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**Work programme of UN-Habitat for the 2008–2009 biennium and  
budget of the United Nations Habitat and Human Settlements  
Foundation for the 2008–2009 biennium**

**Proposed work programme and budget for 2008–2009**

**Report of the Executive Director**

*Summary*

The present document provides the proposed integrated work programme and budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008-2009, in the context of the overall financial framework of the United Nations Human Settlements Programme (UN-Habitat). The budget is based on estimations of expected voluntary contributions to the General and Special purpose funds, as well as estimates of the level of expenditures required to supplement the United Nations regular budget and Technical cooperation resources. These resources are necessary to implement the UN-Habitat work programme for the biennium and to provide the required programme support.

The Executive Director recommends that the Governing Council of the United Nations Human Settlements Programme approve the work programme and budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008-2009, as proposed herein.

The present document is issued without formal editing.

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## Introduction

1. In accordance with financial rule 302.1 of the United Nations Habitat and Human Settlements Foundation, the Executive Director of UN-Habitat is submitting herewith the proposed programme budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008-2009. It covers the income and expenditure of the anticipated programme activities and programme support costs of the Foundation.
2. The proposed programme budget has been submitted for review and comments to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), in accordance with financial rule 302.2 of the Foundation. The ACABQ report has been issued as document HSP/GC/21/4/Add.1.
3. The integrated work programme and budget document has been prepared detailing the prioritized outputs as requested by the Governing Council in its resolution 19/2 of 9 May 2003 and incorporates the recommendations in the ACABQ report on its review of the proposed UN-Habitat budget for the 2004-2005 biennium (HSP/GC/19/9/Add.1).
4. In addition to incorporating the recommendation of ACABQ as reflected in document HSP/GC/21/4/Add.1, the present document has been reviewed by the Committee of Permanent Representatives to the United Nations Human Settlements Programme (UN-Habitat), whose views have also been taken into account. The document is also in line with the proposed Strategic Framework for the period 2008-2009 (as set out in document A/61/6), presently before the General Assembly.
5. UN-Habitat has taken various measures and actions to implement the ACABQ recommendations for the biennium 2006-2007 as outlined below.

## Implementation of the ACABQ recommendations for the biennium 2006-2007

Brief description of the recommendation	Action taken to implement the recommendation
<b>ACABQ report (HSP/GC/20/9/Add.1)</b>	
<p>“[T]he draft work programme and budget document had been submitted to the Committee of Permanent Representatives but it had not been reviewed in detail at the time of submission to the Advisory Committee, as a result of timetable constraints and late distribution of the document. The Committee recommends that effort be made to avoid recurrence of this problem in the context of future submissions.”</p>	<p>The draft work programme and budget for the biennium 2008-2009 has been submitted to the Committee of Permanent Representatives for review and its comments incorporated accordingly.</p>
<p>“[T]he challenge remains to overcome an overall structural financial weakness evidenced by general purpose contributions remaining at a relatively modest level compared to the special purpose contributions, and the continued dependence on a relatively small group of key donors.”</p>	<p>Governing Council resolution 20/19 called on the Executive Director to develop an overarching resource mobilization strategy to be presented at the Governing Council’s twenty-first session. An initiative to explore options to broaden the donor base, and in particular, to encourage non-earmarked contributions is under way.</p> <p>In addition, in its resolution 60/203, the General Assembly appealed to Member States, in recognition of the continued urgent need for increased and predictable financial contributions to the United Nations Habitat and Human Settlements Foundation, to increase their non-earmarked contributions, so as to ensure timely, effective and concrete global implementation of the Habitat Agenda.</p>
<p>“[T]he Committee is not convinced of the need to relocate the General Service post to the New York office in view of its previous position on liaison offices (see para. 106, A/58/7).”</p>	<p>Following extensive discussion of the activities to be undertaken by the New York Office, the Member States deemed it necessary to increase the resources of this office in order for it to meet its work programme objectives adequately. Subsequently, the General Service post was approved by the Governing Council in its resolution 20/19.</p>
<p>“Future submissions should include such an organigram, including professional and general service posts, in order to provide a better and more complete picture of the staffing resources proposed.”</p>	<p>The work programme and budget for the biennium 2008-2009 has been submitted with an organigram incorporating the Professional and General Service posts, thereby providing a complete picture of the staffing resources.</p>
<p>“... UN-Habitat to harmonize, whenever possible, with other United Nations funds and programmes and invites UN-Habitat to look into recent revisions proposed by UNFPA and UNDP of their cost recovery policies, as part of the simplification and harmonizing initiatives.”</p>	<p>In order to establish a simplified and harmonized cost-recovery mechanism, UN-Habitat is participating in a United Nations inter-agency working group set up to review the measures and adequacy of the programme support cost recovery policies. The cost-recovery policies proposed by other United Nations programmes and agencies are continuously reviewed and adopted as appropriate.</p>

## **Part One: Executive summary**

### **I. Programme overview**

6. Responsibility for human settlements is vested in UN-Habitat, which also serves as the focal point for implementation of the programme within the United Nations system. The current mandate of UN-Habitat derives from the twin goals of the Habitat Agenda, resulting from the United Nations Conference on Human Settlements (Habitat II), and comprises adequate shelter for all and sustainable human settlements development in an urbanizing world. Important recent mandates derive from the Declaration on Cities and other Human Settlements in the New Millennium, which was adopted by the Assembly in its resolution S-25/2 of 9 June 2001, other internationally agreed development goals, including those contained in the United Nations Millennium Declaration, such as the target of achieving a significant improvement in the lives of at least 100 million slum-dwellers by the year 2020, and in the outcomes of the major United Nations conferences and international agreements since 1992, such as target 10 on water and sanitation of the Johannesburg Plan of Implementation. These two targets were reaffirmed by the General Assembly in the 2005 World Summit Outcome, which highlighted slum prevention as a priority issue in human settlements. The world urban population is growing fast and most of these people live in overcrowded urban slums with inadequate housing, lack of secure tenure, uncertain employment and lack of basic services, especially safe water and sanitation.

7. UN-Habitat's programme of work will continue to be delivered through four subprogrammes, namely, subprogramme 1: Shelter and sustainable human settlements development; subprogramme 2: Monitoring the Habitat Agenda; subprogramme 3: Regional and technical cooperation; and subprogramme 4: Human settlements financing. The programme structure is subject to the outcome of the six-year medium-term strategic and institutional plan currently being prepared.

8. UN-Habitat is currently preparing a six-year medium-term strategic and institutional plan for the period 2008-2013, as recommended by the Governing Council. The strategy for delivering on this biennial programme budget is subject to the outcome of the ongoing strategic planning and institutional development exercise initiated in 2005. The medium-term strategic and institutional plan will be presented to the Governing Council at its twenty-first session. If it is deemed necessary to amend this work programme and budget to align it with the medium-term strategic and institutional plan, the provisions of resolution 58/269 of 23 December 2003 are expected to prevail. In accordance with this resolution, the logical framework of the work programme and budget for 2008-2009 can be amended after the approval of the strategic framework programme plan for the biennium but would have to be reviewed by the Committee on Programme and Coordination in 2007.

9. UN-Habitat will continue to mainstream gender in human settlements issues and empower women. As the focal point for the implementation of the human settlements programme within the United Nations system, UN-Habitat will collaborate and cooperate with other United Nations organizations. Outside the United Nations, UN-Habitat will also cooperate with Governments, local authorities, international financial institutions, regional development banks, the private sector and other Habitat Agenda partners. A significant mechanism for cooperation and policy dialogue between Governments and Habitat Agenda partners is the World Urban Forum, which is held every two years to address pressing human settlements issues.

### **II. Financial overview**

10. The financial framework of UN-Habitat comprises three sources of funding: Regular budget allocations approved by the General Assembly; United Nations Habitat and Human Settlements Foundation contributions for which the budget allocations are approved by the UN-Habitat Governing Council; and Technical cooperation contributions for which the budget allocations are approved by the Executive Director.

11. Regular budget appropriations are approved by the General Assembly and fall into two major categories, namely, section 15, Human settlements, and section 23, Regular programme of technical cooperation, for sectoral advisory services in the field of human settlements.

12. The contributions to the United Nations Habitat and Human Settlements Foundation are of two kinds: General purpose and Special purpose. General-purpose contributions are non-earmarked voluntary contributions from Governments to support the implementation of the approved UN-Habitat work programme. Special purpose contributions are earmarked contributions from Governments and other donors for the implementation of specific activities which are included in the work programme and consistent with the UN-Habitat mandate.

13. Technical cooperation contributions are earmarked resources from Governments and other donors for the implementation of specific technical country-level activities, consistent with the UN-Habitat mandate and work programme.

14. The consolidated and harmonized 2008-2009 programme budget has been prepared after an analysis of the projected income from the three sources of funding for the biennium 2008-2009, taking into account the resource requirements for the implementation of the proposed work programme. In projecting the opening balances for the biennium 2008-2009 this budget takes note of the revised estimates for the biennium 2006-2007.

15. The estimated resources available for the biennium 2008-2009 amount to US \$281.1 million (table 3) and are broken down as follows: US \$48.6 million projected opening balance (1 January 2008); US \$18.9 million from the regular budget; US \$29.1 million from the Foundation General purpose contributions; US \$67.8 million from the Foundation Special purpose contributions; and US \$116.7 million from Technical cooperation activity contributions. The United Nations regular budget allocation to UN-Habitat will be adjusted later in accordance with the allocations approved by the General Assembly in December 2007.

16. Tables 1 and 2 (a) below provide summaries of the trends in the level of income and expenditure from 2004 to 2009, while table 3 contains the consolidated corresponding details summarized in the first two tables.

**Table 1. Projected income for the bienniums 2004-2005, 2006-2007 and 2008-2009 (in millions of United States dollars)**

	2004-2005		2006-2007		2008-2009	% *
	Estimated	Actual	Estimated	Revised	Proposed	Change
	A	B	C	D	E	(E-C)/C
<b>Regular budget</b>	<b>14.8</b>	<b>17.0</b>	<b>18.9</b>	<b>18.9</b>	<b>18.9</b>	<b>N/A</b>
<b>Foundation</b>						
General purpose	23.5	22.6	26.5	26.5	29.1	10%
Special purpose	45.2	58.9	56.5	60.7	67.8	20%
Total	<b>68.7</b>	<b>81.5</b>	<b>83.0</b>	<b>87.2</b>	<b>96.9</b>	<b>17%</b>
<b>Technical cooperation</b>	<b>66.9</b>	<b>147.1</b>	<b>66.9</b>	<b>111.1</b>	<b>116.7</b>	<b>74%</b>
<b>Total income</b>	<b>150.4</b>	<b>245.6</b>	<b>168.8</b>	<b>217.2</b>	<b>232.5</b>	<b>38%</b>

\* Percentage change of projected income for 2008-2009 against the 2006-2007 estimates

**Table 2 (a). Expenditure for the bienniums 2004-2005, 2006-2007 and 2008-2009 (in millions of United States dollars)**

	2004-2005	2006-2007		2008-2009	% *
	Actual	Estimated	Revised	Proposed	Change
	A	B	C	D	(D-B)/B
<b>Regular budget</b>	<b>17.0</b>	<b>18.9</b>	<b>18.9</b>	<b>18.9</b>	<b>N/A</b>
<b>Foundation</b>					
General purpose	16.9	27.6	27.6	32.8	19%
Special purpose	44.9	55.1	71.6	72.9	32%
Total	<b>61.8</b>	<b>82.7</b>	<b>99.2</b>	<b>105.7</b>	<b>28%</b>
<b>Technical cooperation</b>	<b>107.6</b>	<b>67.1</b>	<b>138.3</b>	<b>121.4</b>	<b>81%</b>
<b>Total expenditure</b>	<b>186.4</b>	<b>168.7</b>	<b>256.4</b>	<b>246.0</b>	<b>46%</b>

\* Percentage change of estimated expenditure for 2008-2009 against the 2006-2007 estimates

**Table 2 (b). Expenditure for the bienniums 2004-2005, 2006-2007 and 2008-2009 (in millions of United States dollars) by subprogramme**

	2004-2005	2006-2007		2008-2009	%*
	Actual	Estimated	Revised	Proposed	Change
	A	B	C	D	(D-B)/B
<b>Programme resources</b>					
Shelter and sustainable human settlements development	35.4	36.0	42.7	40.3	12%
Monitoring the Habitat Agenda (see para. 17 (a))	12.9	29.1	26.7	25.4	-13%
Regional and technical cooperation	120.1	74.9	146.3	130.1	74%
Human settlements financing	3.0	13.3	19.9	22.6	70%
Programme support	5.7	7.9	8.5	10.7	35%
Management and administration (see para. 17 (b))	9.3	7.5	12.3	16.9	125%
<b>Total expenditure</b>	<b>186.4</b>	<b>168.7</b>	<b>256.4</b>	<b>246.0</b>	<b>46%</b>

\* Percentage change of estimated expenditure for 2008-2009 against the 2006-2007 estimates

17. The significant changes between the proposed expenditures (2006-2007) and the estimated expenditures (2008-2009) as shown in table 2 (b) above are as follows:

(a) An expected decrease of US \$3.7 million in the total budget of the Monitoring the Habitat Agenda subprogramme is mainly due to an anticipated decrease in Special purpose contributions based on prior year trends and to the redeployment of posts and associated non-post costs of the Monitoring and Evaluation Unit and the Information Services Section to the Management and administration budget, in line with the ACABQ recommendation (A/60/7. para. IV.51);

(b) A projected increase of US \$9.4 million in the Management and administration budget is mainly due to the following measures: strengthening of the Governing Council secretariat by boosting its staffing level through the creation of the World Urban Forum Unit; increased Special purpose contributions to the World Urban Forum; increased resource mobilization capacity; and redeployment of posts and associated non-post costs of the Monitoring and Evaluation Unit and the Information Services Section from the Programme budget.



Table 3. Consolidated resource plan: estimated 2006-2007, revised 2006-2007, and proposed 2008-2009 plan (in thousands of United States dollars)

	2004-2005	Baseline resource plan 2006-2007					Revised resource plan 2006-2007					Resource plan 2008-2009							
	Total Actual Resources/ Expenditures	Regular Budget	Technical Cooperation	UNHHSF			Total Resources	Regular Budget	Technical Cooperation	UNHHSF			Total Resources	Regular Budget	Technical Cooperation	UNHHSF			Total Resources
				General Purpose	Special Purpose	Total				General Purpose	Special Purpose	Total				General Purpose	Special Purpose	Total	
<b>Resources available</b>																			
Opening balance	28,813.7		10,243.3	9,046.9	12,012.4	21,059.3	31,302.6		48,269.0	16,875.7	22,751.3	39,627.0	87,896.0		21,044.1	15,774.5	11,817.8	27,592.3	48,636.4
Income																			
Contributions	238,552.8	18,895.8	66,000.0	25,000.0	56,500.0	81,500.0	166,395.8	18,895.8	110,000.0	25,000.0	60,650.0	85,650.0	214,545.8	18,895.8	115,500.0	28,000.0	67,800.0	95,800.0	230,195.8
Other	6,990.0		900.0	1,500.0		1,500.0	2,400.0		1,100.0	1,500.0		1,500.0	2,600.0		1,155.0	1,100.0		1,100.0	2,255.0
<b>Total</b>	<b>274,356.5</b>	<b>18,895.8</b>	<b>77,143.3</b>	<b>35,546.9</b>	<b>68,512.4</b>	<b>104,059.3</b>	<b>200,098.4</b>	<b>18,895.8</b>	<b>159,369.0</b>	<b>43,375.7</b>	<b>83,401.3</b>	<b>126,777.0</b>	<b>305,041.8</b>	<b>18,895.8</b>	<b>137,699.1</b>	<b>44,874.5</b>	<b>79,617.8</b>	<b>124,492.3</b>	<b>281,087.2</b>
<b>Use of resources</b>																			
Policy making organs	26.1	32.3					32.3	32.3					32.3	32.3					32.3
Programme resources																			
Total programme resources	171,352.9	15,537.4	64,629.9	23,165.3	50,000.0	73,165.3	153,332.6	15,537.4	134,913.8	22,165.3	63,000.0	85,165.3	235,616.5	15,537.4	117,174.3	23,721.8	62,000.0	85,721.8	218,433.5
Support budget																			
Programme support	5,640.4		1,942.3	1,760.2	4,183.5	5,943.7	7,886.0		2,297.1	1,960.2	4,183.5	6,143.7	8,440.8		2,863.4	2,601.2	5,247.4	7,848.6	10,712.0
Management and administration	9,324.4	3,326.1	486.3	2,675.7	964.7	3,640.4	7,452.8	3,326.1	1,114.0	3,475.7	4,400.0	7,875.7	12,315.8	3,326.1	1,372.2	6,472.1	5,686.1	12,158.2	16,856.5
Total support budget	14,964.8	3,326.1	2,428.6	4,435.9	5,148.2	9,584.1	15,338.8	3,326.1	3,411.1	5,435.9	8,583.5	14,019.4	20,756.6	3,326.1	4,235.6	9,073.3	10,933.5	20,006.8	27,568.5
<b>Total</b>	<b>186,343.8</b>	<b>18,895.8</b>	<b>67,058.5</b>	<b>27,601.2</b>	<b>55,148.2</b>	<b>82,749.4</b>	<b>168,703.7</b>	<b>18,895.8</b>	<b>138,324.9</b>	<b>27,601.2</b>	<b>71,583.5</b>	<b>99,184.7</b>	<b>256,405.4</b>	<b>18,895.8</b>	<b>121,409.9</b>	<b>32,795.1</b>	<b>72,933.5</b>	<b>105,728.6</b>	<b>246,034.3</b>
Prior period adjustments	210.0																		
Other adjustments	(326.7)																		
<b>Closing balance</b>	<b>87,896.0</b>		<b>10,084.8</b>	<b>7,945.7</b>	<b>13,364.2</b>	<b>21,309.9</b>	<b>31,394.7</b>		<b>21,044.1</b>	<b>15,774.5</b>	<b>11,817.8</b>	<b>27,592.3</b>	<b>48,636.4</b>		<b>16,289.2</b>	<b>12,079.4</b>	<b>6,684.3</b>	<b>18,763.7</b>	<b>35,052.9</b>

## Analysis of closing balances:

Statutory reserve			3,279.5		3,279.5	3,279.5
Operational reserve: programme and support costs	1,802.0		780.0	780.0	2,582.0	
Other fund balances	4,228.2	8,799.9	480.2	9,280.1	13,508.3	
Project balances	10,259.0		5,424.1	5,424.1	15,683.1	
<b>Total</b>	<b>16,289.2</b>	<b>12,079.4</b>	<b>6,684.3</b>	<b>18,763.7</b>	<b>35,052.9</b>	

## **Part Two: Resource plan**

### **III. Revised resource plan for 2006-2007**

18. Table 3 above includes the resource plan for 2006-2007 as approved by the Governing Council in its resolution 20/19 of 8 April 2005 and the proposed revised resource plan for 2006-2007 based on updated projections on income and expenditures.

19. Revised income and expenditure estimates for the biennium 2006-2007 have been prepared on the basis of the previous year's income and expenditure trends, an analysis of the actual income received during the first half of 2006 and a review of the anticipated commitments for the remainder of the biennium.

20. These estimates detailed in tables 1-3 reflect that the total resources available during this biennium are US \$305.0 million, of which US \$87.9 million represented the opening balance (1 January 2006). UN-Habitat has received an allocation of US \$18.9 million from the Regular budget and anticipates receiving US \$26.5 million from Foundation General purpose contributions, US \$60.7 million from Foundation Special purpose contributions and US \$111.1 million from Technical cooperation contributions.

21. The significant changes between the approved resource plan for 2006-2007 and the revised resource plan can be summarized as follows:

(a) The balances brought forward (including reserves and project balances) now reflect the actual balances reported in the final accounts for the biennium 2004-2005;

(b) The United Nations regular budget allocation reflects the actual appropriation of US \$18.9 million approved by the General Assembly for UN-Habitat in the biennium 2006-2007, of which US \$17.9 million falls under section 15 of the budget, Human settlements, and US \$1.0 million under section 23, Regular programme of technical cooperation, for sectoral advisory services in the field of human settlements;

(c) The proposed revised resource plan for the United Nations Habitat and Human Settlements Foundation has been increased from US \$83.0 million to US \$87.2 million. This change is due to a projected increase of 7 per cent in the Special purpose contributions from US \$56.5 million to US \$60.7 million. The projected increase in Special purpose contributions is attributed to envisaged increased income accruing to the Water and Sanitation Trust Fund and the projected expansion of the activities within the Human settlements financing sub-programme. The General purpose contributions remain at the same projected level of US \$26.5 million;

(d) The proposed increase of 66 per cent in resources for Technical cooperation activities, from US \$66.9 million to US \$111.1 million, derives from the projected increase in country level activities, post conflict and disaster assessment activities and reconstruction activities. The expenditure budget has also been revised upward from US \$67.1 million to US \$138.3 million, both in line with the projected increase in resources and also to provide for the use of project income received during the last quarter of the biennium 2004-2005 which has been carried over to this biennium;

(e) Further to Governing Council resolution 20/19, any reallocations to the General purpose resources between the subprogrammes up to a maximum of 25 per cent of the total General purpose budget will be reported to the Committee of Permanent Representatives.

### **IV. Proposed resource plan for 2008-2009**

#### **A. Financial overview**

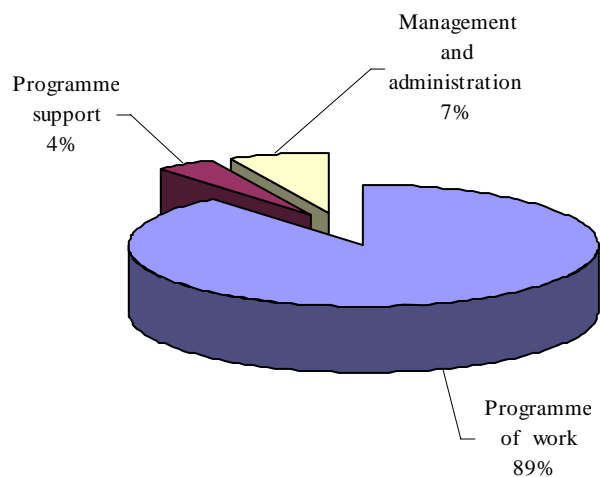
22. The UN-Habitat budget proposals for the biennium 2008-2009 assume that the upward trend in contributions to UN-Habitat, as reflected in table 3, will continue and that the total resources available for this biennium will be US \$281.1 million, of which US \$48.6 million is projected as the opening balance as at 1 January 2008.

