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**Activities of the United Nations Human Settlements Programme,
including coordination matters**

Activities of the United Nations Human Settlements Programme

Report of the Executive Director

Addendum

Concept paper on UN-Habitat country-level activities

Introduction

1. The present concept paper is submitted for the consideration of the Governing Council in response to paragraphs 5–7 of resolution 21/2. It constitutes the basis for the implementation of an integrated programme of normative and operational activities in 30 countries. It begins with a brief background on the United Nations Human Settlement Programme (UN-Habitat) approaches at the country level. It then provides a review of the UN-Habitat regional presence and its work-programme priorities in relation to the focus areas of the medium-term strategic and institutional plan and an overview of the opportunities offered by the United Nations “Delivering as one” approach and the funding situation. Lastly, it discusses proposed criteria for UN-Habitat country-level activities, including the deployment of Habitat programme managers as requested by resolution 21/2. The concept paper also constitutes an update of the UN-Habitat regionalization strategy as an important component of the medium-term strategic and institutional plan.

A. Medium-term strategic and institutional plan action plan

2. At its 6 December 2007 session the Committee of Permanent Representatives to UN-Habitat endorsed the medium-term strategic and institutional plan action plan for the period 2008–2013 based on Governing Council resolution 21/2 of 20 April 2007.

3. The Action Plan has four objectives:

(a) Developing an enhanced normative and operational framework for country-level activities. The framework is designed to have major impacts on programme cohesion and alignment, on the effectiveness of UN-Habitat support to member States in the implementation of the Habitat Agenda and the attainment of the Millennium Development Goals;

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- (b) Strengthening results-based management, including enhanced monitoring and evaluation, to improve accountability and results-based monitoring and reporting;
 - (c) Strengthening resource mobilization to consolidate and to broaden the existing donor base and to secure more predictable multi-year funding;
 - (d) Strengthening human resource management and administration to align staff competencies with programme priorities and improve efficiency and transparency, including in respect of delegation of authority.
4. The Action Plan also includes a set of what are termed as “quick wins” and “must dos”.
5. The four objectives and most “quick wins” and “must dos” will guide UN-Habitat in country activities. The main strategy for future in-country activities, however, is defined under objective 1, developing an enhanced normative and operational framework. Preparation and implementation of the framework will be subdivided into four components: first, a global campaign on sustainable urbanization; second, four policy papers on thematic focus areas of the medium-term strategic and institutional plan; third, an integrated programme of normative and operational activities at the country level; and fourth, a renewed partnership strategy and monitoring system.
6. The present paper is submitted for the consideration of the Governing Council in response to paragraphs 5–7 of resolution 21/2. It constitutes the basis for the implementation of an integrated programme of normative and operational activities in 30 countries.

B. Objectives

7. Country-level activities have been an important component of the UN-Habitat mandate since 1978. Also known as technical cooperation activities, they aim to support central and local governments in the development of their institutional capacities and in the formulation of sustainable shelter and urbanization policies and strategies.
8. These activities are generally implemented by UN-Habitat regional offices through country operations funded by a variety of sources such as multilateral organizations (the United Nations Development Programme (UNDP), World Bank, regional banks, European Community), bilateral agencies and recipient countries. They are also undertaken as part of global and regional programmes implemented by the UN-Habitat Global Division and Human Settlements Financing Division for capacity-building at the city level. Country operations and global programmes complement each other; the former are generally longer term holistic efforts rooted in the national and local context, while the latter are more in the nature of networking and knowledge-building and are linked to normative activities at the regional level.
9. The overall objectives of UN-Habitat country-level activities can be summarized as follows:
- (a) To promote policy reforms consistent with internationally agreed development goals and global United Nations agendas (e.g., the Habitat Agenda and the Millennium Declaration);
 - (b) To build institutional and human capacities at the national, municipal and local levels and to test, validate and disseminate norms, strategies, policy options and practical tools through demonstration projects;
 - (c) To support the implementation of local and national plans of action and mobilize or leverage corresponding national resources.
10. In resolution 56/206 of 21 December 2001, by which the United Nations General Assembly transformed the United Nations Centre for Human Settlements (Habitat) into the United Nations Human Settlements Programme, the General Assembly emphasized “the role and importance of the implementation of the Habitat Agenda” and urged UN-Habitat involvement in the preparation of country-level programming instruments under the auspices of the United Nations (common country assessments and development assistance frameworks) and the International Monetary Fund and the World Bank (poverty reduction strategy papers). These instruments are one of the results of a major reform process of the multilateral cooperation system to which all United Nations agencies are expected to contribute for the sake of greater coherence (called the “Delivering as one” concept to indicate a new mode of operations for all agencies of the United Nations system).
11. On 9 May 2003, the Governing Council of UN-Habitat adopted resolution 19/7 on regional and technical cooperation. The resolution acknowledges that UN-Habitat is the lead agency in all areas of shelter and human settlements and has the responsibility to promote, facilitate and provide technical

