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Human Settlements Programme
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Report by the Executive Director on actions to update and improve the internal management, policies and procedures of UN-Habitat

Actions to improve the internal management, policies and procedures of the United Nations Human Settlements Programme

Report of the Executive Director

I. Introduction

1. At its third session of 2023, the Executive Board requested the Executive Director to present, at its first session of 2024, a report on actions to improve the internal management policies and procedures of UN-Habitat. The present report highlights the efforts made to enhance the internal management policies and procedures of UN-Habitat in the following key areas during the biennium 2022–2023:

(a) Executive and strategic direction
(b) Partnership management
(c) Management of financial and human resources
(d) Programme management and development
(e) Regional representation
(f) Oversight, monitoring and evaluation
(g) Ethics
(h) Staff management and relations
(i) Resource mobilization.

II. Executive and strategic direction

2. The Executive Director, as the executive head of the entity, has implemented strategies aimed at enhancing organizational efficiency and effectiveness. These initiatives encompass a wide range of measures designed to streamline operations and foster a culture of continuous improvement.

* HSP/EB.2024/1.
3. UN-Habitat maintains its specific accountability framework, which is guided by seven core principles of accountability: clarity of responsibility, alignment with organizational goals, formal delegation of authority, risk assessment in decision-making, regular reporting, self-attestation, and transparency. The Executive Director has established a risk oversight and accountability committee, an independent Evaluation Unit, and a focal point for conduct and discipline, in order to enhance oversight and accountability.

4. The Executive Director successfully applied certain measures to achieve the terms of her compact for 2023 with the Secretary-General of the United Nations by improving gender parity and geographical diversity in recruitment and successfully implementing the recommendations of the internal control and oversight bodies. The Executive Director also complied with the terms of her delegation of authority to ensure the effective assignment of her sub-delegated authority in accordance with the Secretary-General’s bulletin ST/SGB/2019/2.

5. The Executive Director has enlisted the expertise necessary to realize the United Nations 2.0 vision for UN-Habitat. A digital transformation initiative, also known as the “Propeller Project”, aims to translate the United Nations 2.0 vision into a flexible strategy encompassing the “quintet of change”.

6. The UN-Habitat budget steering committee has been activated to ensure the effective management of corporate finances within the organization. Directed by the Executive Director, its primary objective is to oversee budget allocations, implementation and performance, ensuring timely and efficient disbursement of funds, and transparency in reporting budget allocations, adjustments and re-allocations.

III. Management of financial and human resources

7. During the reporting period, to ensure the efficient management and use of financial, human, and other resources, measures have been taken in the following areas:

   (a) UN-Habitat took significant steps to enhance its financial management practices through the adoption of the cost recovery policy and the guidelines for voluntary contributions. In addition, in collaboration with the United Nations Office at Nairobi, the organization worked on refining various standard operating procedures, such as those related to petty cash and unapplied voluntary contributions, aiming to ensure more efficient resource utilization.

   (b) The human resources and training unit has established detailed standard operating procedures and guidelines covering various aspects of human resources. These measures aim to facilitate efficient human resources management, expedite recruitment processes, enhance performance evaluation, talent acquisition and training, and promote objectives such as gender parity and geographical balance.

   (c) The Secretary-General’s bulletin on flexible working arrangements (ST/SGB/2019/3) and the information circular on the matter (ST/IC/2019/15) emphasize that flexible working arrangements are not an entitlement but rather an accommodation extended when it proves beneficial for both the staff member and the organization. UN-Habitat, in its commitment to facilitating collaboration towards achieving the organization's objectives, remains aligned with the flexible workplace policy published in February 2023.

   (d) UN-Habitat enhanced procurement practices by revising its procurement manual to align with the Financial Regulations and Rules of the United Nations, prioritizing value for money. Concurrently, the local committee on contracts in Nairobi underwent a thorough review, with revised terms of reference and policies, and expanded membership, in order to bolster contract review processes.

IV. Partnership management

8. The implementing partners selection committee was established to bolster the control and accountability framework governing partner selection at UN-Habitat. It aims to ensure fairness, competitiveness and transparency in selecting partners and aligning with established guidelines and policies. Currently, the organization is revising its policy for implementing partners to strengthen these principles further.

9. In tandem, revisions to guidelines concerning private sector partnerships are underway, reflecting a commitment to effective engagement and management of these relationships. UN-Habitat is also in the process of reviewing its stakeholder engagement policy to enhance participation in
governance, demonstrating a broader commitment to inclusive decision-making processes and stakeholder involvement.

10. By December 2022, UN-Habitat had completed the revision and uploading onto the UN-Habitat intranet of all agreement templates, such as contribution agreements, memoranda of understanding and letters of intent.

