



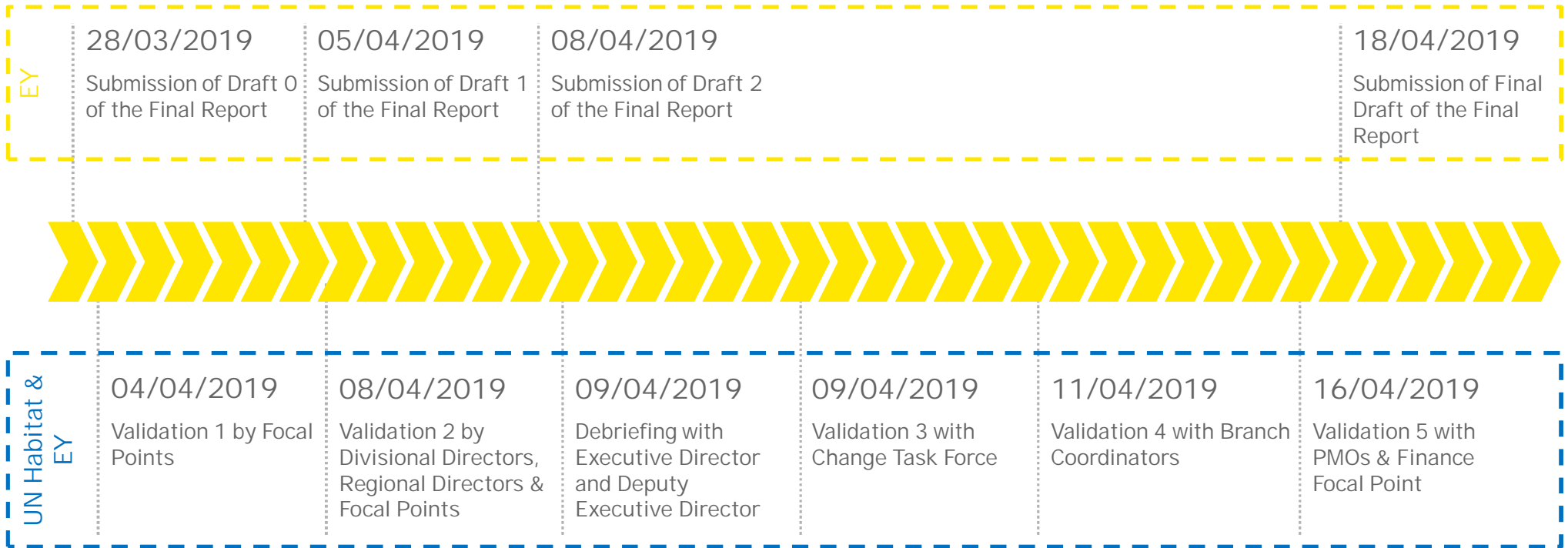
# Independent Financial and Management Review of UN-Habitat Final Report

**UN HABITAT**  
FOR A BETTER URBAN FUTURE

Final version  
18/04/2019

**EY**  
Building a better  
working world

# Final Report Submission Roadmap



# Executive summary

- ▶ We would like to thank all stakeholders who participated in the Financial and Management Review of UN-Habitat. We have conducted a review of more than 150 documents and datasets and interviewed more than 65 different people (many of them much more than once), and we have always found courtesy and availability from everyone.
- ▶ The review concludes that overall, UN-Habitat has strong capabilities in its core activities, it provides stalwart leadership on sustainable urbanisation, demonstrating a deep understanding of the changing nature of urbanisation, and the organisation is composed by people that, generally speaking, are very passionate and proud to work there.
- ▶ However, organisational performance can be further strengthened and improved in many areas, as it seems that the organisational model is not always fit for purpose and a number of weaknesses are now challenging the overall sustainability of UN-Habitat.
- ▶ From an organisational point of view, UN-Habitat has evolved during the years, adapting to an expanded mandate and new challenges. However, from an external vantage point, it seems that the current organisation is more the result of a stratification of small adaptations more than a well conceived, rounded, organisation. We observed 120 findings and we came to 74 recommendations (clustered into 13 working areas).
- ▶ In exploring the root causes that sit below most of the findings we identified, we have also analysed the current business and operating models, identifying 5 strategic areas where we think UN-Habitat should focus its effort. These strategic areas helped us in identifying the 13 working areas mentioned above that consolidate and integrate the bottom-up recommendation according to a more managerial point of view.
- ▶ We observed a number of gaps that, as the organisation becomes larger, more mature and geographically distributed, are making the lives of people who work in UN-Habitat tougher. This is due to the weakness of “tools” that are essential to run such a complex organisation (clear roles and responsibilities, clear boundaries among functions, clear ownership over processes, well codified rules and procedure, etc.).
- ▶ Another major area where UN-Habitat needs to work carefully is data quality and data availability. In our understanding, this issue is connected to two main causes: firstly, the often unclear ownership over the end-to-end processes (e.g. with regards to HR management, it is not clear where the responsibilities sit in the organisation, given the multiplicity of stakeholders and other UN organisations that are involved in the process); secondly, it depends on the lack of an overall, comprehensive view over the many different data flows and data repositories, that should be managed within an all-encompassing framework.

