

**Cities are the new normal.** Half of humanity now lives in cities, set to reach 70 per cent by 2050. Most migrants and people displaced by war or disaster move to cities. Between now and 2050, the equivalent of the total global population alive in 1960, three billion people, will be added to big cities through migration and population growth.

**Yet for tens of millions, the magnet of city life is lagging behind the promise.** While cities generate round 70 per cent of global GDP (and consume 78 per cent of the world's energy and produce more than half of all green-house gases and other emissions), the gap between a citizen's quality of life and this enormous urban productivity is widening to a chasm.

**Also, most urbanization is taking place where nations can least afford it.** Population boom, climate change, and people flocking to cities in pursuit of a better life, is burdening overworked and underfunded cities and national governments. Huge slums are living – and growing – proof of the failure of cities to keep pace with new realities through good planning and management.

**The UN General Assembly's adoption in 2015 of Goal 11** (the so-called “cities” goal) as one of 17 goals of the 2030 Sustainable Development Goals, and the UN-Habitat-driven New Urban Agenda (NUA), in December 2016, was an epochal recognition of the role of strategic urbanization in development. The General Assembly now recognizes that *sustainable* urbanization is transformative in human development.

**As well as being the key technical driver of the “cities” elements of the SDGs,** the effective implementation of the NUA will contribute significantly to the ambitions of the Paris Climate Change Agreement, the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Plan of Action for Financing Sustainable Development, the World Humanitarian Summit and the Summit for Refugees and Migrants.

**The more we help strengthen rural-to-city links, and help cities to manage and transform urbanization** into a tool for sustainable human development – in the words of SDG 11, making cities and human settlements “*inclusive, safe, resilient, and sustainable*” – the more we will be in control of our century's rampant urbanization, and the greater the quality of life for all.

# UN-HABITAT'S ROLE

## How we see ourselves

Over 40 years, as cities have boomed, UN-Habitat has evolved from a small UN think-tank on 'human settlements', into a multi-disciplinary agency tackling research, development, and humanitarian response. We are a hands-on organization. Our evolutionary path makes us ideally suited to understand the mechanics of every urban challenge, whether in war-torn Mosul, or thriving Medellin. A snapshot of UN-Habitat today might include:

- Our conflict analysis and physical mapping of cities currently being fought over in Syria and Iraq, to prepare for reconstruction.
- Our re-settling of refugees into well-planned semi-permanent camps in Kenya (because refugees on average remain in camps for 17 years)
- The assimilation of displaced rural people into the economic and social fabric of cities in Somalia.
- Our three-generation planning interventions in mid-sized African towns, so that small towns retain their viability and livability, and grow.
- 360-degree planning interventions for great metropolises, helping them to negotiate the nuanced balance between sound finances, planning, and the laws that underpin all.
- Multi-disciplinary efforts to improve slums, create public spaces around which communities thrive, tackle transport stresses, and build youth and gender programmes to boost employment and security.
- Addressing conflict in countries through complex land title analysis, and the necessary attendant legal mechanisms (for the Yazidis of northern Syria, to name one example).
- Devising the City Prosperity Initiative for mayors and communities to measure a city's progress in building an equitable quality of life for all citizens, and to show them where to apply effort for best results.
- Placing adequate housing at the centre of all urbanization in places as diverse as Afghanistan, Sri Lanka, and Kosovo.
- Developing resilience systems to prepare cities for disaster, and help them quickly recover.