23. The estimated income of US \$232.5 million will be derived from the following sources: United Nations regular budget US \$18.9 million; United Nations Habitat and Human Settlements Foundation US \$96.9 million; and Technical cooperation contributions US \$116.7 million (tables 1 and 3).

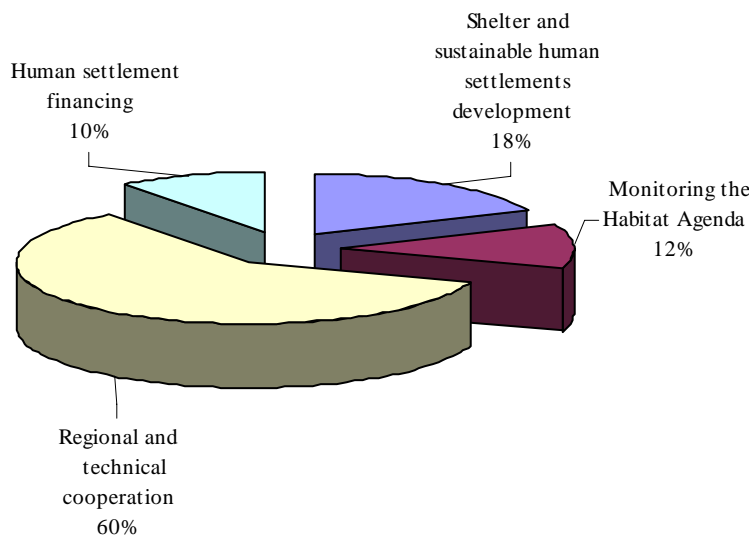
24. As noted above, the expenditure budget for the biennium 2008-2009 has been projected at US \$246.0 million (tables 2 and 4), reflecting a 46 per cent increase over the estimated 2006-2007 expenditure budget of US \$168.7 million, mainly due to the increase in Technical cooperation activities.

25. The greater part of the expenditure budget – US \$218.4 million, or 89 per cent – is reserved for programme activities, while the remaining US \$27.6 million, or 11 per cent, is budgeted for support activities, including policy making organs (table 3 and figure 1).

**Figure 1. Use of total resources 2008-2009**



26. Figure 2 below shows the distribution of the work programme resources between the four subprogrammes, indicating that 60 per cent of the expected programme resources will be used for Technical cooperation activities.

**Figure 2. Distribution of programme resources 2008-2009**

## 1. Regular budget

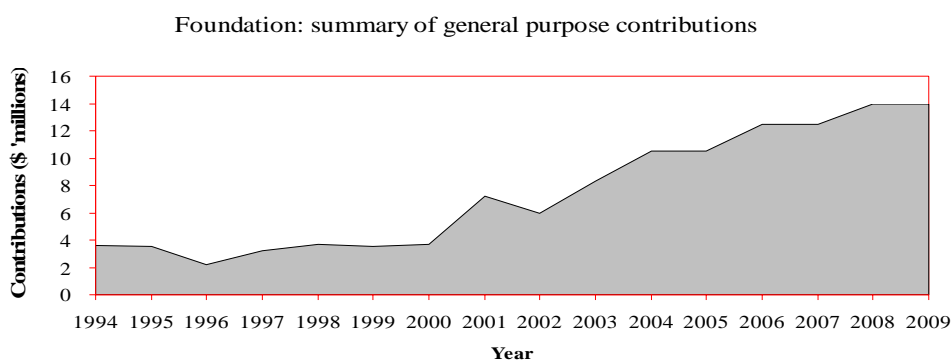
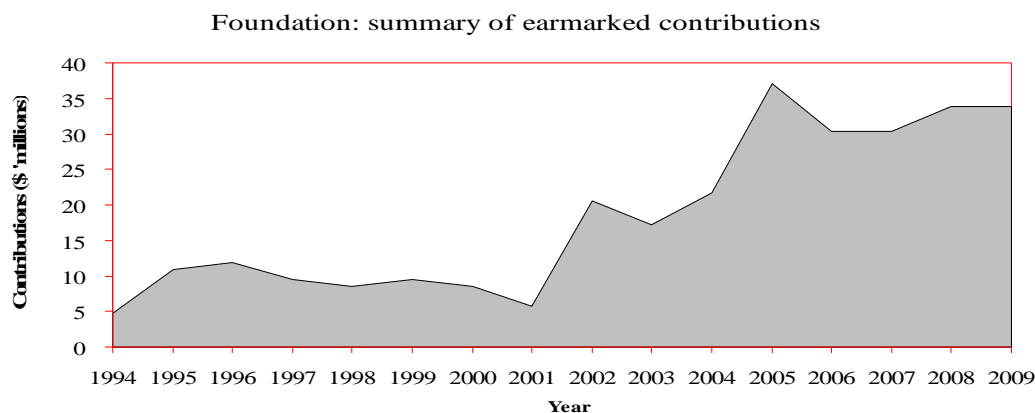
27. The expenditure budget has been maintained at the same level of US \$18.9 million, pending review of the proposals to be submitted to the General Assembly for approval. UN-Habitat has submitted to United Nations Headquarters proposals for an increase in the United Nations regular budget funding of UN-Habitat for the biennium 2008-2009. Since, however, the United Nations regular budget allocation is subject to the approval of the General Assembly at its sixty-first session in December 2007, the 2008-2009 amounts are provisional. Accordingly, no cost adjustments have been applied to this part of the resource plan for 2006-2007, as this will be effected at United Nations Headquarters at the time of the adoption of the budget by the General Assembly.

## 2. United Nations Habitat and Human Settlements Foundation

28. The proposed budget for the United Nations Habitat and Human Settlements Foundation for the biennium 2008-2009 is US \$105.7 million includes US \$85.7 million for programme activities and a support budget of US \$20.0 million (table 6). This represents an increase of 28 per cent in the total Foundation budget over the US \$82.7 million approved for the biennium 2006-2007, reflecting growing support for the activities undertaken by the organization. This projected increase in Foundation contributions is mainly due to the expansion of such existing trust funds as the Trust Fund for Water and Sanitation, the Trust Fund for the Special Human Settlements Programme for the Palestinian People and the Slum Upgrading Facility.

29. The total contributions to the Foundation have been increasing steadily over the years (see figure 3). UN-Habitat has been able to sign multi-year agreements with a number of donor countries, covering both General purpose and Special purpose contributions. This has improved the predictability of funding and has contributed towards the increased financial stability of the organization.

30. Over the past decade, the level of General purpose contributions has increased from an average of US \$3 million per year to an average of US \$11 million for the biennium 2004-2005. Similarly, Special purpose contributions have increased from an average of US \$8 million in the mid-1990s to approximately US \$37 million in 2005. The upward trend in contributions is expected to continue and the target annual income of US \$14 million for General purpose and US \$33.9 million for the Special purpose contributions in the biennium 2008-2009 is therefore expected to be achieved.

**Figure 3. Summary of General purpose and Special purpose contributions (1994–2009)\***

\* Shows estimated figures for the years 2006–2009

31. To meet the resource requirements of the proposed Foundation budget, an income of US \$96.9 million is required over the biennium, apportioned as US \$28.0 million in General purpose contributions, US \$67.8 million in Special purpose contributions and US \$1.1 million in other miscellaneous income (table 3).

32. Where non-earmarked contributions are concerned, the required income amounts to US \$14.0 million per year, representing an increase of 10 per cent over the approved income estimate for the biennium 2006/2007. Figure 3 shows the General purpose contributions over the period 1994–2005. The rising trend in 2006–2007 contributions is envisaged to continue in the biennium 2008–2009.

33. UN-Habitat has made substantial progress in its resource mobilization efforts. The organization has also embarked on an enhanced donor mobilization strategy to compensate for its narrow donor base and the continued imbalance between the non-earmarked and earmarked contributions, by exploring various initiatives aimed at widening the donor base and encouraging donors to make increased and predictable non-earmarked contributions. The arrival of the Deputy Executive Director in 2006 has led to renewed efforts on this initiative. The Resource Mobilization Strategy will be presented at the current session of the Governing Council. In addition, the revised rules for the United Nations Habitat and Human Settlements Foundation recently promulgated by the Secretary-General will facilitate the mobilization of resources towards attainment of the Millennium Development Goals.

34. For budgeting purposes, UN-Habitat has also assumed that the Special purpose contribution income will average US \$33.9 million per annum. Figure 3 illustrates the significant increase in the Special purpose contributions over the period 1994–2005. The projected increase to US \$33.9 million per annum is considered realistic in view of the expected continued expansion of the Trust Fund for Water and Sanitation, the Slum Upgrading Facility, and the Trust Fund for the Special Human Settlements Programme for the Palestinian People.

35. In accordance with the UN-Habitat policy of writing off pledges that have remained outstanding for periods longer than four years, all outstanding pledges for the period up to December 2002 will be written off at the close of the 2006 accounts. A corresponding report reflecting the pledges written off will be submitted to the Governing Council. As at 31 July 2006, an amount of US \$26,958 remained outstanding on pledges prior to December 2002. The organization is making every effort to encourage the respective Governments to honour these pledges.

### **3. Technical cooperation**

36. The proposed budget for Technical cooperation activities is projected at US \$121.4 million for the biennium 2008-2009, representing a slight decrease from the revised expenditure budget of US \$138.3 million for 2006-2007. The revised budget (2006-2007) is higher than the proposed 2008-2009 budget, as it incorporates a substantial carry-over of project income received during the last quarter of 2004-2005. UN-Habitat will continue to implement its country-level activities as well as its disaster-mitigation and post-conflict reconstruction activities with the support of bilateral donors and the collaboration of other United Nations bodies.

37. The Technical cooperation budget incorporates both the programme budget and the support budget. A 10 per cent programme support fee is levied on income received towards country-specific Technical cooperation activities. It should be noted, however, that a lower rate is charged when United Nations system-wide agreements have been reached on other rates. This is the case, for example, with contributions from the European Commission, the United Nations Development Group (UNDG) Trust Fund for Iraq and the World Bank.

38. The significant changes in the proposed expenditure budget for the biennium 2008-2009 are reflected in tables 4 and 5 and are summarized below.

### **4. Posts**

39. A 5 per cent increase has been proposed for the overall staffing level of the organization. The staffing level of the Foundation is projected to increase from 117 (60 Professional and 57 General Service staff members) to 129 (67 Professional and 62 General Service staff members). The staffing level supported by the Technical Cooperation Fund contributions will remain at the same level as in the current biennium. Similarly, the staffing supported by the regular budget allocation has been maintained at the same level, pending review and approval of the proposals to be submitted to the General Assembly. A detailed distribution of Professional and General Service posts is provided in table 5 below.

40. Following the adoption of resolution 20/15 of 8 April 2005 on the Habitat Programme managers and regional offices, UN-Habitat will continue, with the assistance of Governments, to support the presence at the country level of Habitat Programme managers in United Nations Development Programme (UNDP) country offices. The Habitat Programme managers will remain actively involved in promoting the integration of sustainable urbanization; promoting the organization's global and normative mandate, programmes and campaigns; and supporting the operational activities of UN-Habitat at the national and local levels. They also form part of the United Nations country teams. .

41. The estimated cost of funding 20 Habitat Programme managers is projected to increase from US \$2.4 million to US \$3.0 million and will be divided equally between the Foundation General purpose contributions and the Foundation special account for programme support, as reflected in the budget to support their enhanced participation at the country level. As at 31 July 2006 there were 36 Habitat Programme managers, 20 funded from the core Foundation resources and 16 from projects.

42. Recalling resolutions 20/4 and 20/17 of 8 April 2005, priority in the placement of Habitat Programme managers will continue to be given to the least developed countries and post-conflict societies. The recommendations and lessons learned from the evaluation of the Habitat Programme managers will continue to be implemented.

**Table 4. UN-Habitat consolidated budget estimates by expenditure category and source of fund budget for the biennium 2008-2009 (in thousands of United States dollars)**

	Approved Appropriations	Amount	%	Estimates
<b>Regular budget</b>				
Posts	16,118.2	-	-	16,118.2
Other staff costs	1,162.4	-	-	1,162.4
Consultants	272.7	-	-	272.7
Travel	405.4	-	-	405.4
Contractual services	103.6	-	-	103.6
General operating expenses	560.2	-	-	560.2
Supplies and materials	106.7	-	-	106.7
Furniture and equipment	166.6	-	-	166.6
Support to UNON				
Project expenditure				
<b>Total regular budget</b>	<b>18,895.8</b>	<b>-</b>	<b>-</b>	<b>18,895.8</b>
<b>Foundation</b>				
Posts	20,586.8	5,925.2	28.8	26,511.9
Other staff costs	552.5	(28.9)	(5.2)	523.6
Consultants	444.5	32.4	7.3	476.9
Travel	1,202.4	65.3	5.4	1,267.7
Contractual services	924.6	34.5	3.7	959.1
General operating expenses	1,901.1	46.7	2.5	1,947.8
Supplies and materials	214.3	13.6	6.3	227.9
Furniture and equipment	230.2	34.7	15.1	264.9
Support to UNON	1,893.1	(844.3)	(44.6)	1,048.8
Project expenditures (non-earmarked)	4,800.0	700.0	14.6	5,500.0
Project expenditures (earmarked)	50,000.0	17,000.0	34.0	67,000.0
<b>Total foundation</b>	<b>82,749.4</b>	<b>22,979.2</b>	<b>27.8</b>	<b>105,728.6</b>
<b>Technical cooperation</b>				
Posts	5,121.9	3,231.7	63.1	8,353.6
Other staff costs	146.7	168.3	114.7	315.0
Consultants	178.7	2.9	1.6	181.6
Travel	460.4	(228.9)	(49.7)	231.5
Contractual services	21.2	56.8	267.9	78.0
General operating expenses	514.4	198.0	38.5	712.4
Supplies and materials	72.8	(17.6)	(24.2)	55.2
Furniture and equipment	56.1	54.3	96.8	110.4
Support to UNON	486.3	885.9	182.2	1,372.2
Project expenditures	60,000.0	50,000.0	83.3	110,000.0
<b>Total Technical cooperation</b>	<b>67,058.5</b>	<b>54,351.4</b>	<b>81.1</b>	<b>121,409.9</b>
<b>Grand total</b>	<b>168,703.7</b>	<b>77,330.6</b>	<b>45.8</b>	<b>246,034.3</b>

Object of expenditure	2006-2007		Increase / (Decrease)		Estimates	%*
	Approved Appropriations	Amount	Amount	%		
Posts	41,826.9	9,156.9		21.9	50,983.7	80.2
Other staff costs	1,861.6	139.4		7.5	2,001.0	3.1
Consultants	895.9	35.3		3.9	931.2	1.5
Travel	2,068.2	(163.6)		(7.9)	1,904.6	3.0
Contractual services	1,049.4	91.3		8.7	1,140.7	1.8
General operating expenses	2,975.7	244.7		8.2	3,220.4	5.1
Supplies and materials	393.8	(4.0)		(1.0)	389.8	0.6
Furniture and equipment	452.9	89.0		19.7	541.9	0.9
Support to UNON	2,379.4	41.6		1.7	2,421.0	3.8
Project expenditures (non-earmarked)	4,800.0	700.0		14.6	5,500.0	
Project expenditures (earmarked)	110,000.0	67,000.0		60.9	177,000.0	
<b>Grand total</b>	<b>168,703.7</b>	<b>77,330.6</b>		<b>45.8</b>	<b>246,034.3</b>	<b>100.0</b>

\* Excludes project expenditure

**Table 5. UN-Habitat: estimated distribution of posts by source of funds**

	Professional category and above									L-L	Other	Grand Total
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total			
<b>Grand Total of Posts by Source of Funds</b>												
<b>2006-2007</b>												
United Nations regular budget	1		1	4	8	17	13	5	49	23	2	74
Foundation general purpose		1	2	5	10	11	16	4	49	36	3	88
Foundation special purpose			1	1	1	2	4	2	11	18		29
Technical cooperation				3	12	5	2	14	36	15	1	52
<b>Total 2006-2007</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>13</b>	<b>31</b>	<b>35</b>	<b>35</b>	<b>25</b>	<b>145</b>	<b>92</b>	<b>6</b>	<b>243</b>
<b>Changes (decrease)/increase</b>												
United Nations regular budget	-	-	-	-	-	-	-	-	-	-	-	-
Foundation general purpose	-	-	1	1	1	1	2	-	6	4	-	10
Foundation special purpose	-	-	(1)	-	1	-	1	-	1	1	-	2
Technical cooperation	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>7</b>	<b>5</b>	<b>-</b>	<b>12</b>
<b>2008-2009</b>												
United Nations regular budget	1	-	1	4	8	17	13	5	49	23	2	74
Foundation general purpose	-	1	3	6	11	12	18	4	55	40	3	98
Foundation special purpose	-	-	-	1	2	2	5	2	12	19	-	31
Technical cooperation	-	-	-	3	12	5	2	14	36	15	1	52
<b>Total 2008-2009</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>14</b>	<b>33</b>	<b>36</b>	<b>38</b>	<b>25</b>	<b>152</b>	<b>97</b>	<b>6</b>	<b>255</b>



## 5. Non-post costs

43. It is proposed that the overall budget for non-post costs (excluding project expenditures) be increased by 4 per cent (US \$0.5 million) over the biennium 2008-2009. The most significant increases have been allocated for other staff costs (US \$139,400), which include coverage for maternity leave, periods of peak workloads and common staff services; and general operating expenditure (US \$244,700) (table 4).

44. As UN-Habitat continues in its endeavours to reduce travel and communications costs by improving its ability to make effective use of modern technology, a net decrease in travel costs (US \$163,600) is also expected from a reduction in the Technical cooperation travel budget.

## 6. Programme allocations

45. The non-earmarked project expenditures for the biennium are proposed to increase from US \$4.8 million to US \$5.5 million. As in the past, these project and programme activities will be approved by the Executive Director on a case-by-case basis and are targeted to those areas of the approved work programme pursuant to which UN-Habitat must: respond to urgent requests for assistance; organize identification missions; prepare project documents for fundraising; and undertake monitoring and research activities to monitor the implementation of the Habitat Agenda. These activities follow the programme priorities of UN-Habitat and focus on areas for which it is difficult to attract earmarked funding.

46. The proposed changes in the allocations to the respective subprogrammes are reflected in part three of the present document in line with the estimated earmarked income projections and the resource requirements. These changes also reflect the realignment of resources in line with the functions and activities proposed in the work programme.

## B. United Nations Habitat and Human Settlements Foundation (General purpose and Special purpose) proposed budget for the biennium 2008-2009

### 1. Proposed budget for 2008-2009

47. In accordance with financial rule 303.1 of the Foundation, the Executive Director of UN-Habitat is submitting the proposed budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008-2009. The budget covers anticipated programme and support costs, and is presented for approval by the Governing Council at its twenty-first session.

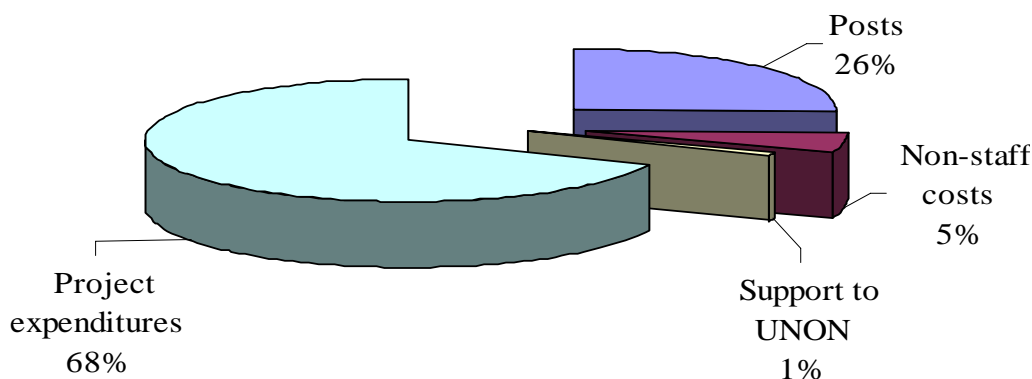
48. The proposed expenditure budget for the Foundation amounts to US \$105.7 million (see table 6). The budget consists of the following elements:

(a)	Programme	US \$85.7 million	(81.1 per cent)
(b)	Programme support	US \$7.8 million	(7.4 per cent)
(c)	Management and administration	US \$12.2 million	(11.5 per cent)

49. Approximately 68 per cent of the Foundation resources (US \$72.5 million) are allocated to project expenditure (figure 4). The remaining 32 per cent are allocated to posts and other staff costs (26 per cent) and non-staff items (6 per cent).

50. It should be noted that the General purpose contributions to the United Nations Habitat and Human Settlements Foundation continue primarily to cater for UN-Habitat staff and operational costs and that the costs of activities are to a large extent funded from Special purpose contributions.

**Figure 4. United Nations Habitat and Human Settlements Foundation (use of resources by expenditure category, 2008-2009)**



51. UN-Habitat is continuously engaged in a process of rigorous assessment of its activities and maintains a cautious approach in filling established posts in the United Nations Habitat and Human Settlements Foundation. Of the 60 Professional posts funded from the Foundation contributions approved for the biennium 2006-2007, nine posts (7 per cent) remained frozen as at 31 July 2006, with five previously frozen posts having been filled during the last two years. The nine frozen posts are crucial for the effective delivery of the UN-Habitat programme of work and its activities. With additional predictable funding from donor countries, it is anticipated that those posts will be filled in the near future. Seven of the nine posts are to be funded from General purpose contributions.

52. The staffing level for the Foundation in the biennium 2008-2009 is proposed to increase by 10 per cent with the addition of seven Professional and five General Service staff members. Accordingly, the proposed staffing table for the Foundation comprises 67 Professional and 62 General Service staff members, of which 12 Professional and 19 General Service staff members are to be funded from Special purpose contributions (see table 5).