# Project scope

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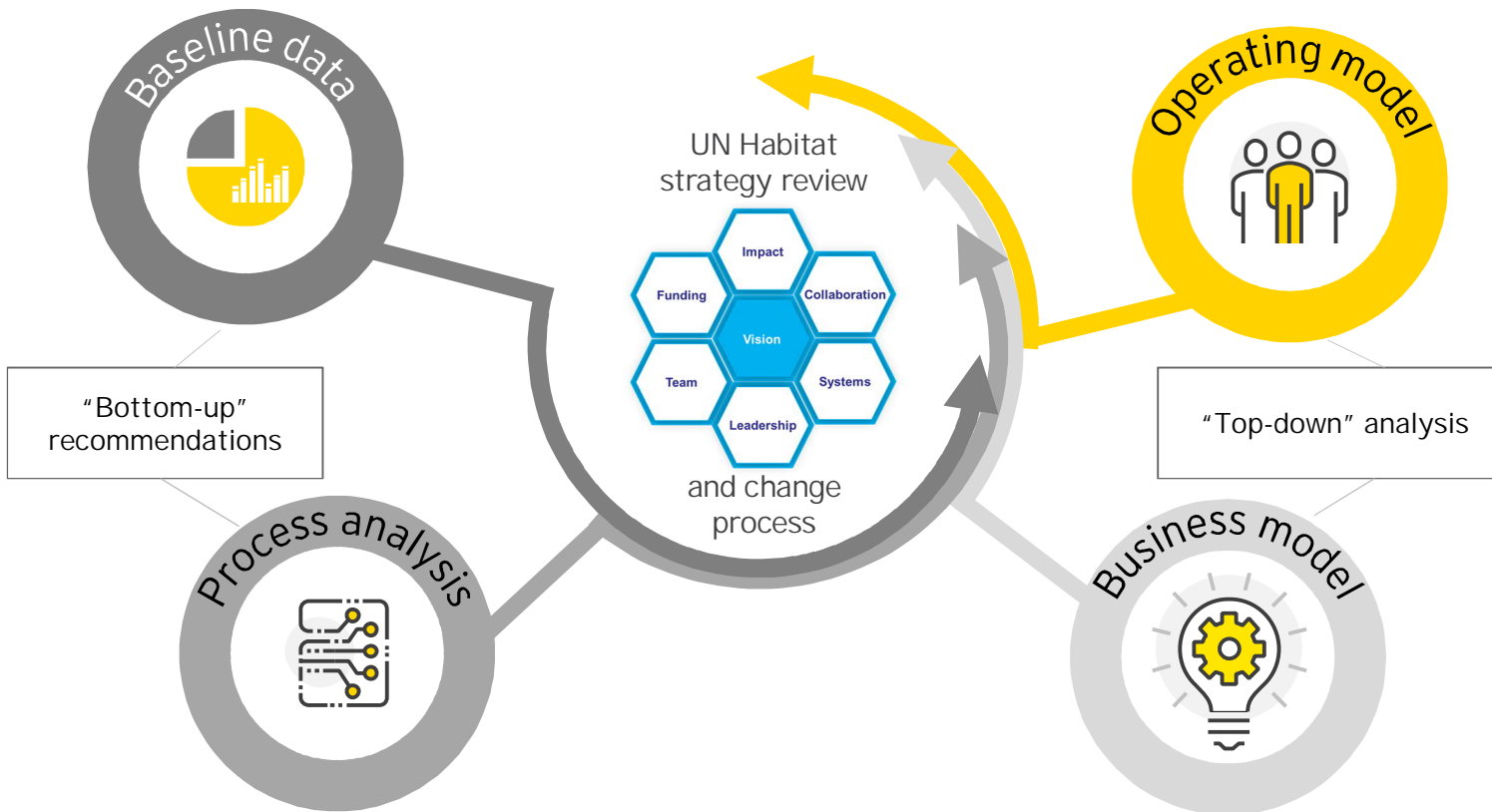
- ▶ UN-Habitat has started a strategy review and a change management process to overcome these challenges and strengthen the ability to steer the organisation towards its goals.
- ▶ EY has been engaged to support this major change initiative by providing, according to the Terms of Reference:
  - baseline data in a number of areas where there is “poor visibility” and which require a better understanding of the underlying facts and patterns;
  - assessment of the main finance, HR and business processes to identify major gaps and improvement areas;
  - recommendations for action and roadmap for the implementation of the suggested improvements.
- ▶ During the project initial meeting, the Executive Director provided some useful additional indications concerning her expectation on the outcome of this engagement. In particular, she posed the following questions:
  - Is the organisation fit for purpose to implement the new strategic plan?
  - Are Human Resources optimised and do have they the right skills?
  - In which areas can the business model be improved?
- ▶ On the basis of the above discussion with the ED and of EY’s experience with similar engagements, since the Inception Report (rel. 4/2/2019), we proposed the inclusion of the following objective in the scope of the project:
  - evaluation of the business and operating models.
- ▶ This objective makes it possible to glean another perspective to the bottom-up analysis required by the ToR, enriching the work performed with a more high-level, managerial vantage point.

# Refined project approach

As a management review, the project is aimed not only at providing an assessment of the current status, but also at providing management considerations and recommendations for improvement

