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of the United Nations Human
Settlements Programme**

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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

**Review of the governance structure of the United Nations
Human Settlements Programme**

Summary

Since its inception in 1978, the United Nations Human Settlements Programme (UN-Habitat) and its governance structure have undergone piecemeal changes and reforms. By its resolution 22/5, the Governing Council of UN-Habitat requested the Executive Director of UN-Habitat and the Committee of Permanent Representatives to undertake jointly, within the work programme and budget, an examination of the governance of UN-Habitat with a view to identifying and implementing ways to improve the transparency, accountability, efficiency and effectiveness of the functioning of the existing governance structure and to identify options for any other potential relevant changes for consideration by the Governing Council at its twenty-third session.

In response to that request, a joint review group was set up, comprising an equal number of representatives of the Committee of Permanent Representatives and the secretariat. A decision was made to prepare two sets of proposals; one setting forth measures that could be implemented immediately and the other describing options for more fundamental reforms. The first set of measures was approved by the Committee of Permanent Representatives at its thirty-eighth and thirty-ninth meetings.

* HSP/GC/23/1.

Introduction

1. By its resolution 21/2 of 20 April 2007, on the medium-term strategic and institutional plan for 2008–2013, the Governing Council of UN-Habitat requested the Executive Director of UN-Habitat to consult the Committee of Permanent Representatives on the need to review the efficiency and effectiveness of the governance structure of UN-Habitat. In response, the secretariat engaged a consultant with proven expertise in and experience of United Nations governance reform to carry out an independent overview and assessment.
2. Subsequently, the Executive Director submitted a note on the efficiency and effectiveness of the governance structure of UN-Habitat to the Governing Council at its twenty-second session (HSP/GC/22/2/Add.3). Having considered that note, the Council adopted resolution 22/5, initiating the governance review that is the subject of the present report. The resolution varied from its predecessor in that it requested the Executive Director and the Committee of Permanent Representatives to undertake jointly – rather than the Executive Director alone – within the work programme and budget, an examination of the governance of UN-Habitat with a view to identifying and implementing ways to improve the transparency, accountability, efficiency and effectiveness of the functioning of the existing governance structure and to identify options for any other potential relevant changes for consideration by the Governing Council at its twenty-third session.
3. Reform of the entire United Nations structure is currently under way, particularly as part of what is known as the “one United Nations” initiative, which was launched in 2006 to eliminate the duplication of functions and to improve operational ineffectiveness of United Nations bodies by grouping or merging humanitarian and development offices and operations in the “one United Nations” country pilots. It has become apparent that UN-Habitat participation in the country pilots requires a degree of flexibility in decision-making that is not provided for in the current governance structure of the secretariat.

I. Purpose of the governance review

4. The objective of the review requested in resolution 22/5 was interpreted in the context of the “one United Nations” reforms and of the UN-Habitat medium-term strategic and institutional plan. To ensure that the governance review complemented focus area 6 of the plan, on excellence in management, the objective of the review was defined as “the development of a better functioning governance structure for UN-Habitat that helps to create the conditions for delivering the Habitat Agenda and the goal of the medium-term strategic and institutional plan more efficiently, effectively, transparently, and accountably”.
5. The goal of the medium-term strategic and institutional plan is defined in its results framework as “sustainable urbanization created by cities and regions that provide all citizens with adequate shelter, services, security and employment regardless of age, sex and social strata”.

II. Progress

6. Terms of reference to guide the activities undertaken pursuant to resolution 22/5 were jointly formulated by a geographically balanced cross-section of members drawn from the Committee of Permanent Representatives and the secretariat. They set out a structure and process designed to build consensus between the Committee and the secretariat on a positive vision of the future governance of UN-Habitat.
7. The terms of reference divided the review into four phases. Phase 1 involved the definition of the terms of reference, while phase 2 called for the assessment of eight key areas pertaining to those spheres of UN-Habitat governance that operated at least in part under the direction of the Committee and/or the Executive Director. The eight key areas were:
 - (a) Governing Council;
 - (b) Bureau of the Governing Council;
 - (c) Secretariat of the Governing Council, Committee of Permanent Representatives and working groups;
 - (d) Committee of Permanent Representatives (including the working groups);
 - (e) Services delivered by the United Nations Office at Nairobi to the Committee of Permanent Representatives and Governing Council;

- (f) UN-Habitat trust funds and programmes;
- (g) Regional and political groupings;
- (h) World Urban Forum.

