



UN-HABITAT



Medium Term Strategic and Institutional Plan

Action Plan 2008-2013

Zero Draft - 9 October 2008

EXECUTIVE SUMMARY

The present document constitutes draft zero of the Action Plan for the implementation of the MTSIP. It represents work in progress - a living document that will be refined and informed by continuing discussions and planning within UN-Habitat as well as consultations with Governments and partners.

The Action Plan is predicated on the need to address simultaneously the strategic and institutional dimensions of the MTSIP. It provides the key elements of a vision and timeframe for implementing the MTSIP. It includes critical information regarding priorities, verifiable indicators and targets, linkages and dependencies, phasing and sequencing, and preliminary cost estimates. These are presented in the form of Logical Framework Analyses that provide the primary tool for preparing the plan and for monitoring its implementation.

The Action Plan is structured into 12 sections: (i) goal; (ii) objectives; (iii) results; (iv) activities; (v) cross-cutting issues; (vi) implementation strategy; (vii) risks and risk mitigation (viii) monitoring, evaluation and reporting; (ix) institutional arrangements; (x) summary work plan; (xi) budget and financing strategy; (xii) logical framework analysis.

The timeframe and critical path for the Action Plan is determined by two considerations:

- (i) The necessity for all major policies, concepts and strategies to be put into place by the end of the 1st quarter of 2008. This will enable UN-Habitat to engage in extensive consultations with Governments and strategic partners during the 2nd quarter of 2008 and to launch the Plan at the 4th session of the World Urban Forum in Nanjing, China in October 2008;
- (ii) A three phased approach including a kick-start phase for 2008, a rollout phase for 2009-2010, and going to scale for 2011-2013.

The preliminary cost estimates for 2008 include what can be done with existing resources, what is required to complete the priority tasks, and resource gap. While much of the initial preparatory work in terms of formulating policies, strategies and concept papers for the strategic objectives of the MTSIP (ENOF and Resource Mobilisation) could be finalized within existing resources, there is clearly a need for additional resources to support the work on the institutional objectives (Human Resources & Management and Results-based and Knowledge Management.) for which there is a paucity of human and technical resources within UN-Habitat and UNON.

The next steps include:

- Finalising the LFAs including cost estimates for 2008 and preparing funding scenarios for 2009-2013;
- Finalising the list of quick-wins for 2008-2009;
- Developing a strategy for integrating the Action Plan into the Strategic Framework of the 2010-11 Work Programme and Budget cycle.

BACKGROUND

1. Cities and towns are growing rapidly. With every passing month, the equivalent of a new city the size of Hanoi, Madrid or Porto Alegre is created. Urbanisation is a strong force that generates economic growth, social and political advances, as well as technical and scientific progress. But when poorly managed, it can generate poverty, social exclusion and environmental degradation.
2. UN-HABITAT is the lead United Nations agency responsible for promoting sustainable urban development. At a time when the world is increasingly aware of the urban challenge, there is a need for UN-HABITAT to play an enhanced leadership and catalytic role in promoting sustainable urbanisation.
3. In response to these twin challenges, UN-HABITAT was tasked in 2005 to prepare a six-year medium term strategic and institutional plan (MTSIP).¹ In April 2007, the strategic plan was approved and work began immediately to prepare an action plan for its implementation.²
4. Some of the central strategic and institutional highlights of the MTSIP are worth recalling. In terms of strategy, the plan's overall goal is to "support governments and their development partners to achieve more sustainable urbanization." It aims to promote policy and institutional reform and impact at scale. UN-HABITAT will play a strengthened catalytic role, emphasizing partnerships and the development of a new enhanced normative and operational framework. Five mutually-reinforcing Focus Areas have been identified as an integrated approach to realizing more sustainable urbanisation: (i) advocacy, monitoring and partnerships; (ii) participatory urban planning, management and governance; (iii) pro-poor land and housing; (iv) environmentally sound basic urban infrastructure and services; and, (v) strengthened human settlements finance systems. The strategic approach was summarized in the MTSIP in Box 1 (attached as Annex 1).
5. UN-HABITAT's success in achieving its strategic aims depends on its success in implementing important institutional reforms. Priorities include: integration within the ongoing process of UN reform; institutional adjustments to align UN-HABITAT's structure with the MTSIP; a review of its governance structures; implementing results-based management; strengthened human resources management; strengthened knowledge management; and an improved resource mobilisation and communications strategy.
6. In June 2007, the Executive Director established four inter-divisional Task Forces to initiate the implementation of the MTSIP. These Task Forces are focusing on: (i) Enhanced Normative and Operational Framework; (ii) Results-based Management and Knowledge Management; (iii) Resource Mobilisation and Allocation; and (iv) Human resources management and administration. The Task Forces are chaired by Division Directors and report to a Steering Committee, composed of Division Directors and representatives of the Office of the Executive Director, chaired by the Deputy Executive Director.