53. This proposed increase in the staff complement is required if UN-Habitat is to attain the objectives set out in the proposed work programme and is to strengthen the capacity of the organization to deliver planned emerging management and administrative activities in line with the ongoing United Nations reforms.

54. The proposed new posts (seven Professional and five General Service), the justification for which is provided below, will be distributed as follows:

(a) *Programme activities*: one P-3 Human Settlements Officer (Global Urban Observatory), one P-3 Human Settlements Officer (Arab States) and one Programme Assistant (Urban Environment Section);

(b) *Programme support*: one P-5 Chief, Programme Management Officer, one Legal Assistant and one Programme Management Assistant;

(c) *Management and administration*: one D-1 Chief, Office of the Executive Director; World Urban Forum Unit comprising one P-5 Coordinator, one P-3 Human Settlements Officer, one Logistics Assistant and one Administrative Assistant; and one P-4 Resource Mobilization Officer.

## 2. Proposed programme budget for 2008-2009 (programme activities)

55. The proposed programme budget required to implement the work programme activities within the four subprogrammes for the biennium 2008-2009 is estimated at US \$85.7 million, as detailed in table 6. Within the programme budget, an amount of US \$62.0 million has been set aside for direct project expenditure. The remaining US \$23.7 million of programme expenditure is to be funded from the General purpose funds, as reflected in tables 6 and 7. Of this amount, US \$16.2 million (68 per cent) pertains to staff costs, US \$3.1 million (13 per cent) to non-post costs and US \$4.4 million (19 per cent) is allocated for non-earmarked projects.

56. Given the limited resources of the Foundation, the non-earmarked project activities will continue to be restricted to preparatory assistance, activities with a demonstrated multiplier effect and those that are likely to have a significant impact on the improvement of human settlement conditions. Special emphasis will be placed on follow-up activities for implementation of the outcome of the Habitat II Conference and to assist in achieving targets 10 and 11 of the Millennium Development Goals on sustainable access to safe drinking water and bringing a significant improvement in the lives of at least 100 million slum dwellers. Resources will continue to be provided for reporting on the implementation of the Habitat Agenda through flagship reports, information dissemination, monitoring and evaluation activities, documentation, awareness-raising and capacity-building.

57. The significant net changes in the programme budget are: an increase of US \$1.4 million in posts, a decrease of US \$121,000 in travel costs and a decrease of US \$0.7 million in non-earmarked expenditures (tables 6 and 7). The decrease in expenditures is as a result of the realignment of the information, monitoring and evaluation functions and budget from the programme budget to the Management and administration budget component, in line with the ACABQ recommendations.

58. The changes above are the net result of:

(a) Redeployment of four Professional and three General Service posts from the programme budget to the support budget under the Management and administration component. This proposed redeployment is in response to the ACABQ recommendation (A/60/7/A, para. IV.51) which called for the streamlining and restructuring of the monitoring and evaluation activities into a centrally managed unit responsible for all monitoring and evaluation activities of the organization. In this regard, one Professional post has moved to the monitoring and evaluation unit. By the same principle, three Professional and three General Service posts have been moved to the information services unit, whose functions also fall within the Management and administration budget component;

(b) The proposed increase of two Professional and one General Service post: the Professional posts are one P-3 Human Settlements Officer to strengthen the Global Urban Observatory unit responsible for establishing urban observatories to collate and analyse data necessary for monitoring the implementation of the Habitat Agenda and, in particular, the Millennium Development Goals on slums, safe drinking water and water and sanitation; and one P-3 Human Settlements Officer within the Regional Office for Africa and the Arab States, to assist in the formulation and implementation of urban and housing strategies, the development of related capacities and support for the operational activities within the Arab States. The one General Services post is that of a Programme Management Assistant to assist the Urban Environment Unit in coordinating activities on sustainable urbanization carried out in conjunction with UNEP;

(c) An additional allocation of US \$300,000 towards the Habitat Programme managers stationed in UNDP country offices, to provide for additional funds required for their enhanced participation at the country level.

**Table 6. United Nations Habitat and Human Settlements Foundation (General purpose and Special purpose) budget for the biennium 2008-2009 (in thousands of United States dollars)**

	2006-2007 Approved appropriations	Changes				2008-2009 Estimates
		Volume*		Cost*		
		Amount	%	Amount	%	
<b>Programme</b>						
Posts	14,574.1	(1,203.5)	(8.3)	2,574.1	17.7	15,944.7
Other staff costs	378.2	(101.5)	(26.8)	15.2	4.0	291.9
Consultants	349.7	-	-	25.5	7.3	375.2
Travel	929.2	(176.0)	(18.9)	55.0	5.9	808.2
Contractual services	611.9	(56.7)	(9.3)	40.5	6.6	595.7
General operating expenses	1,273.2	(245.8)	(19.3)	56.2	4.4	1,083.6
Supplies and materials	108.5	(22.0)	(20.3)	6.3	5.8	92.8
Furniture and equipment	140.5	(19.7)	(14.0)	8.9	6.3	129.7
Project expenditures (non-earmarked)	4,800.0	(400.0)	(8.3)	-	-	4,400.0
Project expenditures (earmarked)	50,000.0	12,000.0		-	-	62,000.0
<b>Total programme</b>	<b>73,165.3</b>	<b>9,774.8</b>	<b>13.4</b>	<b>2,781.7</b>	<b>3.8</b>	<b>85,721.8</b>
<b>Support budget</b>						
<b>Programme support</b>						
Posts	4,686.1	555.7	11.9	1,087.9	23.2	6,329.7
Other staff costs	135.6	(5.4)	(4.0)	7.1	5.2	137.3
Consultants	63.2	-	-	4.6	7.3	67.8
Travel	193.0	22.6	11.7	15.7	8.1	231.3
Contractual services	231.1	(38.3)	(16.6)	14.1	6.1	206.9
General operating expenses	488.4	(9.8)	-	35.0	7.2	513.6
Supplies and materials	72.8	1.6	-	3.8	5.2	78.2
Furniture and equipment	73.5	4.6	6.3	5.7	7.8	83.8
Project expenditures (non-earmarked)	-	200.0	100.0	-	-	200.0
Project expenditures (earmarked)	-	-	-	-	-	-
<b>Total programme support</b>	<b>5,943.7</b>	<b>531.0</b>	<b>8.9</b>	<b>1,173.9</b>	<b>19.8</b>	<b>7,848.6</b>
<b>Management and administration</b>						
Posts	1,326.6	2,139.3	161.3	771.7	58.2	4,237.5
Other staff costs	38.6	50.9	131.9	4.9	12.7	94.4
Consultants	31.6	-	-	2.3	7.3	33.9
Travel	80.2	132.5	165.2	15.5	19.3	228.2
Contractual services	81.6	64.2	-	10.7	-	156.5
General operating expenses	139.5	187.2	134.2	23.9	17.1	350.6
Supplies and materials	33.0	20.0	60.6	3.9	11.8	56.9
Furniture and equipment	16.2	31.7	195.7	3.5	21.6	51.4
Support to UNON	1,893.1	(915.7)	(48.4)	71.4	3.8	1,048.8
Project expenditures (non-earmarked)	-	900.0	100.0	-	-	900.0
Project expenditures (earmarked)	-	5,000.0	100.0	-	-	5,000.0
<b>Total Management and administration</b>	<b>3,640.4</b>	<b>7,610.1</b>	<b>209.0</b>	<b>907.8</b>	<b>24.9</b>	<b>12,158.2</b>
<b>Total support budget</b>	<b>9,584.1</b>	<b>8,141.1</b>	<b>84.9</b>	<b>2,081.7</b>	<b>21.7</b>	<b>20,006.8</b>
<b>Grand total</b>	<b>82,749.4</b>	<b>17,915.9</b>	<b>21.7</b>	<b>4,863.4</b>	<b>5.9</b>	<b>105,728.6</b>

\* Refer to annexes III and IV.

**Table 7. United Nations Habitat and Human Settlements Foundation: (General purpose funds only) budget for the biennium 2008-2009 (in thousands of United States dollars)**

	2006-2007 Approved Appropriations	Changes			2008-2009 Estimates
		Volume		Cost	
		Amount	%	Amount	
<b>Programme</b>					
Posts	14,574.1	(1,203.5)	(8.3)	2,574.1	15,944.7
Other staff costs	378.2	(101.5)	(26.8)	15.2	291.9
Consultants	349.7	-	-	25.5	375.2
Travel	929.2	(176.0)	(18.9)	55.0	808.2
Contractual services	611.9	(56.7)	(9.3)	40.5	595.7
General operating expenses	1,273.2	(245.8)	(19.3)	56.2	1,083.6
Supplies and materials	108.5	(22.0)	(20.3)	6.3	92.8
Furniture and equipment	140.5	(19.7)	(14.0)	8.9	129.7
Project expenditures (non-earmarked)	4,800.0	(400.0)	(8.3)	-	4,400.0
<b>Total programme</b>	<b>23,165.3</b>	<b>(2,225.2)</b>	<b>(9.6)</b>	<b>2,781.7</b>	<b>23,721.8</b>
<b>Support budget</b>					
<b>Programme support</b>					
Posts	1,366.3	328.4	24.0	270.6	1,965.3
Other staff costs	35.9	0.7	1.9	2.0	38.6
Travel	92.8	14.5	15.6	7.8	115.1
Contractual services	98.5	(16.8)	(17.1)	6.0	87.7
General operating expenses	122.1	11.5	9.4	9.8	143.4
Supplies and materials	10.4	(0.0)	(0.0)	0.8	11.2
Furniture and equipment	34.2	3.0	8.8	2.7	39.9
Project expenditures (non-earmarked)		200.0	100.0	-	200.0
<b>Total programme support</b>	<b>1,760.2</b>	<b>541.3</b>	<b>30.8</b>	<b>299.7</b>	<b>2,601.2</b>
<b>Management and administration</b>					
Posts	1,326.6	2,139.3	161.3	771.7	4,237.5
Other staff costs	38.6	50.9	131.9	4.9	94.4
Consultants	31.6	-	-	2.3	33.9
Travel	80.2	132.5	165.2	15.5	228.2
Contractual services	81.6	64.2	78.7	10.7	156.5
General operating expenses	139.5	187.2	134.2	23.9	350.6
Supplies and materials	33.0	20.0	60.6	3.9	56.9
Furniture and equipment	16.2	31.7	195.7	3.5	51.4
Support to UNON	928.4	(590.4)	(63.6)	24.7	362.7
Project expenditures (non-earmarked)	-	900.0	100.0	-	900.0
<b>Total management and administration</b>	<b>2,675.7</b>	<b>2,935.4</b>	<b>109.7</b>	<b>861.1</b>	<b>6,472.1</b>
<b>Total support budget</b>	<b>4,435.9</b>	<b>3,476.7</b>	<b>78.4</b>	<b>1,160.8</b>	<b>9,073.3</b>
<b>Grand total</b>	<b>27,601.2</b>	<b>1,251.5</b>	<b>4.5</b>	<b>3,942.5</b>	<b>32,795.1</b>

### **3. Proposed support budget for 2008-2009**

59. The details of the proposed support budget for the biennium 2008-2009 are reflected in table 6, showing the two components of the support budget: Programme support and Management and administration.

### **4. Programme support**

60. The programme support budget is funded from two principal sources, the General purpose contributions (table 7) and the special account for programme support costs (table 8).

61. In accordance with United Nations financial rules and regulations, the special account for programme support is funded by charging a 13 per cent programme support fee on actual expenditures of activities funded by Special purpose contributions. It should be noted, however, that in some instances lower rates are charged as mentioned earlier. Following recommendations by the Joint Inspection Unit (JIU), set out in its report JIU/REP/2002/3, and further to the ACABQ recommendation contained in document HSP/GC/20/9/Add.1, in order to establish a simplified and harmonized cost recovery mechanism, UN-Habitat is participating in the United Nations inter-agency working group which has been established under the auspices of the High Level Committee on Management, to review the measures and adequacy of programme support cost-recovery policies.

62. The proposed programme support budget for the biennium 2008-2009 is US \$7.8 million, of which US \$2.6 million is funded from General purpose contributions and the remaining US \$5.2 million from the special account for programme support costs.

63. The proposed programme support staffing table comprises 11 Professional and 21 General Service posts (table 9). Proposed changes in the staffing are as follows: One new P-5 Chief and Programme Management Officer, to strengthen the programme support function in line with the growing activities of the organization; the redeployment of the Programme Planning and Coordination Officer post from the Management and administration budget component in line with the ACABQ recommendations, to align the resources with the functions and activities reflected in the work programme; and two additional General Service posts, one Legal Assistant and one Programme Management Assistant, to assist in the administration of the programme and project activities undertaken by the organization.

64. In addition, there is an additional allocation of US \$300,000 towards the Habitat Programme managers stationed in UNDP country offices, to provide for additional funds required for their enhanced participation at the country level. This brings the total allocation for Habitat Programme managers to be funded from the special account for programme support costs during the biennium 2008-2009 to US \$1.5 million.

65. The other significant increase in the programme support budget is the proposed allocation of US \$200,000 for non-earmarked activities further to strengthen the institutional and oversight capacity in respect of programme support functions.

### **5. Management and administration**

66. The proposed budget for Management and administration has increased significantly from US \$3.6 million to approximately US \$12.9 million, mainly owing to the new allocation of US \$6.6 million towards project activities (US \$5 million envisaged from earmarked funds and US \$1.6 million from non-earmarked funds). Of this remaining balance of US \$6.3 million, US \$4.2 million will be allocated for posts and US \$2.1 million for non-post costs, of which US \$1.0 million is support for the United Nations Office in Nairobi.

67. The proposed expenditures are intended primarily to strengthen the Governing Council secretariat, among other activities, to facilitate the preparation, organization and conduct of the World Urban Forum in response to Governing Council resolution 20/10 on the World Urban Forum, which called on the Executive Director to mobilize adequate resources for the preparation and conduct of future sessions of the World Urban Forum, making specific provisions in future proposed programmes of work and budgets; and to strengthen the capacity of the organization in resource mobilization further to the recommendation contained in the detailed evaluation of the programme; and to support the monitoring, evaluation and information dissemination activities of the organization.

68. The net increase in this budget is primarily a result of the creation of the World Urban Forum Unit within the Governing Council secretariat. This will strengthen the secretariat and enable it more effectively to facilitate the organization of sessions of the World Urban Forum, as well as provide additional support for the work of the governing bodies and other major global and regional conferences. The net increase in the budget is also attributable to the redeployment of posts and associated non-post costs of the Monitoring and Evaluation Unit and the Information Services Section from the programme budget to the Management and administration budget component, in order to align the resources with the functions and activities as set out in the proposed work programme, in line with the ACABQ recommendation (A/60/7). The net increase in this budget corresponds to the net decrease in the programme budget relating to the redeployment of posts.

## 6. Posts

69. The proposed creation of post for the Chief, Office of the Executive Director, at the D-1 level, to strengthen the overall capacity of this office in directing and coordinating the implementation of the organization's work programme and to oversee both the Monitoring and Evaluation Unit and the Information Services Section. This post is at the appropriate level in line with other United Nations agencies within the secretariat.

70. Pursuant to Governing Council resolution 18/5 (paragraph 10), three sessions of the World Urban Forum have been convened with a view to strengthening the coordination of international support for the implementation of the Habitat Agenda. The success of these sessions is clear from the increased and inclusive participation of Habitat Agenda partners, leading to the innovative ideas and practical solutions on emerging urban environment and urban poverty challenges. By its resolution 56/206 of 21 December 2001, the General Assembly decided that the World Urban Forum would be a non-legislative technical forum in which experts could exchange their views. Accordingly, the Forum continues to rely on earmarked contributions primarily from the respective host countries.

71. Subsequently, taking note of Governing Council resolution 20/10 on the World Urban Forum and noting both the significant expansion of the event and the consequent increase in the workload of the Governing Council secretariat, the creation has been proposed of a World Urban Forum unit in the Executive Director's office, so as to ensure that adequate organizational and substantive support is provided by the programme in preparations for future sessions of the World Urban Forum. This unit will contribute 40 per cent of its time and effort towards providing support to the governing bodies and other major global and regional conferences, including the African Ministerial Conference on Housing and Urban Development (AMCHUD), Africities and the Asia-Pacific Ministerial Conference on Housing and Human Settlements (APMCHHS). The remaining 60 per cent will be spent on preparations for the main event, including substantive outputs and ensuring that the emerging trends, lessons learnt and policy recommendations will be effectively disseminated during these meetings and subsequent sessions. In addition the unit will also develop mutually beneficial synergies with partners, including development agencies, in the implementation of the Habitat Agenda. The unit will be set up with two Professional Posts (one P-5 Coordinator and one P-3 Human Settlements Officer) and two General Service posts one Logistics Assistant and one Administrative Assistant).

72. In response to the detailed evaluation of the Programme by the Office of Internal Oversight Services (OIOS) and taking note of Governing Council resolution 20/10 on the work programme and budget, a P-4 Resource Mobilization Officer post is proposed, in line with the Resource Mobilization Strategy, with a view to enhancing the fund-raising activities of the Programme.

73. The redeployment of four Professional and three General Service posts to the Monitoring and Evaluation Unit (one P-3 Professional post) and the Information Services Section (one P-4 and two P-3 Professional posts and three General Service posts) from the programme budget to the Management and administration budget component. This is further to the ACABQ recommendation (A/60/7) which called for the streamlining and restructuring of the resources of the organization in line with the functions and activities of the approved work programme.

**Table 8. United Nations Habitat and Human Settlements Foundation (special account for programme support) budget for the biennium 2008-2009 (in thousands of United States dollars)**

	2006-2007 Approved Appropriations	Changes			2008-2009 Estimates
		Volume		Cost	
		Amount	%	Amount	
<b>Programme support</b>					
Posts	3,319.8	227.3	6.8	817.3	4,364.4
Other staff costs	99.7	(6.1)	(6.1)	5.1	98.7
Consultants	63.2	-	-	4.6	67.8
Travel	100.2	8.1	8.1	7.9	116.2
Contractual services	132.6	(21.5)	(16.2)	8.1	119.2
General operating expenses	366.3	(21.3)	(5.8)	25.2	370.2
Supplies and materials	62.4	1.6	2.6	3.0	67.0
Furniture and equipment	39.3	1.6	4.1	3.0	43.9
<b>Total programme support</b>	<b>4,183.5</b>	<b>189.7</b>	<b>4.5</b>	<b>874.2</b>	<b>5,247.4</b>
<b>Management and Administration</b>					
Support to UNON	964.7	(325.3)	(33.7)	46.7	686.1
<b>Total Management and Administration</b>	<b>964.7</b>	<b>(325.3)</b>	<b>(33.7)</b>	<b>46.7</b>	<b>686.1</b>
<b>Total Expenditures</b>	<b>5,148.2</b>	<b>(135.6)</b>	<b>(2.6)</b>	<b>920.9</b>	<b>5,933.5</b>

## 7. United Nations Office at Nairobi

74. Under agreements reached with the United Nations Office at Nairobi, UN-Habitat is required to reimburse the Office for the delivery of services payable from the extrabudgetary funds of UN-Habitat. The total contribution to the United Nations Office at Nairobi for the biennium 2008-2009 is currently projected at US \$2.4 million. The contribution from the Foundation budget is set to drop to US \$1.0 million (approximately US \$0.3 million from the Foundation General purpose contributions and US \$0.7 million from the Foundation Special purpose contributions), while US \$1.4 million is budgeted from the Technical cooperation special account for programme support costs in line with the level of earmarked activities from the respective accounts. Additional United Nations regular budget funding for the biennium 2008-2009 will be sought by the United Nations Office at Nairobi for the biennium, and approval of this proposal by the General Assembly at its sixty-first session is expected to lead to reductions in the reimbursement of services provided by the Office. The recommendations on the OIOS review of the administrative arrangements at UN-Habitat including its relationship with the United Nations Office at Nairobi will be implemented.

## 8. Financial reserve

75. In accordance with financial rule 304.3.2 (b), upon the recommendation of the Executive Director, the Governing Council determines the level of the General purpose financial reserve from time to time. The statutory reserve was set at US \$1,002,663 in 1989 and increased to US \$2,419,100 in 2004. In view of the expected level of expenditures in the biennium 2008-2009, a further increase in the statutory reserve to US \$3,279,500 is recommended.



