



**Executive Board of the United Nations
Human Settlements Programme
First session of 2020**

Nairobi, 31 March–2 April 2020
Item 10 of the provisional agenda*

**Implementation by UN-Habitat of the reform of the
development system and management of the
United Nations**

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Report of the Executive Director

I. Introduction

1. The present report has been prepared by the secretariat at the request of the Executive Board to provide information about the steps taken by UN-Habitat to implement the reform of the development system and management of the United Nations. The actions taken by UN-Habitat, as set out in the report, stem from the quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243) for the period 2017–2020 and from the repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review (A/RES/72/279), which seek to enhance the effectiveness and efficiency of the United Nations through reform of the development system and management.

2. In response to the quadrennial comprehensive policy review, the United Nations enhanced the role of the resident coordinator, providing five dedicated staff per country and reporting directly to the Executive Office of the Secretary-General, Development Coordination Office. It introduced the United Nations Sustainable Development Cooperation Framework with seven companion papers, which are designed to enable resident coordinators to establish agreements with host Governments to implement the 2030 Agenda for Sustainable Development and achieve the Sustainable Development Goals.

3. The Deputy Secretary-General, in her capacity as Chair of the United Nations Sustainable Development Group, has established an inter-agency system at the regional and global levels to support resident coordinator-led country teams. In addition to a concerted effort to decentralize and consolidate operations at the country level, the United Nations has strived to integrate the humanitarian, peace and security, and development arms of the organization. It has also established the inter-agency Business Innovations Group, the aims of which include establishing a single “back office” for each United Nations country team and considering, initially in small island developing States, the establishment of multi-country offices.

II. Implementation of reform at the country, regional and global levels

4. The implementation of reform undertaken by UN-Habitat has to date been led by its New York Liaison Office and the Office of the Executive Director, and changes are now being rolled out to country and multi-country (subregional) teams and regional representatives under the newly

* HSP/EB.2020/1.

established organizational structure. Those actions can be broken down at the country, regional and global levels as follows.

A. Global level

5. Implementation of the development system reform at the global level includes:

(a) The United Nations system-wide strategy on sustainable urban development adopted by the Chief Executives Board for Coordination in May 2019;

(b) Active participation in the United Nations Sustainable Development Group strategic results groups: (1) Sustainable Development Goals implementation (including task teams on integrated policy support; country-focused data and reporting; leave no one behind, human rights and the normative agenda; and transitions and recovery); (2) financing; (3) business innovations; and (4) partnerships;

(c) Active participation in the inter-agency teams supporting the development of the guidance note on the United Nations Sustainable Development Cooperation Framework and the guidance note on the companion pieces, including the companion piece on the Common Country Analysis (chaired by UN-Habitat).

6. Activities for the integration of peace, security, humanitarian and development issues include:

(a) Development of the guidance note of the Secretary-General entitled “The United Nations and Land and Conflict” of March 2019, and coordination of the implementation of the guidance note;

(b) Cooperation with the United Nations Department of Political and Peacebuilding Affairs in Somalia on youth, peace and security;

(c) Active membership of the Inter-Agency Standing Committee and Executive Committee on Humanitarian Affairs.

7. Management reform activities include:

(a) Involvement in the Business Innovations Strategic Results Group of the United Nations Sustainable Development Group;

(b) Transition from biennial budget to annual budget, and engagement with the Advisory Committee on Administrative and Budgetary Questions.

B. Regional level

8. Implementation of the development system reform at the regional level includes:

(a) UN-Habitat regional offices actively involved in regional United Nations Sustainable Development Groups;

(b) Involvement in regional collaboration mechanisms, issue-based coalitions and regional integration mechanisms;

(c) Alignment of activities with regional economic commissions in each region.

9. The regional architecture of the United Nations is in transition and a mechanism has not yet been established to coordinate at a regional level the integration of peace, security, humanitarian and development issues.