cooperation to developing countries and countries with economies in transition. It also emphasizes that synergy between the UN-Habitat operational and normative functions constitutes a major asset and comparative advantage of UN-Habitat. Resolution 19/7 supports the increasing cooperation between UN-Habitat and other international organizations such as the World Bank and UNDP. It requests the Executive Director to strengthen the regional presence and cooperation of UN-Habitat in the framework of a continuous updating of its regionalization strategy. In its paragraphs 5 and 6, it provides substantive guidance on UN-Habitat future operational activities, which it says should be:

- (a) Closely associated with the global campaigns;
- (b) Focused on the human settlements related Millennium Development Goals and capacity-building in support of sustainable urbanization policies;
- (c) Specifically devoted to human settlements needs in the reconstruction of countries affected by disasters.

12. The UN-Habitat work programme for 2004–2005 included a subprogramme entitled “Regional and Technical Cooperation”. This was an innovation in the UN-Habitat programmatic structure because previously technical cooperation had been considered to be a cross-cutting function in topical subprogrammes. This change was part of an effort to ensure congruence between the programmatic and organizational structures of UN-Habitat. The new subprogramme 3 has since 2004 combined normative and operational activities at the regional, national and local levels.

13. All country-level activities of UN-Habitat are described in the biennial operational activities report distributed to the Governing Council. The 2009 report (HSP/GC/22/INF/3) will be made available to the Governing Council for its twenty-second session.

C. Regional structure

14. The Regional and Technical Cooperation Division of UN-Habitat is responsible for subprogramme 3 and coordinates all country-level activities of UN-Habitat. Other divisions are often involved, providing guidelines or training and supporting country operations out of global funds negotiated at headquarters level.

15. The division serves as the regional arm of UN-Habitat, in charge of assisting national and local governments in the improvement of their human settlements conditions through the delivery of technical assistance and the execution of operations in the field. It implements its work through four regional offices:

- (a) Regional Office for Africa and Arab States, based in Nairobi and established in 1999;
- (b) Regional Office for Asia and the Pacific, based in Fukuoka, Japan, and established in 1997;
- (c) Regional Office for Latin America and the Caribbean, based in Rio de Janeiro, Brazil, established in 1996;
- (d) Office for Central European countries, based in Warsaw, and established in 2006.

16. The division also provides substantive advisory services for project formulation and development, through its Technical Advisory Branch, which comprises a pool of interregional advisers based in Nairobi and Geneva. The division also manages offices in Amman and Kuwait City, extensions of the Regional Office for Africa and Arab States partly funded by host countries. In the near future, it is envisaged that an office for Arab States will be opened in Cairo with financial support from the Egyptian Government.

17. UN-Habitat technical cooperation services are available to all developing countries and countries in transition, though there is an emphasis on serving least developed countries. The primary aims are to improve policy and institutional frameworks, build the capacity of sectoral authorities and strengthen urban management and shelter delivery systems. Ensuring that country projects result in improved policy formulation or review is a main concern.