**Table 9. Overall staffing table: United Nations Habitat and Human Settlements Foundation (General and Special purpose funds) for the bienniums 2006-2007 and 2008-2009**

	Level	Programme	Programme Support	Management and administration	Total
2006-2007	USG				-
	ASG	1			1
	D-2	3			3
	D-1	5	1		6
	P-5	9	1	1	11
	P-4	9	2	2	13
	P-3	16	3	1	20
	P-2/-1	4	2		6
	<b>Subtotal</b>	<b>47</b>	<b>9</b>	<b>4</b>	<b>60</b>
	L-L	32	19	3	54
	Other	2		1	3
	<b>Subtotal</b>	<b>34</b>	<b>19</b>	<b>4</b>	<b>57</b>
	<b>Grand total</b>	<b>81</b>	<b>28</b>	<b>8</b>	<b>117</b>
Changes (decrease)/increase	USG	-	-	-	-
	ASG	(1)	-	1	-
	D-2	-	-	-	-
	D-1	-	-	1	1
	P-5	-	1	1	2
	P-4	(1)	1	1	1
	P-3	(1)	-	4	3
	P-2/-1	-	-	-	-
	<b>Subtotal</b>	<b>(3)</b>	<b>2</b>	<b>8</b>	<b>7</b>
	L-L	(2)	2	5	5
	Other	-	-	-	-
	<b>Subtotal</b>	<b>(2)</b>	<b>2</b>	<b>5</b>	<b>5</b>
	<b>Grand total</b>	<b>(5)</b>	<b>4</b>	<b>13</b>	<b>12</b>
2008-2009	USG				
	ASG			1	1
	D-2	3			3
	D-1	5	1	1	7
	P-5	9	2	2	13
	P-4	8	3	3	14
	P-3	15	3	5	23
	P-2/-1	4	2		6
	<b>Subtotal</b>	<b>44</b>	<b>11</b>	<b>12</b>	<b>67</b>
	L-L	30	21	8	59
	Other	2		1	3
	<b>Subtotal</b>	<b>32</b>	<b>21</b>	<b>9</b>	<b>62</b>
	<b>Grand total</b>	<b>76</b>	<b>32</b>	<b>21</b>	<b>129</b>

## Part Three: Programme of work

### V. Overview

76. Responsibility for human settlements is vested in the United Nations Human Settlements Programme (UN-Habitat), which serves as the focal point for implementation of the programme within the United Nations system. The current mandate of UN-Habitat derives from the twin goals of the Habitat Agenda, resulting from the United Nations Conference on Human Settlements (Habitat II), which comprise “adequate shelter for all” and “sustainable human settlements development in an urbanizing world”. The mandate of the programme also derives from: resolution 3327 (XXIX), in which the General Assembly established the United Nations Habitat and Human Settlements Foundation; resolution 32/162, in which the Assembly established the United Nations Centre for Human Settlements (Habitat); and resolution 56/206, by which the Assembly elevated the United Nations Centre for Human Settlements (Habitat) to the United Nations Human Settlements Programme (UN-Habitat). UN-Habitat is guided by its Governing Council, which reports every two years to the General Assembly through the Economic and Social Council and by a Committee of Permanent Representatives in Nairobi, which serves as a formal intersessional body. Important recent mandates derive from the Declaration on Cities and other Human Settlements in the New Millennium, which was adopted by the Assembly in its resolution S-25/2, other internationally agreed development goals, including those contained in the United Nations Millennium Declaration, such as the target of achieving a significant improvement in the lives of at least 100 million slum-dwellers by the year 2020, and in the outcomes of the major United Nations conferences and international agreements, such as target 10 on water and sanitation of the Johannesburg Plan of Implementation. The aforementioned two targets were subsequently reaffirmed by the General Assembly in the 2005 World Summit Outcome, which highlighted slum prevention as a priority issue in human settlements. Additional mandates come from relevant legislative bodies regarding Agenda 21 (chaps. 7, 21 and 28) and relevant resolutions of the Governing Council of the United Nations Human Settlements Programme.

77. The world urban population is currently expanding at the rate of about 70 million people per year. Most of those people live in overcrowded urban slums where the main challenges are inadequate housing, lack of secure tenure, uncertain employment and lack of basic services, especially safe water and sanitation. Rapid urbanization in most developing countries is characterized by deterioration in shelter conditions for the urban poor, while conflicts and disasters compound the daunting task of creating sustainable human settlements. Central to meeting the challenge of urban poverty is the replacement of policies that foster social and physical exclusion with policies that recognize and respect the rights of all, especially women, people living in poverty and those belonging to vulnerable and disadvantaged groups, to an adequate standard of living for themselves and their families, including adequate food, clothing, housing, water and sanitation, and the continuous improvement of living conditions. In consultation and cooperation with Governments, UN-Habitat develops and strengthens mechanisms for monitoring the impact of human settlements policies and programmes on the lives and livelihoods of women, men and children in cities, especially those in low-income areas and slums.

78. The UN-Habitat programme is based on strong interlinkages among the four subprogrammes, namely: shelter and sustainable human settlements development; monitoring the Habitat Agenda; regional and technical cooperation; and human settlements financing. Those interlinkages will be reflected in the close cooperation among the subprogrammes, with the global campaigns on secure tenure and urban governance providing an entry point for all work programme activities.

79. The strategy of UN-Habitat in meeting its mandates rests upon four pillars that correspond to its four subprogrammes: (a) Advocacy of agreed norms for improving the lives of poor people, particularly slum-dwellers, and building the capacity of central Governments and local authorities using as primary vehicles the two global campaigns on secure tenure and urban governance (subprogramme 1: shelter and sustainable human settlements development); (b) Information generation and knowledge management for assessing progress made in implementing the Habitat Agenda and monitoring human settlements conditions and trends, with a particular focus on slum formation and the living conditions of slum-dwellers (subprogramme 2: monitoring the Habitat Agenda); (c) Operational activities focusing on technical assistance and capacity-building to test methods and concepts to be scaled up and transferred and to provide feedback to policymakers at all levels (subprogramme 3: regional and technical cooperation); (d) Facilitating pro-poor financing of housing and urban infrastructure and services that contribute to sustainable human settlements development and the improvement of living conditions of slum-dwellers (subprogramme 4: human settlements financing).

80. The foregoing strategy of the programme is subject to an ongoing strategic planning and institutional development exercise initiated in 2005, further to the recommendations of an in-depth evaluation of the programme completed by the Office of Internal Oversight Services in 2005 and subsequently endorsed by the Governing Council of UN-Habitat at its twentieth session, also held in 2005. The recommendations called for the strengthening of the programme's normative focus, greater cohesion among its advocacy, normative, monitoring and operational activities, and the broadening of the programme's funding base. The first phase of the exercise, to be carried out throughout 2006, is designed to catalyse the 2008-2013 medium-term strategic and institutional plan to be presented to the Governing Council at its twenty-first session in 2007. The preliminary results of that exercise are already reflected in the present document in two key areas: (a) The strengthening of the programme's normative activities, spearheaded by its global campaigns on secure tenure and urban governance, through their tightened relationship with global programmes and their alignment with the Millennium Declaration target on slums; (b) The re-allocation of activities devoted to human settlements financing, previously subsumed under subprogramme 2 (monitoring the Habitat Agenda) to subprogramme 4 (human settlements financing) to ensure greater cohesiveness among substantively related advocacy, monitoring and normative activities.

81. UN-Habitat will continue to mainstream the gender perspective in human settlements issues and empower women. The programme's efforts in promoting women's access to shelter were further endorsed by the General Assembly in the 2005 World Summit Outcome (see resolution 60/1, para. 58) by guaranteeing women's free and equal rights to own and inherit property and ensuring security of tenure of property and housing.

82. The work of UN-Habitat is concentrated in developing countries, countries with economies in transition and countries where sustainable human settlements are necessary for effective post-conflict and post-disaster recovery and reconstruction. As the focal point for the implementation of the human settlements programme within the United Nations system, UN-Habitat will collaborate and cooperate with other United Nations organizations. Outside the United Nations, UN-Habitat will also cooperate with Governments, local authorities, international financial institutions, regional development banks, the private sector and other Habitat Agenda partners. A significant mechanism for cooperation with Governments and Habitat Agenda partners is the World Urban Forum, which is held every two years to address pressing human settlements issues.

83. The Governing Council of UN-Habitat is expected to approve at its twenty-first session in April 2007 the medium-term strategic and institutional plan 2008-2013 of UN-Habitat. The outcome of the Governing Council decision on the plan may necessitate substantive revisions to the proposals in the present document. If it is deemed necessary to reflect the recommendations of the medium-term strategic and institutional plan to align it with the proposals in the present report, the provisions of resolution 58/269 are expected to prevail.

## **VI. Policy-making organs**

84. In its resolution 56/206 of 21 December 2001 the General Assembly transformed the Commission on Human Settlements into the Governing Council of UN-Habitat, a subsidiary body of the General Assembly, with effect from 1 January 2002. The Governing Council reports to the General Assembly through the Economic and Social Council and provides overall policy guidance, direction and supervision to UN-Habitat. The Committee of Permanent Representatives to UN-Habitat was also transformed into an intersessional subsidiary body of the Governing Council. The objectives, functions and responsibilities of the Governing Council are set out in General Assembly resolution 32/162 of 19 December 1977 and in paragraph 222 of the Habitat Agenda, which was adopted at the Habitat II Conference.

85. The Governing Council is composed of 58 Member States, which have a membership term of four years. It holds its regular sessions biennially at the headquarters of UN-Habitat in Nairobi. During these sessions, the Governing Council reviews the biennial programme of work of UN-Habitat, the budget of the United Nations Habitat and Human Settlements Foundation and the operational activities carried out by UN-Habitat. The sessions bring together representatives of Member States and Habitat Agenda partners, including local authorities, non-governmental organizations, the private sector, the Global Parliamentarians on Habitat, women's groups, Youth for Habitat, trade unions, professionals and researchers, foundations and academies of science. The Committee of Permanent Representatives normally meets eight times during each biennium, while its two working groups hold approximately 72 meetings in a biennium. The Governing Council, the Committee of Permanent Representatives, which is the Governing Council's intersessional subsidiary body, and the Committee's two working groups are serviced by the secretariat of the Governing Council and the External Relations and Inter-Agency Affairs Section of UN-Habitat.

## 1. Resource requirements

86. The estimated resource requirements by source of funding for this area are set out in the following table.

**Table 10. Summary budget estimates (in thousands of United States dollars): policy-making organs**

Source of funds Expenditure category	2006-2007 Approved appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	25.2	-	0.0%	25.2
Non-staff costs	7.1	-	0.0%	7.1
<b>Total</b>	<b>32.3</b>	<b>-</b>	<b>0.0%</b>	<b>32.3</b>

## VII. Executive direction and management

### A. Objective

87. The overall objective is to improve coherence and alignment in the implementation of the legislative mandate and approved work programme of UN-Habitat.

### B. Strategy

88. Responsibility for the Office of Executive Direction and Management is vested in the Executive Director and is exercised by, among other entities, the Office of the Deputy Executive Director, the Monitoring and Evaluation Unit, the Information Services Section and the UN-Habitat liaison offices in New York, Geneva and Brussels. The Executive Director provides overall direction and coordination in the management of the implementation of the organization's work programme and its relations with Member States, United Nations offices, programmes, funds and agencies and other Habitat Agenda partners. The Office of Executive Direction and Management coordinates the system-wide implementation of the Habitat Agenda, the Millennium Declaration Goals and relevant paragraphs of the 2005 World Summit Outcome.

89. During the biennium, UN-Habitat will strengthen its relations with local authorities and their associations, in particular with United Cities and Local Governments (UCLG), provide advisory services and carry out advocacy work. The New Partnership for Africa's Development (NEPAD) cities programme will be further developed and promoted as a means of contributing towards the Millennium Declaration goals.

90. The biennium will be marked by improved capacity and more rational use of resources in servicing the Governing Council, its subsidiary body, the Committee of Permanent Representatives, the regional ministers' meetings on housing and urban development that were established for Africa and Asia and the Pacific in the previous biennium and the World Urban Forum. All these meetings form an integral part of the advocacy role of UN-Habitat in mainstreaming the Habitat Agenda and building awareness of the urbanization and urban poverty agenda. They will henceforth be centralized within the Office of Executive Direction and Management to ensure consistency and alignment between all subprogrammes and further leverage the work of the global campaigns.

91. The Monitoring and Evaluation Unit is responsible for monitoring the implementation of the work programme and evaluating the activities and outcomes of UN-Habitat. The unit will monitor, evaluate and report on programme implementation by mandatory self-assessment through the Integrated Monitoring and Documentation Information System (IMDIS). Programme managers will monitor programme performance as a continuous exercise and will determine the progress made towards achieving planned objectives and expected accomplishments through IMDIS. The periodic progress reports on the implementation of the work programme provide updates on the delivery of outputs, challenges encountered, results achieved, best practices identified and lessons learned. In addition, at the end of each biennium, the Executive Director provides a comprehensive and detailed programme performance report providing information on the work undertaken during the biennium, including results achieved and lessons learned, and this forms part of the Secretary-General's biennial report on programme performance for the United Nations system. Self-evaluations will also be undertaken to determine the effectiveness and efficiency of projects and policies. Independent and other evaluations and reporting mechanisms will contribute to identifying best practices and lessons learned that will feed into the planning and programming of new programmes, projects and policies.

92. Lessons learned and recommendations from self-evaluations and independent evaluations will feed into new or existing programme activities to improve performance. The Monitoring and Evaluation Unit will also promote knowledge sharing of evaluation findings to bring cultural changes of managing for results -- leading to improved performance, enhanced accountability, transparency and learning.

93. The Information Services Unit will continue to provide information, press and media outreach to the international community and all Habitat Agenda partners through the planning and organization of major global, regional and national media events, including World Habitat Day and the World Urban Forum. During the biennium, the marketing of UN-Habitat publications will be extended to 50 outlets to increase distribution, sales and readership. This will be achieved through the targeted marketing of publications and new products, such as subscription products to encourage repeat orders, and partnerships with a wider network of publishers and book-sellers. In line with the United Nations reform process, the Section will also improve internal communication by participating in the implementation of the wider efforts of an electronic content management system. The completion of an organization-wide archives and records management system that standardizes the filing of internal documents and facilitates access to archives and a central records centre will also go a long way towards preserving institutional memory, enhancing accountability and transparency and promoting organizational learning.

94. During the biennium, the Information Services Section will seek to maximize the impact of a new mid-term strategic and institutional plan and resource mobilization strategy through a forward-looking branding and communications strategy that is consistent with the repositioning of the organization and the key messages derived from these strategic exercises.

95. A major new development for the biennium will be the implementation of a focused results-based medium-term strategic and institutional plan for 2008-2013 and a resource mobilization and communication strategy, formulated following wide consultations with staff, Member States and partners, as called for by the Governing Council at its twentieth session. The resource mobilization and communication strategy will considerably enhance the fund-raising activities of the Programme, through efforts to broaden its donor base and appeal.

96. The liaison offices will participate in the work of the General Assembly, the Economic and Social Council and other intergovernmental bodies and in interdepartmental and inter-agency meetings, coordinate committees, provide substantive support in meetings and policy advice on human settlements as well as carry out outreach activities.

**Table 11. Expected accomplishments and indicators of achievement**

Expected accomplishments	Indicators of achievement
(a) Enhanced policy coherence in the management of human settlements activities of the United Nations system and other intergovernmental forums, and strengthened relationships with key partners.	<p>(a) (i) Visible integration of UN-Habitat inputs into United Nations system-wide and other intergovernmental policy documents and reports.</p> <p><i>Performance measures</i>  2004-2005: Substantive reflection of human settlements-related Millennium Declaration targets in the 2005 World Summit Outcome.  2006-2007: Increased and consistent reflection of human settlements-related Millennium Declaration goals in system-wide policy documents.</p> <p>Target 2008-2009: Increased and consistent references to human settlements-related Millennium Declaration targets and urbanization issues in United Nations system-wide policy and other intergovernmental documents.</p> <p>(ii) Closer and more visible outcomes from collaboration with Habitat Agenda partners, particularly with local authorities and their associations.</p> <p><i>Performance measures</i>  2004-2005: International guidelines on decentralization developed by the Advisory Group of Experts on Decentralization (AGRED), in collaboration with the United Nations Advisory Committee of Local Authorities (UNACLA) adopted by the Governing Council at its twentieth session.</p> <p>2006-2007: Programme of cooperation between United Cities and Local Governments (UCLG) on the work of the Advisory Group of Experts on Decentralization (AGRED), the Global Observatory of Local Democracy and Decentralization (GOLD) and the Advisory Committee of Local Authorities (UNACLA) established and fully operational.</p> <p>Target 2008-2009: Expanded programme of cooperation established with UCLG and other organizations of local authorities.</p>
(b) Programme of work is effectively managed.	<p>(b) (i) Percentage of the planned programme of work implemented effectively and timely as reflected in the biennial programme performance report.</p> <p><i>Performance measure</i>  2004-2005: 90%  Estimated 2006-2007: 92%  Target 2008-2009: 95%</p>
(c) Improved geographical representation and gender balance of staff.	<p>(c) (i) Increased percentage of staff recruited from unrepresented and underrepresented Member States</p> <p><i>Performance measures</i>  2004-2005: 20%  2006-2007: 24%  2008-2009: 26%</p> <p>(ii) Increased percentage of women at the Professional level and above for appointments of one year or more</p>

Expected accomplishments	Indicators of achievement
Increased timeliness of submission of documentation.	<p><i>Performance measures</i>            2004-2005: 37%            Estimated 2006-2007: 38%            Target 2008-2009: 40%</p>
(d) Improved monitoring and evaluation of the implementation and outcome of UN-Habitat work programme.	<p>(d) (i) Increased percentage of pre-session documents submitted in accordance with the required deadline.</p> <p><i>Performance measures</i>            2004-2005: 50%            Estimated 2006-2007: 50%            Target 2008-2009: 80%</p>
(e)	<p>(e) (i) Enhanced performance reporting on implementation of the work programme by programme managers</p> <p><i>Performance measures</i>            Baseline 2004-2005: 4 performance reports providing feedback on programme implementation, lessons learnt, impact made and constraints encountered, submitted to the Committee of Permanent Representatives.</p> <p>2006-2007: 6 performance reports which provide feedback on programme implementation, including delivery of outputs, lessons learnt and recommendations for improvement produced and circulated, including to the Committee of Permanent Representatives.</p> <p>Target 2008-2009: 8 progress reports that outline results realized, lessons learnt, constraints encountered, and recommendations as well as ensuring their feedback into the programme planning process for the next biennium</p> <p>(ii) Increased number of independent evaluations reflecting mainstreaming of results-based implementation of programmes and projects.</p> <p><i>Performance measures</i>            2004-2005: 6 evaluation reports produced per year.</p> <p>Estimated 2006-2007: 8 independent evaluation indicating enhanced understanding and application of objectives, methodologies of results-based evaluation in the agency's activities produced per year.</p> <p>Target 2008-2009: 10 independent evaluations carried out indicating enhanced understanding and application of objectives and methodologies of results-based evaluation in the agency's activities and informing on how results and lessons learnt will be fed back into the programme process.</p>
(f) Improved access and awareness by key partners and the public of current and relevant information	(f) (i) Increased participation in World Habitat Day celebrations.

Expected accomplishments	Indicators of achievement
on urban and human settlements trends and issues and on UN-Habitat activities	<p>Performance measures            2004-2005: 170 World Habitat Day celebrations            Estimated 2006-2007: 200 World Habitat Day celebrations            Target 2008-2009: 230 World Habitat Day celebrations</p>
	(ii) Increased number of visitors to UN-Habitat's public websites
	<p><i>Performance measures</i>            2004-2005: 2,000,000 visitors per annum            Estimated 2006-2007: 2,500,000 visitors per annum            Target 2008-2009: 3,000,000 visitors per annum</p>
	(iii) Increased weekly press coverage of human settlements issues in the international and national press.
	<p><i>Performance measures</i>            2004-2005: 5 press clippings/media coverage on UN-Habitat and human settlements issues in national and international media respectively.</p>
	<p>2006-2007: 6 press clippings/media coverage on UN-Habitat and human settlements issues in national and international media respectively</p>
	<p>Target 2008-2009: 7 press clippings/media coverage on UN-Habitat and human settlements issues in national and international media respectively.</p>
	(iv) Increased demand for UN-Habitat publications
	<p><i>Performance measures</i>            2004-2005: Not applicable.</p>
	<p>Estimated 2006-2007: Gross value of orders and royalties on publications and promotional materials exceeds US \$18,000 per annum.</p>
	<p>Target 2008-2009: Gross value of orders and royalties on publications and promotional materials exceeds US \$25,000 per annum.</p>
g) Effective implementation of a focused and results-based Medium-term Strategic and Institutional Plan for 2008-2013 and Resource Mobilization and Communication Strategy	(i) Implementation of a results-based Medium-term Strategic and Institutional Plan for 2008-2013 by the 21 <sup>st</sup> Governing Council
	<p><i>Performance measures</i>            2004-2005: Not applicable.</p>
	<p>Estimate 2006-2007: Formulation and adoption of the Medium-term Strategic and Institutional Plan by the 21<sup>st</sup> Governing Council.</p>
	<p>Target 2008-2009: Implementation of the first phase of the Medium-term Strategic and Institutional Plan,</p>



Expected accomplishments	Indicators of achievement
	<p>(ii) Implementation of a new Resource Mobilization and Communications Strategy.</p> <p><i>Performance measures</i> 2004-2005: Not applicable.</p> <p>Estimated 2006-2007: Preparation and approval of a Resource Mobilization and Communications Strategy by the 21<sup>st</sup> Governing Council</p> <p>Target 2008-2009: Implementation of a new Resource Mobilization and Communications Strategy;</p>

### C. External factors

97. The Office of Executive Direction and Management is expected to achieve its objectives on the assumption that the requisite resources are available; there is system-wide reform of management systems, tools and methods and improved coherence of country level activities; and the medium-term strategic and institutional plan is approved by the Governing Council at its twenty-first session and there is support for improved alignment of core UN-Habitat activities by donors.

### D. Outputs<sup>1</sup>

98. During the biennium, the Office of Executive Direction and Management will produce the outputs listed below. As in the previous biennium, these outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates, those emerging from major United Nations international conferences as well as those considered high priority by management.

#### 1. Servicing of intergovernmental and expert bodies

##### I. Substantive servicing of meetings

99. The following meetings will be serviced:

- (a) Twenty-second session of the Governing Council of the United Nations Human Settlements Programme UN-Habitat (2009) (10) [1];
- (b) Fourth session of the World Urban Forum (2008) (1) [1];
- (c) Commission on Sustainable Development 2008-2009 (land, Africa) [1]

##### II. Parliamentary documentation

100. The following documents will be produced:

- (a) Documentation for the twenty-second session of the Governing Council (2009) (6) [1];
- (b) Progress report of the Executive Director to the Governing Council at its twenty-second session (2009) (1) [1];
- (c) Documentation for the fourth session of the World Urban Forum (2008) (10) [1];
- (d) Documentation for the Commission on Sustainable Development 2008-2009 (land, Africa) (3) [1]
- (e) Strategic policy document for the fourth session of the World Urban Forum (2008) (1)

<sup>1</sup> The figures in round brackets ( ) denote number of outputs.  
The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.  
[1] = priority 1  
[2] = priority 2

[1];

(f) Updated strategic policy document for the information of the Governing Council at its twenty-second session (2009) (1) [1];

(g) Report of the Executive Director on cooperation within the United Nations system and Habitat Agenda partners (1) [1];

(h) Reports of the Secretary-General to the General Assembly at its sixty-third and sixty-fourth sessions on the implementation of the Habitat Agenda (2) [1];

(i) Reports to the Economic and Social Council on the coordinated implementation of the Habitat Agenda (2) [1];

(j) Progress report of the Executive Director on the implementation of the medium-term strategic and institutional plan for 2008-2013 (1) [1].