Project Scope

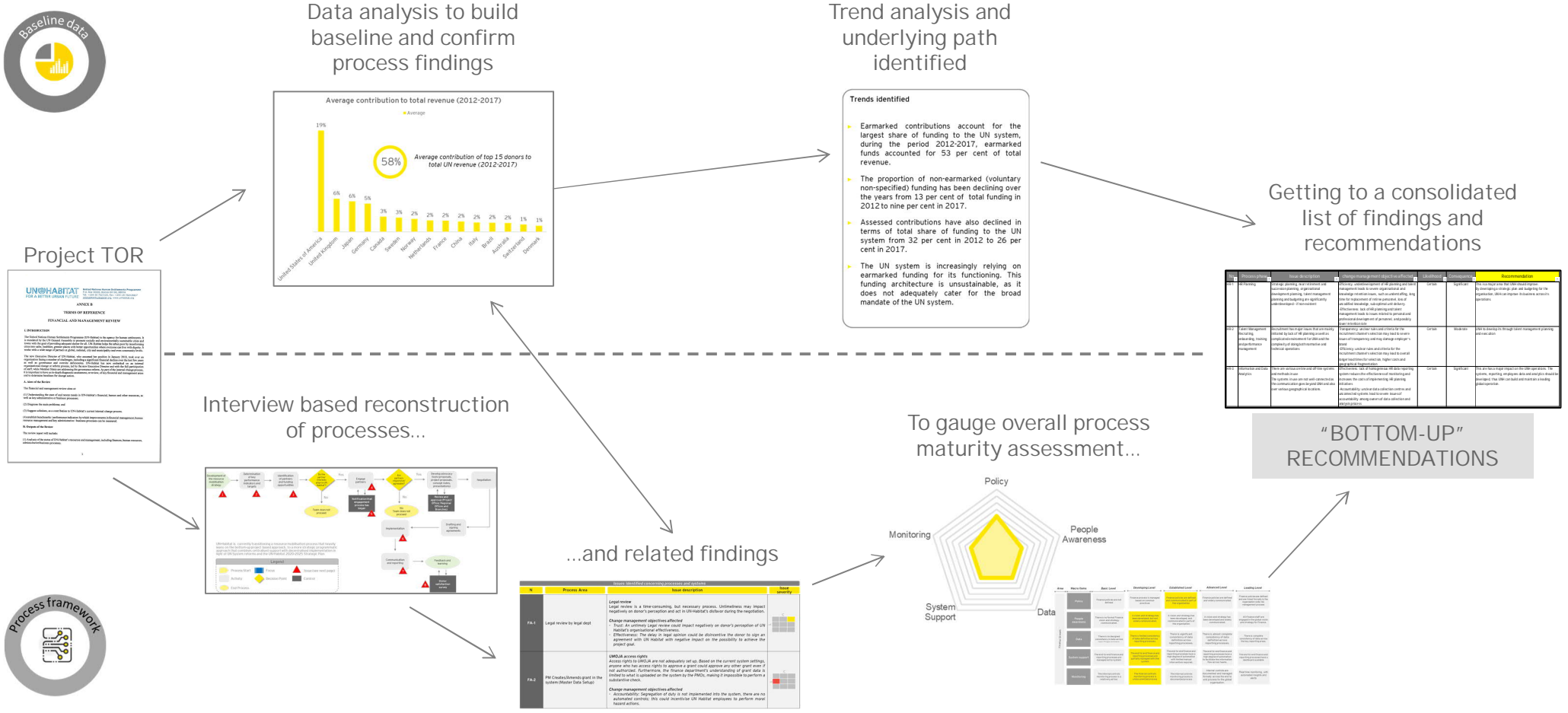
Methodology



- ▶ The purpose of the project is to help jointly identify areas for improvement, providing an external point of view
- ▶ Data provided by UN-Habitat was analysed and assessed in good faith, no investigation of cases of bad data inputs were performed
- ▶ In order to fill gaps in available information, a non-statistical sampling of documentation was performed. This sampling served to glean a rough picture of the situation, it does not claim in any way statistical significance
- ▶ The goal of the project is not to perform an audit / investigation nor a formal evaluation, therefore no specific audit or evaluation standards have been applied

# Conceptual map of the project according to TOR

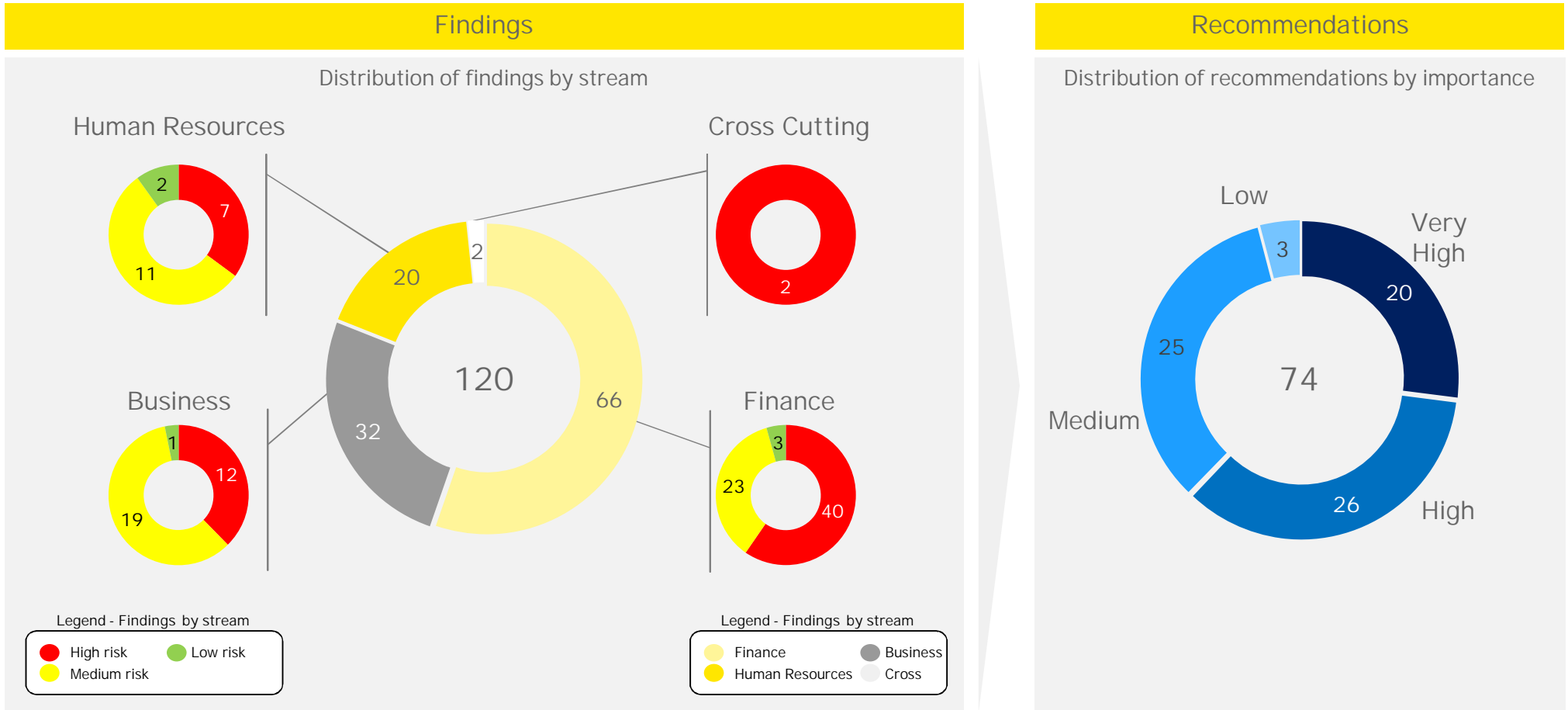
On the basis of the project ToR, we have followed two analytical tracks: one based on data analysis and one based on the review of processes and interviews, to corroborate findings and come to recommendations...





# Summary of bottom-up analysis

74 recommendations have been made with regards to 120 findings: 27% are of very high importance recommendations

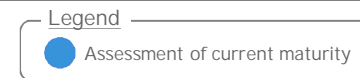


# Summary of data and process analysis

Overall, the findings are symptomatic of a broader problem regarding a generally low level of maturity across all the processes analysed

Process	Maturity overview	Find*	Rec**	Current maturity level				
Travel Management	<ul style="list-style-type: none"> <li>Weak travel planning, no corporate guidelines on it</li> <li>Absence of a centralised repository of mission reports</li> <li>No focal point present to systemically analyse available data</li> <li>Travel policy ill-adapted to internal travel</li> </ul>	7	2	Basic	Developing	Established	Advanced	Leading
Procurement	<ul style="list-style-type: none"> <li>Weak planning and systemic analysis of procurement data</li> <li>Need to streamline process to ensure timely delivery to technical assistance projects</li> <li>Absence of a dedicated procurement focal point</li> </ul>	7	5		Developing	Established		
Project Management	<ul style="list-style-type: none"> <li>Lack of trained/certified project managers</li> <li>Absence of training material / manuals</li> <li>Weak corporate monitoring ability</li> <li>Weak reporting due to data quality and availability</li> </ul>	19	12			Established		
Human Resources	<ul style="list-style-type: none"> <li>Weak capability of enforcing corporate policy</li> <li>Near-complete decentralisation to field, extensive use "alternative" recruitment channels</li> <li>Severe lack of visibility over HR data (headcount)</li> </ul>	21	10	Basic				
Budgeting and Expenditure Management	<ul style="list-style-type: none"> <li>Cost recovery policy being reviewed to define a more rigorous methodology</li> <li>Lack of transparency and appropriate communication concerning calculation mechanisms</li> <li>Confusion as to the added value of the PSC rate</li> </ul>	11	9			Established		
Internal Borrowing	<ul style="list-style-type: none"> <li>Lengthy authorisation process hampers the timeliness and effectiveness of the process</li> <li>Need to build awareness around this process, as not well-known within UN-Habitat</li> </ul>	10	7			Established		
Implementing Partner Management	<ul style="list-style-type: none"> <li>Monitoring of funds released to such partners is not always rigorous</li> <li>Need for better monitoring</li> </ul>	3	2				Advanced	
Funding agreement Management	<ul style="list-style-type: none"> <li>Many small bottlenecks across the funding agreement life-cycle (time needed for legal review; lack of follow-up concerning overdue payments; etc.)</li> <li>Lack of a full IT integration between corporate systems</li> </ul>	27	19			Developing		
Resource mobilisation	<ul style="list-style-type: none"> <li>Need to ensure corporate governance and oversight over mobilisation activities</li> <li>Need to better showcase results / outcomes of both normative and technical assistance work performed by UN-Habitat branches and field offices</li> </ul>	13	12		Developing			