PURPOSE AND STRUCTURE OF THE ACTION PLAN

7. The purpose of the Action Plan is to provide a clear vision and detailed roadmap for implementing the MTSIP. It includes critical information regarding priorities, verifiable indicators and targets, linkages and dependencies, phasing and sequencing, and detailed cost estimates.

¹ HSP/GC/RES20/15.

² HSP/GC/21/5 Add.1, "Medium Term Strategic and Institutional Plan for the UN-HABITAT for the period 2008-13, Nairobi, 6 March 2007. See also Resolution HSP/GC/RES/21/2

8. The Logical Framework Approach (LFA) is the primary tool for preparing the plan and for monitoring its implementation. Accordingly, the Action Plan is structured into 12 sections: (i) goal; (ii) objectives; (iii) results; (iv) activities; (v) cross-cutting issues; (vi) implementation strategy; (vii) risks and risk mitigation (viii) monitoring, evaluation and reporting; (ix) institutional arrangements; (x) summary work plan; (xi) budget and financing strategy; (xii) logical framework analysis.
9. The Action Plan is conceived as a living document. This version represents the “zero draft”. It will be regularly updated based on inputs from Governments and partners.

GOAL

10. The overall goal of the Action Plan is to help create by 2013 the necessary conditions for concerted international and national efforts to stabilize the growth of slums and to set the stage for the subsequent reduction in and reversal of the number of slum dwellers.

OBJECTIVES

11. In this initial draft of the Action Plan, four objectives have been identified, corresponding to the four Task Forces established to implement the MTSIP (that is, one objective per Task Force). It is expected that as the Action Plan is aligned with the Work Programme and Budgeting process, the objectives, indicators of achievement and outcomes of the Action Plan will be aligned and integrated with the Work Programme and Budget format. This alignment is expected to be essentially complete by the 2010-2011 cycle.
12. The four objectives of the Action Plan are:
 - (a) **Objective 1:** To prepare and implement an enhanced normative and operational framework to enable UN-HABITAT to play a leadership and catalytic role in promoting sustainable urbanization in at least 30 countries by 2013;
 - (b) **Objective 2:** Implement by 2013 a results-based management (RBM) and knowledge management (KM) as an enterprise system that ensures high-level transparency and accountability in the management of human and financial resources, enhancing monitoring and evaluation;
 - (c) **Objective 3:** To develop and implement a resource mobilisation strategy to correct the imbalance between non-earmarked and earmarked contributions by increasing the contribution of non-earmarked contributions through multi-year, predictable funding arrangements;
 - (d) **Objective 4:** To realign by 2011 human resources, managerial and administrative systems to effectively scale up the implementation of the MTSIP.
13. Table 1 summarizes the main issues and priority actions to be addressed under each objective.

