



UN-HABITAT



Medium Term Strategic and Institutional Plan

Action Plan 2008-2013

EXECUTIVE SUMMARY

The present document constitutes 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 10 sections: (i) goal and objectives; (ii) results; (iii) activities; (iv) cross-cutting issues; (v) implementation strategy; (vi) risks and risk mitigation (vii) monitoring, evaluation and reporting; (viii) institutional arrangements; (ix) budget scenarios and financing strategy; and (x) logical framework analysis (LFAs). The LFAs will be revised and updated on a quarterly basis¹.

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 draft Action Plan also presents a set of “quick-wins” and a corresponding set of indicators of achievement. These quick-wins will be initiated largely within existing resources. Some of these quick-wins cut across the entire organisation while others are specific to one or more of the objectives of the Action Plan.

Estimated resource requirements are provided according to four categories: quick wins, must do, roll out and upscale. Most of the quick wins do not require additional resources to begin with, with the exception of RBM and knowledge management, and human resources and management and enhanced management practices.

Estimated resource requirements are also disaggregated according to different “budget scenarios” in Tables D.1 through D.4 and in an overview table in Annex IV.

¹ A draft of the LFAs was presented to the Working Group of the CPR on 10 September 2007.

A. 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).² In April 2007, the strategic plan was approved and work began immediately to prepare an action plan for its implementation.³
4. Some of the central strategic and institutional highlights of the MTSIP are worth recalling. The plan's overall strategic 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 a few other senior staff appointed by the Office of the Executive Director, chaired by the Deputy Executive Director.

B. 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.

² HSP/GC/RES20/15.

³ 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 it will serve as the key instrument for monitoring its implementation. Accordingly, the Action Plan is structured into ten sections: (i) goal and objectives; (ii) results; (iii) activities; (iv) cross-cutting issues; (v) implementation strategy; (vi) risks and risk mitigation (vii) monitoring, evaluation and reporting; (viii) institutional arrangements; (ix) budget scenarios and financing strategy; and (x) logical framework analysis.
9. The Action Plan is conceived as a living document. It will be updated quarterly based on inputs from Governments and partners.

C. GOAL, OBJECTIVES AND QUICK WINS

Vision of the MTSIP and goal of the Action Plan

10. The vision of the MTSIP 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”.
11. The goal of the Action Plan is to implement a series of strategic and institutional changes that will enable UN-HABITAT and its partners to contribute effectively to creating those conditions.
12. Four objectives have been identified, corresponding to the four Task Forces established to implement the MTSIP. 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.

Objectives

13. The four objectives of the Action Plan are:
 - (a) **Objective 1:** To prepare and implement an enhanced normative and operational framework (ENOF) to enable UN-HABITAT to play a leadership and catalytic role in promoting sustainable urbanization in at least 30 countries by 2013. The ENOF responds to two of the principal objectives and outcomes of the MTSIP – to align normative, capacity building and operational activities as pre-investment packages to bring pilot initiatives at the country level to scale, and to work as a true catalyst in partnership with other UN agencies and Habitat Agenda partners. It builds on and strengthens existing synergies and partnership arrangements within a coherent framework which will reduce transaction costs both within the organisation and vis-à-vis donors and partners.
 - (b) **Objective 2:** Implement by 2011 a results-based management (RBM) and knowledge management (KM) system as part of an enterprise resource planning system (ERP)⁴ that ensures high-level transparency and accountability in the management of human and financial resources, enhancing results-based programme planning, budgeting, monitoring, evaluation and reporting. RBM is a key institutional component for achieving excellence in management. It also forms the basis for creating a “learning organisation” and, together with ongoing UN reforms in RBM, will enable the organisation to demonstrate its added value.

⁴ The roll out by New York of a new ERP system to replace the existing IMDIS system is planned for 2009-2010. The system is an integrated package for human resources and financial management. As with any new software, adaptation to the specific needs of the organisation and staff training will determine to a large extent the depth and speed of implementation.

- (c) **Objective 3:** To develop and implement a resource mobilisation and communication strategy to correct the imbalance between non-earmarked and earmarked contributions, provide for more predictable multi-year funding, and mobilize non-conventional sources of funding including for the Experimental Reimbursable Seeding Operations (ERSO).
- (d) **Objective 4:** To realign by 2011 human resources, managerial and administrative systems to effectively scale up the implementation of the MTSIP and contribute to excellence in management.

14. The tables in Section D provide an overview of the main issues, priorities and resource requirements for each of these objectives. The table below provides an overview of the relationship between these objectives and the Focus Areas (FAs) of the MTSIP.

Action Plan Objective	MTSIP Focus Areas
Enhanced Normative and Operational Framework	This objective integrates the substantive programmatic work of UN-HABITAT envisaged under: FA2 - participatory urban planning, management and governance; FA3 – pro-poor land and housing; FA4 – environmentally sound basic infrastructure and services; and contributes to FA1 on advocacy, monitoring and partnerships
Results-based and knowledge management	This objective is cross-cutting and impacts on the entire organisation, its working methods and procedures. It’s most immediate impact should, however, be felt in FA1: advocacy, monitoring and partnerships.
Resource mobilization, communication, including ERSO	This objective specifically addresses FA5 – human settlements financing systems, and FA6 – excellence in management.
Human resources, and managerial and administrative systems	This objective addresses FA6 – excellence in management.

Quick Wins

- 15. The following “quick wins” are presented separately for purposes of clarity. Some of them are repeated or described in more detail in Section D, while others are cross-cutting or procedural and thus affect the organisation as whole.
- 16. The “quick wins” are a series of twelve priority action areas to be initiated in the course of 2008 to ensure that implementation of the MTSIP starts on a sound footing. The initial phase of these “quick wins” is designed to introduce change in work methods, intra-divisional alignments, institutional procedures and processes while relying on minimal additional resources. In many instances, however, the full impact of these changes can only be realised with the roll out of other changes that do require additional resources, such as in results-based, human resources and knowledge management.
 - i) **Harmonization of Flagship Reports:** strengthen UN-Habitat’s advocacy role through improved and consolidated data collection and analysis and evidence-based policy recommendations; streamline the sequencing of the reports and their production processes to enhance efficiency and management excellence; and promote brand recognition. The expected benefits include: strengthened advocacy (FA1); mutually reinforcing arguments and policy recommendations across FAs 2, 3, 4 and 5, cost-savings in production overheads and enhanced brand recognition as a contribution to FA 6.