### III. *Other services provided*

#### *Expert group meetings*

101. The following expert group meetings will be held:

(a) Expert Advisory Group on Decentralization (2008-2009) (1) [1];

(b) Meetings of the United Nations Advisory Committee of Local Authorities (4) [1];

(c) Meeting on NEPAD (1) [2].

## 2. **Other substantive activities**

### I. *Recurrent publications*

102. The following recurrent publications will be prepared:

(a) Quarterly issues of Habitat Debate (8) [1];

(b) UN-Habitat annual report (2) [1].

### II. *Non-recurrent publications*

103. The following non-recurrent publications will be prepared:

(a) Annual report on the monitoring and evaluation activities of UN-Habitat (2) [2];

(b) Evaluation reports (12) [1];

(c) Policy statements delivered at international meetings and conferences, intergovernmental meetings or as inputs to system-wide policy documents and statements (60) [1];

(d) Programme performance report (1) [1];

(e) Progress reports on implementation of the work programme to the Committee of Permanent Representatives (4) [2];

(f) Report on NEPAD (1) [2];

(g) Update of NEPAD cities programme report (1) [2];

(h) Report on the state of decentralization and local democracy (1).

### III. *Electronic, audio and video issuances*

104. The following electronic, audio and video issuances will be prepared:

(a) Electronic and print catalogue of all UN-Habitat publications;

(b) Audio and video issuances, including films, videotapes, radio broadcasts, B-rolls of news, public service announcement, documentary and short feature programmes on human settlement issues, projects and events such as World Urban Forum and World Habitat Day (30) [2].

IV. *Press releases and press conferences*

105. The following press releases and press conferences will be organized:

(a) Press and web releases on topical human settlement issues and speeches on United Nations international days and media interviews with the Executive Director. (50) [1].

V. *Booklets, pamphlets, fact sheets;*

106. The following booklets, pamphlets and fact sheets will be prepared, exhibits organized and technical materials prepared:

(a) Booklets, pamphlets, fact sheets, information kits for World Habitat Day and WUF IV (50) [1];

VI. *Exhibits*

107. The following exhibits will be organized:

(a) Exhibitions on World Habitat Day, World Urban Forum IV and other significant events (1) [2];

VII. *Technical materials*

108. The following technical materials will be prepared:

(a) Corporate branding strategy (1) [1];

(b) Evaluation database (electronic depository of the operational and normative work of UN-Habitat) (1) [1];

(c) Tools for supporting evaluation activities (1) [2];

(d) Tools for city-to-city cooperation (1) [2];

(e) Tools for the implementation of the Guidelines on Decentralization. (2) [2].

**3. Technical cooperation**

109. In the area of Technical cooperation, the following advisory services will be provided:

(a) Technical advisory activities and advocacy work on the implementation of the Guidelines on Decentralization (1) [1];

(b) Support to United Cities and Local Governments (2).

**E. Resource requirements**

110. The estimated resource requirements by source of funding and corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support to the United Nations Office at Nairobi.

**Table 12. Summary budget estimates (in thousands of United States dollars): Executive Management and administration**

Source of funds Expenditure category	2006-2007 Approved appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	3,059.5	-	-	3,059.5
Non-staff costs	266.6	-	-	266.6
	3,326.1	-	-	3,326.1
Foundation General purpose				
Staff costs	1,365.2	2,966.7	217.3	4,331.9
Non-staff costs	1,310.5	829.7	63.3	2,140.2
	2,675.7	3,796.4	141.9	6,472.1
Foundation Special purpose				
Established posts		-		
Non-post items	964.7	4,721.4	489.4	5,686.1
	964.7	4,721.4	489.4	5,686.1
Technical cooperation				
Staff costs	-	-		-
Non-staff costs	486.3	885.9	182.2	1,372.2
	486.3	885.9	182.2	1,372.2
<b>Total for Management and administration</b>				
Staff costs	4,424.7	2,966.7	67.0	7,391.4
Non-staff costs	3,028.1	6,437.0	212.6	9,465.1
<b>Total</b>	<b>7,452.8</b>	<b>9,403.7</b>	<b>126.2</b>	<b>16,856.5</b>

**Post distribution for Executive Management and administration, by funding and level**

	Professional category and above											Grand Total
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	L-L	Other	
2006-2007												
United Nations regular budget	1			2	1	1	1		6	4	2	12
Foundation general purpose					1	2	1		4	3	1	8
2006-2007 Subtotal	1	-	-	2	2	3	2	-	10	7	3	20
Changes (decrease)/increase												
Foundation general purpose	-	1	-	1	1	1	4	-	8	5	-	13
Net changes	-	1	-	1	1	1	4	-	8	5	-	13
2008-2009												
United Nations regular budget	1			2	1	1	1		6	4	2	12
Foundation general purpose		1	-	1	2	3	5	-	12	8	1	21
2008-2009 Subtotal	1	1	-	3	3	4	6	-	18	12	3	33

**VIII. Programme of work****A. Subprogramme 1: Shelter and sustainable human settlements development****1. Legislative mandate**

111. The legislative mandate for subprogramme 1 is provided by the following Governing Council and General Assembly resolutions:

112. Governing Council resolutions: 16/7, The realization of the human right to adequate housing; 17/10, Rural dimension of sustainable urban development; 18/3, Global campaigns on secure tenure and urban governance; 18/4, Implementation of General Assembly resolution 53/242 and co-operation between the United Nations Centre for Human Settlements (Habitat) and the United Nations Environment Programme (subprogrammes 1 to 3); 18/5, International cooperation and the review of mechanisms for monitoring the implementation of the Habitat Agenda; 18/11, Intensifying dialogue on effective decentralization and strengthening of local authorities within the framework of the Habitat Agenda; 19/4, Cooperation between the United Nations Human Settlements Programme and the United Nations Environment Programme; 19/12, Decentralization and strengthening of local authorities; 19/5, Implementing and monitoring the goal of the United Nations Millennium Declaration on improving the lives of slum-dwellers; 19/6, Water and sanitation in cities; 19/16, Women's role and rights in human settlements development and slum upgrading; 20/1, Youth and human settlements; 20/2, Establishment of the African Ministerial Conference on Housing and Urban Development; 20/6, Best practices, good policies and enabling legislation in support of sustainable urbanization and the attainment of internationally agreed development goals; 20/7, Gender equality in human settlements development; 20/10, World Urban Forum; 20/12, Global campaigns on secure tenure and urban governance; 20/13, Housing as a component of the right to an adequate standard of living for persons who are vulnerable and disadvantaged; 20/17, Post-conflict, natural and human-made disaster assessment and reconstruction; 20/18, Decentralization and strengthening of local authorities;

113. General Assembly resolutions : 34/180, Convention on the elimination of all forms of discrimination against women; 53/242, Report of the Secretary-General on environment and human settlements; 55/2, United Nations Millennium Declaration; 56/205, Special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II); 57/144, Follow-up to the outcome of the Millennium Summit; S-25/2, Declaration on Cities and Other Human Settlements in the New Millennium; 58/217, International Decade for Action, "Water for Life", 2005-2015; 60/193, Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development; 60/203 Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat); 60/209, Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006);

## **2. Objective**

114. The overall objective of the subprogramme is to improve the shelter conditions of the world's poor and to ensure sustainable human settlements development.

## **3. Strategy**

115. The subprogramme's main strategy, consisting of global advocacy will be spearheaded by the fourth session of the World Urban Forum, the Global Campaigns for Secure Tenure and Urban Governance and supported by global programmes. The two campaigns will be aligned with efforts to attain the Millennium Declaration goal of achieving a significant improvement in the lives of at least 100 million slum-dwellers by the year 2020, and the target on water and sanitation of the Johannesburg Plan of Implementation, of reducing by half the proportion of people without access to safe drinking water and basic sanitation by the year 2015.

116. This subprogramme will seek to mobilize all Habitat Agenda partners in efforts to enhance the global visibility and impact of the campaigns in attaining not only the goal of slum upgrading, but also slum prevention, and avoiding an escalation of the urbanization crisis. The campaigns will serve as entry points to the implementation of the Habitat Agenda and link operational and normative activities at all levels. Particular focus will be placed on new forms of urban planning, as integral parts of good urban governance, and as cost-effective ways of achieving slum prevention and upgrading, as emphasized in paragraph 56 (m) of the 2005 World Summit Outcome.

117. The global programmes, which include normative, capacity-building and knowledge management activities on secure tenure, housing and property rights, land and property administration, urban environmental management, water and sanitation, disaster prevention and management and safer cities, will be carried out within the context of the campaigns, thereby assisting in translating normative work into practical real-life processes at the national and community levels. Global programmes will support national campaign launches and the implementation of follow-up national campaign action plans through the development of new policies and tools. The capacity at the national and local levels to undertake effective planning, management and delivery of shelter, land, infrastructure and services will be supported by dedicated training and capacity-building programmes and institutional strengthening. A special feature of the strategy will be its focus on the role of women and the youth, community-based organizations and people affected by HIV/AIDS as active participants and beneficiaries in the efforts to improve shelter conditions, urban governance and access to basic services.

118. For water and sanitation, the focus will be on establishing strategic partnerships among key water and sanitation stakeholders to promote increasing levels of pro-poor investment. The UN-Habitat Water for African Cities and Water for Asian Cities programmes aim to strengthen the capacity of cities to improve coverage at the municipal level. This strategy will be employed in supporting secondary urban centres in the Lake Victoria region in Africa and the Mekong River delta in Asia in efforts to achieve the Millennium Development Goals. Most of the countries in both regions are in the least-developed category. Major focus will be placed on change strategies that are locally owned and activities designed to strengthen the political will to adopt pro-poor investment policies and regulations. In this context the Trust Fund for Water and Sanitation will be used to leverage and improve aid effectiveness from donor sources and to field-test investment designs for long-term sustainability.

#### 4. Cooperating partners

119. Within the United Nations, UN-Habitat will cooperate with UNDP on training and capacity-building skills; the International Labour Organization (ILO) Local Economic Development Programme; the United Nations Institute for Training and Research (UNITAR) on localizing the Millennium Development Goals; the World Bank on the Global Land Research Network; the United Nations Office on Drugs and Crime (UNODC) and the United Nations Economic and Social Commission for Asia and the Pacific on the Safer Cities Programme; the World Health Organization (WHO), The United Nations Children's Fund (UNICEF) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the World Water Assessment Programme and the Joint Monitoring Programme for water supply and sanitation.; the United Nations Department of Economic and Social Affairs on various social and economic programmes, including the Commission on Social Development; Office of the United Nations High Commissioner on Human Rights on the Housing Rights Programme; United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the United Nations Environment Programme (UNEP) on urban environment issues. Outside the United Nations, UN-Habitat will cooperate and collaborate with Governments, local authorities and their associations, multilateral development agencies; regional banks, civil society organizations, the private and other Habitat Agenda partners, including research, training and academic institutions.

**Table 13. Expected accomplishments and indicators of achievement**

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
(a)	(a) Improved access to housing, property and land for vulnerable groups, particularly the poor to achieve the Millennium Declaration target on slums.	(a)	(i) Increased number of Governments and local authorities introducing and implementing slum upgrading and prevention policies in line with the Millennium Declaration target on slums.  <i>Performance measures</i> 2004-2005: 16 Governments and 9 local authorities Estimate 2006-2007: 19 Governments and 13 local authorities Target 2008-2009: 22 Governments and 19 local authorities
			(ii) Increased number of partnerships and alliances promoting improved access to housing, property and land for the poor.  <i>Performance measures</i> 2004-2005: 20

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
	Estimated 2006-2007: 27 Target 2008-2009: 32
	(iii) Increased number of Governments, partnerships and alliances adopting and implementing effective shelter strategies and improved regulatory frameworks and capacities that provide for the progressive realization of housing, land and property rights.
	<i>Performance measures</i> 2004-2005: 20 Estimated 2006-2007: 27 Target 2008-2009: 32
	(iv) Increased number of partners and alliances taking measures to reduce arbitrary and unlawful forced evictions.
	<i>Performance measures</i> 2004-2005: 20 Estimated 2006-2007: 27 Target 2008-2009: 32
(b) Improved capacity and environment to facilitate the provision and access of infrastructure and basic services in urban settlements of different sizes, especially safe drinking water and sanitation to achieve the Millennium Declaration target <sup>2</sup> . [1]	(b) (i) Increased number of countries implementing policies, strategies and programmes designed to increase provision and sustainable access to safe drinking water and basic sanitation.
	<i>Performance measures</i> 2004-2005: 14 Estimated 2006-2007: 20 Target 2008-2009: 25
	(ii) Increased number of urban centres of all sizes in developing countries benefiting from national reforms for improving safe drinking water and sanitation services.
	<i>Performance measures</i> 2004-2005: 25 Estimated 2006-2007: 30 Target 2008-2009: 35
	(iii) Increased number of countries working with UN-Habitat to promote access to diverse and efficient energy services as well as public and non- motorized transport.
	<i>Performance measures</i> 2004-2005: 5 Estimated 2006-2007: 7 Target 2008-2009: 10
(c) Improved capacity for participatory, accountable and pro-poor urban governance. [1]	(c) (i) Increased number of Governments introducing, revising and implementing policies, legislation and national action plans and strengthening institutional planning and management arrangements for promoting good urban governance.
	<i>Performance measures</i> 2004-2005: 41 Estimated 2006-2007: 51 Target 2008-2009: 61
	(ii) Increased number of cities measuring the quality of urban governance, applying and promoting urban governance

<sup>2</sup> As amended by the Johannesburg Plan of Implementation.

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
	tools, and adopting strategies for pro-poor urban governance.  <i>Performance measures</i> 2004-2005: 90 Estimated 2006-2007: 110 Target 2008-2009: 130
	(iii) Increased number of Habitat Agenda partners adapting, applying and promoting urban governance tools.  <i>Performance measures</i> 2004-2005: 15 Estimated 2006-2007: 30 Target 2008-2009: 40
(d) Improved capacity and national advocacy for urban development that is more sustainable, safer, less prone to disasters and better able to manage post-conflict and post-disaster situations.	(d) (i) Increased number of Governments and cities working with UN-Habitat to establish urban environmental management capacity frameworks for sustainable urban development.  <i>Performance measures</i> 2004-2005: 21 Estimated 2006-2007: 22 Target 2008-2009: 24
	(ii) Increased number of cities and municipalities working with UN-Habitat to promote safer cities for sustainable urban development  <i>Performance measures</i> 2004-2005: 55 Estimated 2006-2007: 65 Target 2008-2009: 85
	(iii) Increased number of Governments and cities undertaking management of human settlements in crisis through project interventions for disaster risk reduction and for sustainable human settlements' rehabilitation.  <i>Performance measures</i> 2004-2005: 15 Estimated 2006-2007: 13 Target 2008-2009: 15
(d) National training and capacity-building institutions strengthened to achieve more impact in meeting present and emerging training and capacity-building needs in sustainable shelter and human settlements development. [1]	(d) (i) Increased number of national training and capacity-building institutions using UN-Habitat manuals and methods in shelter and sustainable human settlements development.  <i>Performance measures</i> 2004-2005: 60 Estimated 2006-2007: 80 Target 2008-2009: 100

## 5. External factors

120. The subprogramme is expected to achieve its objectives and expected accomplishments on the following assumptions:

(a) There is no shortfall in the level of funding available to implement the global and national activities envisaged for the global campaigns;



(b) There will be minimal political risks in addressing sensitive land issues, such as changes in government and related policies which could slow down the progress of initiatives on land and housing; and

(c) Member States respond positively to the guidelines and recommendations provided and ensure that the intended beneficiaries have sustained resources and supportive legal, institutional and policy frameworks to implement the policies and strategies initiated through UN-Habitat activities.

## 6. Outputs<sup>3</sup>

121. During the biennium, the subprogramme on shelter and sustainable human settlements development will produce the outputs listed below. As in the previous biennium, the outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates, those emerging from major United Nations international conference as well as those considered high priority by management.

### 1. Servicing of intergovernmental and expert bodies

122. The following meetings will be serviced:

#### I. *Parliamentary documentation:*

- (a) In the area of parliamentary documentation, a contribution will be prepared for the twenty-fifth Governing Council of UNEP and the meeting of the Environment Management Group [1];

#### II. *Other services provided*

##### *Expert group meetings:*

- (a) Ad hoc expert group meeting on land tenure and management, including women's equal tenure (2) [1];
- (b) Assistance on land administration to intergovernmental bodies and/or United Nations representatives, including World Bank (2) [1];
- (c) Support to the United Nations Committee on Economic, Social and Cultural Rights on housing rights monitoring (2) [1];
- (d) Support to the Regional Ministerial Conference on Housing and Urban Development (1) [1];
- (e) Expert group meetings and seminars on effective enabling shelter strategies including cooperative housing and the progressive realization of the human right to adequate housing (2) [1];
- (f) Meeting of the Advisory Group on Forced Evictions (2) [1];
- (g) Meeting of the steering group on the global campaigns. (2) [1];
- (h) Regional conference of ministers (2) [1];
- (i) Regional conference of mayors (1) [2];
- (j) Electronic governance, planning, civil society involvement, localizing the Millennium Development Goals (3) [1];
- (k) Ad hoc expert group meeting on training and capacity-building tools for housing the urban poor (1) [2];
- (l) Ad hoc expert group meeting on the training impact of the Local Elected Leadership series in Africa (1) [2];

<sup>3</sup>

The figures in round brackets ( ) denote number of outputs.

The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.

[1] = priority 1

[2] = priority 2

- (m) Ad hoc expert group meeting on local economic development (1) [2];
- (n) Expert group meeting on the Water and Sanitation Trust Fund (2) [1];
- (o) Expert group meeting on the Global Report on the State of Water and Sanitation in the World's Cities (third edition) (1) [1];
- (p) High-level policy dialogue on gender-mainstreaming in water and sanitation programmes in Africa (1) [1];
- (q) Expert group meeting on access to energy services for the urban poor residing in informal settlements in developing countries (1) [2];

III. *Assistance to representatives/rapporteurs:*

- (a) Provision of support to the African Union (1) [2];
- (b) Participation in the Inter-Agency Standing Committee working groups and the Executive Committee on Humanitarian Affairs [2];
- (c) Participation in the Inter-Agency Task Force of the International Strategy on Disaster Reduction (4) [2];
- (d) Support to the African Ministerial Conference on Water Activities (3) [1];
- (e) Support to the Special Rapporteur on adequate housing (2) [1].

2. **Other substantive activities**

123. The following activities will be undertaken:

I. *Recurrent publications:*

- (a) Annual reports documenting cases of forced evictions (2) [1];
- (b) State of Water and Sanitation in the World's Cities (third edition) (1) [1]

II. *Non-recurrent publications:*

- (a) Series on cost-effective building materials and technology (4) [2];
- (b) Trust Fund for Water and Sanitation annual report (2) [1];
- (c) Comparative studies on land tenure and land management (2) [1];
- (d) Report on the progressive realization of the human right to adequate housing (based on housing rights indicators) (1) [1];
- (e) Updated compilations of national housing rights legislations (2) [1];
- (f) Updated compilations of case law and adjudication on housing rights (2) [2];
- (g) Report on progress in the realization of housing rights of vulnerable and disadvantaged groups (1) [1];
- (h) Regional thematic reports on urban governance (1) [2];
- (i) Regional thematic reports on urban environmental issues (1) [2];
- (j) Publications on water, sanitation, energy and transport (6) [1];
- (k) Report on access to energy services for the urban poor residing in informal settlements in developing countries (1) [2];
- (l) Law and land reform review series (1) [1];
- (m) *Water for Cities* Quarterly Newsletter (8) [1];

III. *Booklets, pamphlets and fact-sheets:*

- (a) Information materials, booklets, fact sheets, wall charts and information kits on the global campaigns (2) [1];
- (b) *Training and Capacity-building* newsletter (4) [2];
- (c) *Safer Cities* newsletter (2) [1];

- (d) *Urban Governance* newsletter (4) [2];
- (e) *Urban Environment* newsletter. (4) [2];
- (f) *Disaster Management Programme* newsletter (2) [2];

IV. *Technical materials:*

- (a) Tools, guidelines and policy documents on enhancing urban governance (2) [1];
- (b) Tools, guidelines and policy documents on sustainable settlements rehabilitation and disaster risk reduction (4) [2];
- (c) Tools, guidelines and policy documents on urban crime prevention (2) [1];
- (d) Tools, guidelines and policy documents on localizing global environment topics jointly by UN-Habitat and UNEP (2) [1];
- (e) Guidelines on profiling of training and capacity-building institutions (1) [1];
- (f) Training materials on land governance (1) [1];
- (g) Training companion on localizing the Millennium Development Goals in cities (1) [1];
- (h) Municipal youth tool kit (1) [1].
- (i) Gender mainstreaming tool kit on water for Africa (1) [1];
- (j) Tool kit on training and capacity-building for water and sanitation (WATSAN) utility managers in Africa (1) [1];
- (k) Training manual for pro-poor water governance and service delivery (1) [1];
- (l) Country-specific programme brochures on water and sanitation (4) [1];
- (m) Training tool kit for implementing bus rapid transport systems in sub-Saharan cities (1) [2];
- (n) Website for Sustainable Transport Action Network for Africa (1) [2];
- (o) Adaptation of UN-Habitat training tools into distance learning courses (2) [1].

