadership Series training materials through on-going collaboration with the Commonwealth Local Government Forum.

### Expected Accomplishment 3: Improved implementation of inclusive UPMG

<table>
<thead>
<tr>
<th>(c) Number of cities implementing inclusive UPMG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline 2009: 112</td>
</tr>
</tbody>
</table>

**Progress on indicators:**
A preliminary analysis total of 112 cities are implementing inclusive UPMG with the support from UN-Habitat. This includes 51 cities working on inclusive urban safety.

**Achievements:**
- As a follow up to the establishment of the Police Platform on safety, new partners have come onboard: CIFAL Barcelona, UNODC, UNITAR, the Institute of Public Security in Barcelona, the Montreal Municipal Police, the Nigeira Police Force and the Tanzanian Police Force. Through a joint initiative of UN-Habitat
and UNESCAP, sub-regional studies on urban safety and poverty South-Asia, South-East Asia and the Pacific were conducted and findings disseminated to be used in the development of a regional strategy on community safety. The study has resulted in the development of an on-line Urban Safety Resource Toolkit with accompanying training modules for Asia Pacific, which will be piloted by CityNet.

- UN-Habitat’s work in the area if climate change, through the SUD-Net Cities and Climate Change Initiative, expanded to an additional five cities in Africa, **Burkina Faso** (Bobo Dioulasso), **Kenya** (Mombasa), **Namibia** (Walvisbay), Rwanda (Kigali), **Senegal** (Saint Louis) launched at the Local Government Africa Roadmap meeting in Pretoria (July 2009) with local launches in Mombasa, Kenya and Bobo Dioulasso, Burkina Faso.

- In collaboration with partner municipalities, UN-Habitat facilitated a participatory process to elaborate Rapid Urban Sector Profiles in 21 towns in south **Lebanon**. Based on the RUSP 3 regional development strategies were developed.

- In August 2009, UN-Habitat **Somalia** entered into an Agreement of Cooperation with the Somaliiland Municipal Association, which was established with assistance from UN-Habitat’s Somalia Urban development Programme in February 2006. Three years after its inception, the Somaliiland Municipal Association has become the main platform to discuss municipal issues, share best practices, find and implement solutions to common urban development and management problems. It recognized as one of the most important entry-points for actions under the UN Joint Programme for Local Governance and Decentralized Service delivery.

- In **Mexico**, UN-Habitat has facilitated the elaboration of social environmentally responsible planning for four municipalities (Tampico, Ciudad Madero, Altamira and Reynosa) of the Rio Bravo Metropolitan Areas. UN-Habitat is working together with UNDP GRIP, a multi-stakeholder initiative that directly aligns with the Hyogo Framework for Action. Following a joint risk assessment in Tijuana city, disaster risk reduction has been incorporated into the city plan. Through the strategies for the urban safety programme a diagnosis of public spaces was developed within the urban area of the Ministry of Social Development and a capacity-building through radio broadcasting on prevention and treatment issues of youth at risk was carried out in Mexico City Metropolitan Area.

- UN-Habitat is providing technical support in the implementation of comprehensive safety policies of the Municipal Plans 2008-2011 for Bogota and Medellin in **Colombia**.

- UN-Habitat, in collaboration with the Government of **Sri Lanka** is supporting three cities (Ratnapura, Nuwara Eliya and Batticaloa) in the integration of governance into urban planning and development processes.

- In **Bangladesh**, UN-Habitat is involved in a multi-sector integrated project “The Urban Partnerships for Poverty Reduction” covering 30 cities and towns over a period of seven years reaching out to 3 million urban poor people. Through this projects aspects of UPMG are being implemented.

- UN-Habitat has provided technical support in capacity strengthening to 125 urban actors from 18 African, Caribbean and Pacific countries (Gambia, Malawi, Nigeria, Uganda, Burundi, Cape Verde, Cote d’Ivoire, Mali, Antigua, Barbuda, Jamaica, Trinidad and Tobago, Fiji Islands, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu) through training on participatory planning, decision-making, and prioritization techniques as well as on good governance principles and practices. As a main output, participants developed action plans of how to tackle urban poverty for their respect countries and were briefed on UN-Habitat urban development tools and guidelines. The training initiative is designed for technical local and national government focal points, academics, NGOs or national institutions in charge of urban planning and development.

- In **Ghana**, UN-Habitat has supported the Institute of Local Government Studies to train District Chief Executives and Planning Officers to mainstream gender into their policies, programmes and activities.
The city of Maputo in Mozambique has launched a massive process of land use regularization as part of its City Development Programme. The process is based on an inclusive and participatory spatial planning approach, particularly targeting the traditional peri-urban settlements.

**Opportunities related to Focus Area 2**

- Through the Participatory Slum Upgrading Programme funded by the European Commission, over forty African, Caribbean and Pacific countries have prepared or are reviewing national urban profiles which have been instrumental in identification of critical capacity building needs.
- To enhance inter-branch collaboration and sharing of technical and financial resources, a CCCI Technical Support Team of ten members drawn from various branches has been established. This approach presents an opportunity for improved integration of urban environmental planning.

**Challenges and threats related to Focus Area 2**

- Growing demand for on-going support to capacity building initiatives within the agency and among Member States coupled with a lack of human and financial resources to meet these effectively.
- Increased workload on the cities and climate change topic in preparation for the COP15 conference; need to enhance human resources within branch and need to strengthen collaboration across branches to meet increasing demand.

**Next steps – priorities for 2010 for Focus Area 2**

- Consolidate experiences and develop relevant tools to strengthen national human settlements capacity building institutions. Advance university collaboration on capacity building for urban planning, climate change, and urban safety, and the development of an operational framework to strengthen the Habitat Partner University network.
- In response to demands from cities to implement pilot initiatives on cities and climate change in Asia, Africa and Latin America, UN-Habitat strengthening its internal collaboration through a corporate resource mobilization efforts to secure additional funding to respond to such requests. With many organizations developing tools covering various aspects of cities in climate change, UN-Habitat will work on building partnerships to create synergies and avoid duplication and competition.
- As 2010 is the International Year of Biodiversity, UN-Habitat will intensify its work on issue of urban biodiversity and ecosystems as well as wetlands management.
C. Pro-poor land and housing (Focus Area 3)

<table>
<thead>
<tr>
<th>Strategic result: Improved access to land and housing</th>
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</thead>
<tbody>
<tr>
<td>Indicator:</td>
</tr>
<tr>
<td>a) Increased number of countries implementing policies to improve access to land and housing, including in crisis affected countries (post-disaster and post-conflict).</td>
</tr>
<tr>
<td>Baseline 2009: 48 (including five completed reforms), of which 16 in post disaster and post conflict countries, eight in Asia Pacific and seven in Africa and Arab states.</td>
</tr>
<tr>
<td>Targets: 2011: 52 (including additional six completed reforms); 2013: 53 (including additional six completed reforms).</td>
</tr>
<tr>
<td>A total of 48 countries are in the process of implementing policies to improve access to land and housing with the support of UN-Habitat, with five reforms completed. Of these, 15 countries have received support for post crisis reconstruction, six in Africa and Arab States Region, eight in Asia Pacific, and one in the Eastern and Central Europe region.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Accomplishment 1: Improved land and housing policies implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator of achievement</td>
</tr>
<tr>
<td>(a) Number of countries implementing improved land and housing policies</td>
</tr>
<tr>
<td>Baseline: 2009: 28 countries</td>
</tr>
<tr>
<td>Targets: 2011: 30 countries; 2013: 32 (including additional 2 completed reforms per biennium)</td>
</tr>
</tbody>
</table>

Global and regional achievements
- UN-Habitat has supported the Land Policy Initiative of the consortium, African Union Commission (AUC), UN Economic Commission (UNECA) and the African Development Bank (AfDB), particularly the development of land policy framework and guidelines that was adopted by African Heads of States and Leaders. The framework and guidelines will facilitate the development and revision of land laws that provide for equitable access to land especially by the landless, women, youth, displaced persons and other vulnerable groups.
- The Global Land Tool Network has increased its partners to 40 organisations (see http://www.gltn.net), up from 33 partners in May 2009.
- UN-Habitat coordinated the production of the Local Estimate of Needs for Shelter and Settlements (LENSS) Tool Kit, a collaborative effort between all IASC Shelter Cluster agencies, with UN-Habitat, International Federation Red Cross Societies and UNHCR taking the lead.
- A Memorandum of Understanding was signed by UN-Habitat and International Conference on the Great Lakes Region (ICGLR) on 10 July 2009 committing to jointly work towards a better protection of land and other related property rights issues for displaced populations during and after displacement in a more comprehensive manner that is currently the case in the region.

Country achievements
- In Kenya, the Cabinet has approved the draft National Land Policy for submission to Parliament. UN-Habitat, acting as Chair of the Development Partners Group on Land, in line with Paris Declaration on donor coordination, has been supporting land reforms in the country, amongst others.
- The Malawi Housing Sector Profile was officially launched at World Habitat Day and the Government has embarked on implementing its recommendations, including strengthening the new Ministry for Lands, Housing and Urban Development. Based on the positive experiences, the Urban Housing Sector Profile programme has been up-scaled through the launch of profiling activities in Uganda, Senegal and Nepal. Profiling in Asia is undertaken in close collaboration with ROAP, following ENOF principles.
• In its pre- and post-crisis work, UN-Habitat applies a human settlements lens to ensure that housing and land are an integral part of the Agency’s work. For instance, in Northern Uganda, UN-Habitat successfully integrated a land component into a shelter project for Extreme Vulnerable Individuals (EVi) leading to vulnerable groups, such as women and children, did not only get access to housing, but also to secure land.