- ii) **Habitat Country Programme Documents (HCPDs):** these strategic documents are currently being prepared in 30 countries and are designed to: promote alignment of normative and operational activities at the country level (ENOF); strengthen engagement with national governments, UNCTs and the UNDAF process; and mobilise resources and partners to bring initiatives to scale. Twenty HCPDs are expected to be completed by the end of the 2nd quarter of 2008, including in the One-UN Pilot countries where UN-HABITAT is already present. The expected benefits are: kick-starting the ENOF at country level; strengthening UN-HABITAT's catalytic role; more effective resource mobilisation at country level; and improved working relations with UNCTs, UNDP and other resident agencies and partners. In-house country teams will be established to ensure maximum programme alignment and cohesion in at least seven countries during the kick-start and roll-out phases with the specific aim of fostering efficiency gains and the leveraging of existing resources from various global programmes and country projects as a contribution to FA6.
- iii) **Concept Paper for the Global Campaign for Sustainable Urbanisation:** to strengthen advocacy and integration between global and regional activities; provide a clear platform for partners and enhanced partnerships; and improve resource mobilisation. The concept paper will be critical to enhancing UN-HABITAT's catalytic role and in guiding the work of the policy papers on the thematic focus areas of MTSIP.
- iv) **Policy papers on the thematic focus areas of the MTSIP** to sharpen programme focus; catalyze partners; and foster programme alignment (ENOF). A major emphasis of these policy papers will be on the pre-investment packaging of technical assistance, including policy advocacy, capacity building for institutional reform, and innovative financing for pro-poor housing and urban development.
- v) **Strengthening the Programme Review Committee (PRC).** Initially established to ensure compliance of projects with the strategic objectives and cross-cutting issues of the Habitat Agenda, the programme review processes will be strengthened to promote: results-based programme planning, alignment and cohesion; monitoring, ex post facto evaluation and reporting; and improved resource allocation and sharing. An internal Project/Consultancy Output Review Committee will be established to review consultancy outputs and advise on UN-HABITAT management response.
- vi) **Branding and fund-raising:** One of the "quick wins" for the Resource Mobilisation Unit will be to launch a branding and fund-raising strategy at WUFIV. This will involve a profit-sharing initiative with private concern(s) to market a series of products to an estimated captive market of 15,000 to 20,000 participants. It will also involve a marketplace for "bankable projects" to mobilise partners and donors.
- vii) **Delegation of authority:** The delegation of authority is designed to improve administrative efficiency and accountability and promote management excellence. It will be guided by a policy based on UNEP's experience, considering the specificities of UN-HABITAT.
- viii) **Internal alignment:** Internal alignments will be made to improve working relations, focus and efficiency. A first alignment will be the strengthening of data collection and analysis to provide mutually reinforcing data sets and findings for the Flagship Reports, the Global Campaign on Sustainable Urbanisation and results-based reporting. A second alignment will be the phase out of the *Sustainable Cities* and *Localising Agenda 21 Programmes* to be replaced by the Sustainable Urban Development Network, to be completed in 2008.
- ix) **Communications and information:** Systematic communications on the implementation of the MTSIP is crucial to maintaining momentum and ownership by staff, partners and donors. UN-

HABITAT will, starting in the 4th quarter of 2007, engage in a systematic communications and information dissemination, both internally and externally, to mobilise goodwill and commitment. This will include regular meetings of directors, senior managers, town hall meetings, and consultations with member States.

- x) **More participatory work programme and budget preparation:** Building on the participatory process that led to the formulation of the MTSIP, a more participatory process will be used for the preparation of future biennial strategic frameworks, work programmes and budgets, starting with the 2010-211 Strategic Framework. This should further promote inter-divisional cooperation as well as programme cohesion and alignment.
- xi) **Improved performance monitoring, evaluation and reporting:** This will involve developing strong monitoring and evaluation policies and systems that include holding managers accountable for results.
- xii) **Launching of ERSO activities:** This will involve identification and development of an initial set of ERSO pilot projects.

17. Annex II provides indicators of achievement for the quick wins. These quick wins will be implemented together with other changes already foreseen, for example in publications policy, travel policy, positioning, communications and branding, and are expected to serve as entry points for the progressive realisation of efficiency gains in the use of existing and new resources.

D. MAIN ISSUES, PRIORITIES AND PRIORITY INTERVENTIONS FOR EACH OBJECTIVE

- 18. Tables D.1 to D.4 provide a quick overview of the main issues and priorities for each of the four objectives described in paragraph 13 above. The Tables are three-dimensional.
- 19. They provide, in the first instance, an overview of what is to be achieved by phase (kick start, roll out and going to scale) according to result areas.
- 20. They also indicate the total resources required for implementation, the resources currently available, and additional resources required by phase.
- 21. Finally they provide an indication of what can be expected to be achieved according to different budget scenarios with Total A corresponding to “Quick wins”, Total B corresponding to “Must do”, and Total C corresponding to Full Scope.

Table D.1				
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				
Main Issues: Increasing awareness of and evidence-based advocacy for sustainable urbanisation; establishing a shared urban agenda with partners, including specific targets building on MDGs/IADGs; 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 through pre-investment capacity building and technical assistance; 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				
Result 1: ENOF – Global Campaign for Sustainable Urbanization launched and implemented				
		Total	Avail	Gap
Quick Wins	Develop initial Campaign Concept Paper that will serve as overall guide to the preparation of concept/policy papers for each of the Focus Areas (Result 2) including criteria and indicators of achievement for ENOF (Result 3)		\$10,000	\$0
	Total A	\$10,000	\$10,000	\$0
Must Do	Kick-start Phase: Consultations with partners to assess demand & engagement; Preparation of Campaign Strategy and consultations to vet strategy, design & potential inputs; Finalization of Strategy; Advocacy, Website & Campaign materials developed; Preparation of 5 year work plan in consultation with partners; Launch of Campaign at WUFIV.	\$513,000	\$158,000	\$355,000
	Roll Out Phase: Launch Campaign in 4 countries; External evaluation	\$597,000	\$58,000	\$539,000
	Up Scale Phase: Expansion to 6 Countries	\$720,000	\$108,000	\$612,000
	Total B	\$1,830,000	\$324,000	1,506,000
Full scope	Roll Out Phases: Launch Campaign 6 countries	\$768,000	\$72,000	\$696,000
	Up Scale Phase: Expansion to 14 Countries	\$1,664,000	\$252,000	\$1,412,000
	Total C	\$2,432,000	\$324,000	\$2,108,000
Result 2: At least four policy papers for focus areas prepared				
Quick Wins	Preparation of Five Focus Area Concept Notes	\$50,000	\$50,000	\$0
	Roll Out and Up Scale Phases: Aligning the MTSIP with the official work programme	\$250,000	\$250,000	\$0
	Total A	\$300,000	\$300,000	\$0
Must Do	Kick-start Phase: Preparation of Five Draft Policy Papers, web-publication; Focus Area 5 Year Work Plans prepared in consultation with partners	\$520,000	\$198,000	\$322,000
	Roll Out and Up Scale Phases: Aligning organisational structure structural/institutional change to mainstream pre-investment role of UN-HABITAT	\$330,000	\$250,000	\$80,000
	Total B	\$850,000	\$448,000	\$402,000
Full Scope	All phases: Engaging in full consultations with partners and experts and wide-spread dissemination during the kick-start phase	\$891,000	\$448,000	\$443,000
	Total C	\$891,000	\$448,000	\$443,000

