

## MOPAN ASSESSMENT

# UN-HABITAT

## PRELIMINARY FINDINGS

OCTOBER 2024

### **UN-Habitat has an increasingly important global and local role and capability in advocating for, and supporting, sustainable urban development.**

UN-Habitat has a prominent and contemporary profile in **influencing development directions within the sustainable urbanisation agenda**. The organisation has a clear, relevant, and well-articulated strategic vision, indicating a strong sense of direction and purpose. Operationalisation of the Strategic Plan has improved since the previous MOPAN assessment. This has included the establishment of a strategic and clearly documented 'whole-of-house approach' to shift attention to greater influence and leverage of its mandate through partnerships and networks to widen influence on Sustainable Urban Development (SUD). The Strategic Plan and the five flagship programmes promote the integration of normative and operational work. The integration in practice is achieved through the PRC, which reviews and ensures embedding of normative standards and guidelines, strategic alignment, and treatment of cross-cutting issues during programming, project prioritisation and approval processes.

**UN-Habitat is promoting and advancing the normative agenda on sustainable urbanisation at both a global and local level.** Its custodial role of SDG 11 and leadership role for the NUA contributes to programming that is strongly focused on SUD. UN-Habitat possesses a distinct comparative advantage in integrated technical cooperation for SUD, particularly in leadership of the World Urban Forum processes, the Local2030 coalition for SDG localisation with city and local authorities as well as embedding housing as a human right across its normative mandate. The organisation exhibits a clear commitment to addressing contemporary global issues, with SUD approaches reflected throughout recent strategic and operational documentation.

UN-Habitat demonstrates **strong engagement with global, national and city partners**, reflecting its commitment and effective processes for collaborative efforts in advancing sustainable urbanisation goals. This is evidenced by the growth in partnership agreements established and the rise in investments related to Strategic Plan implementation. UN-Habitat provides multiple and effective avenues for coordination and information exchange and demonstrates adaptability to Member State contexts and needs. Project and programmes respond to the challenges faced by national and municipal authorities and their most vulnerable populations.

### **UN-Habitat is demonstrating areas of positive progress with potential for future benefits.**

UN-Habitat has made **improvements in corporate budgeting and resource mobilisation processes**, with annual budgets now linked to programmes of work that are aligned with overarching strategic objectives. A recently approved scalability model provides the basis for a more strategic approach to resource management, enabling the organisation to adapt to changing needs effectively. The intention of the scalability approach is to enhance the transparency of decision-making on internal resource allocation with

Member States. Resource mobilisation has strengthened with UN-Habitat receiving increased voluntary contributions in 2022. This, with severe austerity measures, contributed to greater financial stability following previous years of deficit budgets. UN-Habitat's financial base has diversified, leveraging resources and expanding its scope of influence, including through greater Member State' and local authorities' counterpart funding. The scalability model has the potential to evolve further, given the challenging donor landscape and the limited availability of flexible resources. UN-Habitat could engage key donors in strategic partnerships that could, for example, focus on the mobilisation of long-term, predictable funding for organisational units that currently face critical staffing and resource constraints. There could be a focus on key functions such as results-based management, internal oversight and the evaluation unit. These investments could be packaged to generate evidence-based results in organisational excellence towards greater impact in line with the UN-Habitat mandate.

**Cross-cutting issues are mainstreamed and integral to programming; although still insufficiently tracked.** The organisation has clear frameworks for ensuring that gender, human rights, safety, and resilience considerations are integrated into project design and approval processes. The commitment to targeting the most vulnerable is prominent in all programme and project documents. The concept review and approval processes for cross-cutting issues are robust. The attention to gender equality and empowerment is consistent. Still requiring attention are capacity development and tracking of results. A particular strength is climate action which is one of the four domains of change in the UN-Habitat's Strategic Plan, and which has been developed into a divisional approach. The organisational focus on safety and resilience as specific UN-Habitat cross-cutting issues are now evident in programming.

**UN-Habitat is engaging with the UN Reform process, with a focus on contributing to CCAs and influencing the sustainable urbanisation elements of UN Sustainable Development Cooperation Frameworks (UNSCDFs).** The development of the UN System-wide Strategy for Sustainable Urbanisation is a significant example of UN-Habitat leveraging its knowledge and leadership in SUD. The Strategy has engaged leaders of other UN agencies in mainstreaming SUD within their own mandates and strategies. This opens opportunities for broader collaboration in regional and country system-wide approaches. As a largely non-resident agency, it operates within the UN Country Team framework, unless there are multiple investments within a single country, for which specific country strategic programmes are generated. UN-Habitat does contribute to planning documents but the extent to which it can engage in implementation is dependent on the resources available.

**UN-Habitat is developing a more prominent and responsive model of combining normative and operational functions to generate results.** UN-Habitat faced severe budget challenges but has pivoted to harness its expertise and neutrality as an UN organisation to work in vulnerable and complex contexts in a responsive way. The organisational shift towards advocacy and joint working is contributing to high level influence on SUD across the UN system and through partnership mechanisms such as the World Urban Forum. It facilitates active partnerships with other development partners and contributes to mainstreaming SUD within international and national SUD processes. This approach is emerging as a strength that is enhancing its global, regional, national and sub-national positioning in addressing sustainable urbanisation issues.