8. The eight areas were assessed according to the parameters of transparency, accountability, efficiency and effectiveness. The outcome of phase 2 was the identification of short-term, medium-term and long-term measures, which were approved by the Committee at its thirty-eighth and thirty-ninth meetings (see the annex to the present report). Those measures are currently being implemented or are being considered for implementation.

9. Phase 3 involves the assessment of the structural aspects of UN-Habitat governance that fall principally under the decision-making powers of the General Assembly. The phase began with an assessment of the main structural governance challenges being faced by UN-Habitat, which were defined as:

- (a) Multiple and complex lines of authority;
- (b) Needlessly complicated work programme, budget and administrative processes, mainly as a result of the dual governance structure required to comply with separate reporting obligations in respect of New York and Nairobi;
- (c) Relationship between UN-Habitat and the United Nations Office at Nairobi;
- (d) Composition of member States of the Governing Council;
- (e) Insufficient oversight in respect of some important elements of UN-Habitat activities;
- (f) Decision-making process that does not promote timely, responsive and flexible action by the programme.

10. These issues formed the basis for further work during phase 3, which involved discussions with the United Nations Secretariat regarding the current status of reform of the United Nations system. There were also consultations with other United Nations agencies on their own reform processes and experiences and their relevance to UN-Habitat.

11. Lastly, phase 4 involves the presentation of the reform options to the Governing Council with an indication of the level of consensus (low, medium and high) on their applicability to UN-Habitat. The investigations and consultations regarding these options could not be completed in time for the submission of the present report. The options are therefore being presented in document HSP/GC/23/2/INF/7.

III. Results

12. The annex to the present report contains a complete list of changes agreed upon by the Committee of Permanent Representatives concerning phase 2 of the review. These were the results of the analyses by the eight assessment teams and put forward as short-term (known as “quick wins”), medium-term and long-term measures. After approval of these measures by the Committee they are now at various stages of implementation under the overall supervision of the governance review implementation team. The most recent analysis of the quick wins, undertaken in December 2010 at the Committee’s thirty-ninth meeting, revealed that 30 per cent of the 27 quick wins had either already been implemented or were being implemented. Responsibility for implementation has been allocated to focal points in the secretariat and the Committee, as appropriate.

13. As indicated above, all the agreed measures have been included in the annex to the present report. The main themes are set out below.

14. In terms of accountability, the quick wins focused on enabling the governing bodies to conduct their business more strategically and strengthening the monitoring of Governing Council decisions by the Committee of Permanent Representatives. They also included measures to improve the quality of the interaction between the Committee and the secretariat through, for example, the appointment of dedicated secretariat focal points for medium-term strategic and institutional plan focus areas to promote informal consultations with the Committee. Regarding medium-term and long-term wins, the emphasis reflects the themes described above. This is echoed in measures such as extending the duration of selected Committee meetings to allow for the in-depth review of progress in implementation of the medium-term strategic and institutional plan, thereby increasing strategic focus, and actively monitoring the impact of governance improvements on an annual basis.

15. While the theme of improved interaction between the Committee and the secretariat features prominently in the quick wins relating to accountability, it is even more pronounced with regard to transparency. Examples of this are the formalization of periodic meetings between the Executive Director and the Chair of the Committee and increasing the frequency of informal consultations between the Committee and the secretariat. Other measures are aimed at increasing the transparency of World Urban Forum presentations; those are the only medium-term and long-term measures.

16. With regard to effectiveness, quick wins concentrate on the timely and appropriate provision of information and improved training. An example of the former is a measure to change the format of the Committee's extranet to make it more user-friendly. Induction and training sessions for members of the Committee and its Bureau are to be undertaken at agreed intervals. Measures to improve the effectiveness of the World Urban Forum have been devised, including the establishment of advisory groups prior to Forum meetings and the involvement of the Committee in the follow-up to Forum sessions. Specific medium-term and long-term wins involve the exploration of modalities for providing a dedicated Group of 77 and China focal point in the secretariat and for promoting understanding of country operations on the part of permanent representatives by organizing visits to field projects.

17. Quick wins to support efficiency mainly deal with the timely provision of information, such as procedures for the circulation of minutes and the development of detailed work calendars for the Committee. Specific measures concerning the World Urban Forum pertain to procedures for implementing improvements in the organization of the sessions of the Forum. An important medium-term and long-term intervention involves training members of the Committee of Permanent Representatives in results-based management.

18. With regard to phase 3, specific and more detailed terms of reference were prepared after consultations between the secretariat and the Committee. Work on implementing these terms of reference is under way at the time of preparation of the present report, but it is anticipated that a full report to the Governing Council (phase 4), including options for consideration, will be made following consultations on phase 3 findings between the secretariat and the Committee.