Result 3: Integrated programme of normative and operational activities in 20 countries.				
Quick Wins	Preparation of broad vision Concept Paper by Task Force; Country selection criteria;	\$145,000	\$145,000	\$0
	Roll Out and Up Scale Phases: Incremental phased programme at country level, review of regional presence and funding	\$50,000	\$50,000	\$0
	Total A	\$195,000	\$195,000	\$0
Must Do	Kick-start Phase: Preparation of Concept Paper in consultation with partners; alignment of programme with regional offices	\$110,000	\$40,000	\$70,000
	Total B	\$110,000	\$40,000	\$70,000
Full scope	Incrementally implement phased programme at country level (funds raised for the most part at country level – figures represent project funds)	\$100M	\$60M	\$40M
	Total C	\$100M	\$60M	\$40M
Result 4: Habitat Agenda Task Monitoring system developed and implemented				
Quick Win:	Preparation of partnership strategy and monitoring system concept notes	\$30,000	\$30,000	\$0
	Total A	\$30,000	\$30,000	\$0
Must Do:	Kick-start Phase: Partnership strategy and monitoring system developed in-house with consultants; Discussion of 2 documents with partners at WUFIV	\$130,000	\$20,000	\$110,000
	Roll Out and Up Scale Phases - Launching and implementation of Partnership Strategy; Launching and implementation of Monitoring system	\$800,000	\$120,000	\$680,000
	Total B	\$930,000	\$140,000	\$790,000
Full Scope	Kick-start Phase: Partnership strategy & monitoring system developed in full consultation with experts and HA partners prior to WUFIV (Expert Groups)	\$270,000	\$20,000	\$250,000
	Roll Out and Up Scale Phases: Launching & implementation of Partnership Strategy; Launching & implementation of Monitoring system	\$1,800,000	240,000	1,560,000
	Total C	\$2,070,000	\$260,000	\$1,810,000

Table D.2				
Objective 2: To implement by 2013 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				
Main Issues: 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; Integrating RBM into staff performance assessments; Strengthening the capacity of the evaluation unit and systematically incorporating results into reporting system, both internal (flagship reports) 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.				
Result 1: Establish policy and strategies for strengthening results-based management and knowledge management within the organization				
		Total	Avail	Gap
Quick win	Set up initial guiding principles of RBM-KM; Prepare the strategic framework 2010-2011 using RBM-KM initial guiding principles; Prepare a strategy for implementation of RBM-KM	\$165,000	\$102,500	\$62,500
	Total A	\$165,000	\$102,500	\$62,500

Result 2: Create guidelines, benchmarks and SMART indicators for results-based management and knowledge management				
Must Do	Kick Start Phase: Introduce RBM-KM principles through sensitization training courses to focus areas working teams and task forces; Prepare guidelines, benchmarks and SMART indicators in consultation with focus areas; Develop monitoring and evaluation policy	\$330,000	\$185,000	\$145,000
	Roll Out Phase: Prepare procedures for PRC in order to integrate RBM-KM principles, including benchmarks and SMART indicators; Prepare procedures to integrate RBM-KM principles into staff performance evaluation; Prepare procedures to integrate RBM into work programmes and budgets	\$210,000	\$120,000	\$90,000
Total B		\$540,000	\$305,000	\$235,000
Result 3: Implement monitoring on RBM-KM on a continuous basis, drawing lessons and consolidating knowledge sharing systems				
Full Scope	Scale Up Phase: Initiate staff training on RBM-KM on a continuous basis; Implement monitoring and evaluation of RBM-KM on a continuous basis; Participatory assessment (self-evaluation) and lessons learnt on RBM-KM; Thematic and country evaluations on periodic and ad hoc basis; Monitoring and evaluation of field projects as part of ENOF; Adapt knowledge accessibility systems in line with RBM-KM principles and guidelines	\$4,310,000	\$0	\$4,310,000 ⁵
Total C		\$4,310,000	\$0	\$4,310,000

Table D.3	
Objective 3: RESOURCE MOBILISATION - To develop and implement a resource mobilization 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.	
<p>Main Issues: Key elements of the strategy will be to maintain and widen the donor base of UN-HABITAT; correct the imbalance between earmarked and non-earmarked contributions; ensure more predictable multi-year framework agreements; and explore non-conventional funding sources, including foundations and the private sector. Consolidating the donor base to secure adequate core predictable funding is considered critical to the successful implementation of the MTSIP, especially in its start-up phase. It will help UN-Habitat achieve management excellence, and fine-tune both the strategic and institutional components of the Plan, and stick to its work programme. Key approaches for broadening the donor base include, inter alia, partnering with appropriate international, regional and domestic financial institutions; moving towards a voluntary indicative scale of contributions; mobilising non-conventional sources of funding, including mass appeal; working with private sector organisations committed to social responsibility and interested in direct investment in pro-poor housing and urban infrastructure.</p> <p>Key issues that the resource mobilization strategy needs to tackle are limited donor interest in urban issues; shift in donor funding from global to national level; Paris Declaration and Harmonisation agenda; increased role of private foundations in development; strategies and capacity for mobilising domestic capital; earmarked vs. non-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>	

⁵ The resources required include those related to results-based monitoring, evaluation reports and the capturing of lessons learned from implementation of ENOF in up to 30 countries at an estimated cost of US\$ 85,000 per country. Part of these resources could, however, be built into country programmes and projects. See Financing Strategy para 62.