• UN-Habitat contributed towards the review of the National Housing Policy of Ghana which ensured the inclusion of a slum upgrading and prevention component.

• UN-Habitat is working closely with the Ministry of Public Works and Housing of the Occupied Palestinian Territories aiming at formulating a Housing Sector Strategic Framework. UN-Habitat secured funds to reconstruct 100 housing units in Gaza, in addition to rehabilitating the community infrastructure and establishing neighborhood technical support centers. UN-Habitat in partnership with CHF International and ILO, support of the Palestinian Authority, agreeing on an integrated support system for families that wish to rehabilitate or reconstruct their houses, using cash compensation.

• Under the lead of the Ministry of Public Works, Housing and Transport of Somalia, UN-Habitat supported Land Focus Group has drafted and presented two series of amendments to the Somaliland Land Management Law, with specific focus on pro-poor policies and tenure rights. Several laws and amendments are still pending in Parliament in both Somaliland and Puntland.

• UN-Habitat has assisted the Government of Sri Lanka in its post-tsunami housing reconstruction programme including advisory services on housing policy. Further UN-Habitat implemented a housing reconstruction programme for over 10,000 houses financed by multiple donors. Some of these projects are still ongoing.

• In Afghanistan, China, Indonesia, Myanmar, Nepal, Pakistan, Philippines and Sri Lanka UN-Habitat’s work is directly benefiting people affected by conflicts and disasters. For example, in Myanmar, UN-Habitat has consolidated the coordination of the Shelter Recovery after Cyclone Nargis of May 2008 and advised participating agencies on improved building techniques, while also implementing housing reconstruction and training implementers.

• In the aftermath of Sichuan Earthquake in China in May 2008, UN-Habitat contributed to the preparation of the “UN China Appeal for Wenchuan Earthquake Early Recovery Support” launched in July 2008. UN-Habitat also assisted in the process of post-disaster recovery and reconstruction. In a project implemented in Gansu Province, 16 pre-fabricated classrooms were installed in 4 schools in remote mountainous areas of Xibe County in October 2008. The second project aimed at the reconstruction of a school is ongoing.

• Under the technical assistance component of the Council of Europe Development Bank loan for the construction of 1,100 municipal social housing units in 8 Municipalities in Albania, UN-Habitat supported the preparation of the manual for Social Housing Management.

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**Expected Accomplishment 2: Security of tenure increased**

<table>
<thead>
<tr>
<th>Progress on indicator:</th>
<th>Currently 19 countries of which six in Africa and Arab States, eight in Asia Pacific, two in Eastern and Central Europe and three in Latin America and the Caribbean are implementing policies to improve security of tenure, including reducing forced evictions, with support from UN-Habitat.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Global and regional achievements</th>
<th>Based on the &quot;Transparency in Land Administration&quot; training in Africa, UN-Habitat has developed Trainers' Guide and Tool Kit to be used to replicate the training in Asia and Latin America and Caribbean.</th>
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<tbody>
<tr>
<td></td>
<td>UN-Habitat has produced a training package on Islamic Land Law and it will be pilot tested in an Asia Pacific regional training in Malaysia by the end of 2009.</td>
</tr>
</tbody>
</table>
- The annual meeting of the Inter-Agency Support Group Meeting on Indigenous Issues (IASG) was co-hosted by UN-Habitat and UNEP (28-30 September 2009 in Nairobi). The adapted Spanish version of the “Policy Guide to Housing for Indigenous Peoples in Cities” was launched in Quito, Ecuador. A multi-stakeholder workshop agreed on next steps for the implementation and use of the guide at the regional, national and local levels, and to identify strategic partners in national governments with regards to indigenous peoples’ issues.

**Country achievements:**
- A housing rights situation analysis was incorporated in the methodology for the urban housing sector profiling in Nepal and Vietnam with a view to providing governments with a more comprehensive understanding of achievements and challenges in their efforts towards progressive realization of the right to adequate housing, and to provide other stakeholders with a tool for more effective housing rights advocacy.
- Since April 2009, UN-Habitat has been implementing a systematic land dispute resolution program in Eastern Congo through the establishment of an operational team and office as well as coordination mechanisms to effectively run UN-Habitat program in North Kivu and in Ituri within the humanitarian framework and the specific partnership with UNHCR.

### Expected Accomplishment 3: Slum improvement and prevention policies promoted

<table>
<thead>
<tr>
<th>(a) Number of countries implementing slum prevention and improvement policies</th>
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<tbody>
<tr>
<td><strong>Baseline:</strong> 2009: 24 countries</td>
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<tr>
<td><strong>Targets:</strong> 2011: 26 countries; 2013: 28 (including two additional completed reforms per biennium)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Progress on indicator:</th>
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<tbody>
<tr>
<td>Currently 24 countries, nine in Africa and Arab States, seven in Asia Pacific, three in Eastern and Central Europe and five in Latin America and the Caribbean are implementing slum prevention and improvement policies with UN-Habitat. No reforms were completed in the biennium.</td>
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<table>
<thead>
<tr>
<th>Achievements:</th>
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<tbody>
<tr>
<td>- In Tanzania, the Dar es Salam city wide upgrading Action Plan supported by UN-Habitat was presented to Parliamentarians, city managers and other stakeholders for validation.</td>
</tr>
<tr>
<td>- Implementation of the Participatory Slum Upgrading Programme (Phase II) was initiated in Ethiopia, Mozambique, Senegal and Kenya through inter-divisional collaboration. This is creating synergies with other UN-Habitat programmes such the sub-regional “Cities Without Slums” programmes implemented in Eastern/Southern and Western/Central Africa; the Greater Dakar Urban Development Strategy and Urban Housing Sector Profiling in Senegal.</td>
</tr>
<tr>
<td>- Through technical support by UN-Habitat in the Africa and Arab States region, many countries are launching or expanding the Participatory Slum Upgrading Programme activities with extra- or own funding.</td>
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<tr>
<td>- In Chad, feasibility studies for restructuring a spontaneous settlement (53ha) in N'djamena as pilot phase has been finalized and submitted to the government for funding. Lessons learnt from the pilot phase will lead to expanding the project to other spontaneous settlements in N'djamena and other towns in Chad.</td>
</tr>
<tr>
<td>- Since June 2009 the slum upgrading pilot project in Erbil, Iraq, has moved from situational analysis to strategy development. UN-Habitat is supporting the Governorate of Erbil in developing participatory approaches to slum upgrading.</td>
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<tr>
<td>- In Somalia construction of 1,252 low-cost housing units for vulnerable households of IDPs, returnees, urban poor (about 7,500 people) are being resettled to new and well-planned permanent settlement areas in Hargeisa (Somaliland), Garowe and Bossaso (Puntland), and Jowhar (South Central Somalia) with secure tenure and access to basic services (drainage, water &amp; sanitation, street lights, roads, public spaces, fire-readiness, security, electricity, markets, slaughterhouses etc.). Completion status of projects: 60% - anticipated completion by April 2010.</td>
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<tr>
<td>- Following policy advocacy of UN-Habitat as one significant input, the Brazilian Government launched the “My House, My Life” Programme in June 2009, aimed</td>
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at funding 1 million social housing units by December 2010. The programme is active in 1,974 municipalities (out of 5,561) yet covering all 27 States. Results include 544 cases of slum upgrading, production of 1,112 new housing solutions and 1,107 cases of reformulation/review of housing plans. Investment so far include US$5 billion in net investment (housing subsidies, water/sanitation, social equipment) benefitting 940,000 families; it also includes US$2.7 billion financing for housing units, benefitting 310,000 families.

- **In Chile**, the integral upgrading planning processes were concluded in 194 neighbourhoods; respective “Upgrading Pacts” jointly signed by the community leaders, municipal government and the Ministry of Housing; financial resources disbursed for 2009 and allocated for disbursement in 2010.
- **In Colombia**, UN-Habitat supported the formulation of a new binding policy directive (CONPES 3583) on slum upgrading that is now the main reference for nine new municipal integrated programmes.
- **In Bangladesh**, UN-Habitat supports the Urban Partnerships for Poverty Reduction a multi-sector integrated project covering 30 cities and towns over a period of seven years reaching out to 3 million urban poor people. Slum improvement is a main goal, and includes security of tenure issues.

### Opportunities

- Funding from the GATES Foundation for GLTN is under negotiation for land tools in three countries in Sub-Saharan Africa.
- The re-launching of joint programmatic activities by UN-Habitat and the Office of the High Commissioner for Human Rights provides a timely opportunity for joint resource mobilization for enhanced knowledge generation, tool development, capacity-building and advocacy on the right to adequate housing.
- The organization of the annual meeting of the Inter Agency Support Group on Indigenous Issues and the official visit of the UN Permanent Forum on Indigenous Issues to UN-Habitat were an opportunity to identify activities on urban indigenous issues to be jointly implemented in the next biennium with other UN agencies at global and regional levels.
- UN-Habitat’s membership with the IASC and chair of the taskforce on “Meeting Humanitarian Challenges in Urban Areas” provide a basis for increased partnership and funding.
- The coming into force of the Lisbon Treaty (EU) will enable a regional approach for Eastern and Southern Europe to be established rather than just a country by country approach as territorial cohesion will become the domain of the European Commission.