Table 1: Main Issues and Priority Interventions for each Objective

Objective 1: ENOF		Objective 2: RBM & KM	
Main Issues	Priorities	Main Issues	Priorities
<ul style="list-style-type: none"> • Increasing awareness of and evidence-based advocacy for sustainable urbanisation • Establishing a shared urban agenda with partners, including specific targets building on MDGs, etc. • Increasing the profile of urban issues in national dev. plans and budgets, as well as in donor portfolios • Strengthening normative approaches in Focus Areas • Aligning structure to ENOF • Achieving systemic change and results at scale • Enhancing UN-HABITAT's administrative capacity to deliver at country level • Integrating into the process of United Nations reform and the "One-UN Pilot countries" • Integration of normative and operational activities • Strengthening strategic partnerships with key stakeholders • Need to leverage domestic financial resources • Monitoring the impact of interventions by UN-HABITAT and by partners 	<ul style="list-style-type: none"> • Mobilising partners behind a common Global Campaign for Sustainable Urbanisation • Preparation of policy papers to refine normative approaches for Focus Areas • Develop an integrated programme of normative and operational activities • Develop a partnership strategy, targeting key stakeholder groups • Develop a Habitat Agenda Task Monitoring system based on common targets agreed under the banner of the Global Campaign and partner strategy • Prepare for the launch of priority deliverables at the 4th World Urban Forum in Nanjing, P.R.C. • Collaborate with other Task Forces to ensure outputs align with overall objectives of the MTSIP • Support resource mobilisation efforts beyond Q1 2008 • Staff awareness and input into ENOF outputs 	<ul style="list-style-type: none"> • Alignment of MTSIP with Work Programme & Budget • Capacity-building requirements for mainstreaming RBM within UN-HABITAT • Linking KM system to ENOF and integrated approach • Reviewing Focus Area indicators, targets and benchmarks • Integrate RBM into staff E-PAS • Strengthening the capacity of the evaluations unit and systematically incorporating results into reporting system, both internal (SWCR, GRHS) and external (ECOSOC, UN GA, etc.) • Linking KM to tool development and training material development • Strengthening monitoring and evaluation framework for learning, accountability and reporting 	<ul style="list-style-type: none"> • Development of Terms of Reference for external support for RBM and KM • Development of RBM and KM policies and strategies • Resource mobilisation for systemic reforms • Implementation of enterprise solution for RBM & KM • Reform of the Programme Review Committee; • Preparation of project formulation guidelines for each Focus Area and training staff in use; • Link RBM & KM to resource mobilisation strategy and PRC reforms • Revise Terms of Reference for results-based monitoring and evaluation unit.
Objective 3: Resource Mobilisation		Objective 4: HR Management & Admin	
Main Issues	Priorities	Main Issues	Priorities
<ul style="list-style-type: none"> • Limited donor interest in urban issues • Shift in donor funding from global to national 	<ul style="list-style-type: none"> • Establishment of a resource mobilisation unit with staff • Development of resource 	<ul style="list-style-type: none"> • Need for HR Management strategy, including performance based incentives 	<ul style="list-style-type: none"> • Change management team established • Recruitment of HR expert

<p>level</p> <ul style="list-style-type: none"> • Paris Declaration and Harmonisation agenda • Increased role of private foundations in development • Strategies & capacity for mobilising domestic capital • Earmarked vs. un-earmarked contributions • Imbalance between RB and XB funding • Staff insecurity demands focus on projects • UN-HABITAT's narrow donor base • Guidelines for project formulation strengthened in line with ENOF • Need to strengthen UN-HABITAT's financial, admin and reporting systems • Global monitoring of funds going to urban agenda • Lack of effective communications and outreach strategy, linked to Global Campaign 	<p>mobilisation policy</p> <ul style="list-style-type: none"> • Development and implementation of a communications strategy, including links to campaign • Strengthen country-level resource mobilisation in line with ENOF • Establishing basket fund mechanisms • Resource mobilisation, including with non-traditional donors (Foundation and private sector) • Tracking system for donor priorities and contributions • ERSO operational procedures, guidelines and SMC established • Experimental operations pilots linked to ENOF • Explore options for developing a Voluntary Indicative Scale of Contributions 	<ul style="list-style-type: none"> • Professional development for Prof & ICS staff • Review of job descriptions against MTSIP • Realignment of staff within overall structural adjustments • Delegation of authority and enhanced accountability of managers, both at HQ and in the field • Updating procedures manual • Staff recruitment processes • Procurement procedures • Partnership arrangements • Financial management and reporting systems • Relationship with UNON and UNDP to be reviewed • Efficiency and effectiveness of the governance structures of UN-HABITAT • Resource mobilisation for external expertise necessary to address priorities 	<ul style="list-style-type: none"> • Preparation of ToR for critical consultancies • Mobilisation of resources for priority reforms • Independent review of staff and job descriptions • Review delegation of authority, procurement, recruitment and partnerships in line with ENOF • Develop and implement new financial management and reporting system • Critical work flow analysis and implementation of reforms • Upgrade and implement ERP system (IPSAS compliant) • Updating operational manual for field work in line with ENOF • Review of relations with UNON and UNDP • Review of governance arrangements •
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14. As Table 1 illustrates, each Task Force is responsible for addressing a number of critical issues that will contribute to UN-HABITAT's overall effectiveness in implementing the MTSIP. It is neither practical, nor desirable to prioritize one Task Force over another; each contains outputs critical to the overall success of the plan. The approach, described in the Implementation Strategy below, will be to promote a phased implementation across all Task Forces.

15. Table 1 also illustrates some of the critical linkages between the various priorities, both within and between Task Forces. For example, in the ENOF Task Force, the Focus Area policy papers will identify some of the critical partners with whom UN-HABITAT must strengthen its strategic relationship. These partnerships will inform the overall partnership strategy as well as the operationalisation of the Global Campaign for Sustainable Urbanisation and the Habitat Agenda Task Monitoring system. Similarly, the normative approach contained in each Focus Area Policy Paper will influence the key results to be monitored through results-based management, the primary advocacy messages informing the communications strategy, the core competencies required for effective human resource management, and the resource mobilization strategy. The linkages and dependencies have been preliminary indicated in the initial roadmap submitted to the Committee of Permanent Representatives on 10 September 2007 and will be updated in future editions of the Action Plan.