10. Management reform activities include:

(a) Participation in the review of United Nations regional assets, through the UN-Habitat internal review team;

(b) Participation in the inter-agency working group for the implementation of the recommendations of the multi-country office review, with focus on small island developing States;

(c) Efficiency gains through the planned establishment of UN-Habitat subregional offices (see section C below).

C. Country level

11. Implementation of the development system reform at the country level includes:
 - (a) Contribution by UN-Habitat headquarters, New York Liaison Office, country offices and regional offices to the common country analysis and United Nations Sustainable Development Cooperation Framework;
 - (b) Response by UN-Habitat to requests from Member States and resident coordinators for policy advisory services and technical assistance on national urban policies, urban economy, land, urban planning, urban basic services, informal settlement upgrading, and related urban issues.
12. Activities for the integration of peace, security, humanitarian and development issues include:
 - (a) Cooperation with the United Nations Department of Political and Peacebuilding Affairs in Somalia on youth, peace and security;
 - (b) Work in conjunction with the Office of the High Commissioner for Human Rights in Cox's Bazar, Bangladesh, working with Rohingya refugees on non-camp settlement planning;
 - (c) Work in conjunction with the Office of the High Commissioner for Human Rights in Kakuma Refugee Camp, Kenya, on non-camp settlement planning.
13. Management reform activities include:
 - (a) Improved ability to respond through planned subregional offices;
 - (b) Efficiency gains associated with planned subregional offices that enable UN-Habitat to provide United Nations country teams and resident coordinators with integrated policy support and technical assistance at the country level.

III. Role of UN-Habitat offices

A. New York Liaison Office

14. The United Nations reforms were initiated in New York through multiple inter-agency processes to implement the recommendations of Member States, as set out General Assembly resolutions 71/243 and 72/279, to strengthen the development system and management of the United Nations. United Nations entities, such as UN-Habitat, that do not have their headquarters in New York, relied primarily on their New York liaison offices to represent them in those inter-agency platforms. During 2018, the participation of UN-Habitat in the United Nations reform process was mainly confined to the Office of the Executive Director in Nairobi and the New York Liaison Office.

B. Nairobi, country and regional offices

15. When the United Nations reforms (development, peace/security, and management) were formalized in January 2019, the New York offices of various entities, including UN-Habitat, engaged with their headquarters offices located outside New York, as well as regional offices and country offices. UN-Habitat senior managers are responding to the United Nations reforms, and all UN-Habitat regional representatives are participating in regional United Nations Sustainable Development Groups and regional collaboration platforms. In 2019, the United Nations country representatives in 13 countries developed new common country analyses and United Nations Sustainable Development Cooperation Frameworks. UN-Habitat staff located in regional and country offices contributed to efforts by the resident coordinators in those 13 countries by providing data, analytic tools and policy advice. The restructuring of the Programme enhances its ability to support the United Nations system at the country level, including efforts by resident coordinators to prepare common country analyses and United Nations Sustainable Development Cooperation Frameworks in 57 countries in 2020.

IV. Implementation of gender parity

16. UN-Habitat has produced a system-wide action plan on gender equality and the empowerment of women, which it is committed to fully implementing. The reorganization of the Programme provides an opportunity to accelerate that implementation.

V. Responsibility for implementation

17. De facto responsibility for implementation by UN-Habitat of the reform of the development system and management of the United Nations has to date rested with the Office of the Executive Director and the New York Liaison Office, although in-depth implementation activities are now also being undertaken by a number of country offices, regional representatives and senior managers at UN-Habitat headquarters in Nairobi.

VI. Effect of the United Nations reforms on the organizational structure of UN-Habitat

A. New York Liaison Office

18. In January 2020, following a 12-month consultative process, UN-Habitat adopted a new organizational structure. As part of that structure, UN-Habitat will replace the New York Liaison Office, currently headed by a director at D-1 level, with the New York Liaison Office for System-wide Coordination, headed by a Director at D-2 level. As part of its core functions pertaining to intergovernmental affairs and inter-agency coordination, the new office will be responsible for the implementation of United Nations reforms.