## How partners, donors, and clients see us

- ***National governments affirmed their confidence*** in UN-Habitat in Quito in October 2016, where they met to approve the New Urban Agenda for submission to the General Assembly for resolution. The Quito Declaration<sup>1</sup> re-affirmed the role and expertise of UN-Habitat as a focal point on sustainable urbanization and human settlements and charged the Programme with implementing, following-up, and monitoring the NUA in collaboration with other UN entities.
- ***Donors affirmed their confidence*** in UN-Habitat through the most recent independent multi-donor evaluation<sup>2</sup>:
  - “the overall conclusion of this assessment is that UN-Habitat largely meets the requirements of an effective multilateral organisation and **is fit-for-purpose**. UN-Habitat is providing **strong leadership** on sustainable urbanisation demonstrating a **deep understanding** of the changing nature of urbanisation that is occurring globally and a capability to shift organisationally to respond to these changes. UN-Habitat has an organisational architecture aligned with its mandate, and is **delivering substantive results** from its programmes and interventions. The organisation brings **innovative and creative approaches** to its operations to achieve results.”
- ***Client countries have affirmed their confidence in UN-Habitat*** through a growing list of technical cooperation, conducted at regional, national and local levels, through five regional and three liaison offices, and a presence in 63 countries through the UN Development Assistance Frameworks. Over half are Least Developed Countries. The overall portfolio

### QUITO DECLARATION: AN EXPANDED ROLE FOR UN-HABITAT

- Focal Point for implementation, follow-up and review of the NUA
- Coordination of NUA reporting every four years
- Generate evidenced based and practical guidance for the implementation of the NUA and urban dimension of the SDGs
- Advocacy and awareness for the implementation of the NUA

stands at a total of US\$600 million, with a current annual implementation in the range of US\$200 million. UN-Habitat’s service portfolio is growing because we are in demand, and 83 per cent of our portfolio is in technical cooperation.

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<sup>1</sup> New Urban Agenda

<sup>2</sup> MOPAN, Mid-Term Evaluation of UN-Habitat’s Strategic Plan

## How we function

### UN-Habitat combines normative, operational, and coordinating mandates

Each of these mutually-reinforcing mandates builds on the other, and are linked to the five thematic areas of the 2030 Agenda: **people**, through our technical cooperation and engagement down to the municipality level; **planet**, through the recognition that sustainable urbanization is part of the

**The World Urban Forum**, is the foremost global arena for policy makers, local government leaders, non-governmental stakeholders, experts and practitioners on urban development and human settlements issues.

**The World Urban Campaign**, advocates for green, productive, safe, healthy, inclusive and well-planned cities. In 2015 the WUC launched the General Assembly of Partners for over 100 partner groups from 16 constituency groups to actively participate in the Habitat III process.

**Our Cities Resilience Initiatives** currently cover 22 cities in 12 countries. UN-Habitat has been instrumental in establishing the Global Alliance for Urban Crises, bringing together 30 UN agencies, civil society organizations, professional networks and governments to focus on humanitarian relief and reconstruction in urban areas.

solution to climate change; **prosperity**, with urbanization as a pathway to wealth creation, poverty reduction, and equity; **peace**, through the increasing recognition that urbanization is inextricably linked to global security, particularly in the context of the growing number of humanitarian crises affecting urban areas, including migration; and **partnership**.

### *Normative – getting cities to function*

UN-Habitat pursues patterns of sustainable city growth that create jobs and business opportunities, and tackle poverty. UN-Habitat takes on the most common challenges of poor urbanization, which the New Urban Agenda recognizes as primarily poor planning, insufficient rules and regulations, the inability of local authorities to finance, operate and deliver basic services, as well as weak coordination between different levels of governments. We develop and disseminate research-backed global standards and policies for sustainable urbanization, supported by time-tested monitoring and diagnostic tools and platforms such as the Cities Prosperity Initiative, the Cities Resilience Profiling Initiative, and the Global Urban Observatory.

### *Operational – being on the ground*

UN-Habitat supports cities with technical expertise in over 80 countries. UN-Habitat continuously works to build strong relationships with and between national governments and local authorities through its technical assistance and policy advisory work; facilitates large-scale investments in urban initiatives by financial institutions through project preparation services; and has brought innovative solutions to critical challenges such as slums, poverty alleviation, and the land/conflict nexus in numerous and diverse contexts. Of our client countries, 44 are Least Developed, 35 are Middle Income, and one is High Income.

The UN family is concerned to reduce waste and duplication in the arduous, complex, and fraught journey from a natural or man-made catastrophe, to reconstruction and development. UN-Habitat brings that experience to the table. Client cities attest that UN-Habitat provides better value for money than consultant services, with greater staying power.