## **UN-Habitat continues to face constraints in implementing institutional reform, which affects all areas of operation.**

A major challenge faced by UN-Habitat is the **incomplete implementation of reform** in the organisational structure and regional architecture. The HQ structure is incomplete largely due to persistent shortfalls in core funding, creating staff shortages across the organisation, and insufficient investment in necessary staff and systems development. Across the whole structure, there is insufficient definition of roles and responsibilities. Efforts to generate a Responsible, Accountable, Consulted, Informed (RACI) matrix in 2020 to better define roles and responsibilities was not completed. The reform also envisaged a coordinated regional approach with a specific division for the regional architecture and related country level initiatives. The delayed

implementation of the regional architecture limits a systematic approach to regional and country programming. It is also likely that the structure as approved is no longer fully relevant and presents inherent risks if now implemented, given the recent shifts in operations towards emerging areas of focus in SUD, and efforts to re-align functions and positions more closely with talent and work planning requirements.

**Significant human resource and HR process constraints are evident** in the continuing practice of staff remaining in acting or multiple positions for prolonged periods. The allocation of resources across functions is limited, contributing to high vacancy rates and individual workloads. This has created gaps and overlaps in critical roles, exacerbated by personnel assuming multiple roles and acting positions to cover for vacant posts in the structure. This situation has a negative impact on morale, with organisational units often unable to cover their full remit. This is exacerbated by a perceived lack of transparency in decision-making relating to the staff performance management system, promotions and post allocation. Training and professional development is lagging, contributing to gaps in capacity and knowledge. These conditions overload staff capacity and undermine staff confidence and performance.

There are **remaining shortcomings in oversight and accountability**. Internal control mechanisms and risk management procedures have strengthened to some extent, but important gaps remain. Internal oversight committees are operating at below capacity and the organisation has been unable to fulfil internal control body requirements to underpin organisational change and system-based transparency. While this risk is acknowledged and early signs of improvement are evident, work is still required to overcome the outstanding impediments to accountability. This is essential to build confidence in UN-Habitat's ability to manage core resources for critical functions and systems that enable Strategic Plan delivery. The relationship with UNON brings advantages due to overarching policies and standardised systems, but also disadvantages when the rigidity and prolonged administrative processes of UNON delay UN-Habitat's efforts to be agile and respond quickly to the needs of Member States. While UN-Habitat takes PSEAH seriously and has clear standards and due diligence processes in place, there is no dedicated function with allocated resources. A corporate risk register has been developed, and implementation of recommendations from external oversight bodies such as UNBOA, JIU, and Office of Internal Oversight Services (OIOS) is strengthening but is constrained by resource challenges.

**The Strategic Plan enablers** (monitoring and knowledge, innovation, advocacy, communication and outreach, partnerships, capacity building and systems and processes) are recognised throughout the organisation as important drivers of performance at the global, regional, and country levels. However, these are the same aspects that **are insufficiently funded, limiting the organisation's ability to fully leverage its potential impact**. For instance, UN-Habitat generates a wide range of knowledge products, tools and guidelines that are acknowledged by partners as high quality; yet these are not well curated or disseminated to reach their full potential, also affecting efforts in communication and outreach, partnerships and advocacy. Delays in implementation of the regional architecture, and high reliance on voluntary funds hinders the organisation's ability to effectively implement its strategic priorities and achieve its intended results. Given the low absolute levels of flexible funding, the room to spread allocations across programmes and countries to create economies of scale and widen the scope of influence is inherently limited.

UN-Habitat's **operational management** at the regional and country level faces several challenges. UN-Habitat's ability to effectively coordinate through SUD networks and with the UN Resident Coordinator's Office and other UN agencies, particularly on mainstreaming SUD into national urban planning processes is an opportunity that has not been sufficiently harnessed. Country level engagement occurs in a variety of ways largely depending on the level of programmatic or tied funding available, rather than through a systematic and strategic approach. Investments can be driven by donors rather than by Strategic Plan imperatives. Country offices are established where there are multiple projects or through invitation by a host country. Other countries may have a liaison office or cooperation agreement -often co-located with the RCO - depending on the level of resources available and the ease of establishing host country or cooperation agreements. This means that UN-Habitat is unable to extend the reach and depth of influence on SUD to the extent that is needed.

The **RBM function is severely under-resourced** and there is a very low level of monitoring data coverage and of independent evaluative evidence. UN-Habitat adopted a RBM approach and conducts monitoring of global indicators and targets through external tracking mechanisms. An Integrated Planning, Management and Reporting (IPMR) System is now in place and monitoring of annual work programmes has improved. Yet, the Corporate Results Framework lacked a coherent and operationalised set of indicators actively linking activities with the Strategic Plan, although work is underway to strengthen the Framework as part of the current Strategic Planning processes. Consequently, the low extent of monitoring information impedes the organisation's ability to track and assess performance accurately. This is also due to insufficient budget allocation for monitoring activities and the high mobility of staff that should, but does not, result in regular RBM retraining for staff proficiency.

**The evaluation function has now reached a critical point. The chronic lack of financial and human resources is impacting on UN-Habitat's ability to tell its impact story.** The low level of evaluative evidence undermines the ability of UN-Habitat to analyse results and engage in organisational learning. The organisation has a corporate evaluation plan, and positive results are indicated where evaluations are available, but the lack of key corporate level and meta-analyses of the portfolio limits the reliability of these findings. Evaluation recommendations are tracked but there are insufficient mechanisms to support organisational learning, for instance in the shift towards greater accountability, or results through advocacy and knowledge building, ultimately leading to UN-Habitat being unable to adequately represent its real accomplishments. The linking of progress towards strategic objectives is not yet systemic, constraining UN-Habitat's ability to sufficiently demonstrate and communicate the broader impact of its work.