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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**

**Review of current administrative arrangements of the United  
Nations Human Settlements Programme, including its  
relationship with the United Nations Office at Nairobi**

1. In response to paragraph 18 of Governing Council resolution 20/19, entitled “Work programme and budget of the United Nations Human Settlements Programme for the 2006–2007 biennium”, the Executive Director of UN-Habitat, in consultation with the Secretary-General of the United Nations and the then Director-General of United Nations Office in Nairobi, invited the Office of Internal Oversight Services (OIOS) to undertake a review of the administrative arrangements at UN-Habitat, including its relationship with the United Nations Office at Nairobi (UNON), to enable it to function more effectively as a full United Nations programme.
2. Upon the departure of the former Director-General of UNON at the end of March 2006, the Internal Management Consulting Section of OIOS (IMCS/OIOS) undertook a study of the UNON management structure with a view to identifying options for enhancing the UNON executive management structure, which was originally established on 1 January 1996.
3. Subsequent to issuance of the report detailing the outcome of the IMCS/OIOS study, the United Nations Secretary-General appointed the most senior Under-Secretary-General, Ms. Anna Tibaijuka, as Director General of UNON. The current Secretary-General’s bulletin on UNON is being revised taking note of recommendations of the Department of Management and OIOS, retains the principle that the Director-General of UNON is responsible for both representational and service functions and establishes an Executive Service Management Board (ESMB). ESMB comprises representatives from the United Nations Environment Programme (UNEP), UN-Habitat and the Office of the United Nations Resident Coordinator in Kenya, and has oversight and decision-making authority over the delivery of services by UNON. A decision has also been made to establish a new position, Director of Operations, to be funded from existing resources, whose incumbent will be responsible for the day-to-day performance of UNON service functions. This function will be established using the former position of the Director of Administration for UNON.

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4. The new governance structure will reflect more clearly the reporting lines, the level of accountability and the functional responsibilities of UNON organizational units and will also clearly indicate the officer-in-charge of UNON when the Director-General is absent from the duty station.
5. To assist UNON, UNEP and UN-Habitat in implementing this new governance structure and to enable UN-Habitat to respond to Governing Council resolution 20/19, on the invitation of the Director General of UNON, in November/December 2006, a project team led by IMCS/OIOS undertook a review of services provided by UNON to UNEP and UN-Habitat, taking into account the roles of UNEP and UN-Habitat in the newly established ESMB and the role of UNON in the provision of common services to offices of the United Nations funds, programmes and agencies in Kenya. The IMCS/OIOS team was supported by a UNON/UNEP/UN-Habitat sub-committee on service delivery established by the Director-General of UNON.
6. The management arrangements as decided by the Secretary-General have already been implemented: ESMB has been established and is operational and the former Director of Administration is acting as the new Director of Operations. As soon as the revised Secretary-General's Bulletin is issued, final adjustments will be made to the UNON organizational structure.
7. With regard to administrative arrangements and the relationship of UNON with UN-Habitat, some of the salient points raised by the IMCS/OIOS review in November/December 2006 include:
  - (a) Responsibilities for programme support activities shared by the Division of Administration of UNON, UNEP and UN-Habitat need to be clearly defined and coordinated to avoid overlapping, duplicative and cumbersome processes that may lead to inefficiencies, low staff morale and delays in programme implementation;
  - (b) The capacity of programme support function of the UN-Habitat Programme Support Division need to be strengthened and the staffing and skills levels in selected UNON service offices should be reviewed to ensure their adequacy in order to meet the demands of regional and technical cooperation activities;
  - (c) The need for UNON to institutionalize the practice of gauging client satisfaction and the establishment of a monitoring and evaluation function is recommended;
  - (d) There is a need to identify clearly which core and common services UNON should provide and how these are funded;
  - (e) Taking into account the operational needs of the main client organizations of UNON and the decentralized framework which was adopted for UNON, the delegation of authority from the central administration should be reviewed by the Department of Management, in close consultation with the Director-General of UNON and the Executive Heads of UNEP and UN-Habitat.
8. Recommendations emanating from the IMCS/OIOS review are being jointly considered by UNEP, UN-Habitat and UNON and where appropriate will be implemented with the aim of improving the coordination, quality, efficiency and effectiveness of services.