Result 1 - Resource Mobilization Unit established; branding campaign launched and operational; donor base consolidated				
Quick Wins	Establish Resource Mobilization Unit; prepare resource mobilisation policy and guidelines		\$30,000	\$0
	Total A		\$30,000	\$0
Must Do	Kick-start Phase: Consultations with partners to gain consensus and engagement; Positioning Workshop outputs issued and agreed upon and adopted by all parties involved; Establish donor profile dbase and catalogue/dbase of pipeline/priority projects; branding campaign designed and implemented, as well as strategies to engage targeted audiences, using specialised expertise wherever necessary. Resource Mobilization web page developed within the Agency website. Branding materials produced in connection with WUF IV. Launch of Global Resource Mobilization campaign in connection with WUF IV. Networking, donors meetings, conferences and workshops carried out in line with available resources.	\$370,000	\$30,000	\$340,000
	Roll Out Phase: Yearly updates of the above; Fund Raising reports and best practices/success stories disseminated.	\$215,000	\$10,000	\$205,000
	Up Scale Phase: Same as above for the subsequent years, followed by mass appeals, in conformity with available resources. Amount of resources allocated dependent on results achieved.	\$215,000	\$10,000	\$205,000
	Total B	\$800,000	\$50,000	\$750,000
Full Scope	All Phases: Additional resource mobilization activities involving more countries, followed by mass appeals, in conformity with available resources. Amount of resources allocated dependent on results achieved.	\$1,330,000	\$80,000	\$1,250,000
	Total C	\$1,330,000	\$80,000	\$1,250,000
Result 2 – ERSO structure established and operationalised				
Quick Wins	ERSO Operational Procedures and Operational Manual, establishment of ERSO Technical Unit, identification of Steering Committee members	\$60,000	\$60,000	\$0
Must Do	Kick-start Phase: Identify and mobilise private financial institutions in partner countries to finance pro-poor housing and urban development. Use ERSO Trust Fund to leverage domestic capital for pro-poor lending and credit enhancements. Highlight ERSO’s potential to set precedents and examples for future wider concerted international and national efforts for enabling decent shelter and access to basic services for the poor.		Tbd	tbd

	<p>Roll Out and Up Scale Phases:</p> <p>Broaden the donor base by tapping non-conventional resources. Mobilize domestic private sector resources, which are currently not a typical funding source for pro-poor infrastructure and housing in most partner countries. Demonstrate the feasibility of investing in low-income housing. Undertake pre-investment activities and technical assistance in the project preparation and design phase as an essential component of the ERSO implementation package. Using experiences gained,strengthen UN-HABITAT’s role and core competence in undertaking pre-investment activities overall.</p> <p>Carry out in-depth independent evaluation of ERSO activities, focusing on the applicability of the Operational Procedures, the Operational Manual, and the partnership arrangements established with international, regional and domestic financial institutions to implement ERSO pilot activities, including lessons learned which will provide important pointers for the future for UN-HABITAT’s catalytic and pre-investment activities in time for the 23rd session of the Governing Council..</p>	Tbd	Tbd	Tbd
		\$120,000	\$ 60,000	\$60,000
Full Scope	<p>The ERSO initiative will be funded by the Trust Fund through voluntary contributions and partners’ contributions. It currently does not have any financial implications on the MTSIP process.</p> <p>Lessons learned and methods used in implementing ERSO are expected to contribute significantly to results-based monitoring, evaluation and reporting; resource mobilisation and communications, as well as enhanced transparency and accountability.</p> <p>Staff resources for implementing ERSO activities at the country level will be recruited as project staff out of project funds.</p>	Tbd	tbd	tbd

Table D.4				
Objective 4: To realign human resources, managerial and administrative systems to effectively implement the MTSIP				
Main Issues: The implementation of the MTSIP will require significant changes to the staffing profile of UN-HABITAT as well as improvements in managerial and administrative functions. To ensure the successful implementation of the MTSIP, there is a need to realign human resources and competencies to focus on new focus areas and priorities as well as to streamline processes and systems. This will require identification of competency gaps and a plan for re-aligning staff. There is a need for addressing competency gaps through the identification of learning and development needs. There is also a need to develop state-of-the-art personnel management systems to streamline recruitment, training and management decision-making processes. Finally, there is a need to improve efficiency of all administrative services and processes.				
Result 1 HRM – competency gaps to implement MTSIP identified and addressed				
Quick wins	Staff competency profiling; consultations with staff and managers; Revamped staff structure / job profiles for departing staff (7 per annum)	\$102,000	\$10,000	\$92,000
	Training assessment; Training strategy; Organizational chart	\$180,000	\$100,000	\$80,000
	Total A	\$282,000	\$110,000	\$172,000
Must Do	Kick-start Phase: Staff competency profiling for professional staff P-4 and above; consultations with staff and managers; Revamped staff structure / job profile; Staffing Programme	\$209,500	\$10,000	\$199,500

	Roll-out Phase: Training assessment, training strategy, database linked to e-pas; organisational chart; learning strategy; revised staffing table	\$307,500	\$100,000	\$207,500
	Total B	\$517,000	\$110,000	407,000
Full Scope	Kick-start Phase: Staff competency profiling for all professional staff; consultations with staff and managers; Revamped staff structure / job profile; Staffing Programme	\$234,500	\$10,000	\$224,500
	Roll out and Up Scale Phase: Training assessment, training strategy, database linked to e-pas; organisational chart; learning strategy; Human resources and Learning Unit established; Revised staffing table	\$659,000	\$100,000	\$559,000
	Total C	\$893,500	\$110,000	783,500
Result 2 Efficient administrative services and processes				
Quick wins	Kick-start Phase: Review of procurement, recruitment, travel and project management processes	\$275,000	\$120,000	\$155,000
	Roll Out and Up Scale Phases: UNON engaged in reviewing and finalising strategic intervention plan; Enhanced accountability and efficiency framework; New Delegation of authority; Procedures manual updated;	\$292,000	\$50,000	\$242,000
	Total A	\$567,000	\$170,000	\$397,000
Must Do	Kick-start Phase: Review of procurement, recruitment, travel and project management processes; Strategy papers to improve administrative services and processes	\$380,000	\$120,000	\$260,000
	Roll Out and Up Scale Phases: UNON engaged in reviewing and finalising strategic intervention plan; Enhanced accountability and efficiency framework; New Delegation of authority; Procedures manual updated; Partially upgraded information system; introduction of Enterprise Resource Planning system (ERP) and partial implementation	\$649,000	\$50,000	\$589,000
	Total B	\$819,000	\$170,000	\$749,000
Full scale	Kick-start Phase: Review of procurement, recruitment, travel and project management processes; Strategy papers and work plan to improve administrative services and processes	\$440,000	\$120,000	\$320,000
	Roll Out and Up Scale Phases: UNON engaged in reviewing and finalising strategic intervention plan; Enhanced accountability and efficiency framework; New Delegation of authority; Procedures manual updated; Upgraded information system; full roll out of Enterprise Resource Planning (ERP) system implemented and staff trained	\$809,000	\$50,000	\$759,000
	Total C	\$1,249,000	\$170,000	\$1,079,000

22. As the Tables D.1-D.4 above illustrate, 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.
23. The tables also illustrate 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 identify 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, as a preliminary step, been 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.