\*Find = Findings  
 \*\* Rec = Recommendations  
 The number of findings and recommendations does not include cross cutting themes.





## Focus on the “High-importance” recommendations (1/2)

Below is an overview of the 20 recommendations of “high importance” and evidence of how these are connected to the originating processes. Some of these recommendations are “quick wins”\*.

Originating process	Recommendation ID	Recommendation description	Quick win?
Resource Mobilisation	R-RM-01	A resource mobilisation strategy and communication strategy needs to be developed in line with the Strategic Plan, integrated programme approaches and UNDAFs at the country level. Strategic Plan then needs to be costed and cascaded.	
	R-RM-06	Engage with relevant stakeholders to address specific issues that UN-Habitat is facing in post-disaster and conflict areas.	✓
	R-RM-09	Re-engage donors to enable them understand the importance of funding. Exploit new sources of revenue e.g foundations, pooled funding and thematic funding. Raise awareness of the comparative advantage of UN-Habitat. Set targets for the different funding sources.	
	R-RM-10	Broaden donor base and target countries that provide majority of their funding as non-earmarked. Target individual giving as a mechanism for funding (Foundations are playing an important role in development work with potentially US\$ 120 trillion in investment funds that are seeking opportunities to invest).	
	R-RM-11	Broaden national government donor base beyond top 10 countries. Leverage other sources of funding as a mechanism for financing.	
	R-RM-12	Identify skills requirements and build capacity in line with the resource mobilisation strategy. Document best practices in resource mobilisation.	
Budget and Expenditure Management	R-BU-01	Review the activities related to needs definition and gathering from different organization units (branches, regions, etc), in order to ensure that needs are properly considered and assessed during budget proposal definition.	
	R-CR-2	Review the cost recovery policy, with the objective of clarifying the calculation of PSC and strengthening the communication flows and accountability.	✓
Funding Agreement Management	R-WO-1	Define a procedure that regulates write-off/write-down in order to: <ul style="list-style-type: none"> <li>- consider exchange rate fluctuation in contract stipulation</li> <li>- establish mandatory authorization steps to be performed</li> </ul> Furthermore, there is an opportunity to review RACI matrix for the roles involved and define risk management procedures around exchange rate risk.	✓

\* A quick win is an improvement that is visible, has immediate benefit, and can be delivered quickly.

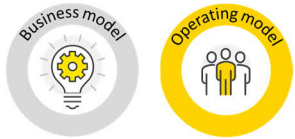
## Focus on the “High-importance” recommendations (2/2)

Most of the recommendations insist on the same overarching topics whose root causes are connected to some key organisational elements (organisational structure, SOPs, roles and responsibilities, etc.)

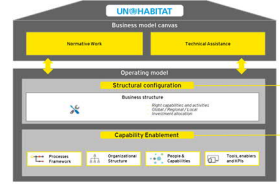
Originating process	Recommendation ID	Recommendation description	Quick win?
Funding Agreement Management	R-FA-09	Identify Project Management KPIs and design a dashboard in order to develop additional project reports within a shorter timeframe (i.e. monthly reports), to strengthen the current reporting and monitoring process.	
Human Resources	R-HR-01	It is necessary to develop a Human Resource planning process, as part of both the overall corporate strategic planning and budgeting processes.	
	R-HR-03	HR systems should be developed focusing on reporting, employees data and analytics, in order to build and maintain a global leading function.	
	R-HR-07	It is necessary to develop more effective and transparent recruitment processes based on the use of diversified channels and on defined criteria. Criteria, where possible, should be set at the corporate level in order to ensure consistency across the organisation and avoid the perceived lack of fairness in the recruitment and contracting process.	
	R-HR-13	Redesign the Resource Mobilisation organisational structure to be responsive for integrated activities (technical assistance and normative work).	
Project Management	R-PM-17	Strengthen initial Project Planning in order to reduce the IHAs occurrence and to have a better budget allotment on projects	✓
	R-PM-5	Implement the risk management as it is already setup in guidelines (project risk evaluation methodology and template), decline the risk register on the basis of project's nature and identify preliminary mitigating actions.	✓
Procurement	R-PR-3	Training for the correct use of Umoja, especially for the correct product - category assignment. Furthermore, it would be needed to map in the system the delegation of authority for ROAS.	✓
	R-PR-2	Strengthen monitoring and define a set of KPI in order to measure the main Procurement Metrics, also for the purchases performed by UNOPS and UNDP	
Cross-cutting	R-FA-6	Optimize the integration between Umoja and PAAS in order to have a better alignment between the systems, make data analysis easier and have consistent reporting.	
	R-FA-7	Strengthen the IT department by establishing a focal point supporting the organization in extraction, reporting and data management.	✓

# Conceptual map of the strategic analysis ("top down")

Besides the bottom-up analysis, we have also adopted a top-down approach, looking at the business and operating model of UN-Habitat



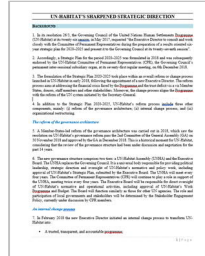
Customized methodology for business and operating model assessment



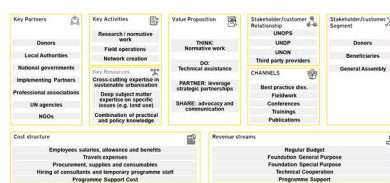
Strategic questions

- Is the organisation fit for purpose to implement the new strategic plan?
- Are Human Resources optimised and have they the right skills?
- Where can the business model be improved?