18. For UN-Habitat the need to perform this crucial function raised the issue of establishing, for the first time in its history, a “country presence” without which becoming an integral part of a collective and sustained national strategic process would prove impossible. As a result, UN-Habitat and UNDP, the agency responsible for country-level coordination of development assistance, signed a memorandum of understanding in October 2002 to establish the positions of Habitat programme managers in selected developing countries, with a focus on least developed countries. The General Assembly welcomed the

Habitat programme manager initiative in its resolution 57/275 of December 2002. The memorandum was updated and renewed in October 2008.

19. The Governing Council of UN-Habitat, at its 2005 session, expressed support through resolution 20/15 for the Habitat programme managers initiative, saying that it responded to another resolution (59/250 of December 2004) in which the General Assembly invited the “Governing Bodies of the organizations of the United Nations development system to consider means to strengthen their country-level capacities”.

20. Habitat programme managers are under the direct supervision and coordination of the regional offices but they nevertheless work for the Programme as a whole. Their role is well defined in resolution 20/15 as, among other things:

(a) To promote the integration of sustainable urbanization into United Nations development assistance frameworks;

(b) To promote the global and normative mandate, programmes and campaigns of UN-Habitat;

(c) To support operational activities of UN-Habitat at the national and local levels.

21. An evaluation of the Habitat programme manager initiative was carried out in 2006 and submitted to the Governing Council at its twenty-first session, in April 2007 (HSP/GC/21/INF/4). It recommended the formulation of Habitat country programmes in selected countries. More than 25 Habitat country programme documents have been formulated in 2008 in cooperation with host Governments and United Nations country teams. These documents constitute a first but key step in implementing the integrated programme of country-level normative and operational activities called for in the medium-term strategic and institutional plan.

22. A list of the current Habitat programme managers and Habitat country programme documents is set out in the annex to the present paper.

D. Substantive priorities

23. The overall objective of subprogramme 3 is to strengthen the formulation of policies, strategies and programmes and to develop capacities, primarily at the national and local levels. This objective has been reiterated by the Governing Council since its 2003 session.

24. Under this overall objective, UN-Habitat is expected:

(a) To enhance regional, national and local capacity to implement human settlements policies, strategies and programmes, with a special focus on reduction of urban poverty and response to disasters;

(b) To improve national policies on housing and urban development in line with UN-Habitat global norms and to increase regional knowledge of urban conditions and trends;

(c) To improve coherence and integration of sustainable urbanization into United Nations Development Assistance Frameworks and national development strategies and plans, including poverty reduction strategy papers where they exist.

25. These activities are demand-driven and extrabudgetary. That is, they are developed in response to government requests and are undertaken only when funds have been identified and made available.

26. Country-level activities of UN-Habitat have been traditionally focused on promoting shelter for all, improving urban governance, improving the living environment and access to basic services and managing post-disaster and post-conflict reconstruction.

27. The first three priorities coincide exactly with three focus areas of the medium-term strategic and institutional plan while the fourth (disaster mitigation and rehabilitation) is a cross-cutting topic of extreme importance in affected countries. The fourth focus area of the Plan (strengthening finance systems) is addressed by subprogramme 4 under the Slum Upgrading Facility and the Experimental Reimbursable Seeding Operations initiatives under way in selected countries. Housing finance is often a component of country projects on housing policy while municipal finance is sometimes a component of projects on urban governance. Habitat country programme documents are organized according to the focus areas of the medium-term strategic and institutional plan while taking fully into account national specificities.

28. UN-Habitat also promotes subregional, regional and interregional initiatives in support of country-level activities. South-south cooperation and triangular cooperation play an important role in policy dialogue, knowledge sharing and the dissemination of best practices in all areas of housing and urban development and should be strengthened in the future.

E. Experiences gained in the context of Delivering as one

29. In the past 18 months, the Delivering as one pilot initiative has been testing how the United Nations family – with its many and diverse agencies – can deliver in a more coordinated way at the country level. The objective is to ensure faster and more efficient development operations to accelerate progress in the achievement of the Millennium Development Goals. Each of the pilot countries (Albania, Cape Verde, Mozambique, Pakistan, Rwanda, United Republic of Tanzania, Uruguay and Viet Nam) has agreed to work towards a common United Nations country programme while capitalizing on the strengths and comparative advantages of the different members of the United Nations family. Except for Albania and Uruguay, UN-Habitat is currently active in all pilot countries.