### Challenges and threats

- Lack of appropriate and flexible mechanisms/instruments in implementing activities through partners.
- Accounting/administration systems are not designed to handle basket funds.
- Limited implementation capacity to address the increasing demand for housing policy support from countries, external partners, as well as UN-Habitat units.
- Expected Accomplishment 1, “Improved land and housing policies implemented”, may not be achieved if the current technical support of the housing sector analysis in selected countries is not followed by capacity-building and the establishment of funding mechanisms (donors and domestic). Lack of follow-up will impede delivery of affordable housing at scale, especially for the urban poor. For example, the impact of the Malawi Urban Housing Sector Profile is promising but may not be sustained if these conditions are not met.
- Expected Accomplishment 2 “Security of tenure increased” is under threat as a result of the increasing number of forced evictions in cities. The ongoing large-scale forced evictions, e.g. in Port Harcourt (Nigeria) and Phnom Penh (Cambodia), show lack of compliance with international human rights law posing a threat to the achievement of the MDG Target on slums and the Habitat Agenda. If ignored by partners, UN-Habitat’s normative and advocacy efforts to promote alternatives to forced evictions may be in vain.

### Next steps – priorities for 2010

- Follow up on identifying and developing appropriate mechanisms/instruments to facilitate implementing through partners and to facilitate having more activities implemented through partners.
- Further exploration of accounting/administration systems acceptable by the UN rules and regulations to better handle basket fund and to allow for more resource mobilisation (explore more funding options).
- There is a need to further strengthen implementation capacity in order to address the increasing demand for
housing policy support from states and partners. The current reclassification of two P-posts needs to be fast-tracked and accompanied by enhanced financial resources linked to the ongoing programmatic approach as this will enhance the response capacity.

- To achieve Expected Accomplishment 1, there is a need to support the current analysis of the housing sector in selected countries by capacity-building and funding mechanisms through donors and domestic sources.
- In order to more effectively respond to the challenge of increased forced evictions world-wide, UN-Habitat is planning to establish a global forced eviction monitoring network, building on the work carried out by the Advisory Group on Forced Evictions since 2004.
D. Environmentally sound basic urban infrastructure and services (Focus Area 4)

Strategic result: Expanded access to environmentally sound basic urban infrastructure services with a special focus on the unserved and underserved populations

**Progress on indicator:**
(a) Numbers of people in target communities with access to environmentally sound basic urban infrastructure services.
Baseline 2008: 750,000.
Targets: 2009: 1.0 million; 2011: 1.3 million; 2013: 1.6 million.

The total number of people benefitting from interventions of the water and sanitation programme in Asia, Africa and Latin America by the end of October 2009 stands at 1.03 million, an increase of 207,000 since May 2009.

During the reporting period an additional 108,000 persons have benefited from improved solid waste management services under the Lake Victoria Region Water and Sanitation Initiative. Another 12,000 benefited from access to safe water and 15,000 to basic sanitation. In Nepal alone, the additional number of people benefitting from the programme interventions during the last four months (July – October 2009) stands at 45,000. These are in addition to the 70,000 already benefitting from the programme in 14 small towns of the country.

**Expected Accomplishment 1: An enabling policy and institutional framework promotes expanded access to environmentally sound urban infrastructure and services**

<table>
<thead>
<tr>
<th>Indicator of achievement</th>
<th>Progress/accomplishments</th>
</tr>
</thead>
</table>
| (a) Number of countries progressively adopting relevant policies that aim to expand access to environmentally sound urban infrastructure and services | **Progress on indicator:** The number of countries progressively adopting relevant policies that aim to expand access to environmentally sound urban infrastructure and services have reached 31 (13 in Asia, 3 in Latin America and the Caribbean and 15 in Africa), up from 28 in May 2009.**

**Achievements:**
- **In Nicaragua,** through the Solid Waste Management Programme (SWM) UN-Habitat has, in close collaboration with AECID, the Spanish Development Cooperation, contributed to the development of new policy directives and planning standards in solid waste management with the municipality of Managua.
- **In Iraq,** UN-Habitat supported the Ministry of Housing and Construction and Ministry of Municipalities and Public Works in drafting the National Development Plan 2011 – 2014 chapters on Housing and Construction and Water and Sanitation, Essential Services (including access to environmentally sound basic urban infrastructure services), through discussions by video conference and interactive sharing of drafts.
- **In Mali,** in collaboration with WaterAid Mali, an assessment of water and sanitation situation in five sub districts has been completed and an action plan developed. This document is to serve as a basis for different municipalities to develop different projects and seek support from external sources.
(b) Number of institutions in target countries progressively adopting institutional mechanisms that expand access to environmentally sound urban infrastructure and services

Baseline 2008: 75 institutions.  
May 2009: 81 institutions.  
Targets: 2009: 92 (revised from 81); 2011: 93 institutions; 2013: 105 institutions

**Progress on indicator:**
By October 2009, the total number of institutions in target countries partnering with UN-Habitat towards expanding access to environmentally sound urban infrastructure and services has risen to 92, up from 81 in May 2009. Of these, four are in the Lake Victoria region (three in Kenya and one in Tanzania). In India, four municipal corporations, one state level public health department, and one district Urban Development Authority are institutionalizing pro-poor water governance within its operations and management.

**Achievements:**
- In Bolivia, UN-Habitat is supporting the government in the development of a peri-urban water and sanitation strategy financed by the Inter-American Development bank (IADB). A master plan for this is being developed in four urban centres of the country to identify investment needs to expand access to services in these major cities.
- In Nepal, improved water governance is being institutionalised in three municipalities and 14 small towns through UN-Habitat’s interventions benefitting 30,000 individuals, a step towards provision of improved and affordable water and sanitation services to the target community.
- Support is being provided for a capacity building programme to strengthen the institutional capacity of two service providers, one in Kenya and one in Tanzania, resulting in an increased access to affordable water and sanitation services. A capacity enhancement programme also started to build the capacity of two town councils in Kenya to improve the delivery of solid waste management services.
- In India, four municipal corporations, one state level public health department, and one district Urban Development Authority is institutionalizing pro-poor water governance expected to benefit a population of 100,000.
- UN-Habitat supports the Somaliland Municipal Association and the Land and Urban Management Institute (Somaliland), as well as eleven local authorities, in the development of increased efficiency in service delivery, enhanced coverage, and general improvement of urban infrastructure and basic services, in particular in solid waste management. In Hargeisa city, the coverage and access to garbage collection services has doubled in the course of 2009, thanks to a joint solid waste management intervention by UN-Habitat, the Italian NGO CESVI and Hargeisa municipality.

**Expected Accomplishment 2: Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure services**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Preliminary baseline 2009</th>
<th>Targets 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Percentage of service providers recovering at least 95% operation and maintenance cost of services</td>
<td>33%</td>
<td>40%</td>
</tr>
<tr>
<td>(b) Percentage of consumers of targeted UN-Habitat partner service provider organizations reporting satisfaction with services provided</td>
<td>95.7%</td>
<td>90%</td>
</tr>
</tbody>
</table>

**Progress on indicators:**
(a) The preliminary baseline indicates that two out of six service providers supported by UN-Habitat are recovering at least 95% of their operation and maintenance cost. An adjusted baseline incorporating additional service providers will be presented in the next progress report.

(b) Refer to tentative baseline from India below.

**Regional achievements:**
A report prepared by Water Operators Africa on “Africa on Utility Performance Assessment” with support of Global Water Operators (GWOP) Alliance of UN-Habitat for 134 utilities in 35 countries in Africa shows that, on an average, utilities provide water to about 65% of the population within their area of operation and sanitation service to only 35%. The findings also point out that these utilities have 33% production losses. These findings would form a basis for GWOP to develop capacity development plans in collaboration with the participating utilities.

**Country achievements:**
- UN-Habitat is supporting six water utilities in the Lake Victoria region to improve their financial and operational performance. Steady progress is being made towards recovering operation and maintenance costs with two of these
### Expected Accomplishment 3: Enhanced consumer demand for efficient and environmentally sustainable basic urban infrastructure and services

<table>
<thead>
<tr>
<th>(a) Percentage of consumers ranking basic urban infrastructure services in the first three of their priority of needs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline and targets being collected</strong></td>
</tr>
<tr>
<td>(b) Percentage of initiatives with a difference in the price of basic urban infrastructure services paid by the poor vis-à-vis the rest of consumers in selected communities</td>
</tr>
</tbody>
</table>
| **Baseline:** 25%  
**Target 2011:** 22%  
**Target 2013:** 20% |

### Progress on indicators:

- Based on a preliminary baseline, one out of four (25%) UN-Habitat supported initiatives in India, the poor pay a differential water tariff.