B. Executive Committee

19. Under the new organizational structure, the Executive Director will chair a newly established Executive Committee, composed of the Executive Director, Deputy Executive Director, Chief of Staff and four senior directors. The United Nations reforms will be a standing item on the agenda of the monthly meetings of the Executive Committee.

C. Devolved programming at the regional level

20. The consideration of the United Nations reforms will not be confined to senior directors, however, and will extend to heads of subregional offices and regional representatives. UN-Habitat will revise its footprint at the regional level to enhance its role in the United Nations reforms as they relate to development, the peace-development nexus and management. As part of the new organizational structure, UN-Habitat has replaced the post of regional director (D-1) with that of regional representative (D-1). That development will strengthen the capacity of the Programme in serving regional United Nations Sustainable Development Groups and regional collaboration platforms, leading issue-based coalitions and serving as the focal point in the region with responsibility for implementing the United Nations System-wide strategy for sustainable urban development.

21. As a member of the regional United Nations Sustainable Development Groups, the regional representative will promote cooperation in the region between UN-Habitat, other members of the United Nations development system and the regional economic commissions, facilitating cooperation between UN-Habitat, peacekeeping missions, political missions and humanitarian organizations operating in the region. As an active member of the regional Business Innovations Group and the regional review, the regional representative will also contribute to the consolidation of United Nations assets at the country level.

D. Devolved programming at the subregional level

22. As part of the new organizational structure, UN-Habitat will also devolve programming from the regional to the subregional level. That development is intended to increase the ability of UN-Habitat to provide technical expertise to Member States on sustainable urban development through enhanced coordination with United Nations country teams and resident coordinators at the country level. It will do so by gradually establishing UN-Habitat subregional offices. It is envisioned that each subregional office will be responsible for four to six countries. UN-Habitat will work with the resident coordinator and United Nations country team in each country to design a comprehensive programme for sustainable urban development that is tailored to the particular context of that country.

23. The advent of rapid urbanization has resulted in growing demand from Member States for policy advisory services and technical assistance from UN-Habitat. Yet as a specialized, technical Programme, UN-Habitat cannot maintain country offices in over 120 countries. It will therefore operate subregional offices to respond to demand while maintaining a relatively light administrative footprint, supporting resident coordinators and United Nations country teams at the country level to advance the United Nations reforms.

VII. Effects of the United Nations reforms on the budget of UN-Habitat

24. The ability of UN-Habitat to change its business model to align its policy advisory services and technical assistance with the reform of the development system and management of the United Nations will require the Programme to return to the higher levels of voluntary, general purpose contributions that it enjoyed prior to 2011. As described above, effective programming at the subregional level that blends the normative and operational work of UN-Habitat will enable United Nations country teams and resident coordinators to provide Member States with policy advisory services and technical assistance on sustainable urban development. That approach will require staff working in subregional offices and as regional representatives to be paid from voluntary, general purpose funds. UN-Habitat anticipates continuing to maintain a large portfolio of projects that are funded by voluntary, earmarked funds and technical cooperation funds (projects executed at the country level financed by multilateral development banks and bilateral development cooperation agencies). However, the Programme will need to increase voluntary general purpose funds from the current annual figures of \$5 million, with general financial reserves of \$1.3 million, to their 2011 levels, when they stood at approximately \$34 million annually, with general financial reserves of \$25 million.

VIII. Programmes and projects managed by UN-Habitat

25. For the past 20 years, UN-Habitat has maintained an average annual project portfolio valued at \$220 million. The projects draw upon the expertise of human settlements officers with technical expertise in a wide variety of areas of sustainable urban development, including urban planning, land tenure systems, water and sanitation, mobility, urban economy and finance, affordable housing, urban legislation and national urban policy. Staff funded from the regular budget and from voluntary general purpose funds who are not paid directly through projects nevertheless contribute significantly to those projects. They enhance the quality of projects, monitor performance, assist project managers in making improvements and course corrections, analysing trends and documenting best practice, and they make all those enhancements more widely available through national, regional and global advocacy and knowledge-sharing platforms.
