

# Multilateral Aid Review: Assessment of United Nations Human Settlements Programme

## Summary

Organisation: **United Nations Human Settlements Programme (UN-HABITAT)** Date: February 2011

## Description of Organisation

**UN-HABITAT** is the UN programme for human settlements. It was established in 1974, with the Secretariat in Nairobi established in 1977. It aims to help the urban poor by transforming cities into safer, healthier, greener places with better opportunities where everyone can live in dignity. Its vision is cities without slums that are habitable for all, which do not pollute the environment or deplete natural resources.

Through the implementation of its Medium Term Strategic Implementation Plan (MTSIP - 2008-2013) UN-HABITAT aims to help create the necessary conditions to stabilise and reduce the growth of slums. It develops principles, norms and standards for human settlements, monitors the state of the world's cities and slums, pilots innovative approaches to urban development that other organisations can scale-up (it has a particularly close working relationship with UNDP and UNICEF) and disseminates guidance. It has a field presence in 60 countries and has regional offices for Africa, Asia and Latin America and the Caribbean.

UN-HABITAT's Governing Council (GC) is composed of 58 UN member states. Thirty nine members are from developing countries and 6 are from Eastern European states. Developed/OECD countries occupy 13 seats. The GC sets UN-HABITAT's policy guidelines and approves a work budget. It meets once every two years. The Committee of Permanent Representatives (CPR) meets throughout the year. The CPR is informal and does not have decision-making powers. The UK is currently not a member of the Governing Council but does participate in the CPR.

The Executive Secretary is Joan Clos, who took up his position in October 2010 for a period of four years. The post is at the Under Secretary-General level.

UN-HABITAT's secretariat is funded by the UN regular budget, receiving approximately \$10m per year. In 2009 UN-HABITAT received voluntary core contributions of \$20 million including £1 million from DFID. In the same year it received \$129 million in non-core core contributions, mainly earmarked to country-level projects and global programmes such as the Water and Sanitation Trust Fund.

Total contributions to UN-HABITAT increased three-fold between 2002 and 2009. It has a small number of large donors, the top 10 donors providing 62% of UN-HABITAT's resources.

<b>Contribution to UK Development Objectives</b>	<b>Score (1-4)</b>
<p><b>1a. Critical Role in Meeting International Objectives</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT is the only agency focused specifically on improving human settlements. Its activities support MDG 7, especially sustainable development, water and sanitation and improving the lives of slum dwellers.</li> <li>– UN-HABITAT is a relatively small Multilateral Organisation (MO).</li> <li>– Many of the issues it works on are covered by other MOs (e.g. UNDP, UNICEF).</li> <li>= While addressing important issues its relatively small scale and overlap with other MOs mean that it does not have a critical role in the advancement of the MDGs.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>1b. Critical Role in Meeting UK Aid Objectives</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT's work contributes to four of DFID's priorities, and it contributes directly to MDG 7.</li> <li>– There is little evidence to suggest it has been critical in delivering HMG priorities due to its small scale and limited scope.</li> <li>= While addressing important issues it is relatively small scale and overlaps with other MOs.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>2. Attention to Cross-cutting Issues:</b></p> <p><b>2a. Fragile Contexts</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT has policy/ operational guidance in place and is developing a monitoring framework to measure its effectiveness in fragile states.</li> <li>– There is little evidence to demonstrate UN-HABITAT's impact in fragile states.</li> <li>= We could find no substantive evidence that UN-HABITAT is able to turn relevant guidance into impact in fragile states.</li> </ul> <p><b>2b. Gender Equality</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT does some important work on gender and urban issues.</li> <li>– We could find little evidence that UN-HABITAT tracked the impact of its upstream gender mainstreaming work.</li> <li>= UN-HABITAT has policies and structures in place to promote gender equality but it is difficult to determine the impact of its work.</li> </ul> <p><b>2c. Climate Change</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT has a climate change strategy.</li> <li>+ Its Medium Term Strategy and Institutional Plan Focus Areas (FAs) have actionable components related to climate change.</li> </ul>	<p style="text-align: center;"><b>Weak (2)</b></p> <p style="text-align: center;"><b>Satisfactory (3)</b></p> <p style="text-align: center;"><b>Weak (2)</b></p>