### Achievements:

- UN-Habitat’s awareness raising and capacity building is expected to influence and generate increased demand for affordable water and sanitation services at the community level. For example, in Mexico a “WATSAN Citizen Observatory” has been established seeking to build capacities among citizens and empower them, aiming for an increased grass root demand for better water and sanitation services in peri-urban areas.
- In India, for the reporting period five community managed water supply schemes are being sustainably run, providing improved services to around a population of 22,000.
- In four cities of Madhya Pradesh, India, consumer demand of water is more than 90%, (of the sample) toilets more than 70% followed by solid waste management more than 50%. In only one city out of the four, the poor pay off a differential water tariff.
- In Ethiopia (Harar town), the demand for rain water harvesting schemes in schools has increased as a result of demonstration schemes under the programme. The Bureau of Education and local government are leading an initiative to mobilize resources to support the expansion to other schools.
- In Bolivia, through a UN-Habitat sponsored workshop, local political and community leaders expressed willingness to contribute their own resources (cash and kind) towards remediation and prevention of pollution in the major river of the country; Rocha River.
**Opportunities**

- In **Bolivia**, under the new constitution, a new water and sanitation law will be discussed that would benefit different stakeholders in partnering with the public sector and other partners for provision of sustainable and affordable water and sanitation services to the community.
- The decentralization of authority to the grass root level occurring within a number of partner countries would facilitate the continued development of community managed water and sanitation programmes.
- Interest of **European Investment Bank (EIB)**, to fund programme in additional larger towns in the Lake Victoria region.
- In **Nepal**, expansion of poverty mapping to all municipalities would identify additional opportunities for interventions in other towns of the country under the programme.
- Increased opportunity for collaboration in **India** with the state of Madhya Pradesh under Integrated Urban Sanitation Programme.

**Challenges and threats**

- The down turn in the world economy is already affecting the funding base of the Water and Sanitation Trust Fund, limiting its expansion into new areas through additional partnerships and developing programmes. Lack of multi-year funding by traditional donors for the Water and Sanitation Trust Fund constrains long term development programmes. Earmarking of contributions by donors to specific projects limits flexibility of utilizing funds in areas of need and greater impact.
- Political transition in **Nepal** presents both a challenge in the short term to an opportunity in the long term.

**Next steps – priorities for 2010**

- Under the Lake Victoria programme - to complete capacity building programmes for service providers in ten towns to ensure their financial and operational viability; expand basic infrastructure services (water, sanitation and solid waste management) to another 250,000 persons; mobilize at least another US$100 million in partnership with the East African Community and the African Development Bank to scale up the programme to another 15 towns with an aggregate population of about 750,000 persons.
- To carry out an impact study of two country programmes, **Nepal** and **Kenya**, that include a global gender mainstreaming study, identifying the progress that the programme has made towards achieving its objectives and demonstrated impact on the ground. The study is also to propose necessary adjustments to the approach of the programme for increased effectiveness and efficiency.
- To sign an MOU with the **Bolivian** government, to further facilitate the operation of UN-Habitat at the country level.
- Improved communication strategy for the Water and Sanitation programme, to serve as a basis for resource mobilization for the programme in line with the resource mobilization guiding principles, hopefully to minimise resource crunch impact on programme activities and further expansion and consolidation.
E. Human settlements finance systems (Focus Area 5), including ERSO

Strategic result: Increased sustainable financing for affordable and social housing and infrastructure

<table>
<thead>
<tr>
<th>Progress on indicators:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Increased financing for sustainable and inclusive cities</td>
</tr>
<tr>
<td>Data on this indicator will be composed of figures of indicators for Expected Accomplishment 1 (a) and Expected Accomplishment 2 (a) (b).</td>
</tr>
<tr>
<td>(b) Increased number of households with improved housing and infrastructure</td>
</tr>
</tbody>
</table>

| Slum Upgrading Facility: Baseline in 2008: 0 |
| Targets: 2009: 128; 2014: 8,953 |

| ERSO: Baseline in 2008: 0 |

The number of households with new or improved housing and infrastructure is expected to reach 128 for SUF while a total of 2,000 will be achieved through ERSO investments by the end of 2009.

<table>
<thead>
<tr>
<th>Expected Accomplishment 1: Financing raised for and increases recorded in affordable and social housing stock and related infrastructure</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Indicator of achievement</th>
<th>Progress/accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Value of commercial loans, government subsidies and donor grants made available for projects financing affordable housing, upgrading and basic infrastructure in targeted countries and communities.</td>
<td></td>
</tr>
<tr>
<td>Total programme deployment: Baseline for ERSO in 2008: 0</td>
<td></td>
</tr>
<tr>
<td>Targets: 2009: USD 770,000; 2010: 3 million</td>
<td></td>
</tr>
<tr>
<td>Baseline for SUF 2008: Zero</td>
<td></td>
</tr>
<tr>
<td>Targets: 2009: USD 1.5 million; 2010: USD 3.5 million</td>
<td></td>
</tr>
<tr>
<td>(b) % of housing loans by domestic banks and micro-finance institutions going to lower-income deciles and / or people with informal incomes</td>
<td></td>
</tr>
<tr>
<td>Baseline and targets to be set in 2010.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Progress on indicators:</th>
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<tbody>
<tr>
<td>(a) Two ERSO loan transactions have been signed (Tanzania for $500,000 and Bangladesh for 214,286). Disbursement of USD 714,286 expected before end December 2009. Leverage of ERSO funds expected to be a total of 6.7 times in these two transactions. Five further ERSO loan transactions are expected to be signed by end Dec 2009 projects in Kenya, Uganda, Palestine, Nepal and Nicaragua. In 2010, disbursement for these projects is currently expected to be USD 2,325,000 with leverage of 198 to 1.</td>
</tr>
<tr>
<td>For SUF, 39 pipeline projects show potential leverage of 3.5 to 1 for credit enhancement funds and have a value of over USD 19 million. For the four current active projects, (2 in Ghana, 1 in Sri Lanka and 1 in Indonesia), a value of $1,078,254 has been leveraged to date, just above the target of 1 million.</td>
</tr>
<tr>
<td>(b) This is a new indicator. The process of identification of data sources is ongoing. Baselines and targets to be set by May 2010.</td>
</tr>
</tbody>
</table>

Achievements

- UN-Habitat undertook extensive in Focus Area 5 (the Urban Finance Branch), redefining the expected accomplishments and indicators that will lead towards financial clarity and fiscal responsibility to increase sustainable financing for affordable housing and infrastructure, and thus help the maximum number of households to live in improved conditions.
- Work over the last few months in FA5 has been focused on due diligence and development of partnerships at the project level in a variety of countries (Argentina, Bangladesh, Ghana, Indonesia, Kenya, Nepal, Nicaragua, Palestine, Sri Lanka, Tanzania and Uganda). The result will be “bankable” projects in these countries that will then be implemented through the Urban Finance Branch ERSO and SUF programme approaches.
- UN-Habitat has continued to improve its role as a catalyst for domestic investment capital and savings through the provision of seed capital and other innovative financial mechanisms, including credit enhancements and technical assistance in comprehensive and structured financial packages:
- Three Local Finance Facilities (two in Ghana and one in Sri Lanka) have been capitalized and have projects underway. Three further Local Finance Facilities
(two in Indonesia and one in Tanzania) are under development. All six have strong boards and are under review to improve legal, staffing and financing arrangements. Projects under development show strong anticipated leverage of private, government and community inputs to credit enhancement funds of 3.5 to 1, and new partnerships with financial institutions. Government inputs have been pledged at over $2 million towards SUF and Local Finance Facility activities.

<table>
<thead>
<tr>
<th>Expected Accomplishment 2: Increase in activities in municipal finance and affordable housing finance (globally, excluding OECD countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Level of municipal finance sector activity</td>
</tr>
<tr>
<td>Baseline and targets to be determined and set in 2010.</td>
</tr>
<tr>
<td>(b) Level of affordable housing finance sector activity</td>
</tr>
<tr>
<td>Baseline and targets to be determined and set in 2010.</td>
</tr>
<tr>
<td>Progress on indicators:</td>
</tr>
<tr>
<td>Data sources have been identified for tracking and reporting on progress for indicator (a) and (b). Analysis and regular reporting will start in 2010.</td>
</tr>
<tr>
<td>Key Achievements:</td>
</tr>
<tr>
<td>- UN-Habitat is working with a variety of key partners to develop municipal finance, infrastructure and affordable housing projects in Thailand, Laos, the Caribbean, Ghana, Indonesia, Sri Lanka and Tanzania, among others.</td>
</tr>
<tr>
<td>- Through the research and project pipeline development for both SUF and ERSO, borrower financing literacy capacity needs will be identified so that programmes can be developed in 2010, expected to reach ten countries by the end of the MTSIP period.</td>
</tr>
</tbody>
</table>

**Opportunities**

- To integrate the Local Finance Facility activities into the Urban Finance Branch community development loan approach with strong financial oversight.
- To leverage greater amounts of funds from banks and other sources (government, communities) for slum upgrading projects.
- To expand both SUF and ERSO globally including the roll out of prototype Local Finance Facilities with Millennium Cities in Africa as a first step.
- To further develop and expand the pipeline of housing finance projects and expand opportunities for municipalities and infrastructure finance.
- To develop new partnerships with local and international finance institutions.