**3. Technical cooperation**

124. The following services will be delivered:

I. *Advisory services:*

- (a) Improving national land policies, urban land management systems and tenure systems, particularly favouring women (4) [1];
- (b) Improving enabling shelter strategies (4) [1];
- (c) Promoting realization of housing rights (regional dialogues) (4) [1];
- (d) Promoting the use of most effective building materials and technologies (4) [2];
- (e) Promoting the improved security of tenure and upgrading of slums in cities, focusing on the establishment of policy instruments, institutional arrangements and concrete improvements in selected settlements (10) [1];
- (f) Advocacy activities at regional and global levels (2) [1];
- (g) Environmental planning management advisory/capacity-building and monitoring missions to local authority partners (10) [2];
- (h) Technical assistance, emergency support and project formulation missions to disaster-hit and disaster-prone countries in line with the approved strategy (10) [1];
- (i) International cooperation/inter-agency coordination on joint urban Environmental Planning Management/Sustainable Cities Programme initiatives with UNEP (2) [1];
- (j) UN-Habitat-UNEP joint work programme on urban environment (2) [1];
- (k) UN-Habitat-UNEP joint long-term framework on the urban environment (1) [2];

- (l) Support to national training and capacity-building institutions in tracking training impact on performance (3) [1];
  - (m) Support to national training and capacity-building institutions in mainstreaming gender into training and capacity-building efforts (3) [1];
  - (n) Support to national training and capacity-building institutions in local governance training (3) [1];
  - (o) Advisory services to develop a capacity-building strategy for urban planning and design (2) [1];
  - (p) Advisory services to develop a regional training and capacity-building strategy for Latin America (2) [2];
  - (q) Water and sanitation services to 20 countries in Africa and eight countries in Asia and the Pacific (28) [1];
  - (r) Sustainable transport planning and management advisory services in Kenya and Uganda (2) [2];
- II. *Group training:*
- (a) Environmental planning management capacity-building workshops with national urban institutions for about 35 people per workshop (2) [2];
  - (b) Training of safer cities coordinators and local government officials and partners on urban safety for about 18 people per workshop (4) [2];
  - (c) Regional workshops on local government financial management for about 25 people per workshop (2) [1];
  - (d) Regional courses on land governance for about 30 people per workshop (2) [1];
  - (e) Training courses at the fourth session of the World Urban Forum for about 40 people per workshop (3) [1];
  - (f) Training components of projects on water for Asian and African cities for about 45 people per workshop (6) [1];
  - (g) Training and capacity-building in improved low-cost mobility options for developing country cities for about 25 people per workshop (6) [2];
  - (h) Training/meeting of partners on a long-term urban environment programme by UN-Habitat/UNEP for up to 40 people (1) [1];
- III. *Field projects:*
- (a) National activities of the Global Campaign for Secure Tenure, including support for situation analysis, consensus building, action planning, high-level launches and implementation of action plans (5) [1];
  - (b) National activities of the Global Campaign for Urban Governance, including support for situation analysis, consensus building, action planning, high-level launches and implementation of action plans (5) [1];
  - (c) Environmental planning management demonstration-field projects and replications to support efforts by local authorities to improve environmental services and provide better management of the urban environment (continuous) (10) [1];
  - (d) Field projects with regional offices supporting crime prevention at local and national levels (12) [2];
  - (e) Regional water programmes in three countries in Africa (Lake Victoria Initiative) and four countries in Asia (Mekong Initiative) (7) [1];
  - (f) Field projects on water and sanitation in 20 countries in Africa and eight countries in Asia. (28) [1];
  - (g) Execution, backstopping and evaluation of disaster management projects (15) [2].

## 7. Resource requirements

125. The estimated resource requirements by source of funding and the corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support for the United Nations Office at Nairobi.

**Table 14. Summary budget estimates (in thousands of United States dollars): Subprogramme 1: Shelter and sustainable human settlements development**

Source of funds Expenditure category	2006-2007 Approved appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	5,944.2	-	-	5,944.2
Non-staff costs	567.5	-	-	567.5
	6,511.7	-	-	6,511.7
Foundation general purpose				
Staff costs	5,783.2	706.6	12.2	6,489.8
Non-staff costs	3,490.7	(1,190.3)	(34.1)	2,300.4
	9,273.9	(483.7)	(5.2)	8,790.2
Foundation special purpose				
Non-staff costs	20,234.0	4,766.0	23.6	25,000.0
	20,234.0	4,766.0	23.6	25,000.0
<b>Total for subprogramme</b>				
Staff costs	11,727.4	706.6	6.0	12,434.0
Non-staff costs	24,292.2	3,575.7	14.7	27,867.9
<b>Total</b>	<b>36,019.6</b>	<b>4,282.3</b>	<b>11.9</b>	<b>40,301.9</b>

**Post distribution for subprogramme 1: Shelter and sustainable human settlements development, by funding and level**

	Professional category and above									Grand
	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	L-L	Other	Total
<b>2006-2007</b>										
United Nations regular budget		1	4	6	5	3	19	9		28
Foundation general purpose	1	2	3	4	5	2	17	11	2	30
Foundation special purpose		-	1	-	1	-	2	1		3
Technical cooperation						4	4			4
<b>2006-2007 Subtotal</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>9</b>	<b>42</b>	<b>21</b>	<b>2</b>	<b>65</b>
<b>Changes (decrease)/increase</b>										
Foundation general purpose	-	-	-	-	(1)	-	(1)	1	-	-
<b>Net changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>2008-2009</b>										
United Nations regular budget	-	1	4	6	5	3	19	9	-	28
Foundation general purpose	1	2	3	4	4	2	16	12	2	30
Foundation special purpose		-	1	-	1	-	2	1		3
Technical cooperation						4	4			4
<b>2008-2009 Subtotal</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>41</b>	<b>22</b>	<b>2</b>	<b>65</b>

## B. Subprogramme 2: Monitoring the Habitat Agenda

### 1. Legislative mandate

126. The legislative mandate for subprogramme 1 is provided by the following Governing Council, General Assembly and Economic and Social Council resolutions:

(a) Governing Council resolutions: 17/8, The State of the World Cities: 1999; 17/10, Rural dimension of sustainable urban development; 18/4, Implementation of General Assembly resolution 53/242 and cooperation between the United Nations Centre for Human Settlements (Habitat) and UNEP; 18/10, The role of local authorities; 19/5, Implementing and monitoring the goal of the United Nations Millennium Declaration on improving the lives of slum-dwellers; 19/6, Water and sanitation in cities; 19/10, Urban-rural linkages and sustainable urbanization; 19/13, Enhancing the engagement of youth in the work of UN-Habitat; 19/16, Women's role and rights in human settlements development and slum upgrading; 20/1, Youth and human settlements; 20/6, Best practices, good policies and enabling legislation in support of sustainable urbanization and the attainment of internationally agreed development goals; 20/16, Enhancing the involvement of civil society in local governance;

(b) General Assembly resolutions: 34/114, Global Report on Human Settlements and periodic reports on international cooperation and assistance on human settlements; 55/194, Scope to be covered by the Special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II), major United Nations conferences and summits; 60/209, Implementation of the first United Nations Decade for the Eradication of Poverty; 55/2, United Nations Millennium Declaration; 57/144, Follow-up to the outcome of the Millennium Summit; S-25/2, Declaration on Cities and Other Human Settlements in the New Millennium; 60/193, Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development; 60/203, Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the strengthening of the United Nations Human Settlements Programme (UN-Habitat); 60/188, Follow-up to and implementation of the outcome of the International Conference on Financing for Development;

(c) Economic and Social Council resolutions 2001/22: Integrated and coordinated implementation of and follow-up to major United Nations conferences and summits: coordinated implementation of the Habitat Agenda; 2003/62, Coordinated implementation of the Habitat Agenda.

## 2. Objective

127. The overall objective is to monitor and assess progress towards the attainment of the Habitat Agenda goals and the targets of the Millennium Declaration and the Johannesburg Plan of Implementation on slums, safe drinking water and sanitation.

## 3. Strategy

128. The strategy consists of working in close collaboration with Habitat Agenda partners and establishing national and local urban observatories to engage in a coordinated and systematic effort in:

(a) Collecting, collating, analysing, documenting and disseminating global and national data and information on human settlements conditions and trends, including indicators, best practices, good policies and enabling legislation, for assessing progress towards achieving the goals of the Habitat Agenda, as well as those of the Millennium Declaration as set forth in General Assembly resolution 55/2, especially on slums, safe drinking water and sanitation;<sup>4</sup>

(b) Identifying, developing, testing, disseminating and mainstreaming new and innovative policies and strategies on urban planning and management, urban economic development, urban-rural development linkages, urban poverty reduction and employment generation, gender and women's empowerment and partnerships and youth;

(c) Promoting the transfer and exchange of lessons learned from best practices on a North-South and South-South basis, with a particular focus on city-to-city cooperation;

(d) Disseminating results and findings through various publications, including the two flagship reports: the Global Report on Human Settlements and the State of the World's Cities Report.

## 4. Cooperating partners

129. In its work, UN-Habitat will cooperate with many partners within and outside the United Nations. Within the United Nations, UN-Habitat cooperates with the Food and Agricultural Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO) and ILO on rural urban linkages and urban economy issues; the United Nations Statistical Office, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Bank and UNDP on monitoring and urban indicators; all United Nations regional commissions and the Office of the United Nations High Commissioner for Human Rights. Outside the United Nations, UN-Habitat will cooperate and collaborate with Governments, local authorities and their associations, multilateral development agencies; regional banks, civil society organizations and other Habitat Agenda partners, including research, training and academic institutions.

**Table 15. Expected accomplishments and indicators of achievement for the biennium**

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
(a)	Improved global reporting and knowledge among Governments, local authorities and Habitat Agenda partners on human settlements conditions and trends, including inequities and best practices, as well as on progress made in implementing the Habitat Agenda and in achieving the relevant United Nations Millennium Declaration goals. [1]	(a) (i)	Increased number of reviews of the Global Report on Human Settlements and the State of the World's Cities Report in reputable journals;  <i>Performance measures</i> 2004-2005: 2 Estimated 2006-2007: 5 Target 2008-2009: 6
		(ii)	Increased number of cities in the urban indicators database for which indicators have been produced;  <i>Performance measures</i> 2004-2005: 200

<sup>4</sup> As amended by the Johannesburg Plan of Implementation.

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
	<p>Estimated 2006-2007: 250 Target 2008-2009: 300</p>
	<p>(iii) Increased number of urban observatories that use urban information software, including Urban Information and Geographical Information Systems technology, for urban management, policy-making or urban planning.</p> <p><i>Performance measures</i> 2004-2005: 10 Estimated 2006-2007: 20 Target 2008-2009: 50</p>
	<p>(iv) Increased number of countries and cities covered in urban inequities analysis;</p> <p><i>Performance measures</i> 2004-2005: 50 countries 12 cities</p> <p>Estimated 2006-2007: 60 countries 18 cities</p> <p>Target 2008-2009: 65 countries. 22 cities</p>
	<p>(v) Higher demand for and use of global data on human settlements;</p> <p><i>Performance measures</i> 2004-2005: 1,000 flagship reports sold. Estimated 2006-2007: 5,000 flagship reports sold. Target 2008-2009: 10,000 flagship reports sold.</p>
	<p>(vi) Increased number of best practices, including those that point to policies contributing to their success, identified, documented and disseminated;</p> <p><i>Performance measures</i> 2004-2005: 2,000 Estimated 2006-2007: 2,500 Target 2008-2009: 3,000</p>
(b) Improved understanding among governments, local authorities and other Habitat Agenda partners of the contribution of urban and regional economy to national development.	<p>(b) (i) Number of requests for UN-Habitat policy and strategy guidelines on balanced rural-urban linkages in human settlements development and management.</p> <p><i>Performance measures</i> 2004-2005: 30 Estimated 2006-2007: 40 Target 2008-2009: 50</p>
	<p>(ii) Increased number of requests from governments and other Habitat Agenda partners for information and policy advice on pertinent urban economic development issues.</p> <p><i>Performance measures</i> 2004-2005: 12 Estimated 2006-2007: 15 Target 2008-2009: 18</p>
(c) Improved awareness among Governments and Habitat Agenda Partners of, and enhanced capacity for,	<p>(c) (i) Increased number of human settlements programmes that mainstream gender and promote women's empowerment.</p> <p><i>Performance measures</i></p>



<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
mainstreaming gender, partnerships and youth concerns in human settlements activities	2004-2005: 20 Estimated 2006-2007: 27 Target 2008-2009: 37
	(ii) Increased number of human settlements programmes that mainstream partnerships;  <i>Performance measures</i> 2004-2005: 30 Estimated 2006-2007: 35 Target 2008-2009: 40
	(iii) Increased number of partnerships and alliances engaged in the monitoring and implementation of human settlements programmes;  <i>Performance measures</i> 2004-2005: 10 Estimated 2006-2007: 12 Target 2008-2009: 15
	(iv) Increased number of human settlements programmes that mainstream youth concerns and youth-led development.  <i>Performance measures</i> 2004-2005: 10 Estimated 2006-2007: 15 Target 2008-2009: 20

## 5. External factors

130. The subprogramme is expected to achieve its objectives and expected accomplishments on the following assumptions:

- (a) There is no shortfall in the level of extrabudgetary resources mobilized to carry out country-level assessments of progress towards the attainment of the goals of the Habitat Agenda, the Millennium Declaration and Johannesburg Plan of Implementation on slums, drinking water and sanitation;
- (b) The member States will support the creation and maintenance of Habitat Agenda monitoring mechanisms at the national and local levels; and
- (c) Member States will request technical advisory services and respond positively to follow-up on the advisory services rendered.

## 6. Outputs<sup>5</sup>

131. During the biennium, the subprogramme will deliver the outputs listed below. As in the previous biennium, the outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates, those emerging from major United Nations international conference as well as those considered high priority by management.

<sup>5</sup> The figures in round brackets ( ) denote number of outputs.  
The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.  
[1] = priority 1  
[2] = priority 2

**1. Servicing of inter-governmental and expert bodies**

132. The following services will be provided:

**I. Parliamentary documentation:**

- (a) Report to the United Nations Statistical Commission (2008) (1) [1];

**II. Other services provided***Expert group meetings:*

- (a) Expert group meetings on lessons learned from best practices (3) [2];
- (b) Expert group meeting on partnerships and alliances engaged in the monitoring and implementation of human settlements (1) [1];
- (c) Expert group meetings on country-level monitoring of Millennium Development Goals and urban inequities (2008) (2) [1];
- (d) Expert group meeting on monitoring secure tenure (1) [1];
- (e) Expert group meetings on best practices (Technical Advisory Committee and Jury) (2) [1];
- (f) Meetings of the Annual Best Practices and Local Leadership Programme Steering Committee (2) [1];
- (g) Annual meeting of the steering committee of Friends of Monitoring Systems Branch (2) [1];
- (h) Assessment of global trends in gender mainstreaming and the participation of women in local governance at the fourth session of the World Urban Forum (2) [1];
- (i) Global Parliamentarians on Habitat, 2008 (1) [2];
- (j) Meeting of the Advisory Board of the Global Research Network on Human Settlements (HS-Net) (2) [2].

**2. Other substantive activities**

133. The following activities will be undertaken:

**I. Recurrent publications:**

- (a) Global Report on Human Settlements 2009 (1) [1];
- (b) State of the World's Cities report, 2008 (1) [1];

**II. Non-recurrent publications:**

- (a) Guidelines on the transfer of best practices (1) [2];
- (b) Global dialogue on human settlements research papers (8) [2];
- (c) Abridged edition of the 2009 Global Report on Human Settlements (6, i.e. in six languages) [2];
- (d) UN-Habitat lectures (2) [2];
- (e) Report on enhancing urban-rural development linkages in eastern Africa (1) [2];
- (f) Role of civil society in enhancing civic values (1) [2];
- (g) Private sector position paper (1) [2];
- (h) Slums of the world: trends review and update (2) [1];
- (i) Urban inequities city profiles (5) [1];
- (j) Geographical information systems training manuals, revised guide (1) [1];
- (k) Updated version of the urban information manual (2) [1];
- (l) Statistical compendium on human settlements (1) [2];

- (m) Urban indicators programme training manual, revised guide (1) [1];
- (n) Publication on learning from best practices in water and sanitation – Lake Victoria region (1) [2];
- (o) Preliminary report on secure tenure profiles and intra-city analysis (5) [1];
- (p) Gender-disaggregated data on urban indicators, report for Africa (1) [1];
- (q) Booklet on gender mainstreaming in human settlements for Habitat Agenda partners (1) [1];
- (r) State of children and youth in cities (2008) (1) [2] ;
- (s) Report on the Youth Forum at World Urban Forum IV (2008).(1) [2];
- (t) Casebook on lessons learnt from best practices, good urban policies and enabling legislation (1) [2];

III. *Technical materials:*

- (a) Restructured, revised and updated best practices database (1) [1];
- (b) Easily accessible partners' database (1) [1];
- (c) DVDs on UN-Habitat lectures (2) [2].

**3. Technical cooperation**

134. The following activities will be undertaken:

I. *Advisory services:*

- (a) Assistance to selected countries in the implementation of the global partnership initiative for urban youth development, including action research initiatives (9) [1];
- (b) Support to countries and cities forming part of the global sample of cities (Urban Indicators Programme) in city-data collection and analysis (20) [1];
- (c) Support to selected cities on the use of Urbaninfo software (20) [1];
- (d) Support to strengthen local capacities to set up or enhance local monitoring systems (20) [1];
- (e) Support to countries in the preparation of national censuses (5) [2];
- (f) Support to selected Governments in Africa in mainstreaming gender in local governance (2) [1];
- (g) Support to selected Governments in mainstreaming gender in slum upgrading programmes (2) [1];
- (h) Support for awards and competitions for women-friendly cities and gender responsive Governments in Latin America and the Caribbean, and the Asian and Pacific region (2) [1];

II. *Group training:*

- (a) Workshop on specific measures to enhance urban-rural development linkages for 30 people (1) [2];
- (b) Regional workshop on gender mainstreaming in municipal development in southern Africa for 30 people (2) [1];

III. *Field projects:*

- (a) Implementation of a pilot project to enhance urban-rural development linkages in selected developing countries (1) [2];
- (b) Pilot projects for empowering urban women entrepreneurs through housing development and land rights (1)[1].

## 7. Resource requirements

135. The estimated resource requirements by source of funding and corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support to the United Nations Office at Nairobi.

**Table 16. Summary budget estimates (in thousands of United States dollars): Subprogramme 2: Monitoring the Habitat Agenda**

Source of funds Expenditure category	2006-2007 Approved Appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	5,753.9	-	-	5,753.9
Non-staff costs	525.2	-	-	525.2
	6,279.1	-	-	6,279.1
Foundation general purpose				
Staff costs	5,527.2	64.5	1.2	5,591.7
Non-staff costs	3,104.8	(549.8)	(17.7)	2,555.0
	8,632.0	(485.3)	(5.6)	8,146.7
Foundation special purpose				
Non-staff costs	14,231.5	(3,231.5)	(22.7)	11,000.0
	14,231.5	(3,231.5)	(22.7)	11,000.0
<b>Total for subprogramme</b>				
Staff costs	11,281.1	64.5	0.6	11,345.6
Non-staff costs	17,861.5	(3,781.3)	(21.2)	14,080.2
<b>Total</b>	<b>29,142.6</b>	<b>(3,716.8)</b>	<b>(12.8)</b>	<b>25,425.8</b>

### Post distribution for subprogramme 2: Monitoring the Habitat Agenda, by funding and level

	Professional category and above									Grand
	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	L-L	Other	Total
<b>2006-2007</b>										
United Nations regular budget	-	1	3	6	7	2	19	9		28
Foundation general purpose	1	1	4	3	6	2	17	13		30
Foundation special purpose		1		1	1	-	3	1		4
Technical cooperation						2	2			2
<b>2006-2007 Subtotal</b>	1	3	7	10	14	6	41	23	-	64
<b>Changes (decrease)/increase</b>										
Foundation general purpose	-	-	-	(1)	(1)	-	(2)	(3)	-	(5)
<b>Net changes</b>	-	-	-	(1)	(1)	-	(2)	(3)	-	(5)
<b>2008-2009</b>										
United Nations regular budget	-	1	3	6	7	2	19	9		28
Foundation general purpose	1	1	4	2	5	2	15	10	-	25
Foundation special purpose		1		1	1	-	3	1		4
Technical cooperation						2	2			2
<b>2008-2009 Subtotal</b>	1	3	7	9	13	6	39	20	-	59

## C. Subprogramme 3: Regional and technical cooperation

### 1. Legislative mandate

136. The legislative mandate for subprogramme 3 is provided by the following Governing Council and General Assembly resolutions:

(a) Governing Council resolutions 19/5, Implementing and monitoring the goal of the United Nations Millennium Declaration on improving the lives of slum dwellers; 19/7, Regional and

technical co-operation; 19/15, Countries with economies in transition; 19/18 Human settlements development in the occupied Palestinian territories; 20/2, Establishment of the African Ministerial Conference on Housing and Urban Development; 20/7, Gender equality in human settlements development; 20/11, Strengthening of the Slum Upgrading Facility of the United Nations Habitat and Human Settlements Foundation; 20/12, Global campaigns on secure tenure and urban governance; 20/15, Habitat Programme Managers and regional office;

(b) General Assembly resolutions 60/209, Implementation of the first United Nations Decade for the Eradication of Poverty; 55/2, United Nations Millennium Declaration; 57/144, Follow-up to the outcome of the Millennium Summit; S-25/2, Declaration on Cities and Other Human Settlements in the New Millennium; 60/209, Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006); 59/243, Integration of the economies in transition into the world economy; 59/250, Triennial comprehensive policy review of operational activities for development of the United Nations system; 60/1, 2005 World Summit Outcome; 60/128, Assistance to refugees and displaced persons in Africa; 60/125, International cooperation on humanitarian assistance in the field of natural disasters, from relief to development.

## 2. Objective

137. The overall objective of the subprogramme is to strengthen the formulation and implementation of urban and housing policies, strategies and programmes and to develop related capacities primarily at the national and local levels.

## 3. Strategy

138. This programme will be implemented by the Regional and Technical Cooperation Division. To achieve the above objective, UN-Habitat combines normative and operational functions. The normative functions include setting of standards, proposing norms and principles and providing examples of best practices and good policies built on experience gained at country level.

139. The operational activities consist of technical assistance in policy formulation, capacity-building programmes and demonstration projects that support the normative work of UN-Habitat in developing countries and countries with economies in transition, at the request of Governments. National UN-Habitat programme managers will continue to support normative and operational activities and contribute to the monitoring and implementation of both the Habitat Agenda and the relevant Millennium Declaration goals at national and local levels. Their role will be particularly crucial, given paragraph 22 (a) of the 2005 World Summit Outcome, which calls for the adoption of comprehensive national development strategies for achieving internationally agreed development goals, including the Millennium Declaration goals.