### ***Coordinate, convene, and advocate for results***

**For 40 years, UN-Habitat has been the focal point in the UN system for sustainable urbanization and human settlements.** The robust presence of urbanization elements in the SDGs, the stand-alone ‘cities’ goal (SDG 11), the UN General Assembly endorsement of the New Urban Agenda in 2016, as well as the 30,000 participants at the Habitat III conference in Quito in October 2016, is testament to our expertise and convening power.

**Our work is grounded in strong partnerships with government,** NGOs, local authorities, UN agencies, academia, and financial institutions. Our private sector relations are being built through the World Economic Forum, the Human Cities Coalition (comprising 38 multi-nationals), and individual companies that invest in sustainable urban development.

**Regional and issue-based coalitions and platforms** include the Global Alliance for Urban Crises; the Medellin Collaboration on Urban Resilience; the Global Land Tool Network, the World Urban Forum, the World Urban Campaign, the Urban Gateway, and the Urban Planning and Design Lab, as well as others. UN-Habitat is the secretariat for the UN Advisory Committee on Local Authorities, promoting the role of local and sub-national governments in implementation and monitoring of urban aspects of the SDGs and the NUA.

### **The humanitarian action to sustainable development arc**

**“Building back better”.** UN-Habitat is the only development agency with membership of the Inter-Agency Standing Committee (the key global coordination mechanism for humanitarian action). After a crisis, reconstruction and recovery programming provides an opportunity to “plan out” risk and “build in resilience,” for a more functional city. UN-Habitat applies innovative principles of sustainable urban planning and facilitates the smooth transition from emergency relief to recovery and sustainable urban development. UN-Habitat has worked in 35 of 47 fragile states, with current programmes in Afghanistan, Bangladesh, the Democratic Republic of the Congo, Syria, Iraq and Somalia, among others.

## From proven results, to up-scaled programmes

*UN-Habitat is scaling-up these transformative programmes because they work*

**Housing at the Centre:** Through Resolution 24/9 of April 2013, the Governing Council approved a Global Housing Strategy, to strengthen linkages between housing, the economy, employment and poverty reduction, among other things.

**The Participatory Slum Upgrading and Prevention Programme** has supported national urban policy frameworks in 35 countries; helped secure tenure for 800,000 slum dwellers in 9 countries; ensured that 67,000 slum households have better water and sanitation, housing, roads, public spaces, and safer, more resilient neighbourhoods.

**The Urban Planning and Design Lab** engages stakeholders and helps national and local governments with concrete and implementable planning proposals. The Lab is now working in more than 20 countries and 40 cities across the world, including Ghana, Johannesburg, Palestine, Philippines, Myanmar, Haiti and Mexico.

**Urban Economy and Municipal Finance** integrates economic development with spatial and institutional strategies and capacity building. Examples include improved livelihoods for up to 90,000 people in vulnerable urban communities (Somalia), boosting local revenue by 60 per cent (Kiambu, Kenya); and empowerment of women and youth in DRC and Palestine.

**The Urban Basic Services Trust Fund**, has improved the lives of up to 5 million people through improved access to safe drinking water, sanitation, energy and support to displaced people.

**Urban Legislation, Land and Governance:** UN-Habitat has coordinated the Global Land Tool Network (GLTN); developed unified land acts, replaced 60 laws and regulations and peacefully addressed land disputes in Nepal; resettled over 600 returnee households with certificates of residency, and helped resolve 90 per cent of documented land disputes in South Kivu, DRC. In Iraq 2.5 million displaced and informal settlement residents are now better able to access affordable housing, secure land tenure and basic services.

**Risk Reduction, Resilience & Rehabilitation:** Emergency support to 9 countries that reached over 500,000 people; the strengthening of resilience systems in 33 cities in 12 countries through the City Resilience Profiling Programme, and the 30-partner Global Alliance for Urban Crises.