16. Annex II (attached) summarizes some of the progress made to date in implementing the MTSIP, reflecting the on-going work of UN-HABITAT to address the priority issues summarized in Table 1. Annex III provides an example of how inter-divisional collaboration and programme alignment and cohesion is being implemented in the focus area of affordable land and housing.

RESULTS

17. Please refer to the Logical Framework Analysis (LFA) where this section is presented in summary form. Future versions of the Action Plan will elaborate the Results into a descriptive narrative.

ACTIVITIES

18. Please refer to the Logical Framework Analysis (LFA) where this section is presented in summary form. Future versions of the Action Plan will elaborate the Activities into a descriptive narrative.

CROSS-CUTTING ISSUES

19. To be completed in subsequent versions.
20. This section will address three critical cross-cutting issues: (i) gender; (ii) youth; (iii) response to post-disaster or post-conflict countries. In general, it is expected that these three issues will feature prominently throughout the 5 Focus Area policy papers to be produced under the ENOF Task Force. Their implications for results-based management and knowledge management, resource mobilisation and communications, and human resources management and administration will be picked up by the other Task Forces as appropriate.

IMPLEMENTATION STRATEGY

21. There are three principle components of the implementation strategy:
 - (i) A three-phased approach;
 - (ii) The development of a common basket of strategies for each Focus Area;
 - (iii) The incremental alignment of the Action Plan to the regular Work Programme and Budget cycles of UN-HABITAT.

Three Phased Approach

22. During the preparation of the Logical Framework Analyses (LFAs), a clear rationale is emerging for a three phase approach involving: (i) a one-year Kick-Start Phase; (ii) a two-year Roll-Out phase; and (iii) a three-year Scaling-up Phase. These phases are described in more detail below.
23. **Phase I: Kick Start (2008):** The LFA preparations have confirmed the significant mobilization required to implement the MTSIP. Moreover, in the spirit of a strengthened catalytic and partnership approach, significant investments in time and resources are required to ensure broad-based ownership of critical outputs such as, for example the Global Campaign for Sustainable Urbanisation.

24. Activities in this initial year – across all Task Forces – will be focused on the preparation of policies, strategies and work plans. These policies and strategies will in turn determine the work plan for the five subsequent years of the MTSIP. Policies and strategies to be prepared in the first year include, *inter alia*, those for results-based management, knowledge management, and human resources management.
25. During 2008 Habitat Country Programme Documents (HCPD) will be prepared within ENOF framework for a least 20 priority countries. These HCPD will be prepared in close collaboration with host governments and UNCTs. They will integrate normative and operational activities.
26. Year-one activities will also emphasize delivering on the “quick-wins” – those outputs and activities that are within the capacity and existing funding base of UN-HABITAT to deliver without any additional external resources. Some of the ‘quick-wins’ have already been identified in the LFA, primarily for the strategic elements of the plan. Others will be identified during the course of internal consultations and incorporated into the Action Plan.
27. As the LFA’s confirm, however, significant progress in implementing the MTSIP will only be possible with the provision of external support.
28. The 4th World Urban Forum represents an important milestone in the implementation of the Action Plan. Many of the substantive policies, strategies and work plans will be launched in Nanjing, China, culminating an extensive process of external consultation with partners and stakeholders and mobilizing around a shared urban agenda. Specific partnership agreements should be formalized with strategic partners.
29. Phase II: Roll-Out (2009-10): Full scale roll-out is foreseen for the period 2009-10. In terms of the strategic elements of the plan, it is expected that the broad elements of strategies will be complete by the World Urban Forum. Collaboration with partners will then focus on implementing the work programmes for each Focus Area and collaboration at country level in a select number of pilot countries. The precise number of pilot countries will be determined by various factors including: demand at country level, internal alignment efficiencies and synergies realized; partner commitments mobilized and external resources mobilized. UN-HABITAT’s target is to start implementation of HCPDs in at least 20 countries in this phase. An independent external evaluation is expected at the end of this phase to assess the results achieved.
30. In terms of the institutional dimension of the Action Plan, activities in this phase will also focus on piloting new policies, procedures and strategies – priority elements identified in the process of preparing the detailed five-year work plans for the results-based management and knowledge management, resource mobilisation and human resources management and administrative reforms Task Forces.
31. Phase III Scaling-up (2011-13): Based on a successful evaluation of the Roll-out Phase, it is expected that UN-HABITAT will scale up its activities at country level to an additional 10 countries. In institutional terms, the piloted reforms will be fully mainstreamed and operational by the end of the MTSIP period (2013).