140. Regional offices formulate and backstop operational activities at the country level and continue to build capacity in disaster prevention and management as well as ensure rapid and effective response where there are post-conflict crises and disasters. Women, youth, older persons and persons with disabilities are expected to be active participants and beneficiaries of the programmes and projects implemented under this subprogramme.

## 4. Cooperating partners

141. In delivering this programme, UN-Habitat will cooperate with partners in and outside the United Nations. Within the United Nations, UN-Habitat will work closely with the United Nations Development Programme on national programmes and on the issue of Habitat Programme managers; the World Bank on the Cities Alliance programme; United Nations Children's Fund, the United Nations Office for the Coordination of Humanitarian Affairs and the Office of the United Nations High Commissioner for Refugees (UNHCR) on post-crisis reconstruction issues. Outside the United Nations, UN-Habitat cooperates and collaborates with Governments, local authorities and their associations, multilateral development agencies; regional banks, civil society organizations and other Habitat Agenda partners, including research, training and academic institutions; and all United Nations regional commissions on regional development projects and issues.

**Table 17. Expected accomplishments and indicators of achievement for the biennium**

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
(a)	Enhanced regional, national and local capacity to implement human settlements policies, strategies and programmes with special focus on reduction of urban poverty and response to natural and human-made disasters [1]	(a) (i)	Increased number of countries that strengthen their institutions' ability to develop strategies to reduce urban poverty  <i>Performance measures</i> 2004-2005: 40 countries Estimated 2006-2007: 49 countries Target 2008-2009: 55 countries
		(ii)	Increased number of countries that strengthen their institutions' competence to respond to disasters and reduce vulnerability  <i>Performance measures</i> 2004-2005: 20 countries Estimated 2006-2007: 20 countries Target 2008-2009: 25 countries
(b)	Improved national policies on housing and urban development in line with UN-Habitat global norms and increased regional knowledge of urban conditions and trends [1]	(b) (i)	Increased number of countries implementing norms of urban governance  <i>Performance measures</i> 2004-2005: 35 countries Estimated 2006-2007: 40 countries Target 2008-2009: 45 countries
		(ii)	Increased number of countries implementing slum upgrading and slum prevention policies and strategies  <i>Performance measures</i> 2004-2005: 40 countries Estimated 2006-2007: 47 countries Target 2008-2009: 55 countries
		(iii)	Increased number of partners participating in the monitoring of human settlements conditions through documentation of best practices and preparation of national and regional state-of-the-cities reports  <i>Performance measures</i> 2004-2005: 36 regional partners Estimated 2006-2007: 40 regional partners Target 2008-2009: 45 regional partners
(c)	Improved integration of sustainable urbanization into United Nations development assistance frameworks and national development strategies and plans, including poverty reduction strategy papers, where they exist	(c) (i)	Increased number of UN-country teams that have integrated pro-poor and sustainable urbanization into United Nations development assistance frameworks.  <i>Performance measures</i> 2004-2005: 20 Estimated 2006-2007: 30 Target 2008-2009: 40

## 5. External factors

142. The subprogramme is expected to achieve its objectives on the following assumptions:

- (a) The necessary human and financial resources are available;
- (b) Continuing and emerging political and social instability, including natural disasters such as droughts, tsunamis, earthquakes and floods as well as human-caused disasters that pose serious threats to programme implementation, will be minimal;
- (c) There is political will among many Governments to mainstream urban and housing

issues in their broad national development agenda.

## 6. Outputs<sup>6</sup>

143. During the biennium, the subprogramme will produce the outputs listed below. As in the previous biennium, these outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates: both those emerging from major United Nations international conference and those considered high priority by management.

### 1. Servicing of intergovernmental and expert bodies

144. The following services will be provided:

#### I. *Other services provided*

##### *Expert group meetings:*

- (a) Regional ministerial meetings in Africa, Asia, Latin America and Central and Eastern Europe (4) [**1**];
- (b) Expert group meetings on Regional State of Cities (3) [**2**];
- (c) Expert group meeting on rapid urban sector profiling for sustainability (2) [**2**].

### 2. Other substantive activities

145. The following activities will be undertaken:

#### I. *Recurrent publications:*

- (a) *Habitat Debate* in Spanish (8) [**1**];
- (b) *Habitat Debate* in Russian (8) [1];
- (c) Operational activities report, 2009 (1) [1];

#### II. *Non-recurrent publications:*

- (a) Regional state of the world cities reports (3) [2];
- (b) Rapid urban sector profiling for sustainability reports (10) [2];
- (c) Best practice bulletin (8) [2].

### 3. Technical cooperation

146. The following services will be provided:

#### I. *Advisory services:*

- (a) Advisory missions on housing and urban development issues in African and Arab States (40); Asia and the Pacific (20); Latin America and the Caribbean (20); and Eastern Europe (10) [**1**];
- (b) Advisory services provided to 45 United Nations country teams by Habitat Programme managers and regional offices [**1**];

#### II. *Field projects:*

- (a) Field projects to build capacities on housing policy, urban management and post-disaster reconstruction in African and Arab States (30); Asia and the Pacific (20); Latin America and the Caribbean (10); Eastern Europe (5) [**1**];
- (b) Field projects on urban governance and slum upgrading supported in collaboration with UNDP and Cities Alliance in African and Arab States (8); Asia and the Pacific (8); and Latin America and the Caribbean (4) [**1**].

<sup>6</sup> The figures in round brackets ( ) denote number of outputs.  
The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.  
[1] = priority 1  
[2] = priority 2

## 7. Resource requirements

147. The estimated resource requirements by source of funding and corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support to the United Nations Office at Nairobi.

**Table 18. Summary budget estimates (in thousands of United States dollars): Subprogramme 3: Regional and technical cooperation**

Source of funds Expenditure category	2006-2007 Approved Appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	2,225.0	-	-	2,225.0
Non-staff costs	229.2	-	-	229.2
	2,454.2	-	-	2,454.2
Foundation general purpose				
Staff costs	1,407.2	459.6	32.7	1,866.7
Non-staff costs	201.4	406.1	201.7	607.5
	1,608.5	865.7	53.8	2,474.2
Foundation special purpose				
Non-staff costs	6,213.5	1,786.5	28.8	8,000.0
	6,213.5	1,786.5	28.8	8,000.0
Technical cooperation				
Staff costs	3,662.6	2,558.1	69.8	6,220.7
Non-staff costs	60,967.3	49,986.3	82.0	110,953.6
	64,629.9	52,544.4	81.3	117,174.3
<b>Total for subprogramme</b>				
Staff costs	7,294.8	3,017.6	41.4	10,312.4
Non-staff costs	67,611.4	52,178.9	77.2	119,790.3
<b>Total</b>	<b>74,906.2</b>	<b>55,196.5</b>	<b>73.7</b>	<b>130,102.7</b>

### Post distribution for subprogramme 3: Regional and technical cooperation, by funding and level

	Professional category and above						Total	L-L	Other	Grand Total
	D-2	D-1	P-5	P-4	P-3	P-2/1				
<b>2006-2007</b>										
United Nations regular budget	1			3			4	1		5
Foundation general purpose					1		1	1		2
Foundation special purpose							-			-
Technical cooperation		3	12	2	1	5	23	8	1	32
<b>2006-2007 Subtotal</b>	1	3	12	5	2	5	28	10	1	39
<b>Changes (decrease)/increase</b>										
Foundation programme support	-	-	-	-	1	-	1	-	-	1
<b>Net changes</b>	-	-	-	-	1	-	1	-	-	1
<b>2008-2009</b>										
United Nations regular budget	1	-	-	3	-	-	4	1		5
Foundation general purpose	-	-	-	-	1	-	1	1	-	2
Foundation special purpose					1		1		-	1
Technical cooperation		3	12	2	1	5	23	8	1	32
<b>2008-2009 Subtotal</b>	1	3	12	5	3	5	29	10	1	40



## **D. Subprogramme 4. Human settlements financing**

### **1. Legislative mandate**

148. The legislative mandate for subprogramme 4 is provided by the following Governing Council resolutions and General Assembly resolutions:

(a) Governing Council resolutions 20/11, Strengthening the Slum Upgrading Facility of the United Nations Habitat and Human Settlements Foundation; and 19/11, Strengthening the United Nations Habitat and Human Settlements Foundation;

(b) General Assembly resolutions 3327 (XXIX), Establishment of the United Nations Habitat and Human Settlements Foundation; 60/188, Follow-up to the implementation of the outcome of the International Conference on Financing for Development; 60/209, Implementation of the first United Nations Decade for the Eradication of Poverty; 55/2, United Nations Millennium Declaration; 57/144, Follow-up to the outcome of the Millennium Summit; 56/206, Strengthening the mandate and status of the Commission on Human Settlements and the status, role, and functions of the United Nations Centre for the Human Settlements (Habitat); and S-25/2, Declaration on Cities and Other Human Settlements in the New Millennium.

### **2. Objective**

149. The overall objective is to facilitate the mobilization of investments from international and domestic sources in support of adequate shelter, related infrastructure development programmes and housing finance institutions and mechanisms, particularly in developing countries and in countries with economies in transition.

### **3. Strategy**

150. The strategy for implementing the subprogramme includes:

(a) Strengthening the institutional arrangements of the Foundation for more effective mobilization of resources,<sup>7</sup> both from the public and private sectors, for shelter and related infrastructure in developing countries and in countries with economies in transition, with special focus on the needs of slum-dwellers and low-income groups and on the implementation of the Millennium Declaration target on slum upgrading and paragraph 56 (m) of the 2005 World Summit Outcome on slum prevention;

(b) Providing technical assistance and targeted seed capital through the Slum Upgrading Facility of the Foundation to develop and support mechanisms for mobilizing domestic savings and capital to improve the availability of affordable housing, adequate shelter and infrastructure in developing countries and in countries with economies in transition. At the request of Governments, providing technical advice and facilitating peer exchanges designed to advance national policy frameworks, regulatory reforms and institutional arrangements that Member States can use to enable private banks, insurance companies, micro-finance institutions, and community-based savings and credit organizations to finance affordable housing and related infrastructure – thus leveraging limited public investment and official development assistance;

(c) Working with the World Bank Group, regional development banks, other development banks, the private sector, United Nations agencies and other relevant partners to link the normative and technical cooperation activities of UN-Habitat with the investment portfolios of the financing institutions and to mobilize finance from international sources to play a catalytic and preparatory role in leveraging domestic investment for slum upgrading and other pro-poor human settlements development.

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<sup>7</sup> The financial rules recently promulgated by the Secretary-General in document ST/SGB/2006/8: “Financial Regulations and Rules for the United Nations (series 100): Special Annex for the United Nations Habitat and Human Settlements Foundation (series 300) to the Financial Regulations and Rules of the United Nations (series 100)” should facilitate the mobilization of resources.

#### 4. Cooperating partners

151. In delivering this programme, UN-Habitat will cooperate with partners in and outside the United Nations. Within the United Nations, UN-Habitat will work closely with UNDP; the World Bank on the Cities Alliance programme; and the International Finance Cooperation on urban and housing finance issues. Outside the United Nations, UN-Habitat cooperates and collaborates with Governments, local authorities and their associations, bilateral development agencies; regional banks, civil society organizations and other Habitat Agenda partners, including research and academic institutions.

**Table 19. Expected accomplishments and indicators of achievement for the biennium**

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
(a)	Strengthened institutional arrangements for the United Nations Habitat and Human Settlements Foundation effectively to assist Member States and Habitat Agenda partners to mobilize investment for their pro-poor human settlements development, particularly in developing countries and countries with economies in transition [1]	(a) (i)	<p>Increased level of resources mobilized for affordable housing and infrastructure, with particular focus in informal settlements and slums</p> <p><i>Performance measures</i> 2004-2005: US \$69 million raised Estimated 2006-2007: US \$83 million raised Target 2008-2009: US \$100 million</p>
(b)	Improved investment in human settlements development leveraged by the Foundation, including its Slum Upgrading Facility from domestic private and public sources, through innovative mechanisms for financing housing and related infrastructure [1]	(b) (i)	<p>Number of countries working with the Foundation to strengthen mechanisms for financing housing and related infrastructure.</p> <p><i>Performance measures</i> 2004-2005: 10 Estimated 2006-2007: 15 Target 2008-2009: 20</p>
		(ii)	<p>Number of financial instruments and bankable projects designed, packaged and effectively applied,</p> <p><i>Performance measures</i> 2004-2005: 0 Estimated 2006-2007: 6 Target 2008-2009: 9</p>
		(iii)	<p>Increased level of public investment, private capital, and community savings mobilized for slum upgrading, including water and sanitation and slum prevention programmes and the country level</p> <p><i>Performance measures</i> 2004-2005: 0 Estimated 2006-2007: US \$40 million Target 2008-2009: US \$200 million</p>
		(iv)	<p>Number of countries that have promoted relevant policy and regulatory reforms and institutional arrangements that facilitate the mobilization of public investments, community savings, and private capital for affordable housing and related infrastructure</p> <p><i>Performance measures</i> 2004-2005: 0 Estimated 2006-2007: 5 Target 2008-2009: 10</p>
(c)	Expanded partnerships between UN-Habitat and international and regional	(c) (i)	<p>Number of partnerships established to enhance investment allocations for</p>

<i>Expected accomplishments</i>	<i>Indicators of achievement</i>
financial institutions that ensure that the advocacy and technical assistance activities of the organization promote and leverage investment by financial institutions in affordable housing and related infrastructure, thereby improving coherence and impact of development assistance.	improving human settlements.  <i>Performance measures</i> 2004-2005: 8 Estimated 2006-2007: 12 Target 2008-2009: 15
	(ii) Increased level of loan and loan guarantee portfolio by international and regional financial institutions in affordable housing and infrastructure resulting from these partnerships.  <i>Performance measures</i> 2004-2005: 0 Estimated 2006-2007: US \$10 million Target 2008-2009: US \$100 million

## 5. External factors

152. The subprogramme is expected to achieve its objectives and expected accomplishments on the following assumptions:

- (a) There is continued financial commitment and support from international and regional development banks, bilateral development cooperation agencies and international donor facilities to strengthen the Foundation;
- (b) There is support among Member States and domestic financial institutions at the country level to develop financial mechanisms for mobilizing domestic capital for slum upgrading;
- (c) There is political will to overcome institutional barriers and identify modalities for effective partnerships that result in financial commitments.

## 6. Outputs<sup>8</sup>

153. During the biennium, the subprogramme will deliver the outputs listed below. As in the previous biennium, these outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates, those emerging from major United Nations international conference as well as those considered high priority by management.

### 1. Servicing of intergovernmental and expert bodies

154. The following services will be provided :

#### I. Other services provided

*Expert group meetings:*

- (a) Expert group meeting on the institutional framework and options for the Habitat Foundation (1) [**1**];
- (b) Expert group meetings on the fund-raising strategy for the Habitat Foundation (1) [**1**];

<sup>8</sup> The figures in round brackets ( ) denote number of outputs.  
The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.  
[1] = priority 1  
[2] = priority 2

- (c) Semi-annual Consultative Board meetings of the Slum Upgrading Facility (4) [1];
- (d) Expert group meeting on the role of international and regional financial institutions and international donor facilities in mobilizing domestic capital for slum upgrading (1) [2];
- (e) Annual meeting of the Joint UN-Habitat and Private Infrastructure Development Group on mobilizing domestic capital for basic services and related urban infrastructure (1) [2];
- (f) Peer-exchange meetings on mechanisms for the financing of housing and related infrastructure in selected West African countries (3) [1];
- (g) Peer-exchange meetings on mechanisms for the financing of housing and related infrastructure in selected East African countries (3) [1];
- (h) Annual meeting of the advisory board on the development programmes of the Habitat Foundation (2) [1];
- (i) Coordination meetings with the water and sanitation trust fund activities related to slum upgrading (4) [1].

## 2. Other substantive activities

155. The following activities will be undertaken:

### I. Recurrent publications:

- (a) Annual report on the United Nations Habitat and Human Settlements Foundation and its activities (2) [1];

### II. Non-recurrent publications:

- (a) Policy paper on human settlement financing (1) [1];
- (b) Report on linking formal and informal housing finance mechanisms in developing countries (1) [1];
- (c) Compilation of innovative tools and practices for municipal financing of bulk infrastructure in informal settlements for selected developing countries (1) [1];
- (d) Reports on efforts of selected international and private sector institutions in mobilizing resources for affordable shelter and human settlements development (1) [2];
- (e) Report on lessons learned, partnerships and best practices in unlocking domestic sources of finance and using international resources to leverage domestic financial resources for shelter and human settlements development (1) [1];

### III. Technical materials:

- (a) Database on financing of housing and related infrastructure for the urban poor to assist in the monitoring of millennium development goals (1) [2];
- (b) Web-based dissemination of information on the activities of the Human Settlements Foundation (1) [1];
- (c) Memorandums of understanding and other cooperation frameworks with international financial institutions, regional development banks, international donor facilities and United Nations organizations (3) [1].

## 3. Technical cooperation

156. The following services will be undertaken:

### I. Advisory services:

- (a) Provision of advisory services to interested Member States on packaging slum upgrading projects, facilitating cooperation between domestic lending institutions and development partners and mobilizing domestic capital for upgrading shelter and basic services (10) [1];
- (b) Demonstration projects reviewing various financing options including but not limited to loan and grant guarantee funds, equity capital, bridge financing and challenge funds (10) [1];

- II. *Group training:*
- (a) Seminars and workshops on lessons learned, partnerships and best practices in unlocking domestic sources of finance and utilizing international resources to leverage domestic sources for shelter and human settlements development in four pilot countries (4) [1];
  - (b) Seminars and workshops designed to facilitate cooperation between domestic lending institutions and development partners in selected developing countries (6) [1];
- III. *Field projects:*
- (a) Long-term programmes to mobilize resources to increase the supply of affordable credit for slum upgrading and related shelter and infrastructure projects (3) [2];
  - (b) Substantive technical and financial assistance to local and national slum upgrading projects, with emphasis on financial packaging and the development of instruments to scale up and replicate such projects (4) [1];
  - (c) Joint UN-Habitat/international financial institution pilot projects that draw upon respective expertise to mobilize domestic capital for shelter and basic services in selected developing countries (4) [1];
  - (d) Joint UN-Habitat/international financial institutions partnerships that combine pre-investment software development services with fast-track investment portfolios, respectively, in two developing countries (2) [2].

## 7. Resource requirements

157. The estimated resource requirements by source of funding and corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support to the United Nations Office at Nairobi.

**Table 20. Summary budget estimates (in thousands of United States dollars): Subprogramme 4: Human settlements financing**

Source of funds Expenditure category	2006-2007 Approved Appropriations	Change		2008-2009 Estimates
		Amount	%	
United Nations regular budget				
Staff costs	272.8	-	-	272.8
Non-staff costs	19.6	-	-	19.6
	292.4	-	-	292.4
Foundation general purpose				
Staff costs	2,234.8	53.6	2.4	2,288.4
Non-staff costs	1,416.1	606.2	42.8	2,022.3
	3,650.9	659.8	18.1	4,310.7
Foundation special purpose				
Non-staff costs	9,321.0	8,679.0	93.1	18,000.0
	9,321.0	8,679.0	93.1	18,000.0
<b>Total for subprogramme</b>				
Staff costs	2,507.6	53.6	2.1	2,561.2
Non-staff costs	10,756.7	9,285.2	86.3	20,041.9
<b>Total</b>	<b>13,264.3</b>	<b>9,338.8</b>	<b>70.4</b>	<b>22,603.1</b>

**Post distribution for subprogramme 4: Human settlements financing, by funding and level**

	Professional category and above							Total	L-L	Other	Grand Total
	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1				
<b>2006-2007</b>											
United Nations regular budget					1			1			1
Foundation general purpose	1	-	1	1	1	2		6	5		11
Foundation special purpose		1						1			1
<b>2006-2007 Subtotal</b>	1	1	1	1	2	2	-	8	5	-	13
<b>Changes (decrease)/increase</b>											
Foundation general purpose	(1)	1	-	-	-	-	-	-	-	-	-
Foundation special purpose	-	(1)	-	-	-	-	-	(1)	-	-	(1)
<b>Net Changes</b>	(1)	-	-	-	-	-	-	(1)	-	-	(1)
<b>2008-2009</b>											
United Nations regular budget					1			1			1
Foundation general purpose	-	1	1	1	1	2	-	6	5	-	11
Foundation special purpose		-						-			-
<b>2008-2009 Subtotal</b>	-	1	1	1	2	2	-	7	5	-	12

**E. Programme support****1. Objective**

158. The overall objective is to provide support for the implementation of the human settlements programme through programme planning, financial and administrative management and human resources planning. Responsibility for this programme rests with the Programme Support Division.

## 2. Strategy

159. The Programme Support Division will support implementation of the four subprogrammes by providing a number of services that include: programme planning and coordination; budgeting, financial and administrative management; human resource planning; provision of legal services and advice, ensuring proper servicing of funding partners; compliance with agreements; and ensuring implementation of recommendations by the Board of Auditors and the United Nations Office for Internal Oversight Services. These services are provided by the Programme Support Division, administrative project staff in the regional offices and in coordination and with the assistance of the Division of Administrative Services of the United Nations Office at Nairobi.

160. In carrying out the programme planning and coordination functions, the Programme Support Division spearheads, guides and coordinates the preparation of the biennial strategic framework, the biennial work programme (ensuring adherence to General Assembly and Governing Council mandates and instructions provided from United Nations Headquarters) and the annual work plan for UN-Habitat as well as providing support during the review of the documents by intergovernmental bodies.

161. The division will continue to provide administrative direction: in the preparation of the programme budget; allocation and utilization of resources taking account the requirements of the respective subprogrammes and in line with the approved programme budget to ensure effective budgetary control. To ensure that improved and efficient administrative services are provided, the recommendations of the ongoing review of the administrative services at UN-Habitat, including its relationship with the United Nations Office at Nairobi, will be implemented.

162. The human resources liaison office will review, update and distribute the revised guidelines and implement and deploy the human resources management systems in liaison with the United Nations Office at Nairobi for the timely recruitment and placement of staff.

163. In carrying out its provision of legal services and advice function, the Programme Support Division will review, update and disseminate the approved legal framework to enable UN-Habitat to carry out its operational activities in implementing the Habitat Agenda and meeting the Millennium Development Goals and targets under its responsibility.