**Cutting edge research and capacity development work:** The City Prosperity Initiative, now implemented in 300 cities, enables cities to undertake diagnostic, participatory planning. UN-Habitat has established the Global Urban Observatory, supporting national statistical offices in 39 countries, and the Global Urban Lecture series, which has reached over 50,000 viewers and is voted the world's second-best Massive Open Online Courses on Cities (MOOC).



## Our catalytic initiatives to accelerate the implementation of the New Urban Agenda and Agenda 2030

To maintain the momentum of Habitat III and accelerate implementation of the New Urban Agenda, UN-Habitat's strategic plan, Strategic Framework and Work Programme and Budget align with the SDGs, the NUA as well as other relevant global frameworks. Current initiatives to support implementation are outlined below:

1. **Implementation Guidelines for Countries** – the Action Framework for Implementation of the NUA (AFINUA) is a practical guide for implementing the NUA. It defines who should lead each element, how to measure (through SDGs and the City Prosperity Initiative) and links to the NUA. It is divided into five categories: National Urban Policies; Urban Legislation, Rules and Regulations; Integrated Urban Design and Territorial Planning; Financing Urbanization; and Local Implementation.
2. **Monitoring Framework for the NUA** – UN-Habitat is developing a monitoring framework, using an expanded version of the CPI's Global Sample of Cities, to align NUA and SDG monitoring, and to support country and local level monitoring, with data collection and analysis undertaken by the Global Urban Observatory.
3. **Implementation Facility for Sustainable Urban Development** – UN-Habitat is leading a coalition of six UN agencies (UNDP, UNEP, UN Women, UN Global Compact, WFP, UNOPS) in partnership with the World Bank, to support countries and cities to implement solutions and investments for sustainable urban development. Components include knowledge creation, sharing and learning; technical assistance; financing enhancement for country and city projects; and advocacy, policy support, monitoring and evaluation. The six thematic areas are: cities and territorial development; sustainable city infrastructure and services; inclusive cities, affordable housing, financing and urban land; low carbon and resilient cities; city management; and planning and finance.
4. **A UN-System Collaborative Framework** to support implementation of the NUA is being developed, so that the relevant expertise of specialist agencies can be brought to bear at the global, regional and local levels.
5. **Advocacy, awareness creation and engagement** of stakeholders in implementation, monitoring and reporting on the NUA is being strengthened through UN-habitat's new communications and partnership strategies.
6. Up-scaling programmes of UN-Habitat.

## OUR MESSAGE TO YOU

- **Sustainable urbanization is an engine for development.** Effective implementation of the New Urban Agenda will contribute significantly to achievement of the SDGs and other global development frameworks.
- As a **focal point in the UN-System** for implementation, follow up and review of the NUA, UN-Habitat’s expertise is highly appraised by Member States. The organization is fit-for-purpose to support delivery of the New Urban Agenda (NUA) and related SDGs;
- UN-Habitat’s work is most transformative and sustainable when it **combines normative, coordination and operational elements**;
- UN-Habitat **links humanitarian action and development**, enabling cities and communities in post-crisis situations to ‘build back better’;
- UN-Habitat is a **mobilizer and convener** of multi-stakeholder and civil society engagement; central and local government relations; UN-System collaboration and private sector partnerships;
- UN-Habitat **achieves transformative results** in the field and will upscale its programmes by leveraging strategic partnerships and strengthening local and domestic resource mobilization;
- UN-Habitat **needs robust financing and operational procedures** that support efficient field operations, accountability and effectiveness.