24. Annex III summarizes some of the progress made to date in implementing the MTSIP, reflecting the on-going work of UN-HABITAT to address the priority institutional and programmatic issues.

E. RESULTS

25. The Logical Framework Analysis (LFA) presented on 10 September 2007 will be further refined during the 1st quarter of 2008 to provide an overview of anticipated results for each phase (quick-start, must do, roll-out and full scale). It is anticipated that quarterly updates on the implementation of the Action Plan will elaborate and report on results in a detailed manner.

F. ACTIVITIES

26. 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.

G. CROSS-CUTTING ISSUES

27. The key cross-cutting issues of the MTSIP are: (i) gender; (ii) youth; (iii) vulnerable groups, and (iv) response to human settlements in crisis. These issues will feature prominently throughout the five Focus Area policy papers to be produced under the ENOF Task Force in 2008 and in the Strategic Policy for Human Settlements in Crisis. Their implications for results-based management and knowledge management, resource mobilisation and communications, and human resources management and administration will be incorporated by each of the Task Forces as appropriate.
28. Gender issues will continue to be mainstreamed throughout the activities of UN-HABITAT and the five substantive Focus Areas of the MTSIP. Particular emphasis will be placed on gender and age-sensitive indicators and their integration in results-based monitoring, evaluation and reporting; and in the data collection and analysis that inform the advocacy activities of UN-HABITAT, including its flagship reports. A Gender Equality Action Plan 2008-2013 will be developed in the first half of 2008 in accordance with GC Resolution 21/1. It will provide an integrated framework for action both at normative and operational levels in the five focus areas of the MTSIP, with clear objectives, actions, indicators of performance and outputs.
29. Youth issues are being addressed through the youth strategy approved by GC20, which addresses both normative and operational concerns. The global partnership initiative for urban youth development, implemented in Africa, will be scaled up subsequently in other regions. The focus areas of this partnership include: livelihoods, safety and security, capacity building and training, information and networking, corresponding to Focus Areas 1, 2, 3 and 4 of the MTSIP.
30. Youth-at-risk issues are being addressed by a strategic policy on urban crime prevention which was developed in the course of 2007 in close collaboration with Habitat Agenda partners and UNODC. Key focus areas of the strategic policy include: (i) at the normative level, the fostering of dialogue between ministries of local government and ministries of crime and justice to develop concerted

action plans for crime prevention and youth at risk; and (ii) pre-investment capacity building to link crime prevention strategies with improvements in urban planning, management and governance (Focus Area 2) at the operational level.

31. Both these strategic policies have already been incorporated in the 2008-2009 Work Programme and budget and will involve consultation with partners and other UN agencies throughout 2008-2009.
32. Issues pertaining to other vulnerable groups will be addressed in policy and advocacy documents in Focus Areas 1, 2, 3 and 4 in close collaboration with partners such as UNFPA for the elderly, WHO on health-related issues, ILO and UNIDO for local economic development and work-related issues. UN-HABITAT will focus on its comparative advantages in the areas of urban planning, management and governance and its rights-based approach to land and housing.
33. The strategic policy on “Human Settlements and Crisis” has been presented to the CPR for its consideration. It will serve as the guidelines for UN-HABITAT’s country level activities and core activities under MTSIP Focus Areas 2 and 4.

H. IMPLEMENTATION STRATEGY

34. There are three principal 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

35. The underlying rationale for the implementation of the Action Plan is a three phased approach involving: (i) a one-year Kick-Start Phase for 2008; (ii) a two-year Roll-Out phase for 2009-2010; and (iii) a three-year Scaling-up Phase for 2011-2013. These phases are described in more detail below.
36. 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.
37. Activities in this initial year – across all Task Forces – will focus on the preparation of policies, strategies and work plans. These policies and strategies will, in turn, determine the work plan for implementation during 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.
38. During 2008 Habitat Country Programme Documents (HCPD) will be prepared within the ENOF framework for a least 20 priority countries. These HCPD will be prepared in close collaboration with host governments and United Nations Country Teams. They will integrate normative and operational activities.
39. 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.

40. As the LFA's confirm, however, significant progress in implementing the MTSIP will only be possible with the provision of external support.
41. 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 in 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.
42. 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 completed in time for roll-out at the 4th session of 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 Habitat Country Programmes 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.
43. 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 of the Task Forces for results-based management and knowledge management, resource mobilisation and human resources management and administrative reforms.
44. 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

45. 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 strategies: knowledge management, partnerships and networking arrangements, pre-investment capacity-building and technical assistance, and programme alignment. 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

46. An initial revision to the 2008-09 Work Programme and Budget was completed in June 2007, reflecting the strategic direction provided by the MTSIP.
47. It is expected that the MTSIP will be more fully reflected in the 2010-11 Strategic Framework (which is currently under preparation), Work Programme and Budget. 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.

I. RISKS AND RISK MITIGATION STRATEGIES

48. A major risk in implementing the Action Plan arises from the lack of in-house expertise in the area of institutional reform, including results-based management, knowledge management, human resources management and enhanced management practices. Both UN-HABITAT and UNON do not have the skills required for institutional transformation and failure to mobilize resources to fill this gap will jeopardize the successful implementation of the Action Plan.
49. In addition, the emphasis of ENOF and ERSO on country level activities might result in increased funding at the country level, thus exacerbating the current imbalance between ear-marked and non-earmarked financial resources.
50. A number of risk mitigation strategies have been identified so far. Firstly, UN-HABITAT will pursue non-conventional avenues for fund-raising, including mass appeals and working with private sector organizations committed to corporate social responsibility as well as profit-motivated investment in pro-poor housing and urban infrastructure development. Secondly, partnerships with international institutions and regional development banks will be expanded, building on the notable success already achieved in this respect. Thirdly, UN-HABITAT will institute a system of annual consultations with governments and partners in order to explore means of expanding non-earmarked resources or core funding.