30. The implementation of United Nations reforms and the rapidly evolving development assistance environment, characterized by a move towards more flexible aid modalities, have provided UN-Habitat with an opportunity to streamline its activities at the country level. All United Nations agencies are working to provide their knowledge, expertise and experience to national partners. UN-Habitat applies its knowledge, expertise and experience in four areas: policy and advocacy, normative and technical support, capacity development and civil society partnerships.

31. As a result of its full involvement in the Delivering as one process, UN-Habitat is now receiving, through “One United Nations” funds, multi-year core funding in countries such as Rwanda and Mozambique. Details are provided in the box below.

32. In Mozambique since July 2008 the Government has agreed that all United Nations agencies may work together under a common One United Nations fund. Working in close collaboration with local and national partners in addition to other United Nations agencies, UN-Habitat has successfully managed to access resources available through joint programmes and solo projects.

33. To succeed in being fully involved in Delivering as one, however, a non-resident agency such as UN-Habitat needs a strong country presence. The ability of UN-Habitat to participate fully in six of the eight pilot countries was, in large part, a result of its already existing presence on the ground. Country presence is also a necessary condition to ensuring that human settlement issues are embedded within national development agendas and addressed by United Nations country teams. Good inter-ministerial coordination is another requirement, as in most countries several ministries are involved in human settlements affairs. In this regard the revitalization of national Habitat committees (first created for the preparation of the Istanbul Conference) or national urban forums could constitute a positive step towards facilitating national synergies and the coherence of UN-Habitat in country activities.

Joint programmes in Mozambique and Rwanda in which UN-Habitat is involved

1- Environment Mainstreaming and Adaptation to Climate Change (six United Nations agencies)	
Country: Mozambique	Fund: Spanish/UNDP MDG Fund
Budget: \$7,060,000 (for UN-Habitat: \$1,180,000)	
2- Disaster Risk Reduction and Emergency Preparedness (eight United Nations agencies)	
Country: Mozambique	Fund: One UN Fund
Budget: \$7,260,000 (for UN-Habitat: \$730,000)	
3- Support to Decentralization & Integrated Local Development (11 UN Agencies)	
Country: Mozambique	Fund: One UN Fund
Budget : \$6,670,000 (for UN-Habitat: \$439,000)	
4- Programme de développement urbain dans le cadre du ‘One UN Programme’	
Country: Rwanda	Fund: One UN Fund
Budget: \$997,000 (for UN-Habitat: \$997,000)	

F. Resources

34. In terms of funding, most country-level activities have been traditionally financed by extrabudgetary resources mobilized locally on a project-by-project basis (totalling close to \$100 million annually). This constitutes a major constraint as resource mobilization requires much time and energy, particularly in regional offices. While operational activities in the past generated sufficient overhead or management income to finance technical cooperation staff in regional offices, the general evolution toward national or direct execution leads to a reduction of this kind of overhead income, a phenomenon that is particularly evident in Latin America and in sub-Saharan Africa. Total overhead income amounted to \$4.5 million in 2008, in large part as the result of major reconstruction projects. This income is used to finance 24 professional posts and 10 general service posts in the regional offices. In the future, regional offices may have to rely more on the central resources of UN-Habitat and on regional and national contributions. For their part, Habitat programme managers are funded mainly by the United Nations Habitat and Human Settlements Foundation (\$1.5 million in 2008) and sometimes by host countries and global programmes.

35. In the past 10 years, the UN-Habitat project portfolio has registered a major increase in post-conflict and post-disaster projects. Among funding sources, the relative percentage of UNDP funds, which was close to 90 per cent of total funding in the early 1990s, has decreased to less than 20 per cent of total funding in the last few years; there has been a parallel increase in bilateral donors' contributions and recipient national Governments' cost-sharing. In 2007, approximately \$93 million was disbursed through operations of the Regional and Technical Cooperation Division. Only 12 per cent of that amount came from UNDP, while 88 per cent came from various multilateral and bilateral donors contributing to specific project trust funds and from developing countries themselves (Chad, Egypt, Libyan Arab Jamahiriya, etc.). The composition of the portfolio varies constantly as new operations in the field are added and others are concluded.