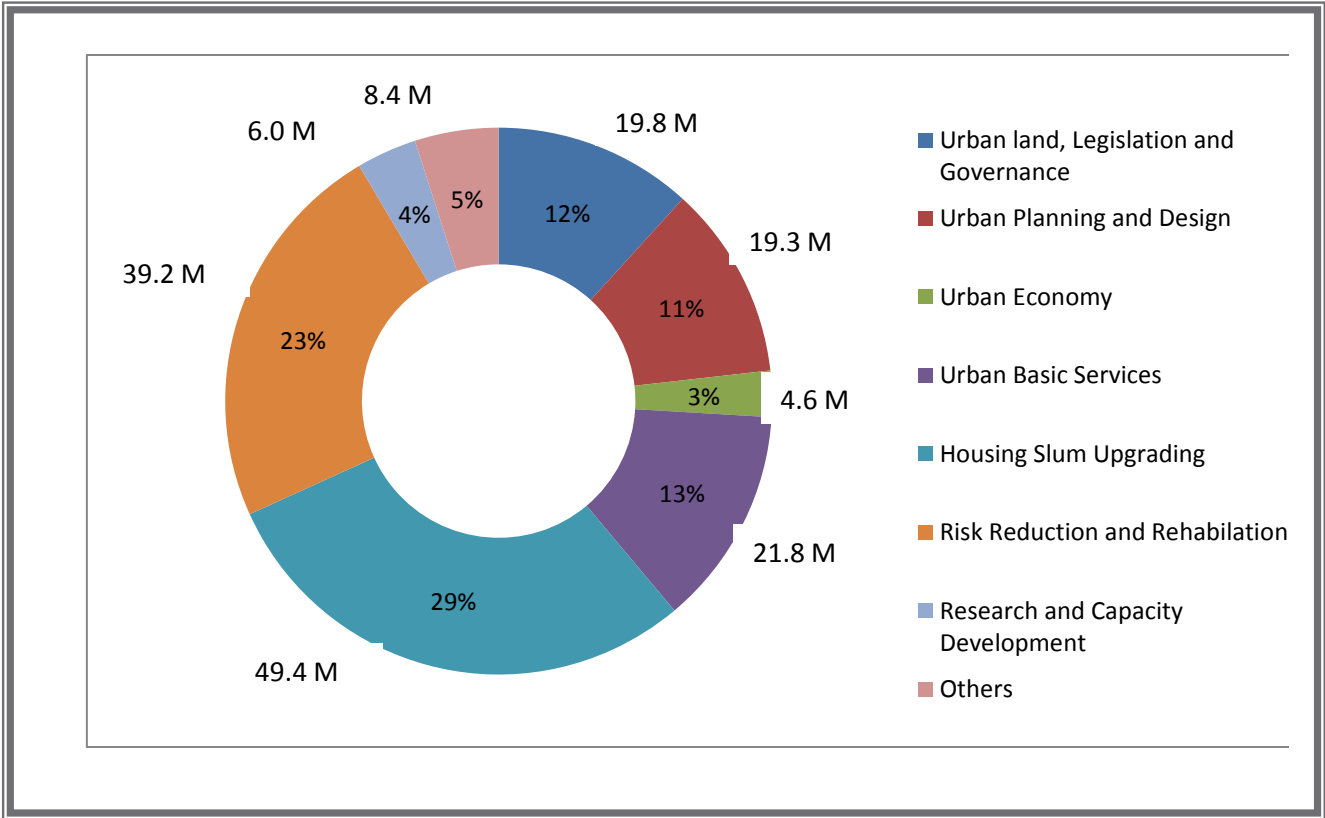


Figure 1: UN-Habitat Project Portfolio (delivery) by theme (2015)



## Financial Characteristics of UN-Habitat

1. UN-Habitat's financial model is divided into three categories; (a) Core Budget, (b) UN-Habitat Foundation Special Purpose programmes, (c) Technical Cooperation.

**Table 1: UN-Habitat financial performance 2016**

<b>Item</b>	<b>Amount (US\$ millions)</b>
- <i>Regular Budget</i>	14.1
- <i>Foundation Non-earmarked</i>	4.8
- <i>Overheads (programme support cost)</i>	11.0
<b>Core Budget</b>	<b>29.9</b>
<b>Foundation Special Purpose</b>	<b>53.5</b>
<b>Technical Cooperation</b>	<b>156.3</b>
Adjustments*	- 13.0
<b>GRAND TOTAL</b>	<b>226.6</b>