<ul style="list-style-type: none"> <li>+ It provides practical support to local governments, city networks and associations to address climate change</li> <li>– No evidence could be found on UN-HABITAT’s environmental safeguards policy.</li> <li>– Environmental baselines and targets are shown in the MTSIP six-monthly reports, but cannot be seen as having a significant impact on the ground.</li> <li>= The UN-HABITAT operational role has a strong focus on the environment and tackling climate change. But no evidence could be found on its safeguards policy or that it is making a significant impact on the ground.</li> </ul>	
<p><b>3. Focus on Poor Countries</b>  <i>We did not have a breakdown of expenditure for UN Habitat and therefore had to use a proxy of other UN spend from a UN DESA report.</i></p> <ul style="list-style-type: none"> <li>– 40% of its resources are spent in the countries which are in the top quartile of an index that scores developing countries based on their poverty need and effectiveness (the strength of the country’s institutions).</li> <li>– This is low compared with most of the other multilaterals assessed by this index.</li> <li>– Furthermore it spends significant resources in middle income countries (including upper middle income countries).</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>4. Contribution to Results</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT does strive to reach the poorest.</li> <li>– While UN-HABITAT can give examples of changing people’s lives for the better, these achievements can not be considered significant, given the scale of the urban poverty challenge.</li> <li>– Reports have highlighted the challenges UN-HABITAT has in scaling-up pilot projects.</li> <li>= UN-HABITAT is not demonstrating a significant contribution to the lives of slum dwellers.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>Organisational Strengths</b> <span style="float: right;"><b>Score (1-4)</b></span></p>	
<p><b>5. Strategic and Performance Management</b></p> <ul style="list-style-type: none"> <li>– UN-HABITAT’s strategic plan is relatively weak. It remains resistant to embedding results-based management and evaluation.</li> <li>= Institutional performance has been a major concern of donors and is judged to be weak overall.</li> </ul>	<p><b>Unsatisfactory (1)</b></p>
<p><b>6. Financial Resources Management</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT has adequate financial management systems in place and the most recent financial statement is unqualified.</li> </ul>	<p><b>Weak (2)</b></p>

<ul style="list-style-type: none"> <li>– No evidence was found that savings are recycled into better performing parts of the organisation, that UN-HABITAT is able to make predictable long term financial commitments or that it releases aid flows according to schedule.</li> <li>= UN-HABITAT's financial oversight system is adequate but other aspects of financial management are weaker.</li> </ul>	
<p><b>7. Cost and Value Consciousness</b></p> <ul style="list-style-type: none"> <li>– No evidence was found that UN-HABITAT is controlling administrative costs or focusing on its comparative advantage. On the contrary, some new priorities have been adopted.</li> <li>= No evidence was found that senior management has established objectives for cost effectiveness or VFM.</li> </ul>	<p><b>Unsatisfactory (1)</b></p>
<p><b>8. Partnership Behaviour</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT puts an emphasis on community-based initiatives.</li> <li>+ It has a strong focus on the most marginalised and has a good reputation with project partners.</li> <li>– UN-HABITAT has not been a leader on Delivering as One.</li> <li>= UN-HABITAT has developed good partnerships and networks.</li> </ul>	<p><b>Satisfactory (3)</b></p>
<p><b>9. Transparency and Accountability</b></p> <ul style="list-style-type: none"> <li>+ UN-HABITAT's governing board allows partner countries to participate fully in decision-making. Developing countries are the majority on the Governing Council.</li> <li>– UN-HABITAT does not operate under a presumption of disclosure.</li> <li>– It provides some information on projects to the governing body but does not publish full details on project performance.</li> <li>= UN-HABITAT is weak on transparency but stronger on accountability to partner governments.</li> </ul>	<p><b>Weak (2)</b></p>
<p><b>Likelihood of Positive Change</b></p>	<p><b>Score (1-4)</b></p>
<p><b>10. Likelihood of Positive Change</b></p> <ul style="list-style-type: none"> <li>+ The arrival of a new Executive Director provides the opportunity for positive change.</li> <li>+ The current governance review could result in more effective governance.</li> <li>– Large parts of the senior management team have been resistant to change in the past.</li> <li>– It will require ambitious reform for UN-HABITAT to become a highly performing organisation making a critical contribution to the MDGs.</li> </ul>	<p><b>Uncertain (2)</b></p>

= While some reform efforts are underway the organisation's track record on improvement is not strong.	
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