**Challenges and threats**

- For SUF, how quickly and efficiently the due diligence, review and restructuring can take place to ensure Local Finance Facility projects do not lose momentum on the ground.
- For both SUF and ERSO, whether or not the programmes will be approved for long-term activity by the Governing Council.
- Whether or not sufficient trained development banking personnel can be found and sufficient resources can be secured to put the necessary staffing and systems in place.
- For SUF, changes to Local Finance Facility processes required by donors in country may create delays or difficulties at the local level.
- Reputational risk from perception of inefficiency in the SUF programmes; there is a risk that the value of work done to date in the SUF programme will be lost unless reputational issues can be addressed. This is being done through a thorough de novo review and due diligence process by Urban Finance Branch banking and transactional staff and deeper incorporation of the SUF programme into Urban Finance Branch operations, with results shared with all donors.
- Achieving new round of ERSO funding to increase portfolio to self-sustaining size.
Next steps – priorities

- A strong catalytic revolving loan portfolio (ERSO) with at least 50:1 leverage (ERSO) (present leverage is 198:1), assisting up to 2,000 households by end 2010 and 30,000 households by 2014 to obtain shelter and infrastructure at both affordable and social housing income levels. ERSO funds should be self-sustaining.
- A strong group of Local Finance Facilities which meet the programme target criteria of achieving 3:1 private sector leverage, 1:1 government contribution leverage, and that assist up to 1,500 households in total by 2010 to obtain new or improved shelter and infrastructure at social housing or bottom of the pyramid levels. Local Finance Facilities will be capable of moving forward as self-sustaining small sized specialty financial institutions in their local markets.
F. Excellence in management (Focus Area 6)

**Strategic result:** UN-Habitat delivers MTSIP planned results effectively and efficiently

**Progress on indicators:**

(a) *Score on organizational efficiency and effectiveness from staff survey*

*Baseline 2009: 2.7*

*Targets 2011: 2.8; 2013: 2.9*

On the Organizational Effectiveness Indicator staff survey tool, which incorporates elements of organizational efficiency and effectiveness (27 questions on purpose and direction, learning, innovation and change, external relationships, effective processes, resource management, and accountability), the overall score from the survey conducted in September 2009, was 2.7 on a scale of 1 to 4, where 1 indicates a “clear need for increased development” and 4 indicates “high level of development”. UN-Habitat therefore scores between “basic level of development” and “moderate level of development”. A total of 456 respondents participated with a response rate of 70%.

(b) *Score on organizational performance from external evaluations (qualitative indicator)*

*Pre-MTSIP baseline: In-dept review of UN-Habitat by OIOS (2005) concluded that UN-Habitat was mainly output driven and that an overall corporate framework is lacking. 2009: Assessment – Excellence in Management (June 2009) commissioned by Norway concludes the following positive changes:* (a) MTSIP provides an overall new corporate vision; (b) MTSIP has introduced a new drive and motivation among staff; (c) The results framework has contributed to better alignment and integration between divisions. Focusing on results has led to an increased understanding of the need for collaboration and less fragmentation; (d) The Habitat Country Programme Documents represent a basis for joint programming and fund raising. Evidence exists of integration of UN-Habitat in joint UN efforts; and (e) There is a better understanding of the normative role within the organization. *Constraints highlighted indicate that the investment in executive direction and support to the reform process seems to have been insufficient and that there is still weak capacity for roll-out of the results based management system – in particular for data collection, analysis and feedback to planning.*

*Target: future evaluations conclude increased outcome orientation compared to the 2005 OIOS review, and notes improved executive support to the reform process as well as increased capacity for results-based management.*

**Expected Accomplishment 1: Staff are empowered to achieve planned results**

<table>
<thead>
<tr>
<th>Indicator of achievement</th>
<th>Progress/accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Percentage of staff whose skills set are aligned with their MTSIP compliant job description</td>
<td><strong>Progress on indicator:</strong> A preliminary assessment of skills that have been identified as necessary to meet the objectives of the MTSIP show that around 60% of professional staff have their skills aligned with the MTSIP. The completion of the staff skills survey before the end of 2009 and the subsequent gap analysis will give us a clearer picture of the actual percentage of alignment by end of Q3, 2010 with targets for current and future skills required defined thereafter.</td>
</tr>
</tbody>
</table>
| January 2009 preliminary baseline: 60% of professional staff | **Achievements:** 
- Significant review and classification of posts undertaken to enhance and align specific job descriptions with the MTSIP requirements. Where appropriate, MTSIP-compliant generic job descriptions were developed to guide the preparation of classifications. Division Directors have been requested to ensure that all posts have MTSIP compliant job descriptions by the end of the year (57 per cent completed as of 31 Oct 2009, up from 20 per cent in January 2009, with a target 90 per cent by 31 Dec 2009). 
- Issued Quick Guides for (i) Preparing MTSIP-compliant Job Descriptions, and for (ii) Classifying/Reclassifying Posts with the aim of expediting the recruitment process.
- Job Description Database containing information on generic and specific job descriptions, post classification documents, and post validation, has been completed and fully functional.
- UN-Habitat separation package made available to UN-Habitat staff members |

Targets to be set.
who are willing and eligible to participate. This will be implemented in accordance with the standard of the UN Charter and in the interest of the organization guided by UN policy.

**Progress on indicator:**
In September 2009, 57.9 per cent of staff reported that information and knowledge sharing had improved in the last 12 months. The total score for information and knowledge sharing on the organizational effectiveness indicator is 2.5 on a scale from 1-4, of which 4 is the highest. This means that information and knowledge sharing is lower than the overall organizational effectiveness score of 2.7, and needs to be further improved.

**Achievements:**
- **Improved staff communication:** Intranet mirrored at the Hague, Netherlands, to provide faster access to staff in the field, and security standards applied to prevent hacking and unauthorised access. Two UN-Habitat offices (Amman and Geneva) have been surveyed and ready to be connected to UN-Habitat Standard email system and common Lotus Notes applications.
- **Improved induction:** Interviews with selected new staff held to identify information and knowledge gaps and results used for the new induction programme held in September 2009 for 27 new staff, and is to be repeated every quarter.
- **Knowledge and information management:** (a) Organization-wide file plan for UN-Habitat Headquarters to facilitate filing and retrieval of official documents finalised and shared network drive structured according to the file plan, and mechanism to give access to incoming staff to appropriate directories of shared drive agreed. (b) Consultant to develop information and knowledge management strategy identified and briefed to start work in November 2009.

**Progress on indicator:**
Baseline for completion of selected business processes has been analyzed and targets set for the remaining MTGIS period. For recruitment through Galaxy, the average number of days from announcement to selection was 265 days in 2008 (289 for professionals and 237 for GS). This has significantly reduced so far in 2009 to 177 – closer to the 2009 target of 170. For IT, the average procurement time was 67 days. Just 3.5 days are associated with the UN-Habitat approval process, the rest lies with UNON. UN-Habitat is now exploring ways to improve the management of this service contract with UNON to reduce delays and improve efficiency. As for Cooperation Agreements, the average time for approval in 2008 was 11.6 days. Figures for 2009 will be provided in the next progress report. For the review of project documents through the Programme Review Committee, the average time was nine days in 2008. So far in 2009, the average time has been reduced to 8.5 days. The staff survey conducted in September 2009 indicates that 52.4 per cent of staff consider that overall business process effectiveness has improved over the last 12 months.

**Achievements**
- Online tools developed to facilitate increased efficiency in business processes include: (i) Cooperation Agreement System now undergoing user testing and validation; (ii) Up to date web page on administrative procedures and guidelines; and (iii) E-log for correspondence management being piloted by one Division.
- New project brief and project document templates finalised to support the implementation of the enhanced programme review mechanism.
- Cooperation Agreement template has been revised to reflect changes in the audit requirements.
- Delegation of authorities at the regional and divisional levels issued for signing project documents and revisions:
  - Up to $100,000 - RTCD Regional Directors
  - Up to $500,000 - Division Directors/Officer-in-Charge
  - Up to $1,000,000 - PSD Director
Programme Review Committee review  
Baseline 2008: 9  
Targets 2011: 8; 2013: 8.  

<table>
<thead>
<tr>
<th>• No limit - Executive Director/Deputy Executive Director</th>
</tr>
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</table>

Challenges

- Launch of staff skills inventory for identifying gaps has been delayed due to delays in procurement of licenses for platform.
- Broader UN Reform initiatives sometimes present challenges, and alignment between these and with MTSIP is sometimes necessary e.g., UMOJA, Inspira, IPSAS.
- Further delegations of authority are dependent on the final re-design of business processes and supporting accountability tools, which are yet to be in place.

Next steps

- **Business processes and oversight**: Develop guidelines on the implementation, management, reporting, and oversight mechanisms for monitoring compliance to delegated responsibilities; Phased approach for the roll-out and implementation of the Standard Operating Procedures for project review and approval, travel planning and approval, cooperation agreements, including briefing sessions, and training on online tools; Accountability Framework to be in place by end of 2009 develop an audit trail in the systems/databases, and set-up of the Cooperation Agreement Review and Advisory Committee to establish quality standards and oversight mechanisms.
- **Human resources**: Completion of the enhancement of specific job descriptions for all UN-Habitat posts. Consultant will be on board in November 2009; Launch the staff skills inventory database; Completion of the skills mapping by end of 2009. Perform a current and future skills gap analysis; Development of a Human Resource Development Plan to promote learning and development; Implement Inspira in line with the UN Reform initiatives; Development of the TOR for the e-PAS review committee and its establishment by March 2010; HR Management Information Reporting system to create a single repository of HR data including field staff; Deployment of the consultant/expert roster.
- **Information and knowledge management**: Knowledge management strategy and implementation plan in place; Roll-out of administrative applications to outposted offices.