J. MONITORING, EVALUATION AND REPORTING

51. The implementation of this Action Plan will be coordinated by the MTSIP Steering Committee. The Monitoring and Evaluation Unit, in coordination and collaboration with the Committee and Divisions, will oversee the preparation of quarterly implementation monitoring reports, which will be submitted to the CPR. These reports will describe progress made in achieving the milestones specified in the Action Plan and how they relate to the overall MTSIP.
52. UN-HABITAT will carry out an internal self-evaluation of the Action Plan's Kick-Start Phase towards the end of 2008. This will indicate the organization's state of readiness to embark on the Roll Out Phase. As stated in the Implementation Strategy above, there will be an independent mid-term evaluation in 2010/2011, following the completion of Phase II and prior to the scaling-up of the implementation. Finally, six months prior to the end of the Scaling-up Phase, a final independent evaluation will be carried out in order to assess both the implementation and impacts of this MTSIP Action Plan.
53. In addition to the above, external evaluations of the activities of ERSO will be undertaken, including the evaluation of the process in the implementation of the experimental reimbursable seeding operations and other innovative mechanisms, and an assessment of possible alternatives for more effective implementation. The results of these evaluations will be available by the end of 2010 in order to enable the Governing Council at its 23rd session in 2011 to continue the process.⁶

K. INSTITUTIONAL ARRANGEMENTS

54. 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

⁶ See HSP/GC/21/CRP.5

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.

55. 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.
56. Ten areas of reform have thus far been identified as per paragraph 16 above. Other quick wins have been identified and incorporated in each of the LFAs.

L. SUMMARY BUDGET AND FINANCING STRATEGY

Summary Budget

57. The summary budget is presented in Tables D.1 to D.4. They provide estimated resource requirements, including in-house resource allocations and resource gaps. These are presented for the three phases of implementation (Kick-start, roll out and upscale) and according to three budget scenarios (quick wins, must do, and full scope).
58. The Logical Framework Analyses provide more a disaggregated breakdown of these resource allocations and requirements. The LFAs are, in turn, informed by detailed costings matched against activities, outcomes and indicators.

Financing Strategy

59. Annex IV provides an overview of the resource estimates for the implementation of the Action Plan broken down by quick-wins, must do activities for both the kick start and roll out phases, and full scope implementation. The estimated resources required for full scope implementation of the Action Plan amount to US\$ 12.5 million, excluding country-level and ERSO related resource requirements and mobilisation, leaving a projected funding gap of about US\$ 10 million. The total resources required for the kick-start phase, including quick-wins and must do activities, are estimated at US\$ 4,321,500 for 2008, and US\$ 6.5 million for the period 2008-2010. For 2008, an amount of US\$ 1,768,500 is being allocated from existing resources, leaving a funding gap of approximately US\$ 2.5 million. For all of the must do activities, the total resource requirements amount to US\$ 6.5 million, for which there is a funding gap of US\$ 4 million.
60. Several approaches for financing the implementation of the Action Plan are being explored. As of 20 November, an amount of US\$ 500,000 has been pledged for the implementation of the Action Plan for the MTSIP. These resources will be used in such a way as to leverage other earmarked and non-earmarked resources to accelerate and deepen the implementation of the priority activities across all Task Forces and to further the progressive alignment of future resources to the MTSIP.
61. In addition, funding proposals for specific components of the Action Plan, especially institutional reforms, will be prepared and submitted to donors/governments.
62. The second approach will partly involve the integration of resource requirements for the strategic and institutional components of the Action Plan into the budgets of on-going programmes and projects, together with an appeal to donors for flexibility in the use of ear-marked funds to cover part of the costs of results-based monitoring and reporting.

63. 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. Funding for the implementation of the longer-term aspects of the Action Plan will be in line with the recommendations of the Resource Mobilisation Task Force.

M. WORK PLAN

64. 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 possible changes in objectives and activities presented in the Logical Framework Analyses, and to reflect the new phasing proposed in the implementation strategy.

N. LOGICAL FRAMEWORK ANALYSIS (LFA)

65. Four draft Logical Framework Analyses have been prepared, one for each Task Force. Each LFA includes an overall goal, objectives, results and related activities, linked to the relevant indicators and resource requirements. Draft LFAs were presented to the Committee of Permanent Representatives on 10 September 2007. An updated version of the LFAs will be submitted in due course.

Annex I: Strategic Approach (extract from MTSIP)

Vision

“Sustainable urbanisation through the Habitat Agenda:
Adequate shelter for all and sustainable human settlements development”

Mission Statement

“To help create by 2013 the necessary conditions for concerted international and national efforts to realize more sustainable urbanisation, including efforts to arrest the growth of slums and to set the stage for the subsequent reduction in and reversal of the number of slum dwellers worldwide.”

Strategic Objectives

- In line with its catalytic role and drawing on its convening power, mobilise networks of Habitat Agenda partners to implement a shared vision of sustainable urbanisation;
- To develop and advocate norms for sustainable and harmonious urban development, housing, upgrading and prevention of slums as well as poverty reduction;
- To improve global knowledge and understanding of urban development issues and development strategies; engage in monitoring and dissemination of best practices about progress in the implementation of the Habitat Agenda and the relevant MDGs;
- To build capacity of governments, local authorities and other Habitat Agenda partners through technical cooperation and training;
- To develop innovative pro-poor mechanisms for financing of housing and urban services and infrastructure and promote their up-scaling by appropriate development actors and investors.

Institutional Objectives

- To develop and align its institutional and resource structure to ensure a balanced normative and operational programme of action for human settlements development;
- To continuously develop UN-Habitat’s capacity to bring together all spheres of government, civil society and the private sector by strengthening partnerships for promoting sustainable urban development;
- To become the premier reference institution for global research, monitoring and dissemination of information and best practices on sustainable urbanisation;
- To be the first port of call for pro-poor urban development policy, ideas and strategies;
- To be recognized as a ‘centre of excellence’ in building capacity of governments, local authorities and Habitat Agenda partners through technical cooperation and training and learning; and
- To become a catalyst in creating innovative financing mechanisms for affordable housing, basic urban infrastructure and services to be scaled up by larger resources institutions at national and global level, eg. IFIs.

Annex II

Indicators of Achievement for Quick-wins

Indicators of achievement for the quick-wins were developed by the Steering Committee for MTSIP implementation in the course of a retreat held on 12 October 2007. These indicators will be used for measuring achievements, or progress, in the implementation of the kick-start phase of the Action Plan for 2008. They will be instrumental for further adjusting the priorities for implementation.