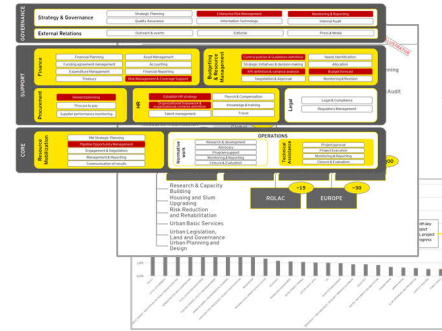
Future strategy and change management documents review



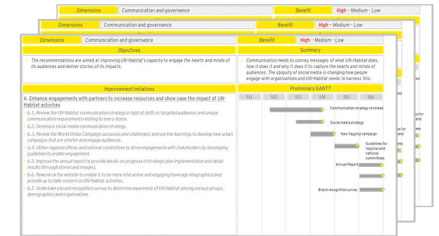
Business model canvas to assess current business model



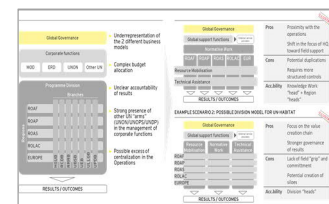
Operating model elements analysis and considerations



Working areas



Considerations on the Business structure

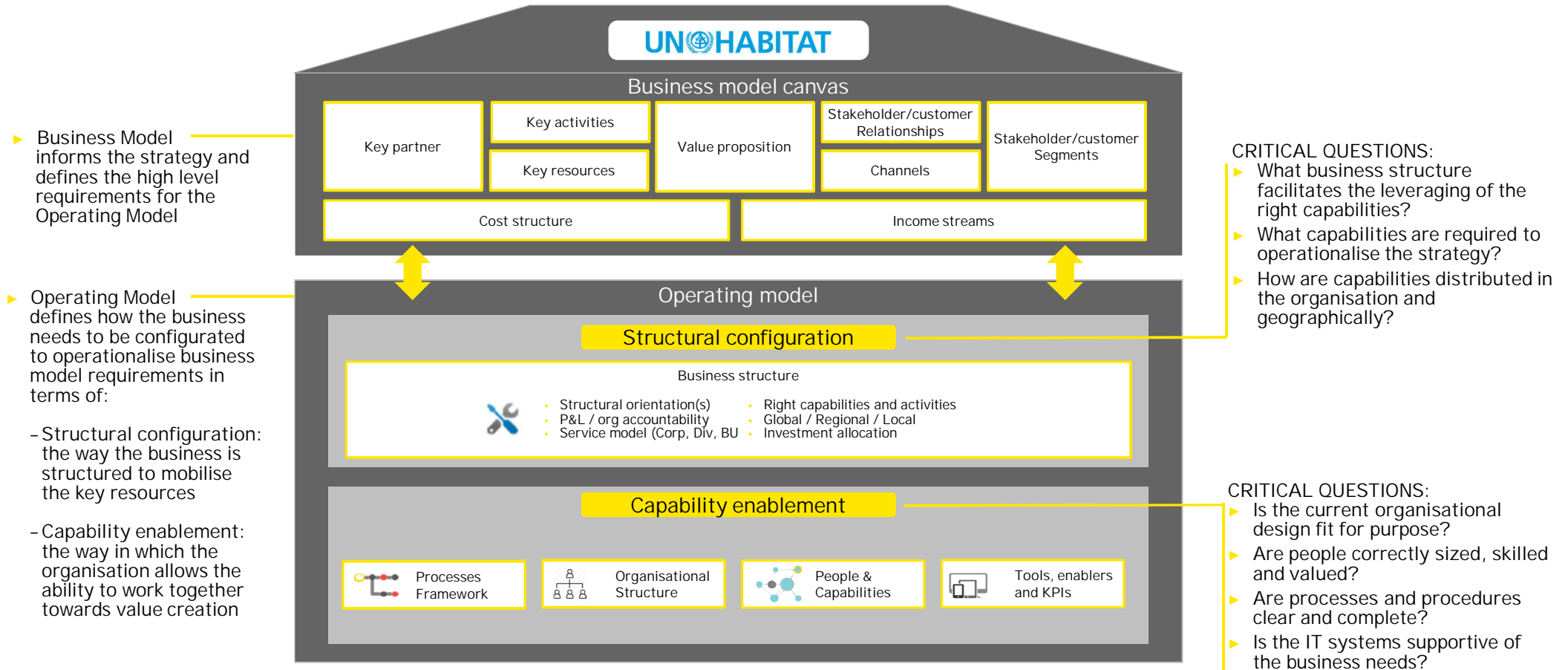


including

"BOTTOM-UP" RECOMMENDATIONS

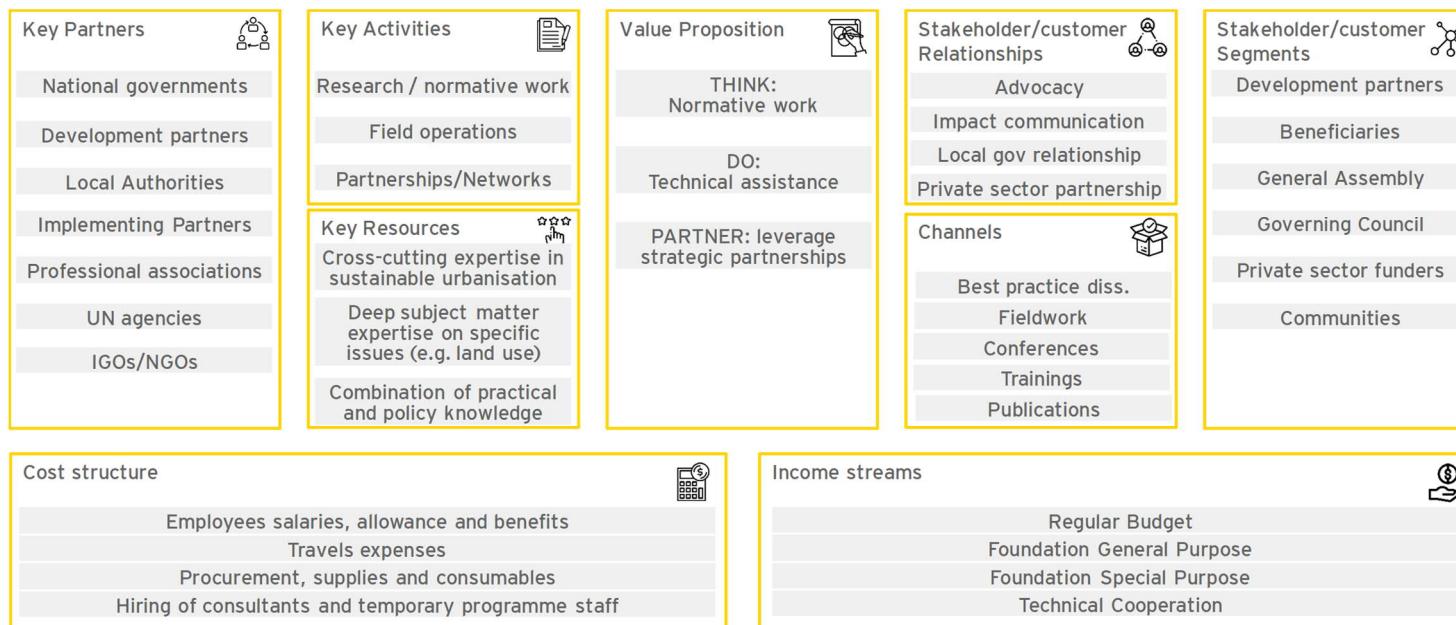
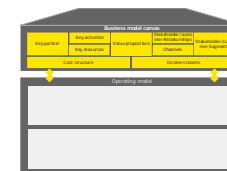
# Framework for the strategic considerations