36. The technical cooperation system for country-level activities is changing. These changes include reduced resources for United Nations agencies, less autonomy for individual agencies in programme design and resource mobilization and increased emphasis on common programming frameworks. Though the system of common country programming is still being refined, there is little doubt that "Delivering as one" is a necessity, especially for United Nations agencies that do not have sizeable core resources of their own. Resources will increasingly be mobilized at the country level, requiring UN-Habitat to focus on its comparative advantages in terms of its technical expertise, its track record and its relevant experience. This is an important aspect of Habitat country programme documents.

37. As indicated in a forthcoming report of the Secretary-General on trends in contributions to operational activities for development of the United Nations system:

Most donors are not on track to meet their commitments to increase aid. The changes in the international development landscape over the past decade have been parallel to the introduction of new forms of funding modalities: direct budget support, sector-wide approaches, new forms of pooled funding at the country level through the decentralization of aid financing decisions, multiplication of global funds. Although these new aid modalities bring many benefits, they could affect some UN development organizations, particularly if they are not part of the coordination mechanisms.

38. The Secretary-General's report recommends improving predictability through multi-year pledging, providing thematic contributions in line with the priorities set out in strategic plans (such as the medium-term strategic and institutional plan), raising non-core resources at the country level through multi-donor "One Plan Funds" (under the "Delivering as one" concept), avoiding the use of core resources to cover the management of extra-budgetary funds, applying the principle of full cost recovery to multi-donor trust funds and revitalizing core contributions. These actions should result in progress in the efficiency, effectiveness and coherence of the United Nations development system and its organizations.

39. As far as UN-Habitat is concerned, global thematic contributions are expected to include country-level components to complement local resource mobilization efforts. Both sources are required for financing country-level activities and to fill the funding gaps identified in Habitat country programme documents.

G. Proposed criteria for UN-Habitat country-level activities

40. In view of its global mandate as the United Nations agency for cities and other human settlements, UN-Habitat should ideally be able to respond to requests for technical assistance emanating from any member State. Limited human and financial resources, however, and the need to focus on well-defined priorities consistent with the medium-term strategic and institutional plan and the biennial work programmes, constitute major parameters which must be taken into account in responding to requests. The need for geographical balance and for efficiency in the delivery of support services should also be acknowledged.

41. The main selection criteria for country-level activities could therefore be regrouped into the following clusters:

- (a) Thematic consistency with the focus areas of the medium-term strategic and institutional plan and the biennial work programmes;
- (b) Functional consistency with the enhanced normative and operational framework (reinforced linkages between policy reform and capacity-building activities);
- (c) Financial and political commitments by national Governments and their partners, including external partners such as development banks;
- (d) Inclusion in a Habitat country programme document or a United Nations development assistance framework as an agreed country priority;
- (e) Availability of international support to complement national resources in funding UN-Habitat inputs and to ensure follow-up actions;
- (f) Past experience and knowledge by UN-Habitat in a given country and cost-effectiveness of UN-Habitat interventions;
- (g) Actual and potential cooperation with other United Nations agencies under the Delivering as one framework;
- (h) Potential for scaling up and disseminating, including at the regional and global levels, particularly through South-South cooperation;
- (i) Post-disaster emergencies, within the IASC framework;
- (j) Need for geographical balance and prioritization of least developed countries.

42. Criteria (c), (f), (g) and (j) would be used for the deployment of Habitat programme managers, while criteria (c), (d), (g) and (h) would be used to phase out some Habitat programme manager positions. The Governing Council may wish to discuss and endorse these criteria.