\* Pending audit of 2016 financial statements

**Table 2: UN-Habitat Financial position (assets and liabilities) 2015 and 2016**

	<i>31 December 2016</i>	<i>31 December 2015 a/</i>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	55 540	36 835
Investments	98 158	99 659
Voluntary contributions receivable	167 577	159 534
Other receivables	277	547
Advance Transfers	15 541	17 928
Other assets	24 999	23 258
<b>Total current assets</b>	<b>362 092</b>	<b>337 761</b>
<b>Non-current assets</b>		
Investments	47 265	65 750
Voluntary Contributions Receivable	19 074	462
Property plant and equipment	15 561	12 246
Intangible Assets	23	28
Other receivables	298	387
<b>Total non-current assets</b>	<b>82 221</b>	<b>78 873</b>
<b>Total Assets</b>	<b>444 313</b>	<b>416 634</b>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	17 894	23 065
Advance receipts	-	224
Employee benefits liabilities	2 922	3 114
Other liabilities	34 967	44 517
<b>Total current liabilities</b>	<b>55 783</b>	<b>70 920</b>
<b>Non-current liabilities</b>		
Employee benefits liabilities	38 629	35 355
<b>Total non-current liabilities</b>	<b>38 629</b>	<b>35 355</b>
<b>Total Liabilities</b>	<b>94 412</b>	<b>106 275</b>
<b>Net of Total Assets and Total Liabilities</b>	<b>349 901</b>	<b>310 359</b>
Accumulated surpluses/(deficits) - unrestricted	327 024	287 482
Reserves	22 877	22 877
<b>Total Net Assets</b>	<b>349 901</b>	<b>310 359</b>

## The transformation of UN-Habitat

2. UN-Habitat has gone through a profound transformation in its organization in the last five years on the way towards Habitat III. UN-Habitat has streamlined and focused its scope of activities in seven sub-programmes
  - a. Urban Land, Legislation and Governance
  - b. Urban Planning and Design
  - c. Urban Economy and Municipal Finance
  - d. Urban Basic Services
  - e. Risk Reduction, Rehabilitation and Resilience
  - f. Housing and Slum-Upgrading
  - g. Research and Capacity Development
  
3. UN-Habitat is organized on the basis of five regional offices
  - a. Regional Office for Africa
  - b. Regional Office for Asia and the Pacific
  - c. Regional Office for Arab States
  - d. Regional Office for Latin America and the Caribbean
  - e. Regional Office for Europe

4. The combined relationship between sub-programmes and regions constitute a matricial organization by which resources are allocated to every specific project.
5. UN-Habitat is implementing the 2014-2019 Strategic Plan approved by the twenty-fourth Governing Council in 2013, which established four priorities;
  - f. Urban Land, Legislation and Governance
  - g. Urban Planning and Design
  - h. Urban Economy and Municipal Finance
  - i. Urban Basic Services

It also established four cross-cutting issues:

- a. Gender Equality
- b. Youth Development
- c. Climate Change
- d. Human Rights

In the current Governing Council, a revision of the Strategic Plan will take place, incorporating the main contributions of the Habitat III New Urban Agenda.

6. Transformation of the financial scenario. Like many other UN programmes, UN-Habitat is going through a transformation of the financial envelope, with a tendency towards a diminishing of un-earmarked voluntary contributions and Regular Budget support.

At the same time, in focusing on the fundamentals of urbanization, UN-Habitat is increasing its Technical Cooperation portfolio and its UN-Habitat Foundation Special Purpose funding. The evolution of the funding sources of UN-Habitat is moving from traditional donors to new sources of funding including cities, stakeholders, direct contracts with member states, philanthropies and others. The diminishing of the regular and unearmarked funds reduces the degree of freedom in supporting Least Developed Countries.

## **Proposed lines for strengthening UN-Habitat**

7. In the debates leading to the New Urban Agenda, several topics were discussed to consider ways to strengthen UN-Habitat. These included:
  - a. Increase of core funding;
  - b. Review of the governance model of UN-Habitat;
  - c. Adaptation of rules and regulations of UN-Habitat to the requirements of field operations to increase efficiency;
  - d. Improving UN system coordination to avoid duplication of mandates and overlapping of functions;

e. The Normative and Operational Mandate of UN-Habitat;