A customized methodology for the business and operating models assessment has guided the analysis, leading to assess the main organisational elements that underpin UN-Habitat operations



# Strategic analysis: starting point

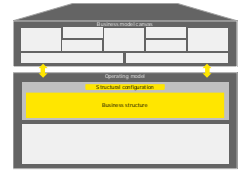
The Business Model Canvas provides an overview of the “core business” of the organisation, namely normative work, technical assistance, and UN focal point for all urbanisation matters



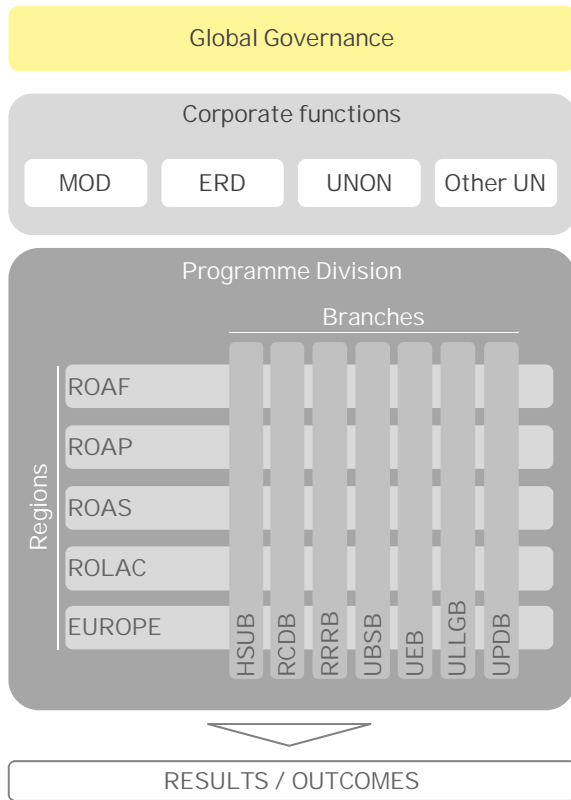
- ▶ The analysis of the business model performed through the above Canvas, could help revealing the differences between the three businesses, in terms of how the value proposition is generated and how it is delivered to the “customers”
- ▶ The coexistence of three businesses should be reflected and integrated in UN-Habitat’s Operating Model, in terms of both structural configuration and capability enablement
- ▶ The design of each UN-Habitat organizational element should appropriately consider the diversity of the three businesses, in terms of requirements, operation logic, capability model, working structure, etc.

# Strategic analysis: Business structure

Prior to defining the detailed organisational design, it is critical to define the business structure and where authority and accountability for results will sit within the organisation



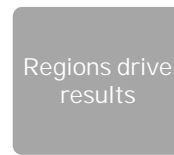
## CONSIDERATIONS ON THE CURRENT BUSINESS STRUCTURE



- ▶ Underrepresentation of the 3 different business models
- ▶ Unclear accountability of results
- ▶ Complex budget allocation due to unclear boundaries in competence areas and process ownership
- ▶ Strong presence of other UN "arms" (UNON/UNOPS/UNDP) in the management of corporate functions
- ▶ Difficult to coordinate and to oversight a full matrix model

- ▶ Many alternative models can be leveraged by UN-Habitat to tackle some of the highlighted issues in the current business structure and better serve its mandate
- ▶ The to-be model can be defined according to different principles (decentralization, controls, risk management, donor perspective, etc.)
- ▶ Below we provide a few illustrative example to stimulate further thinking

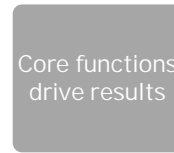
### EXAMPLE SCENARIO 1: REGIONAL MODEL



Pros	Proximity with the operations Shift in the focus of HQ toward field support
Cons	Potential duplications Requires more structured controls
Acc.bility	Region "heads"

ILLUSTRATIVE

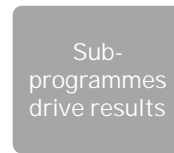
### EXAMPLE SCENARIO 2: FUNCTIONAL MODEL



Pros	Focus on the value creation chain Strong governance of results
Cons	Lack of field "grip" and commitment Potential creation of siloes
Acc.bility	Core functions "heads"

ILLUSTRATIVE

### EXAMPLE SCENARIO 3: THEMATIC AREAS MODEL

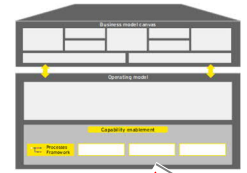


Pros	Drives thematic (sub-program) expertise Strongest governance of results
Cons	Potential lack of field "grip" and commitment Potential unhealthy "competition" among sub-programmes
Acc.bility	Sub-program "heads"