164. To enhance the flow of management information, an executive information management system will be implemented and deployed. The system will also generate reports on the audit recommendations to monitor their implementation.

**Table 21. Expected accomplishments and indicators of achievement**

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
(a)	Efficient preparation and coordination of the Strategic Framework (2010-2011) and proposed programme budget (2010-2011) reflecting the recommendations of the governing bodies and prepared in accordance with the Programme Planning and Budget Division instructions	(a) (i)	Approval of the strategic framework by the Committee of Permanent Representatives, Committee on Programme and Coordination and the General Assembly  <i>Dec. 2005:</i> Document approved by the Committee of Permanent Representatives, Committee on Programme and Coordination and the General Assembly <i>Dec. 2007:</i> Document approved by the governing bodies. <i>Dec. 2009:</i> Document approved by the governing bodies
		(a) (ii)	Approval of the proposed programme budget by the Governing Council and the General Assembly  <i>Dec. 2005:</i> Work programme and budget documents approved by the Governing Council and General Assembly. <i>Dec. 2007:</i> Integrated document approved by the governing bodies <i>Dec. 2009:</i> Integrated document approved by the governing bodies.
(b)	Effective budgetary control and monitoring of expenditure	(b) (i)	Level of expenditure within approved budget allotments

<i>Expected accomplishments</i>		<i>Indicators of achievement</i>	
			<i>Dec. 2005:</i> 95 per cent of allotments <i>Dec. 2007:</i> 95 per cent of allotments <i>Dec. 2009:</i> 95 per cent of allotments
(c)	Improved quality and cost-effectiveness of the administrative services provided by the United Nations Office at Nairobi to UN-Habitat	(c)	(i) Delivery of services in accordance with performance indicators specified in the service level agreement  <i>Dec. 2005:</i> 70 per cent within agreed service level agreement <i>Dec. 2007:</i> 80 per cent within agreed service level agreement. <i>Dec. 2009:</i> 85 per cent within agreed service level agreement.
(d)	Timely recruitment and placement of staff	(d)	(i) Reduction in the average number of days a Professional post remains vacant.  <i>Dec. 2005:</i> N/A <i>Dec. 2007:</i> 14 months <i>Dec. 2009:</i> 12 months
(e)	Timely and effective implementation of audit recommendations from the External Board of Auditors and the Office of Internal Oversight Services	(e)	(ii) Recommendations implemented within the required time frame  <i>Dec. 2005:</i> 85 per cent implementation rate <i>Dec. 2007:</i> 90 per cent implementation rate <i>Dec. 2009:</i> 95 per cent implementation rate
(f)	Improved flow of management information within the organization	(f)	(i) Production of on-line management reports  <i>Dec. 2005:</i> 8 hard copy reports produced and distributed <i>Dec. 2007:</i> On-line computerized grant database <i>Dec. 2009:</i> On-line management reports

### 3. External factors

165. The Programme Support Division is expected to achieve its objectives on the following assumptions:

- (a) Adequate financial resources will be available to deliver on the above objectives; and
- (b) The exchange rate and inflation rate will remain within the forecast levels.

### 4. Outputs<sup>9</sup>

166. During the biennium, the Programme Support Division will deliver the outputs listed below. These outputs have been prioritized into two categories, priority 1 and priority 2, priority 1 being the higher. Higher-level priorities are determined by their relevance to the Millennium Declaration targets, global campaigns, outputs provided for by specific mandates, those emerging from major United Nations international conference as well as those considered high priority by management.

<sup>9</sup> The figures in round brackets ( ) denote number of outputs.  
The figures in bold and square brackets [ ] denote the level of prioritization, priority [1] being the highest.  
[1] = priority 1  
[2] = priority 2



## 1. Servicing of intergovernmental and expert bodies

167. The following services will be provided:

### I. Human resources management:

- (a) Human resources status reports to the Committee of Permanent Representatives (4) [1];
- (b) Human resource status reports to United Nations Headquarters (24) [2].

### II. Programme planning, budget and accounts:

- (a) Strategic framework 2010-2011 (1) [1];
- (b) Proposed programme budget (2010-2011) (1) [1];
- (c) Quarterly financial reports for the Committee of Permanent Representatives (8) [1];
- (d) Quarterly reports of the Programme Review Committee (8) [2];
- (e) Updated service level agreement with the United Nations Office at Nairobi (1) [2];
- (f) Quarterly management information reports (8) [2];
- (g) Support to OIOS and external audit services and implementation of recommendations [1].

## 2. Legal support

168. The following activities will be undertaken:

- (a) Guidelines developed for use with the legal framework;
- (b) Seminar conducted on the legal framework for operational activities;
- (c) Additional legal instruments developed;
- (d) Agency represented before administrative bodies.

## 5. Resource requirements

169. The estimated resource requirements by source of funding and corresponding proposed staffing table for this section are provided below. The non-staff costs required to support the activities under this section comprise costs associated with consultants, travel, contractual services, general operating expenses, supplies and materials, furniture and equipment and support to the United Nations Office at Nairobi.

**Table 22. Summary budget estimates (in thousands of United States dollars): Programme Support Division**

Source of funds Expenditure category	2006-2007 Approved Appropriations	Change		2008-2009 Estimates
		Amount	%	
Foundation general purpose				
Staff costs	4,821.7	1,645.3	34.1	6,467.0
Non-staff costs	1,122.0	259.6	23.1	1,381.6
	5,943.7	1,904.9	32.0	7,848.6
Technical cooperation				
Staff costs	1,606.0	841.9	52.4	2,447.9
Non-staff costs	336.3	79.2	23.6	415.5
	1,942.3	921.1	47.4	2,863.4
<b>Total programme support</b>				
Staff costs	6,427.7	2,487.2	38.7	8,914.9
Non-staff costs	1,458.3	338.8	23.2	1,797.1
<b>Total</b>	<b>7,886.0</b>	<b>2,826.0</b>	<b>35.8</b>	<b>10,712.0</b>

**Post distribution for the Programme Support Division, by funding and level**

						Total			Grand
	D-1	P-5	P-4	P-3	P-2/1		L-L	Other	Total
<b>2006-2007</b>									
Foundation general purpose	1	1	1	1		4	3		7
Foundation special purpose			1	2	2	5	16		21
Technical cooperation			3	1	3	7	7		14
<b>2006-2007 Subtotal</b>	1	1	5	4	5	16	26	-	42
<b>Changes (decrease)/increase</b>									
Foundation general purpose	-	-	1	-	-	1	1	-	2
Foundation programme support	-	1	-	-	-	1	1	-	2
<b>Net changes</b>	-	1	1	-	-	2	2	-	4
<b>2008-2009</b>									
Foundation general purpose	1	1	2	1	-	5	4	-	9
Foundation special purpose		1	1	2	2	6	17		23
Technical cooperation			3	1	3	7	7		14
<b>2008-2009 Subtotal</b>	1	2	6	4	5	18	28	-	46

## Annex I

### Legislative mandate

#### Programme 12 of the strategic framework: Human settlements

##### *General Assembly resolutions*

S-25/2	Declaration on Cities and Other Human Settlements in the New Millennium
53/242	Report of the Secretary-General on environment and human settlements
55/2	United Nations Millennium Declaration
56/206	Strengthening the mandate and status of the Commission on Human Settlements and the status, role, and functions of the United Nations Centre for the Human Settlements (Habitat)
57/144	Follow-up to the outcome of the Millennium Summit
57/270 B	Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields
57/275	Special session of the General Assembly for an overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and the strengthening of the United Nations Human Settlements Programme (UN-Habitat)
58/217	International Decade for Action, "Water for Life", 2005-2015
58/269	Strengthening of the United Nations: an agenda for further change
60/1	2005 World Summit Outcome (subprogrammes 1, 2 and 3)
60/15	Strengthening emergency relief, rehabilitation reconstruction and prevention in the aftermath of the Indian Ocean tsunami disaster
60/124	Strengthening of the coordination of emergency humanitarian assistance of the United Nations (subprogrammes 1 and 3)
60/125	International cooperation on humanitarian assistance in the field of natural disasters, from relief to development (subprogrammes 1 and 3)
60/130	Implementation of the outcome of the World Summit for Social Development and of the twenty-fourth special session of the General Assembly
60/188	Follow-up to and implementation of the outcome of the International Conference on Financing for Development (subprogrammes 2 and 4)
60/193	Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development
60/194	Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (subprogrammes 1 and 3)
60/195	International Strategy for Disaster Reduction (subprogrammes 1 and 3)
60/196	Natural disasters and vulnerability (subprogrammes 1 and 3)
60/203	Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)
60/209	Implementation of the first United Nations Decade for Eradication of Poverty (1997-2006)
60/228	Third United Nations Conference on the Least Developed Countries

*Economic and Social Council resolutions, decisions and agreed conclusions*

- 2002/1 Agreed conclusions 2002/1 on strengthening further the Economic and Social Council, building on its recent achievements, to help it fulfil the role ascribed to it in the Charter of the United Nations as contained in the United Nations Millennium Declaration
- 2003/62 Coordinated implementation of the Habitat Agenda
- 2005/48 The role of the Economic and Social Council in the integrated and coordinated implementation of the outcomes of and follow-up to the major United Nations conferences and summits

*Governing Council resolutions*

- 18/4 Implementation of General Assembly resolution 53/242 and cooperation between the United Nations Centre for Human Settlements (Habitat) and the United Nations Environment Programme (subprogrammes 1 to 3)
- 19/5 Implementing and monitoring the goal of the United Nations Millennium Declaration on improving the lives of slum-dwellers
- 19/6 Water and sanitation in cities
- 19/16 Women's role and rights in human settlements development and slum upgrading
- 20/1 Youth and human settlements
- 20/7 Gender equality in human settlements development
- 20/10 World Urban Forum
- 20/19 Work programme and budget of the United Nations Human Settlement Programme for the 2006-2007 biennium

**Subprogramme 1****Shelter and sustainable human settlements development***Governing Council resolutions*

- 16/7 The realization of the human right to adequate housing
- 17/10 Rural dimension of sustainable urban development
- 18/5 International cooperation and the review of mechanisms for monitoring the implementation of the Habitat Agenda
- 18/11 Intensifying dialogue on effective decentralization and strengthening of local authorities within the framework of the Habitat Agenda
- 19/3 Global campaigns on secure tenure and urban governance
- 19/4 Cooperation between the United Nations Human Settlements Programme and the United Nations Environment Programme
- 19/12 Decentralization and strengthening of local authorities
- 20/16 Enhancing the involvement of civil society in local governance
- 20/18 Decentralization and strengthening of local authorities
- 20/20 Thirteenth session of the Commission on Sustainable Development

**Subprogramme 2****Monitoring the Habitat Agenda***General Assembly resolutions*

- 34/114 Global report on human settlements and periodic reports on international cooperation and assistance on human settlements
- 55/194 Scope to be covered by the special session of the General Assembly on the overall review and appraisal of the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II)
- 59/248 World survey on the role of women in development
- 60/2 Policies and programmes involving youth
- 60/140 Follow-up to the Fourth World Conference on Women and full implementation of the Beijing Declaration and Platform for Action and the outcome of the twenty-third special session of the General Assembly

*Economic and Social Council resolutions*

- 2001/22 Integrated and coordinated implementation of and follow-up to major United Nations conferences and summits: coordinated implementation of the Habitat Agenda

*Governing Council resolutions*

- 17/10 Rural dimension of sustainable urban development
- 18/10 The role of local authorities
- 19/10 Urban-rural linkages and sustainable urbanization
- 19/13 Enhancing the engagement of youth in the work of UN-Habitat
- 20/6 Best practices, good policies and enabling legislation in support of sustainable urbanization and the attainment of internationally agreed development goals

**Subprogramme 3****Regional and technical cooperation***General Assembly resolutions*

- 59/243 Integration of the economies in transition into the world economy
- 59/250 Triennial comprehensive policy review of operational activities for development of the United Nations system
- 60/128 Assistance to refugees and displaced persons in Africa

*Governing Council resolutions*

- 19/7 Regional and technical cooperation
- 19/15 Countries with economies in transition
- 19/18 Human settlements development in the occupied Palestinian territories
- 20/14 Special Human Settlements Programme for the Palestinian People
- 20/15 Habitat Programme Managers and regional offices
- 20/17 Post-conflict, natural and human-made disaster assessment and reconstruction

**Subprogramme 4****Human settlements financing***General Assembly resolutions*

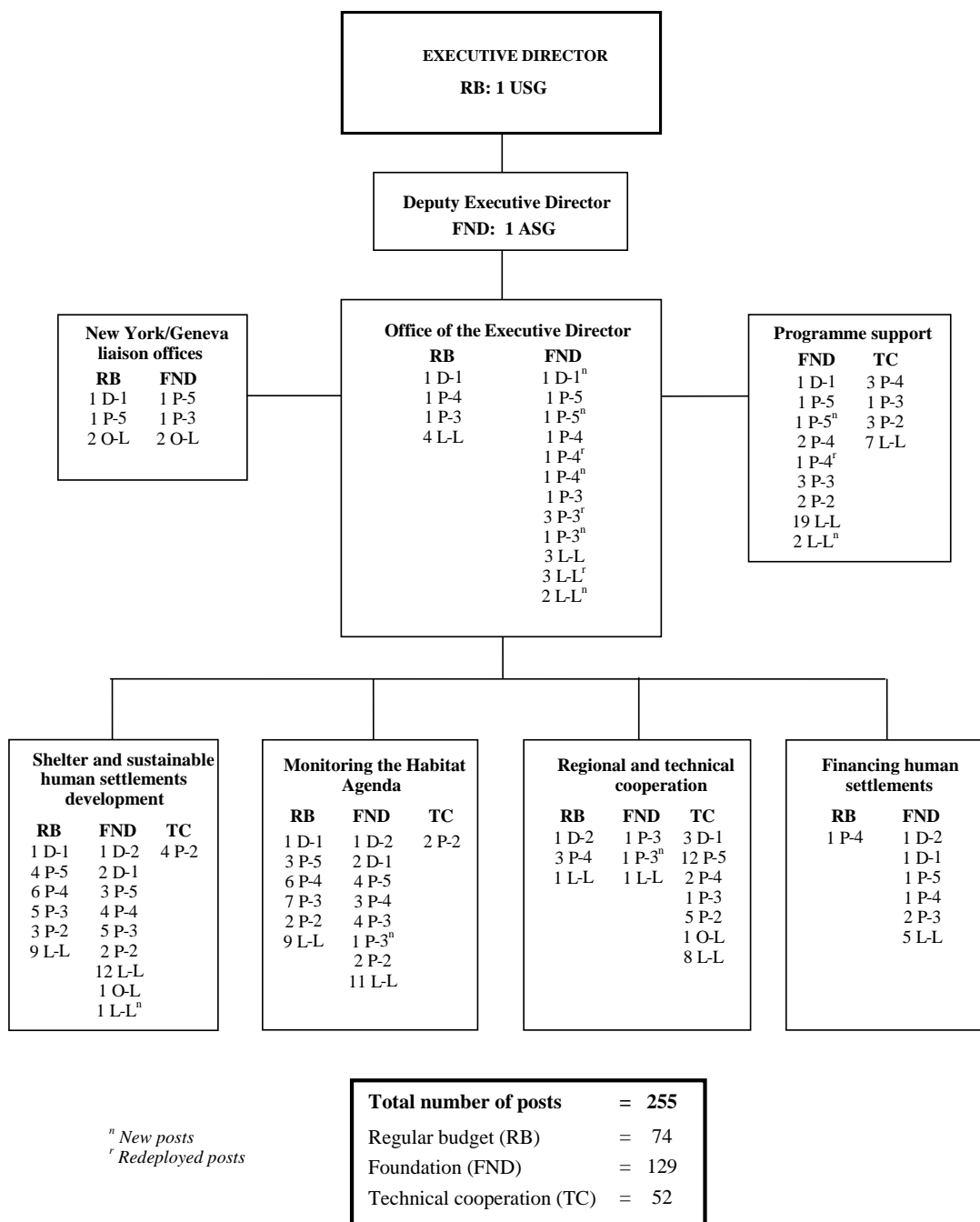
- 3327 (XXIX) Establishment of the United Nations Habitat and Human Settlements Foundation

*Governing council resolutions*

- |       |  |
|-------|--|
| 19/11 | Strengthening the United Nations Habitat and Human Settlements Foundation                                |
| 20/11 | Strengthening the slum upgrading facility of the United Nations Habitat and Human settlements Foundation |

## Annex II

## Organizational structure and post distribution for the biennium 2008-2009



## Annex III

### Terminology

#### *Allotment*

A financial authorization issued by or on behalf of the executive head of the organization to an official or a unit to incur obligations for specific purposes and within specified limits during a definite period.

#### *Appropriation*

Amount approved by the relevant authority for specified purposes for a financial period, against which obligations may be incurred for those purposes up to the approved amounts.

#### *Cost increase or decrease*

Any increase or decrease in the cost of a resource input in a budget period compared with that in a previous budget period, arising from changes in costs, prices or exchange rates.

#### *Expected accomplishment*

A desired outcome involving benefits to end-users, expressed as a quantitative or qualitative standard, value or rate. Accomplishments are the direct consequence of the generation of outputs and lead to the fulfilment of a certain objective.

#### *Financial reserve*

A reserve, established at a level determined by the Governing Council of UN-Habitat, to ensure the financial liquidity and integrity of the United Nations Habitat and Human Settlements Foundation to compensate for uneven cash flows and to meet such other similar requirements as may be decided upon from time to time by the Governing Council.

#### *United Nations Habitat and Human Settlements Foundation General purpose resources*

Resources of the Foundation that are commingled and untied. These include voluntary contributions pledged or paid by Governments or intergovernmental organizations, donations from non-governmental sources and related interest earnings and miscellaneous income.

#### *United Nations Habitat and Human Settlements Foundation Special purpose resources*

Resources of the Foundation that are provided under specific terms of reference or under specific agreements with donors for the purpose of financing wholly or in part the cost of activities consistent with the organization's aims and policies. This also includes the special account for programme support costs.

#### *Management and administration*

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations and administration.

#### *Objective*

An objective in programme budgeting refers to an overall desired achievement involving a process of change and aimed at meeting certain needs of identified end-users within a given period.



***Operating reserve***

As required by administrative instruction ST/AI/286, an operating reserve of 20 per cent of the estimated annual programme support income is required to protect against unforeseen shortfalls in delivery, inflation and currency adjustments or to liquidate legal obligations in case of abrupt terminations of activities financed from extrabudgetary resources.

***Output***

Final products or services delivered by a programme or subprogramme to end-users, such as reports, publications, training, servicing of meetings, which an activity is expected to produce in order to achieve its objectives.

***Performance indicators***

Performance indicators are used to measure the extent to which the objectives or expected accomplishments have been achieved.

***Programme support***

Organizational units whose primary functions are the development, formulation and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes whether on a technical, thematic, logistical or administrative basis.

***Subprogrammes***

A set of activities directed towards the attainment of one or more defined objectives or expected accomplishments.

***Support budget***

The budget of an organization covering programme support and management and administration of the organization.

***Technical cooperation activities***

Activities which provide economic and social development assistance to developing countries and countries with economies in transition.

***United Nations regular budget***

The funds provided by the United Nations from its assessed budget to finance the secretariat referred to in General Assembly resolution 32/162, section III, paragraph 1.

***Volume increase or decrease***

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

## Annex IV

### Assumptions and methodology

#### A. Assumptions for 2008-2009

##### 1. Vacancy rates

1. Vacancy rates of 4.9 per cent for professional staff and 1.5 per cent for General Service staff are assumed in costing posts for 2008-2009.

##### 2. Inflation

2. Inflation factors have not been applied either to direct programme activities or to United Nations regular budget costs, as this will be done later by United Nations Headquarters at the time of the adoption of the United Nations regular budget by the General Assembly in 2007.

3. The following inflation rates are assumed for the Nairobi duty station:

- (a) Posts: an average of 7.3 per cent for the biennium;
- (b) Non-staff: an average of 4.8 per cent for the biennium.

4. The above inflation rates for posts have been applied to the United Nations regular budget standard salary costs, version 7 (as used in the 2006-2007 initial appropriation), after adjusting for the above vacancy rates.

##### 3. Exchange rate

5. An exchange rate of 74 Kenya shillings to the United States dollar is assumed.

#### B. Methodology: biennial support budget<sup>10</sup>

6. The methodology involves several sequential steps in calculating estimates. These calculations are carried out separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is the third quarter of the first year of the current biennium. A description of each sequential step follows.

##### 1. Volume adjustments

7. First, using the approved appropriations as a base, real increases or decreases in requirements are calculated and designated as volume changes. Volume changes represent the controllable elements in the estimates, subject to the Executive Director's assessment of what the organization requires to perform the tasks with which it is entrusted. Volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

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<sup>10</sup> The same methodology on cost adjustments will be followed in respect of the biennial programme budget.

## 2. Various cost adjustments

8. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. They reflect only known changes that have occurred in the two years since the preparation of the previous biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (such as dependency allowance and education grant). For staff cost adjustments, the standard salary cost formulated by United Nations Headquarters is used.

## 3. Currency adjustments

9. Currency adjustments are then calculated by year on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 September of the year preceding the current biennium and, for example, on 1 September of the first year of the current biennium (that is, the time of preparation of the proposed biennial support budget).

## 4. Inflation adjustment

10. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated by year on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency, as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium: The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

- (i) The difference between the application of earlier estimates and the actual inflation for the first six months of the first year of the current biennium;
- (ii) The difference between the application of earlier estimates and the revised inflation projection for the last 18 months of the current biennium; and
- (iii) The inflation projection for the first year of the proposed biennium;

(b) For the second year of the current biennium to the second year of the proposed biennium (i)-(iii) as in (a) above; and

(c) The inflation projection for the second year of the proposed biennium.

11. In order to arrive at these estimates of inflation, four inflation factors are used for each year as follows:

(a) The first inflation factor is the estimated movement of post adjustment for international professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for international professional staff;

(c) The third factor encompasses salaries and common staff costs for local staff, that is General Service and other categories, which may vary significantly from location to location; and

(d) The fourth factor relates to all other costs, such as operating expenses.