IV. Conclusions

19. The Governing Council may wish to take note of and endorse the short-term, medium-term and longer-term measures that are currently being implemented following approval of the Committee of Permanent Representatives after phase 2 of the review of the governance structure.

20. The Governing Council may also wish to consider of the contents of document HSP/GC/23/2/INF/7, which details work carried out in phase 3, focusing on the identification of options for further potential changes.

Annex

Complete list of proposals by the implementation team¹

	Accountability
	<i>Quick-wins</i>
1	Further elaborate Terms of Reference (TOR) of Bureaux of the Governing Council (GC) and the Committee of Permanent Representatives (CPR) based on the existing Rules of Procedures to ensure meetings consider long-term strategic issues.
2	Assign designated Secretariat focal points based on the Focus Areas (FAs) of Medium Term Strategic and Institutional Plan (MTSIP) who could be contacted directly by the CPR for all matters relevant to their particular focus area.
3	Review TOR of the CPR to promote more strategic interaction between the Secretariat and the CPR, and strengthening monitoring of the implementation of resolutions/decisions of the GC.
4	Promote both participation and regional balance at Working Group meetings.
5	Strengthen the relationship between CPR Bureau and Regional Groups.
6	Encourage CPR members to maintain effective working relationships and consistent decision-making with their respective representatives to other governing bodies that make decisions relating to UN-Habitat e.g. General Assembly (GA) & Economic and Social Council (ECOSOC). Secretariat to share information with CPR members in advance of the key upcoming meetings. This point shall be included in the Induction Seminar for the new CPR members.
7	Establish a joint CPR-Secretariat mentoring programme for the new CPR members.
8	Revisit all Service-Level Agreements (SLAs) with UNON impacting the delivery of governance-related services by UN-Habitat in a two stage process; review existing SLAs and develop new SLAs if required
9	Secretariat to report CPR on implementation of all SLAs with UNON on an annual basis (commencing December 2011).
10	Better define the role, responsibilities and reporting line of the World Urban Forum (WUF) Unit within UN-Habitat.
	<i>Medium/Long-term Interventions</i>
1	On an annual basis, review the performance of the CPR and the Secretariat as corporate entities and their interaction to promote collaboration and effectiveness. This can be done in the form of a retreat with the members of the Implementation / Monitoring Team.
2	Extend both the December and the June CPR meetings to the equivalent of one full day sessions, if required. The additional meeting time will focus on strategic review of the work programme, including a detailed review of the six-monthly progress report of the Medium-Term Strategic and Institutional Plan (MTSIP) (the December report to become the annual report of the MTSIP). Divide the group into break-out sessions if needed.
3	Review guidelines to clarify the functioning of the Governing Council (GC) and its objectives and links with the CPR (and eventually) with the Economic and Social Council (ECOSOC) and the General Assembly (GA) to which it is accountable.
4	Request Members States to promote means to increase active participation in the CPR and its Working Groups.
5	Explore establishing a consultative mechanism between the CPR and the United Nations Office at Nairobi (UNON).

¹ This is an initial list of quick wins approved by the Committee of Permanent Representatives at its thirty-eighth meeting, in September 2010, followed by a list of medium-term and long-term interventions and an additional list of quick wins approved by the Committee at its thirty-ninth meeting, in December 2010. It has been reproduced as received, without formal editing.