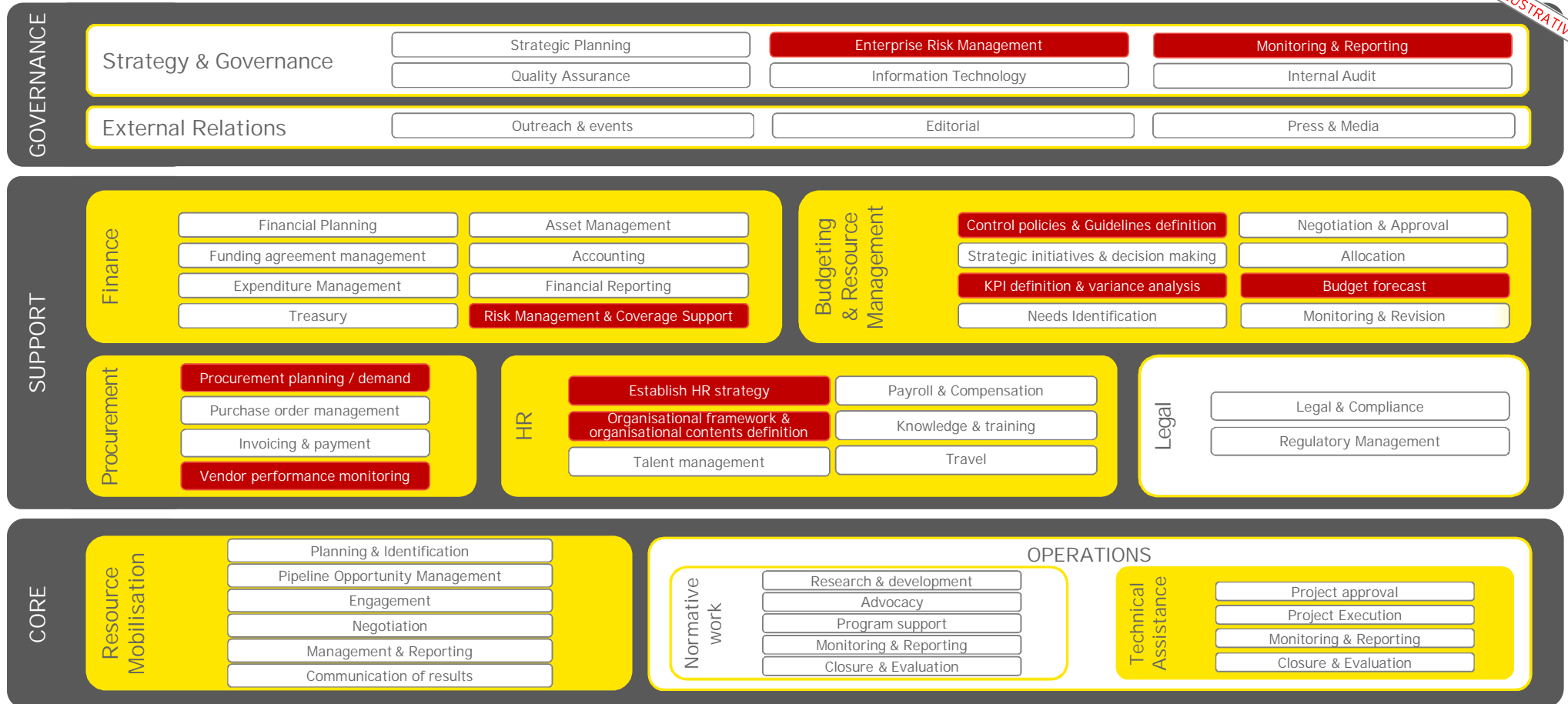
ILLUSTRATIVE

# Strategic analysis: UN-Habitat Processes framework

Starting form a comprehensive process framework could help UN-H to work on it process and SOPs drafting in a more consistent and inclusive manner



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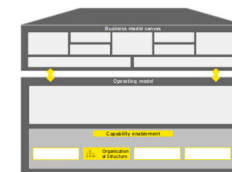


- Not analysed as part of the MR
- Area analysed as part of the MR
- Sub process potentially not governed completely - to be further investigated and confirmed

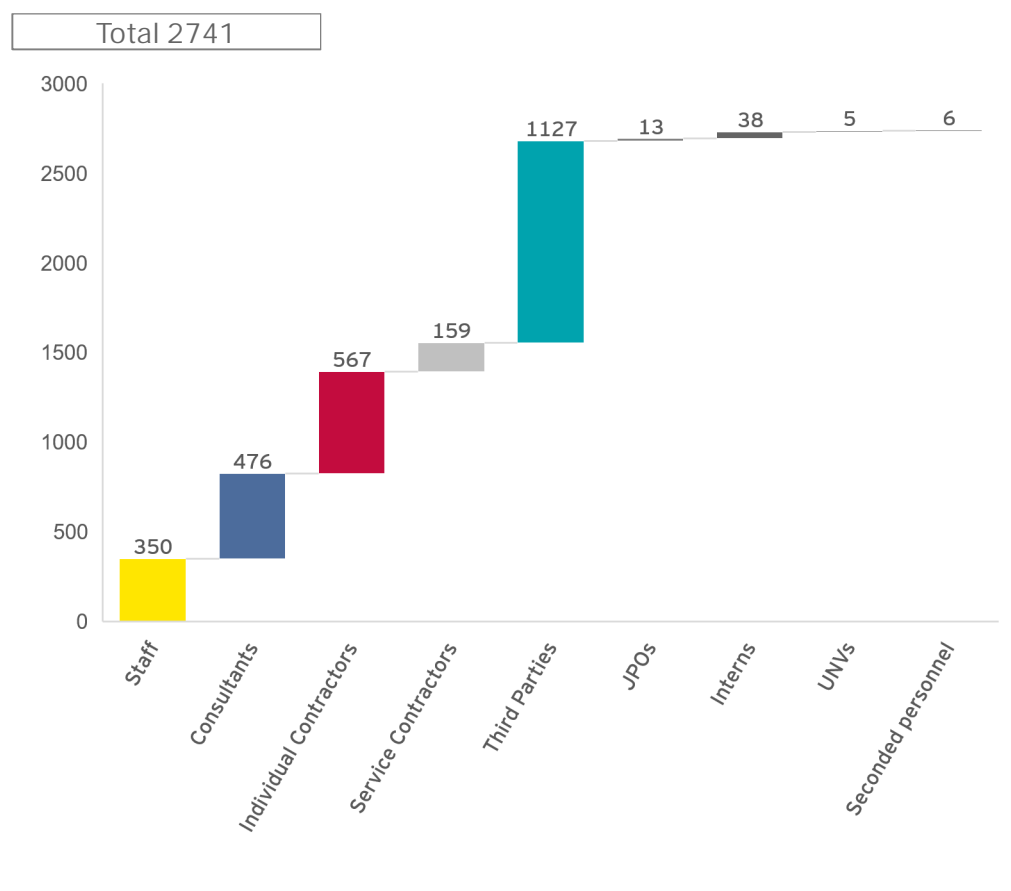


# Strategic analysis: UN-Habitat HR baseline

Headcount of personnel by contract category as of 31<sup>st</sup> December 2018 (included)



Headcount of personnel by contract category



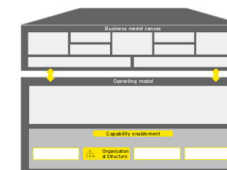
Contract categories

Channel	Contract type	Category	No.	Sub Tot
Secretariat		Consultants	3	296
		Staff	69	
		Staff	149	
		Staff	66	
		Staff	9	
UNON	Consultant Services (Delivery)	Consultants	444	471
	Consultant Services (Month)	Consultants	13	
	Individual Contractor Services (Month)	Individual Contractors	10	
	Individual Contractor Serv (Delivery)	Individual Contractors	4	
UNDP	Fixed Term Appointment	Staff	50	225
	International regular - LT	Consultants	1	
	International Specialist - LT	Consultants	4	
	Intl Youth LT	Consultants	1	
	National Specialist - LT	Consultants	5	
	National Specialist - ST	Consultants	3	
	National Youth	Consultants	1	
	Intl Youth university - ST	Consultants	1	
	Service Contract	Service Contractors	159	
	UNOPS	Partner - LICA-Support	Individual Contractors	
Partner - LICA-Specialist		Individual Contractors	120	
Partner - IICA		Individual Contractors	59	
Partner - Lumpsum		Individual Contractors	58	
Partner - IP FTA		Staff	6	
Partner - IP TA		Staff	1	
Partner - Retainer		Individual Contractors	3	
3 <sup>rd</sup> Parties	CTG	CTG	1117	1127
	Stars Orbit *1	SOC	10	
Other	JPOs	JPOs	13	62
	Interns	Interns	38	
	UNVs	UNVs	5	
	Seconded personnel	Seconded	6	