Expected Accomplishment 2: Institution aligned to deliver MTSIP results

(a) Percentage of staff reporting increased horizontal collaboration (inter-divisional, inter-focus area)

Baseline 2009: 2.5  
Targets 2011: 2.7; 2013: 2.9.

(b) Number of key restructuring decisions implemented as recommended by organizational review

Baseline: organizational review not yet approved.  
Targets 2013: 100%

**Progress on indicators:**

(a) In September 2009, 65 per cent of staff reported that collaboration across units and divisions had improved over the last 12 months. 61 per cent reported that collaboration between Nairobi Headquarters and outposted offices had improved over the same period. Of a scale from 1-6, internal collaboration scored 2.5 on the organizational effectiveness index with 4 being the highest. This is lower than the overall organizational score of 2.7.

Achievements:

- The assessment of Excellence in Management (June 2009), commissioned by Norway, concluded that the normative role of the organization was better understood, the MTSIP results framework has contributed to better alignment and integration between divisions, and that the increased focus on results has led to an increased understanding of the need for collaboration and less fragmentation.
- In response to the recommendation for top level management to provide proactive leadership and coordination across Divisions for the MTSIP implementation, measures are being considered.
- Further elaboration of the Focus Area Policy/Strategy papers for the five substantive focus areas has been undertaken with strong participation of Regional Offices, resulting in a better integrated strategy as to how to deliver MTSIP results with interdivisional synergies.
- The draft MTSIP Roadmap 2009-2013 has been developed and, once operational, will further strengthen inter-divisional and inter-focus-area collaboration with clear targets, allocation of roles, responsibilities, and accountabilities tied to timelines.
- Written inputs are being received putting forward positions for consideration for organizational review and restructuring to facilitate MTSIP implementation.
- Review of the governance of UN-Habitat has been initiated with a view to
Challenges

- While the MTSIP results framework has provided a solid direction for inter-divisional collaboration, strengthened institutional mechanisms, such as the new Programme Review Committee, are still required for systematic linkages between Focus Areas and Divisions for effective implementation of MTSIP.
- Clarifying all tasks and setting timelines for the MTSIP Roadmap (update of the MTSIP Action Plan) has been an extensive task requiring proper analysis of desired actions to be taken, and has required more time than initially anticipated.

Next steps

- Establishment of the division for External Relations.
- Finalization of the institutional review and MTSIP Roadmap; continuation of the governance review.
- Strengthened and systematic inter-divisional coordination in project formulation through application of the revised Programme Review Committee mechanism.
- Restructuring proposals to be requested from the respective divisions in preparation of the 2012-2013 work programme and budget.
- Interlinkages and collaborations between the divisions to be clearly defined in support of the MTSIP Focus Areas.
- An operational results delivery framework articulating the responsibilities, accountabilities and interlinkages between headquarters, regional offices, liaison offices and field offices to be developed.

Expected Accomplishment 3: RBM principles applied

(a) Percentage of programmes and projects that are contributing to focus area results

Baseline: 2008: 95%
Targets: 2011: 58%; 2013: 100%

(b) Willingness to be held accountable for MTSIP results (1-4 scale):

Baseline 2009: 2.8
Targets: 2011: 2.9; 2013: 3.0

Progress on indicators:

(a) All 122 projects approved in 2008 have been substantively analyzed by an external consultant, concluding that 95 per cent were fully aligned to the MTSIP focus area results.
(b) As an indication on overall results orientation of the organization, the organizational effectiveness indicator tracks willingness to be held accountable for MTSIP results. The overall score in September 2009 is 2.82 (on a scale of 1 to 4 where 4 indicates “high level of development”). This score is better than the overall effectiveness score of the organization of 2.7.

Achievements:

- **Planning for results:** The Guide for the strengthened programme review mechanism was completed and endorsed by the MTSIP Steering Committee. The new programme review mechanism was launched in October 2009 with new templates for project briefs and project documents integrating results and improved performance measurement requirements.
- **Performance measurement:** (a) An improved system of systematically collecting performance data from the country level for MTSIP implementation was put in place in October 2009, and the data is reflected in the indicator data provided in this report. (b) The Organizational Effectiveness Survey was conducted in September 2009. Action plans to respond to the survey results are being developed. The survey will be repeated in 2011 and 2013 to measure progress.
- **Capacity development:** Staff in the Latin America and Caribbean participated in a course on planning, monitoring, evaluating and reporting on MTSIP results from 26-29 October 2009. Staff in outposted offices in three regions have now been trained. As a result, the performance data for this progress report has improved compared to the June 2009 progress report. Orientation on the new PRC and RBM has commenced with senior management and some programme staff.
- **Evaluation:** (a) An evaluation recommendation tracking database has been put in place to track implementation of evaluation recommendations every six months. (b) the Review of WUF sessions 2002-2008 was completed in September 2009 and will inform future WUFs. (c) Several strategic evaluations/reviews are under way, including the MTSIP Peer Review process, the GLTN evaluation, and the Water and Sanitation Trust Fund evaluation.
- **Reporting:** In July 2009, Department of Management of the UN Secretariat
ranked UN-Habitat fourth out of 32 entities in the UN Secretariat as regards IMDIS reporting, the mandatory monitoring and reporting database of the UN Secretariat. Management has decided to use IMDIS as a basis for future Country Activities Report, Annual Activities Report and the Quarterly activities report.

### Challenges

- Need to further harmonize reporting templates and processes to reduce transaction costs and retain and build performance measurement commitment among staff.
- The attempt to assess the level of contribution of projects to focus area results is being done retrospectively because indicating the focus area into which a project fell was not a requirement of the project development and approval process in 2008 and most of 2009.

### Next steps

- An orientation on results based planning and the new programme review mechanism for all staff.
- Finalize strategic framework for 2012-2013 that is under preparation completely aligned to the MTSSIP focus area results.
- Consolidate and further develop performance measurement systems and link to accountability mechanisms. As a follow-up to the assessment of Excellence in Management (June 2009), develop a strategic evaluation plan to ensure a better balance between quantitative and qualitative data to inform strategic management.
- Finalize the MTSSIP Road Map refining timelines for key tasks in Excellence in Management.
- Portfolio review of all activities and projects within substantive focus areas of the MTSSIP including finalization of assessment of alignment of projects with MTSSIP results.
- Implement follow-up action plans to the staff survey.

### Expected Accomplishment 4: Financial resources to deliver MTSSIP results available

(a) Degree to which resource targets for non-earmarked and earmarked funding are met

<table>
<thead>
<tr>
<th>Non-earmarked (million USD):</th>
<th>Baseline 2008: 19.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targets: 2009: 21.5; 2010: 28.5; 2011: 28.5; 2012/2013 targets to be set in work programme and budget</td>
<td></td>
</tr>
<tr>
<td>Earmarked (million USD):</td>
<td>Baseline 2008: 133.4</td>
</tr>
<tr>
<td>Targets: 2009: 99.5; 2010: 126; 2011: 126; 2012/2013 targets to be set in work programme and budget</td>
<td></td>
</tr>
</tbody>
</table>

(b) Percentage of (earmarked/ non-earmarked) resources allocated to MTSSIP focus area priorities

| Baseline 2008/2009: 61% (earmarked) / 80% (non-earmarked), Targets: 2010/2011: 74% (earmarked) / 100% (non-earmarked); 2012/2013: being developed (earmarked) / 100% (non-earmarked) |
|-----------------------------|---------------------|

(c) Degree of transparency resource allocation decisions

| Baseline 2009: 2.3 | 2011: 2.5 | 2013: 2.7 |

### Progress on indicators:

(a) For non-earmarked funds, the resource target for 2008 was not fully met reaching US$19.9 million of the US$21.5 target (93 per cent). For 2009, US$13.9 million has been received so far, being the projection for the year US$ 21 million, representing 98% of the target of US$21.5 million. For earmarked resources, the target was exceeded by 136 per cent in 2008. For 2009, US$86.7 million has been received as of October – representing 87% per cent of the target.

(b) For the current biennium, it is assessed that 61 per cent of earmarked and 80 per cent of non earmarked resources is allocated to MTSSIP focus area priorities.

(c) The overall score on the organizational effectiveness indicator element on transparency in resource allocation from the September 2009 staff survey is 2.3 (on a scale of 1-4 where 4 is the highest). This score is lower than the overall organizational effectiveness score for the organization, which is 2.7, indicating that specific attention is needed.