V. Programme management and development

11. In April 2021, UN-Habitat adopted the Umoja integrated planning, management and reporting system, a holistic, results-based, end-to-end project management tool spanning multiple Umoja modules, to manage the life cycle of its projects and programmes from beginning to end, taking in planning, implementation, monitoring, closure and reporting. This has positively impacted project management in UN-Habitat.

12. UN-Habitat developed and approved a responsibility assignment matrix in May 2020 to support the new organizational restructuring and the efficient and effective implementation of its work programme across the organization.

13. In 2023, a total of 114 projects with a total value of $384,586,115 were reviewed by the programme review committee. Out of the total, 31 projects were being implemented in Africa, 30 in Arab States, 27 in the Asia-Pacific region, 12 in Latin America and one in Europe, while 13 projects were multi-country or multi-regional.

VI. Oversight, monitoring and evaluation

14. The establishment of an evaluation framework in 2016 and the subsequent adoption of the UN-Habitat Evaluation Manual in 2018 have provided clear guidelines for planning, managing, conducting, reporting on and following up on evaluations.

15. In line with broader United Nations management reforms, the Secretary-General has set up the System-Wide Evaluation Office to enhance oversight, accountability and to support reform efforts across the United Nations development system.

VII. Staff management and relations

16. UN-Habitat has a robust Staff Management Consultative Committee, which was reconstituted in 2021. It holds quarterly meetings to address and resolve staff welfare and dispute issues.

17. The Office of the Executive Director promptly addresses staff complaints related to harassment, abuse of authority and discrimination, in line with the Secretary-General’s bulletin ST/SGB/2019/8. In the biennium 2022–2023, only two cases reached the United Nations Dispute Tribunal and one reached the United Nations Appeals Tribunal. All were defended successfully.

18. To combat racism and discrimination, UN-Habitat developed an anti-racism strategy and online training modules. Personnel must complete annual self-training and workshops, overseen by supervisors. A pilot module involving the Office of the Executive Director was recently implemented.

VIII. Resource mobilization

19. Cumulatively, funds contributed to UN-Habitat in 2023 surpassed those for 2022, with technical cooperation funding (earmarked) being the highest, at $152.46 million, followed by United Nations Habitat and Human Settlements Foundation special purpose contributions (earmarked) of $62.32 million, Foundation non-earmarked funding of $4.42 million and regular-budget funding of $14.60 million.

20. Since the United Nations General Assembly approved the UN-Habitat resource mobilization strategy for 2020–2023 at its first session of 2019, UN-Habitat has received $760.5 million, accounting for 89 per cent of the total budget for 2020–2023. The regular budget in 2023 saw a small increase due to seven additional regular-budget posts being approved in 2022.

21. The technical cooperation fund remains UN-Habitat’s primary revenue source. Over the past four years it has fluctuated, reaching a peak of $152.5 million in 2023, after a strong showing of $135.7 million in 2021.
IX. Regional architecture

22. On the 9th of January 2024, the Executive Committee endorsed, in principle, the regional architecture developed by the taskforce established by the Executive Director. Actions are being taken to adopt the recommendations provided by the Executive Committee and commence its work.

23. The key recommendations for a reinvigorated UN-Habitat regional architecture are an updated Regional Programmes Division organization chart with a sustainable resource allocation strategy, and a UN-Habitat regional mobility policy to expand the regional work of UN-Habitat and enhance cross-fertilization and learning.

24. In line with the regional architecture, the Legal Unit developed comprehensive Guidelines for the Establishment of Offices Away from Headquarters, which will guide officials on the relevant United Nations requirements and processes.

X. Ethics

25. UN-Habitat, in collaboration with the United Nations Ethics Office, has strengthened compliance with the Code of Ethics for United Nations Personnel. This involved revising and updating its ethics framework and appointing a focal point for ethics, conduct and discipline, including prevention of sexual exploitation and abuse, in January 2024.

26. Regarding prevention of sexual exploitation and abuse, UN-Habitat has implemented several initiatives, including sharing prevention of sexual exploitation and abuse brochures, displaying sexual exploitation and abuse banners, and conducting surveys on reporting sexual exploitation and abuse. The organization also produced the Executive Director’s “End-of-year management letter on protection from and reporting of allegations of sexual exploitation and abuse” for the first session of the Executive Board of UN-Habitat of 2023. In addition, it conducted training sessions covering ethics topics and increased staff participation in the United Nations financial disclosure programme.

XI. Conclusion

27. The present report reflects a dedicated commitment to enhancing the efficiency, transparency and effectiveness of UN-Habitat operations during the biennium 2022–2023. It is imperative to sustain this momentum, building on the achievements outlined above and continuously striving for excellence in internal management practices to ensure the fulfilment of the mission of UN-Habitat to promote sustainable urban development worldwide.