A Common Approach across Focus Areas

32. To provide greater coherence of effort across the Focus Areas and within the organisation more broadly, each Focus Area will develop its work plan around a common set of five strategies: advocacy, knowledge management, partnerships and network management; capacity-building; and technical assistance.

33. This approach will be detailed in subsequent versions of the Action Plan and in the five substantive policy papers.

Alignment of the Action Plan with the Work Programme and Budget Cycles

34. An initial revision to the 2008-09 Work Programme and Budget was completed in June 2007, reflecting the strategic direction provided by the MTSIP.
35. It is expected that further revisions will be required to the 2010-11 Work Programme and Budget, which is currently under preparation. The Action Plan target is that 80 percent of the Action Plan will be aligned with the Work Programme and Budget by 2010-11. The feasibility of this proposal will be discussed further and reported to the Committee of Permanent Representatives.

RISKS AND RISK MITIGATION STRATEGIES

36. The Logical Framework Analyses includes an initial presentation of the risks and risk mitigation strategies. This section will be completed in subsequent versions.
37. It will detail the various external and internal risks that may potentially affect the implementation of the Action Plan. It will also outline specific risk mitigation strategies to minimize their potential to affect the work of the organisation.

MONITORING, EVALUATION AND REPORTING

38. To be completed in subsequent versions.
39. This section will detail the overall strategy for monitoring and reporting on the implementation of the Action Plan. As stated in the Implementation Strategy above, there will be a mid-term evaluation in 2010/2011, following the completion of Phase II and prior to the scaling-up of the implementation.

INSTITUTIONAL ARRANGEMENTS

40. Currently, four Task Forces have been constituted within UN-HABITAT to support the implementation of the Action Plan: Enhanced Normative and Operational Framework; Results-based Management and Knowledge Management; Resource Mobilisation and Allocation; Human Resources Management and Administration. It is expected that this structure will be reviewed within the first year of the Action Plan's implementation, as the Kick Start Phase gets underway, with the five substantive Focus Areas taking on an increased role in developing the strategic elements of the Plan.
41. Institutional reforms are expected to take two forms: (i) "quick wins" and minor adjustments that can be implemented within the first two years without seeking external approvals; (ii) adjustments that will require the development of new policies, guidelines and other administrative tools to implement. Examples of the latter include a review of delegation of authority and potential structural changes which either require approval by the Governing Council or by the Secretary General to be implemented in tandem with administrative reforms at UN headquarters.

42. Two early areas of reform include the strengthening of the Programme Review Committee (PRC) and the aligning of staff Performance Appraisal documents with the MTSIP. Other areas will be identified and incorporated into the action plan.

SUMMARY BUDGET AND FINANCING STRATEGY

Summary Budget

43. To be completed in subsequent versions.
44. The Logical Framework Analyses, however, provide summary information regarding the resource requirements. A first estimate of resource requirements has been made, including available resources and resource gaps. It should be emphasized that these estimates are preliminary and indicative. More detailed internal consultation is required before these estimates may be regarded as a basis for budgeting purposes.
45. Subsequent versions of the LFA will include more details regarding Phase II and Phase III cost-estimates following the phased approach outlined in the Implementation Strategy above.

Financing Strategy

46. To be completed in subsequent versions.
47. The Action Plan will outline several strategies for financing the implementation of the Action plan including: alignment of existing resources over time to the MTSIP; mobilizing initial start-up funds for priority activities across all Task Forces; implementing the longer-term plan in line with the recommendations from the Resource Mobilisation Task Force.
48. Based on the existing information in the LFA and additional internal consultations, a detailed funding proposal for the first year Kick Start Phase activities will be prepared and presented to the Committee of Permanent Representatives and potential donors. It will also include some initial estimates of how existing resources are being aligned to support the implementation of the MTSIP.

WORK PLAN

49. A six-year work plan (road-map) was submitted to the Committee of Permanent Representatives on 10 September 2007. This work plan will be updated in subsequent versions of the Action Plan to incorporate the changes in objectives and activities presented in the Logical Framework Analyses, and to reflect the new phasing proposed in the implementation strategy.

LOGICAL FRAMEWORK ANALYSIS (LFA)

50. Four draft Logical Framework Analyses have been prepared, one for each Task Force (please see attached LFAs). Each LFA includes an overall goal, objectives, results and related activities, linked to the relevant indicators, risks and resource requirements.
51. It is proposed that external support be identified to facilitate the process of finalizing the LFAs consistent with results-based management.