1. Improved strategy for collection, analysis, documentation and dissemination of information on human settlement conditions, trends, policies and practices through harmonized flagship reports in place by June 2008;
2. Twenty comprehensive Habitat Country Programme Documents developed and reviewed by Task Forces and presented to UN Country Teams by the 3rd quarter of 2008;
3. Concept paper on the Global Campaign for Sustainable Urbanisation to strengthen advocacy of urban issues completed by March 2008;
4. Five concept and/or policy papers related to implementation of MTSIP substantive focus areas developed and presented to Habitat Partners before or during WUFIV;
5. Strengthened Programme Review Committee and Project/Consultancy Output Review Committee in place by March 2008;
6. Branding and fund-raising strategy prepared and launched during WUFIV; Resource Mobilization Unit established by March 2008;
7. Increased funding for implementing the quick-wins and start up phases of the Action Plan⁷;
8. Delegation of authority to division level clearly defined in administrative instruments by the 3rd quarter of 2008;
9. Proposals for intra-divisional restructuring in line with the MTSIP presented to the Directors Board and approved by the Executive Director by June 2008;
10. Improved engagement of UN-Habitat staff in implementation of MTSIP by the 1st quarter of 2008;
11. Improved results-based and participatory programme planning and budgeting applied to the preparation of the 2010-2011 Strategic Framework and in compliance with the MTSIP;
12. Results-based management guiding principles and benchmarking as well as monitoring and evaluation policy in place by June 2008;
13. Initial set of ERSO pilot projects identified and developed by the 3rd quarter of 2008 and presented to the Steering and Monitoring Committee.

⁷ As of 20 November 2007, commitments of US\$ 500,000 have been secured for implementing the MTSIP Action Plan, or approximately one-third of the amount required for 2008

Annex III: Signs of Change - Summary of Progress Made to Date

Type of Change	Description	Resource Implications/ Pay-off	MTSIP Objectives
Internal, attitudinal and cultural	<ul style="list-style-type: none"> • Increased internal consultation and collaboration in project/programme formulation • Joint project formulation for MDG fund involving Training Branch, Regional Offices, Gender Unit and Governance Branch • Joint programme formulation on women empowerment including Regional and Technical Cooperation Division and Gender Unit • Municipal Finance Indicators involving Training Branch, Global Urban Observatory and Urban Economy Branch • Positioning workshop held and overall positioning statement formulated leading to vertical positioning statements 	<ul style="list-style-type: none"> • Inter-divisional engagement basis for ENOF • Internal leveraging of resources and programme alignment and cohesion • More consistent mainstreaming of women's issues and those of other vulnerable groups • Integration of global monitoring with regional & country capacity building • Clearer client identification and orientation, branding and positioning 	<ul style="list-style-type: none"> • ENOF essential to country-level activities & UNDAF • Improved programme alignment and foundation for KM • Improved consistency in advocacy and cross-cutting issues • Improved resource mobilisation and credibility vis-à-vis donors and HA partners • Excellence in management, resource mobilisation and communication
Internal, structural	<ul style="list-style-type: none"> • Global Campaign on Sustainable Urbanisation merging two previous campaigns • New strategic partnership with Cities Alliance • Relocation of finance specialists from Sub-programme 2 to Sub-programme 4 • Merger of production units for flagship reports, single interface with publishers, graphics, editing and media • Phasing out of Sustainable Cities Programme and Localising Agenda 21 and establishment of network on sustainable urban development and joint programming with UNEP • Draft youth policy formulated and in discussion • Draft partners' strategy being formulated incl. civil society and private sector • Safer Cities Strategy launched and in-line with MTSIP and new partnership strategy • HIV/AIDS dropped from 2008-2009 Work Programme and 	<ul style="list-style-type: none"> • Less fragmented approach to advocacy • Value-added outcomes • Less fragmented approach to urban finance • \$ savings in pre-press activities in two years • \$ mobilisation in two years, more credibility on cities and climate change • Internal coherence • Less fragmented approach to external partners and advocacy • Less fragmented approach to programme delivery • Enhanced catalytic and facilitating role, wholesale rather than retail approach • Sharpened focus 	<ul style="list-style-type: none"> • Improved programme alignment and coherence • Leveraging of human, technical and financial resources • Improved efficiency through less duplication of efforts • Stronger advocacy and catalytic role and presence for sustainable urbanisation and cities and climate change • Programme alignment • Catalytic role and resource mobilisation • Programme alignment and coherence, catalytic role • Focus

	<ul style="list-style-type: none"> Budget Resource Mobilisation Unit established 	<ul style="list-style-type: none"> More coordinated approach to resource mobilisation and consistent reporting 	<ul style="list-style-type: none"> Resource mobilisation and communication strategy
External, partners	<p>Increased collaboration with other UN agencies:</p> <ul style="list-style-type: none"> Joint analysis of policy implications of the findings of the 2008 State of the World Cities Report with World Bank, Cities Alliance, and universities Collaboration with UNFPA for its 2007 Annual Report on “Potential of Urban Growth” Joint UN-Habitat/WHO Task Force on urban health indicators Resolution of UN Commission on Crime on urban crime prevention and collaboration with UN-Habitat Partners’ strategy under formulation Cities Alliance – new three-year work programme UN-Habitat providing inputs to World Bank land policy Expanded MoU with AsDB New MoU with IADB 	<ul style="list-style-type: none"> Broader ownership of major findings and evidence-based advocacy Broader ownership of the urban agenda within the UN Urban health indicators to help mainstream urban in UNDAF Broadening of constituency for pro-poor urban development \$ mobilisation within 2 years Less fragmented approach to partners, more effective leveraging of resources, improved WUF contribution by partners 	<ul style="list-style-type: none"> Strengthening collaboration within UN system and enhanced catalytic role leading to potential joint fund raising and resource mobilisation Enhanced presence and credibility for mainstreaming urban agenda at country level and in UNDAF process Clear policy and guidelines for enhanced partnerships and catalytic role
External, UNCT	<ul style="list-style-type: none"> Habitat Country Programme being drafted for 20 countries including One-UN Pilots HPM Training Manual prepared and disseminated to all HPMs and HQ staff Technical Cooperation Training manual in the process of being updated 	<ul style="list-style-type: none"> HCD basis for implementing ENOF and mainstreaming urban issues in UNDAF process Enhanced role in UNDAF, \$ mobilisation in 2 years Improved efficiency in backstopping of field projects, \$ savings in 2 years 	<ul style="list-style-type: none"> HCPD to inform application of ENOF in selected countries and resource mobilisation at country level More credible role in One-UN pilot countries and UNCT
Internal, procedural	<ul style="list-style-type: none"> Dialogue and consultations on strengthening Programme Review Committee underway involving regional offices PMO training on streamlining internal procedures initiated 	<ul style="list-style-type: none"> Mainstreaming of ENOF, RBM and benchmarks within 1 year Improved workflow and relations with UNON, \$ savings within 2 years 	<ul style="list-style-type: none"> PRC basis for programme alignment and resource mobilisation Efficiency, accountability and transparency
Internal, ICT	<ul style="list-style-type: none"> New Intranet launched integrating iSeek New archive and document retrieval system 	<ul style="list-style-type: none"> More user-friendly Intranet contribution to KM 	<ul style="list-style-type: none"> Knowledge management