### Achievements:

- Consultant recruited to validate the contribution of programmes and projects to the MTSSIP Focus Areas priorities.
- Mechanism to facilitate increased transparency in resource allocation initiated (2010-2011 work programme and budget resource allocation exercise has commenced to improve transparency in resources allocation decisions).
- The noted shift in a number of donors (Sweden, Norway) aligning their multi-year framework agreements primarily in respect of earmarked contributions to the MTSSIP focus areas has contributed to the increased percentage of resources allocated to MTSSIP focus areas. Potential multi-year funding framework agreements being discussed with Spain, Italy and Portugal.
- A Resource Mobilization Implementation Plan 2010-2013 has been developed. It is presently under review internally before being distributed to the CPR members for their comments.
- A new catalogue "UN-Habitat Products and Services” published and widely distributed internally, including to out-posted offices and to all CPR members.
- Prototype for the resource mobilization system with donor profiles is finished, with phased roll-out.
Challenges

- As in the last reporting period, application and enforcement of Guiding Principles in resource mobilization remains a major challenge. Failure to comply with the resource mobilization Guiding Principles continues to project a fragmented image of the organization to the external world rather than a corporate one, thus preventing to overcome the silo culture image and jeopardizing the implementation of the resource mobilization strategy through better coordinated efforts.
- Donors’ preference for earmarked funding coupled with the global financial crisis remains a challenge. The lack of funds for implementation of Habitat Country Programme Documents is of particular concern.

Next steps

- **Resource mobilization**: To finalize and enforce the resource mobilization strategy, including the guiding principles through an adequate action leading to a more direct involvement of substantive Divisions and officers; To carry out an in-depth analysis on new donor trends in the funding of the urban agenda to inform future fund raising efforts; and Success stories and presentation package for non conventional donors to be initiated before the end of 2009 in order to move as rapidly as possible beyond traditional sources of funds and fund raising systems.
- **Budgeting and resource allocation**: To make improvements in the grant management database to further enhance tracking the contribution of programmes and projects to MTSIP Focus Area results; Prepare a strategy paper and guidelines on participatory planning and budgeting in preparation for the 2012-2013 work programme and budget; and foster transparent budgeting and resource allocation through automation.
- **Strategic Framework**: Finalize preparation of the 2012-2013 Strategic Framework (once the instructions are received from the UNHQ) which will be fully aligned to the MTSIP focus area results.
- **Capacity Building**: Continue with the orientation training on the PRC mechanism and RBM for all staff. Finalize training materials and post them on the intranet.

V MTSIP resources and utilization

7. **US$15 million** was approved to kick-start the implementation of the MTSIP for the initial period, 2008-2009. The contributions received to date amount to **US$10.5 million** and unpaid pledges amount to approximately **US$4.8 million**. Of this amount, an allocation of **US$11 million** has been made for the implementation of the MTSIP during this biennium of which **US$7.4 million** (approximately 70 per cent) had been expended as at 31 October 2009. Of the **eighteen** professional posts approved for MTSIP, **eleven** have been filled, up from **five** in May 2009, and **five** are at various stages of recruitment. Recruitment for the remaining **two** posts has not yet been initiated due to lack of predictable funding for the minimum contractual period of two years.

VI Strategic direction ahead

8. From the report there are positive indications of progress. However, there are areas where progress is slow and concrete actions are needed. As for the current reporting period, this particularly applies to the focus area of Excellence in Management. Several actions have been taken that have strengthened the foundation for results-based management. The Secretariat will pay special attention to these follow-up actions to keep the MTSIP implementation on track:

- Roll-out the **MTSIP Roadmap 2009-2013** (revising and updating the MTSIP Action Plan 2008-2013). This will be a key deliverable for the organization in the second half of 2009. This process will define steps to be taken with clear targets, allocation of roles, responsibilities, and accountabilities tied to timelines. The Secretariat expects to present the MTSIP Road Map 2009-2013 to the CPR in its regular session in March 2010.
- Further review of **institutional and management arrangements** to facilitate achievement of MTSIP results. This includes the MTSIP Peer Review to be presented to the CPR in March 2010.
• Continue the governance review process in collaboration with the CPR.
• Continue to invest a significant amount of human and financial resources in performance measurement systems, particularly data collection, analysis, and effective use of performance data for decision making and accountability.
• Implement action plans for the staff survey follow-up to enhance institutional effectiveness.
• Apply results based budgeting: adjust the budgeting and expenditure tracking to the MTSIP results framework to better link resources to results.
• Align the 2012-2013 work programme and budget with the MTSIP: To ensure alignment between the biennium work programme and MTSIP, expected accomplishments and indicators of achievements will be derived from the MTSIP results framework.
• Operationalize improved business processes and issuance of instructions for further delegation of authority within an accountability framework.
• Follow-up and implementation of the recommendations of the review of WUF sessions 2002-2008, and implementation of WUF5 according to plan.
• Launch the World Urban Campaign at WUF5 in March 2009.

Annex: Results framework for MTSIP and its Focus Areas.
<table>
<thead>
<tr>
<th>MTSIP Strategic Result</th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicators</strong></td>
<td></td>
</tr>
<tr>
<td>a) Proportion of urban population living in slums in developing regions</td>
<td></td>
</tr>
<tr>
<td>b) Percentage access to piped water and sanitation services in developing regions</td>
<td></td>
</tr>
<tr>
<td>c) Percentage access to durable housing and sufficient living area in developing regions</td>
<td></td>
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</tbody>
</table>

| Focus Area Strategic Results | 1 | Improved sustainable urbanization policies from local to global levels adopted | 2 | Inclusive urban planning, management and governance (UPMG) improved at national and local levels | 3 | Improved access to land and housing | 4 | Expanded access to environmentally sound basic urban infrastructure services with a special focus on the unserved and under-served populations | 5 | Increased sustainable financing for affordable and social housing and infrastructure | 6 | UN-Habitat delivers MTSIP planned results effectively and efficiently |

<table>
<thead>
<tr>
<th>Expected Accomplishments</th>
<th>1.1</th>
<th>Improved awareness of sustainable urbanization issues at the local to global levels</th>
<th>2.1</th>
<th>Improved policies, legislation and strategies support inclusive UPMG</th>
<th>3.1</th>
<th>Improved land and housing policies implemented</th>
<th>4.1</th>
<th>An enabling policy and institutional framework promotes expanded access to environmentally sound basic urban infrastructure and services</th>
<th>5.1</th>
<th>Financing raised for and increases recorded in affordable and social housing stock and related infrastructure</th>
<th>6.1</th>
<th>Staff are empowered to achieve planned results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.2</td>
<td>Habitat Agenda partners actively participate in the formulation of sustainable urbanization policy</td>
<td>2.2</td>
<td>Strengthened institutions promote inclusive UPMG</td>
<td>3.2</td>
<td>Security of tenure increased</td>
<td>4.2</td>
<td>Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure services</td>
<td>5.2</td>
<td>Increase in activities in municipal finance and affordable housing finance (globally, excluding OECD countries)</td>
<td>6.2</td>
<td>Institution aligned to deliver MTSIP results</td>
</tr>
<tr>
<td></td>
<td>1.3</td>
<td>Monitoring of sustainable urbanization conditions and trends improved</td>
<td>2.3</td>
<td>Improved implementation of inclusive UPMG</td>
<td>3.3</td>
<td>Slum improvement and prevention policies promoted</td>
<td>4.3</td>
<td>Enhanced consumer demand for efficient and environmentally sustainable basic urban infrastructure and services</td>
<td>5.3</td>
<td>Results-based management principles applied</td>
<td>6.3</td>
<td>Financial resources to deliver MTSIP results available</td>
</tr>
</tbody>
</table>

| **Goal** | Sustainable urbanization created by cities and regions that provide all citizens with adequate shelter, services, security and employment opportunities regardless of age, sex, and social strata |
### Focus Area 1  
**Effective advocacy, monitoring and partnerships**  
**Results framework**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result</strong></td>
<td>Improved sustainable urbanization policies from local to global levels adopted</td>
</tr>
<tr>
<td><strong>Indicators</strong></td>
<td>a) Degree to which UN-Habitat is viewed as a premier reference centre for urban trends and issues</td>
</tr>
<tr>
<td><strong>Expected Accomplishments</strong></td>
<td></td>
</tr>
</tbody>
</table>
1. Improved awareness of sustainable urbanization issues at the national and global levels  
2. Habitat Agenda partners (HAP) actively participate in the formulation of sustainable urbanization policy  
3. Monitoring of sustainable urbanization conditions and trends improved |
| **Indicators** | a) Number of media articles and on Flagship reports and World Habitat day  
b) Number of downloads from UN-Habitat website  
c) Number of countries that celebrate World Habitat Day  
d) Number of countries with National Habitat Forums  
a) Number of partnerships (by category) contributing to sustainable urbanization  
a) Number of operational urban observatories (national/local) |
| **Sub-Expected Accomplishments** |  
1.1 Effective dissemination of evidence-based knowledge on urban issues  
1.2 Expanded use of evidence-based knowledge in education  
2.1 Improved awareness increase HAP participation  
2.2 HAP commit to agreed norms and principles for sustainable urbanisation  
2.3 HAP capacity in monitoring government policy and implementation strengthened  
3.1 Increased capacity for implementation of urban monitoring systems  
3.2 Increased demand for evidence-based knowledge in policy making and practice, including sex- and age disaggregated data |
## Focus Area 2
Promotion of Participatory Planning, Management & Governance
Results framework

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
</table>

### Strategic Result
Inclusive urban planning, management and governance (UPMG) improved at national and local levels

**Indicators**
- a) Number of countries promoting comprehensive UPMG, including the economy, ecology and equity dimensions of sustainable urbanization
- b) Number of crisis-prone and post-crisis cities in affected countries integrating risk- and vulnerability-reduction programming in UPMG systems

### Expected Accomplishments

<p>| | |</p>
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Improved policies, legislation and strategies support inclusive UPMG</td>
<td>Strengthened institutions promote inclusive UPMG</td>
</tr>
</tbody>
</table>