43. Beyond selection criteria, a most important step in the management of UN-Habitat country-level activities is to reform the way regional offices are funded and make them less dependant on overhead income. This is foreseen in the roll-out phase of the medium-term strategic and institutional plan (2009-2010), during which six additional staff members are to be funded from core resources. These additional resources will enable the regional offices to develop and offer more policy advisory services at the national and regional levels. Together with country support teams to be established at UN-Habitat headquarters in 2009, these new working arrangements should provide the necessary conditions for enhanced programme alignment and harmonization – the primary objective of the medium-term strategic and institutional plan.

Annex

UN-Habitat programme managers and country programme documents as of 1 January 2009

No.	Regional office and country	Name	E-mail address	Habitat country programme document
	Africa and Arab States			
1	Burkina Faso	Basilisa Sanou	basilisa.sanou@undp.org	Yes
2	Burundi	Francois Muhirwe	francois.muhirwe@undp.org	Yes
3	Chad	Merlin Totinon	merlintotinon@yahoo.fr	Yes
4	Democratic Republic of the Congo	Kanene Mudimubadu	Corneille.Kanene@unhabitat.org	Yes
5	Eritrea	Eyob Kahsai	eyob.kahsai@undp.org	Yes
6	Ghana	Victoria Abankwa	victoria.abankwa@undp.org	Yes
7	Lebanon	Dania El-Rifai	dania.rifai@undp-lebprojects.org	Yes
8	Lesotho	Susan Makuta	mathabo.makuta@undp.org	Yes
9	Liberia	Fole Sherman	fole.sherman@undp.org	Yes
10	Madagascar	Monique Rakotoarison	monique.rakotoarison@undp.org	Yes
11	Malawi	John Leo Chome	john.chome@undp.org	Yes
12	Morocco	Monceyf Fadili	monceyf.fadili@yahoo.fr	
13	Mozambique			Yes
14	Namibia	George Kozonguizi	george.kozonguizi@undp.org	Yes
15	Nigeria	Johnson Falade	johnson.falade@undp.org	Yes
16	Occupied Palestinian Territories (Ramallah)	Nael Salman	nael.salman@undp.org	
17	Occupied Palestinian Territories (Gaza)	Zeyad ElShakra	zeyad.elshakra@undp.org	
18	Rwanda	Monique Sevumba	monique.sevumba@undp.org	Yes
19	Senegal	Serigne Mansour Tall	mansour.tall@undp.org	Yes
20	South Africa	Pinky Vilakazi	pinky.vilakazi@undp.org	
21	Uganda	Peter K. Wegulo	peter.wegulo@undp.org	Yes
22	United Republic of Tanzania	Phillemon Mutashubirwa	phillemon.mutashubirwa@undp.org	
23	Zambia	Kangwa Chama	kangwa_chama@yahoo.com, kangwa.chama@undp.org	Yes
24	Zimbabwe	Peter Mutavati	peter.mutavati@undp.org	

No.	Regional office and country	Name	E-mail address	Habitat country programme document
	Asia and the Pacific			
25	Nepal	Prafulla Pradhan	prafulla.pradhan@unhabitat.org.np	Yes
26	Philippines	Eden Garde	eden.garde@undp.org	Yes
27	Sri Lanka	Laxman Perera	Laxmanperera@gmail.com	Yes
28	Viet Nam	Nguyen Quang	nguyen.quang@undp.org	Yes
29	Cambodia	Somethearith Din	somethearith.din@undp.org	Yes
30	Indonesia	Dodo Juliman	dodo.juliman@undp.org	Yes
31	Pacific (Fiji)	Sarah Mecartney	sarah_mecartney@yahoo.com	
32	Pakistan			Yes
	Latin America and the Caribbean			
33	Colombia	Fabio Giraldo Isaza	fabio.giraldo@undpaffiliates.org	Yes
34	Costa Rica	Ileana Ramirez Quiros	rileana@mivah.go.cr	Yes
35	Cuba	Marilyn Fernandez Perez	dieccion@opusohc.cu/ editor@opusohc.cu	
36	Ecuador	Monica Davila Jarrin	monica.davila@undp.org	Yes
37	Mexico	Maria Dolores Franco Delgado (O-I-C)	mariadfranco@gmail.com	Yes
38	Nicaragua	Julio Cesar Norori Gomez	nororigomez@hotmail.com	