Annex IV (bis)

Contribution of ERSO to MTSIP

Efforts to implement ERSO according to Resolution GC 21/10 are fully integrated into the MTSIP implementation process. Moreover, it is expected that ERSO during the experimental phase between 2008 and 2011 will make as strong contribution to the implementation of the MTSIP. While ERSO as a cross-cutting initiative relates to the overall goal as well as to the 4 MTSIP Objectives as set out in the Draft Action Plan 2008-2013, the activities will be particularly beneficial for to the efforts to implement the Enhanced Normative and Operational Framework (ENOF) and the Resource Mobilization Strategy.

Expected Contribution of ERSO to Overall Goal and to Objectives of the MTSIP Action Plan

The ultimate goal of ERSO is to bring to access to housing finance and enable related infrastructure for the poor to scale and motivate private financial institutions in the partner countries to cater for lower income groups. By utilizing international grants to the ERSO Trust Fund to leverage domestic capital for pro-poor lending and credit enhancements in an experimental phase, ERSO has the potential to set precedents and examples for future wider concerted international efforts for enabling decent shelter and access to basic services for the poor.

In relation to ENOF, ERSO will particularly help to build the organization's role in global urban policy formulation and debate and strengthening the presence at the country level since the implementation of projects will heavily rely on existing normative work and operational contacts within UN-HABITAT.

The main contribution to the Resource Mobilization Objective will be in terms of tapping non-conventional resources and strengthening UN-HABITAT's pre-investment role. ERSO tries to mobilise private sector resources from institutional or individual investors, who currently tend to abstain from investing in low-income housing. Undertaking pre-investment activities and technical assistance in the project preparation and design phase will be an essential component of the implementation package. Experiences gained will be a significant factor for strengthening UN-HABITAT's role and competence in undertaking pre-investment activities in general.

Through the establishment of necessary management and evaluation systems for ERSO operations, there will also be positive Implications for MTSIP Objective on Results-based Management/Knowledge Management and for the Human Resources and Management Objective by enhancing institutional capacity within UN-HABITAT.

Resource Implications of ERSO on MTSIP

Overall, the ERSO initiative does not have any financial implications on the MTSIP process and UN-HABITAT as a whole. In contrast, the knowledge and capacity gained in the context of ERSO implementation will have substantial benefits for the MTSIP process.

Current design and conceptualisation work in connection with ERSO is done in the context of the existing mandate of UN-HABITAT with no additional costs placed on the Organisation. Additional human resources needed in the course of developing, implementing and evaluating specific ERSO operations will have to be borne out of the dedicated funds provided for these operations.

Within UN-HABITAT, the Human Settlements Financing Division (HSFD) is responsible for handling the implementation of ERSO. By developing and implementing ERSO, HSFD addresses the core mandate of the Division, which is to improve access to finance for housing and infrastructure,

particularly for the urban poor, through mainstreaming innovative finance mechanisms and establishing conducive policy frameworks.

ERSO Roadmap November – April 2008

- 1 February 2008: Working version of Operations Manual and final version of OP.
- Informal meeting of Working Group in February. CPR decides on Operational Procedures.
- Development of 10 project profiles underway by February 2008, completed by August 2008.
- End March/early April 2008: Expert Group Meeting to give final technical endorsement to OM and ERSO financial models. Meeting of SMC to decide on OM.
- Streamlined ERSO Technical Unit established by April 2008.
- SMC established once initial project pipeline in place and funding secured

ERSO Roadmap 2007-2011 (a.o. 23 Nov 2007)

		07	2008				2009				2010				2011			
		DEC	Q1	Q2	Q3	Q4												
1	Establish ERSO Trust Fund	●																
2	Finalize ERSO Operational Procedures & Manual	■	■	■														
4	Finalize ERSO Project Document	■	■	■														
5	Develop Project Profiles		■	■	■													
6	Expert Workshop		●															
7	Undertake Project Preparation (Develop Business Plans)			■	■	■												
8	Establish ERSO Technical Unit and Systems (Streamlined)			■	■													
9	Pledging Conference				●													
10	Establish and Seek Advice of Financial Expert Group		●	●	●	●	●	●	●	●	●	●	●	●	●			
11	Establishment and Meetings of Steering & Monitoring Committee		●				●		●					●				
12	Project Implementation						■	■	■	■	■	■	■	■	■	■	■	■
13	Supervision and Monitoring						■	■	■	■	■	■	■	■	■	■	■	■
14	Project Evaluation																	■

Annex V: Estimated total resource allocation and resource gaps

	Total	Avail	Gap
Objective 1: ENOF			
Quick wins	535,000	535,000	-
Must do Kick-start	1,273,000	416,000	857,000
Must Do S-Total	2,930,000	952,000	1,978,000
Full Scope Core	4,685,000	324,000	4,361,000
Full scope country	100,000,000	60,000,000	40,000,000
Objective 2: RBM			
Quick wins	165,000	102,500	62,500
Must do kick start	330,000	185,000	145,000
Must Do S-Total	540,000	305,000	235,000
Full scope	4,310,000	-	4,310,000
Objective 3: RM			
Quick wins	90,000	90,000	-
Must do kick-start	370,000	30,000	340,000
Must do S-Total	800,000	50,000	750,000
Full scope	1,330,000	80,000	1,250,000
Objective 4: HRD/Admin			
Quick wins	849,000	280,000	569,000
Must do kick-start	709,500	130,000	579,500
Must do S-Total	1,436,000	280,000	1,156,000
Full scope	2,142,500	280,000	1,862,500
Total Quick win	1,639,000	1,007,500	631,500
Total Must do kick start	2,682,500	761,000	1,921,500
Total for 2008	4,321,500	1,768,500	2,553,000
Commitments to date		500,000	2,003,000
Total quick-wins and must do	6,545,000	2,544,500	4,000,500