	Transparency
	<i>Quick-wins</i>
1	Improve the communications between GC President and GC Bureau as well as between GC Bureau and CPR Bureau through its President/Chairperson.
2	Regular (at a minimum, bi-monthly) consultations between Executive Director (ED) & Deputy Executive Director (DED) and the CPR Chairperson.
3	Consider more informal meetings where appropriate, to include informal sessions, intended to promote common understanding to facilitate future decision-making.
4	Provide weblink of all Office of Internal Oversight Services (OIOS) reports pertaining to the UN-Habitat Work Programme including the UN-Habitat Trust Funds to the Member States.
5	Regular (at a minimum, six monthly) consultations between ED & DED and Regional Groups.
6	CPR members to be reminded that there is an open-ended invitation to observe all trust fund advisory committee meetings and be encouraged to attend where possible.
7	All relevant trust fund documentation made available to the advisory body to also be made available to the CPR.
8	Forward all CPR bureau meeting records to the GC President/Bureau as well as to the CPR members.
9	Keep the CPR informed on a regular basis concerning preparations for the WUF.
10	Brief the CPR on the WUF: objectives and working relationships, funding and use of staff resources, host country selection, link with MTSIP and Programme of Work, WUF team/focal points introduction, WUF structure, etc. for effective briefs from permanent missions to capitals and potential delegations and should devise a simple budgeting and reporting format which details the costs and budget sources of different components of expenditure (funded and not funded activities) and share the use of the budget from such funds and the host country in a transparent manner to facilitate communication on budgetary issues and enable the CPR to advocate for special contributions.
11	Consider more active involvement of the CPR in WUF reporting.
12	Earmarked resources with specific agreements must not be used for WUF preparations without informing the contributor of resources to request consent.
	<i>Medium/Long-term Interventions</i>
1	The activities required of the secretariat in preparing for the World Urban Forum (WUF) and the Foundation resources expended on it should be fully reflected in the Work Programme and Budget.
	Effectiveness
	<i>Quick-wins</i>
1	Composition of the GC Bureau to be recommended by the Regional Groups and shared with the current GC President three months prior to the GC Regular Session.
2	Induction sessions for new CPR bureau members prior to the first Bureau meeting.
3	Bi-annual induction seminars for new CPR members, and a welcome letter orientating new members into the current work of the CPR and providing a weblink to key documents.
4	Ask the Permanent Missions to UN-Habitat to continue to inform the Secretariat of the arrival and departure of Permanent Representatives and Deputy Permanent Representatives to UN-Habitat to allow the Secretariat to update the CPR Extranet.
5	Review the CPR Extranet format with view to make it more user-friendly and functional. Consider training and raising awareness among GC/CPR members. Include relevant GA/ECOSOC documents/resolutions and UN-Habitat Trust Fund reports. This point shall be included in the Induction Seminar for the new CPR members.
6	The timeliness of necessary documents, including the final Programme of the forum, concept notes and background documents needs to be improved, in relation to timely opening of the call for training, networking and side events (ideally 9 months before the WUF) and to allow for meaningful consultation with the CPR.
7	The WUF should form part of the official induction seminars to new Permanent Representatives and be presented like other Sub-programmes through the WUF Unit.

8	Involve the CPR in WUF follow up. It should build a system of WUF-to-WUF follow up on policy debate and brief the CPR (electronically if working groups are too burdensome).
9	Establish the multi-partner Advisory Group at least 6 months prior to each session of the WUF with clear defined ToRs and selection criteria developed in consultation with CPR.
	<i>Medium/Long-term Interventions</i>
1	Explore modalities for providing a dedicated focal point from Secretariat to provide technical /substantive /administrative support to the Group of 77 + China.
2	Organise joint CPR-Secretariat field visits.
	Efficiency
	<i>Quick-wins</i>
1	Review reporting requirements to look for efficiencies and harmonise format.
2	Country Activities Report, which is currently prepared quarterly, to be six-monthly as supplement to the MTSIP Report.
3	CPR Bureau to approve a detailed calendar of work for the CPR and CPR Working Groups on a 6 monthly basis. This should detail all issues to be discussed, the documents to be provided and by when. The Bureau should then decide the most appropriate format of Secretariat/CPR consultations.
4	Review Secretariat work-flow regarding preparation and submission of relevant documents to the CPR/GC, including a proper supervision and quality assurance process.
5	Circulate CPR Working Group minutes, which should be concise and action-oriented, with a standardised agenda item to review the previous meeting's follow-up actions.
6	Organise targeted training in preparing effective presentations and communications for Secretariat, particularly MTSIP Focal Points. Distribute the points of that training to the remaining Secretariat staff.
7	Prepare annotated agendas both for CPR Regular Sessions and Working Group Meetings to guide participants, which would clearly state the objectives of the meeting based on the CPR mandate, resolution/decision follow-up details, timelines for processes, key issues and expected advice/feedback from the CPR.
8	Secretariat to assess feasibility regarding preparation of reports to GC/CPR on Work Programme and Budget (including UN-Habitat Trust Funds) linking work plan, strategy and results to financial allocations and expenditure.
9	Request WUF working group to look into the implementation of the main findings and recommendations resulting of the Review Report of WUF1 – 4 and WUF5 Evaluation; and request the CPR Bureau to charge the WUF working group to do that.
10	Select the WUF theme and sub-themes which form the dialogues at least 12 months before the forum.
	<i>Medium/Long-term Interventions</i>
1	Organise annual 1-day training sessions on the Result-based Management (RBM) and Budget Process for the CPR members, in collaboration with the on-going training sessions within the Secretariat.
2	Review and revise the GC resolution on WUF to promote a more transparent, effective and timely planning process and to clarify and better define the roles and responsibilities of the host country and the CPR in advising and supporting the Executive Director in the organization of the WUF.