**Indicators**
- a) Number of countries whose policies, legislation and strategies incorporate sustainable urbanization principles
- b) Number of crisis-prone and post-crisis countries whose UPMG policies, legislation and strategies incorporate urban risk- and vulnerability-reduction measures

- a) Number of institutions in targeted countries that actively promote sustainable urbanization dimensions.
- a) Number of cities implementing inclusive UPMG

### Sub-Expected Accomplishments

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>2.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Improved policy analysis</td>
<td>Strengthened organisational structures and processes for UPMG</td>
<td>Improved inclusive action planning</td>
</tr>
<tr>
<td>1.2</td>
<td>2.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Policy advocacy improved, including through Campaign (see FA1)</td>
<td>Improved competencies and enhanced base of human resources for UPMG</td>
<td>Enhanced strategic partnerships for UPMG</td>
</tr>
<tr>
<td>1.3</td>
<td>2.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Increased application of best policy practices</td>
<td>Improved development of, access to and application of tools for UPMG</td>
<td>Improved management of financial resources for UPMG</td>
</tr>
<tr>
<td>1.4</td>
<td>2.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Effective policies and strategies related to UPMG, including in crisis-prone and post-crisis human settlements contexts</td>
<td></td>
<td>Improved capacity to apply UPMG, including in crisis-prone and post-crisis human settlements contexts</td>
</tr>
</tbody>
</table>
**Focus Area 3**  Promotion of pro-poor land and housing  
Results framework

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Result</td>
<td>Improved access to land and housing</td>
</tr>
<tr>
<td>Indicators</td>
<td>a) Increased number of countries implementing policies to improve access to land and housing, including crisis affected countries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Accomplishments</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
<td>Improved land and housing policies implemented</td>
<td>Security of tenure increased</td>
<td>Slum improvement and prevention policies promoted</td>
</tr>
<tr>
<td>Number of countries implementing improved policies</td>
<td>a) Number of countries implementing policies to improve security of tenure, including measures to reduce forced evictions</td>
<td>a) Number of countries implementing slum prevention and improvement policies</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sub-Expected Accomplishments</th>
<th>1.1</th>
<th>1.2</th>
<th>1.3</th>
<th>2.1</th>
<th>2.2</th>
<th>2.3</th>
<th>2.4</th>
<th>3.1</th>
<th>3.2</th>
<th>3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
<td>Govt/HAP knowledge of innovative land and housing policies and programmes improved</td>
<td>Govt/HAP capacity to promote hazard-resistant and sustainable housing construction increased</td>
<td>Govt/HAP capacity to implement land and housing policies increased</td>
<td>Govt/HAP knowledge of equitable land and housing rights increased</td>
<td>Govt/HAP capacity to achieve equitable land and housing rights strengthened</td>
<td>Govt/HAP capacity to effectively address housing, land and property in crisis-prone and post-crisis contexts increased</td>
<td>Govt/HAP utilise alternative approaches to forced evictions</td>
<td>Govt/HAP knowledge on slum upgrading and prevention improved</td>
<td>Govt/HAP capacity to develop slum upgrading and prevention policies and strategies strengthened</td>
<td>Govt/HAP supported in implementing slum upgrading and prevention policies and strategies</td>
</tr>
</tbody>
</table>
### Focus Area 4

Environmentally sound basic urban infrastructure and services

**Results framework**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result</strong></td>
<td>Expanded access to environmentally sound basic urban infrastructure services with a special focus on the unserved and underserved populations</td>
</tr>
</tbody>
</table>
| **Indicators** | a) Numbers of people in target communities with access to environmentally sound basic urban infrastructure services.  
                          b) Percentage of institutional stakeholders reporting positive perception of UN-Habitat's contribution to expanded access for the poor to basic urban infrastructure services in selected communities. |
| **Expected Accomplishments** | 1 An enabling policy and institutional framework promotes expanded access to environmentally sound urban infrastructure and services  
                                2 Increased institutional efficiency and effectiveness in the provision of basic urban infrastructure services  
                                3 Enhanced consumer demand for efficient and environmentally sustainable basic urban infrastructure and services |
| **Indicators** | a) Number of countries progressively adopting relevant policies that aim to expand access to environmentally sound urban infrastructure and services  
                                b) Number of institutions in target countries progressively adopting institutional mechanisms that expand access to environmentally sound urban infrastructure and services  
                                a) Percentage of service providers recovering at least operation and maintenance cost of services  
                                b) Percentage of consumers of UN-HABITAT partner service provider organizations reporting satisfaction with services provided  
                                Percentage of consumers ranking basic urban infrastructure services in the first three of their priority of needs  
                                Percentage difference in the price of basic urban infrastructure services paid by the poor vis-à-vis the rest of consumers in selected communities |
| **Sub-Expected Accomplishments** | 2.1 Strengthened service-provider capacity  
                                          2.2 Improved service delivery monitoring mechanisms inform decisions  
                                          2.3 Enhanced capacity of service providers to address climate change  
                                          3.1 Environmentally sound standards and practices in place  
                                          3.2 Enhanced knowledge of consumers on their rights to basic urban infrastructure and services  
                                          3.3 Sustainable consumption practices utilised |
## Focus Area 5
### Strengthened human settlements finance systems
#### Results framework

<table>
<thead>
<tr>
<th><strong>Goal</strong></th>
<th>Sustainable urbanization principles drive policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result</strong></td>
<td>Increased sustainable financing for affordable and social housing and infrastructure</td>
</tr>
</tbody>
</table>
| **Indicators** | a) Increased financing for sustainable and inclusive cities  
| | b) Increased number of households with improved housing and infrastructure |

| **Expected Accomplishments** | 1. Financing raised for and increases recorded in affordable and social housing stock and related infrastructure  
| | 2. Increase in activities in municipal finance and affordable housing finance (globally, excluding OECD countries) |
| **Indicators** | a) Value of commercial loans, government subsidies and donor grants made available for projects financing affordable housing, upgrading and basic infrastructure in targeted countries and communities  
| | b) % of housing loans by domestic banks and micro-finance institutions going to lower-income deciles and/or people with informal incomes |
| **Sub-Expected Accomplishments** | 1.1 Established sustainable revolving credit and loan facilities  
| | 2.1 Targeted government programmes to support affordable housing and slum upgrading  
| | 1.2 Local Finance Facilities to facilitate slum upgrading through blended commercial and community finance and partnerships between government, communities and the private sector  
| | 2.2 Effective consumer education and protection systems in housing finance  
| | 1.3 Effective mechanisms for technical assistance to Banks, Micro-finance institutions and community groups in housing finance  
<p>| | 2.3 Catalyzing local Institutions to provide access to financial services and financing of basic infrastructure |</p>
<table>
<thead>
<tr>
<th>Goal</th>
<th>Sustainable urbanization principles drive public policy and practice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result</strong></td>
<td>UN-HABITAT delivers MTSIP planned results effectively and efficiently</td>
</tr>
</tbody>
</table>
| **Indicators** | a) Score on organizational efficiency and effectiveness from staff survey  
                            b) Score on organizational performance from external evaluations |

<table>
<thead>
<tr>
<th><strong>Expected Accomplishments</strong></th>
<th><strong>Indicators</strong></th>
<th><strong>Financial resources to deliver MTSIP results available</strong></th>
</tr>
</thead>
</table>
| 1. Staff are empowered to achieve planned results | a) Percentage of staff whose skills set are aligned with their MTSIP compliant job description  
                                                            b) Reduction in time spent on completion of selected business processes  
                                                            c) Percentage of staff reporting improved knowledge and information sharing | a) Degree to which resource targets for non-earmarked and earmarked funding are met  
                                                                                     b) Percentage of (earmarked/non-earmarked) resources allocated to MTSIP focus area priorities  
                                                                                     c) Percentage of staff reporting transparency in resource allocation decisions |
| 2. Institution aligned to deliver MTSIP results | a) Number of key restructuring decisions implemented as recommended by organizational review  
                                                   b) Percentage of staff reporting increased horizontal collaboration | |
| 3. RBM principles applied | a) Percentage of programmes and projects that are contributing to focus area results  
                                     b) Percentage of staff reporting willingness to be held accountable for MTSIP results | |
| 4. Financial resources to deliver MTSIP results available | | |

<table>
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<tr>
<th><strong>Sub-Expected Accomplishments</strong></th>
<th><strong>Rationalised organisational structure</strong></th>
<th><strong>Programmes derived from MTSIP results</strong></th>
<th><strong>Effective mobilisation of resources to achieve MTSIP results</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Strengthened staff competencies related to the MTSIP</td>
<td>2.1</td>
<td></td>
</tr>
</tbody>
</table>
| 1.2 | Knowledge management systems effectively utilised | 2.2 | Programmes derived from MTSIP results  
                                                                 Performance measurement and evaluation informs decision-making and programming  
                                                                 Quality standards consistently applied in the achievement of planned results |
| 1.3 | Incentive structure for performance in place | 3.1 | |
| 1.4 | Delegation of authority within an accountability framework | 3.2 | |
| 1.5 | Efficient business processes applied | 3.3 | |
| 2.1 | Rationalised organisational structure MTSIP focus area result delivery system operational | 4.1 | Allocation of resources to MTSIP priority results |