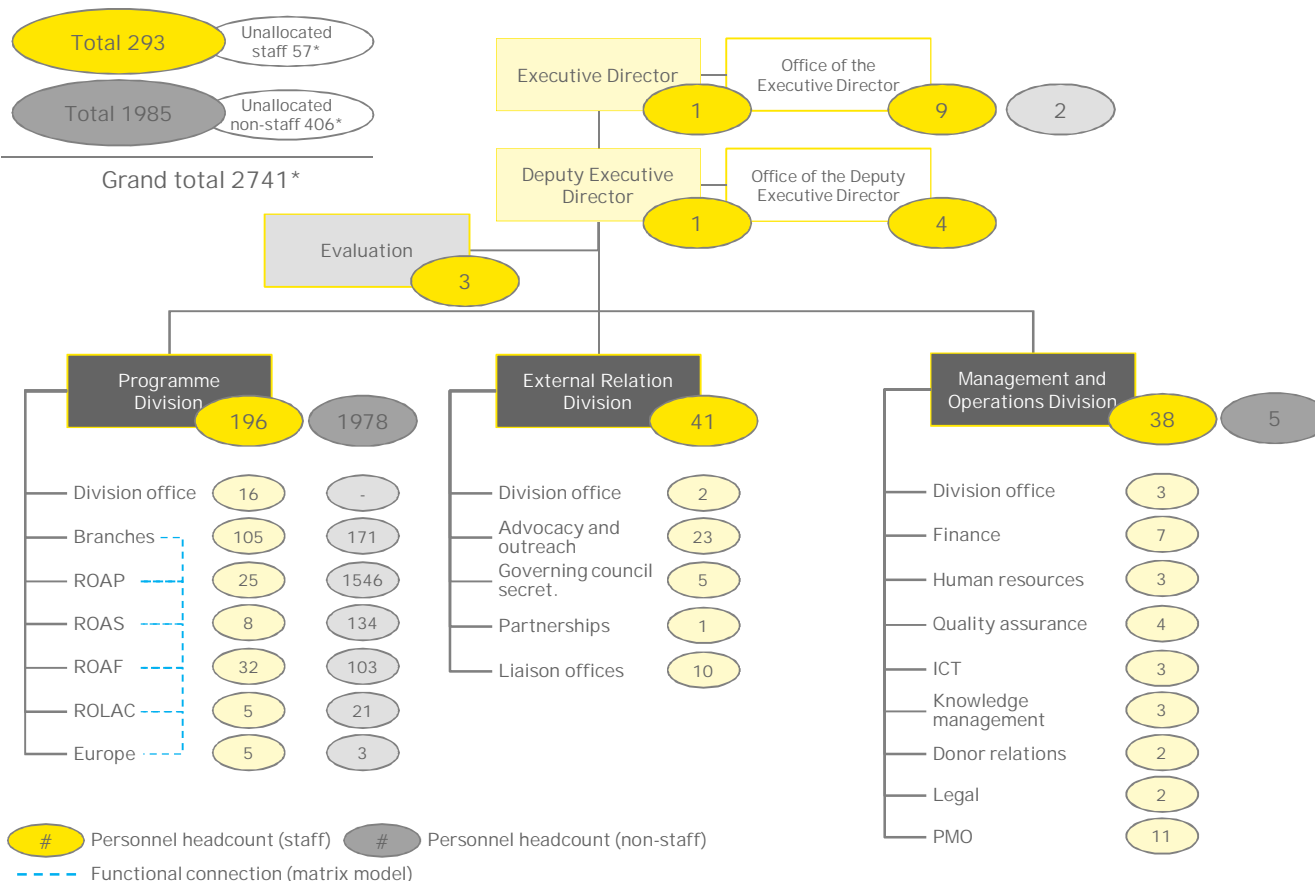
(1) Estimated by the interviews

# Strategic analysis: Organisational structure

The current organisational structure analysis unveil some potential issues and suggest the adoption of four main designing principles for its evolution



## CURRENT UN-HABITAT ORGANISATIONAL STRUCTURE



## CONSIDERATIONS ON THE CURRENT ORGANISATIONAL STRUCTURE

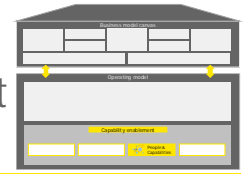
- ▶ Unclear boundaries among functions, that mixes different capabilities areas
- ▶ Unclear coverage/ownership of processes
- ▶ Suboptimal span of control (> 95% in one Division)
- ▶ "Hierarchical distance" of some core business from the top management
- ▶ Presence of duplications and inconsistent internal organisation of ROs

## GENERAL DESIGNING PRINCIPLES TO BE ADOPTED

- ▶ Adequate representation of the "three businesses"
- ▶ Balanced span of control
- ▶ Segregation of duties and check & balances mechanisms embedded in the structure
- ▶ Creation of homogeneous capability areas

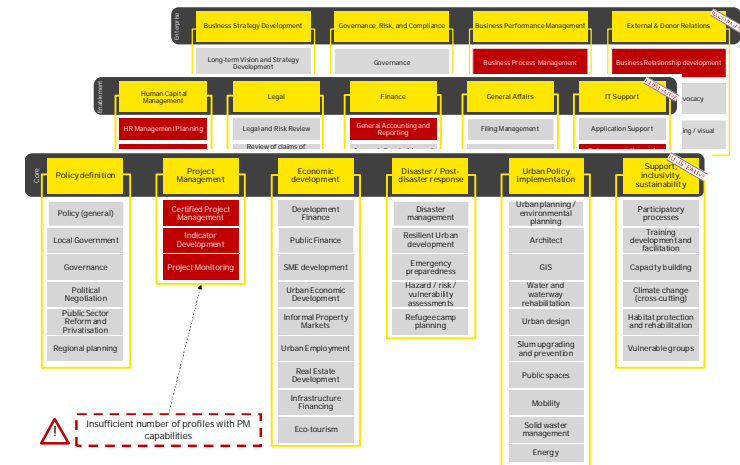
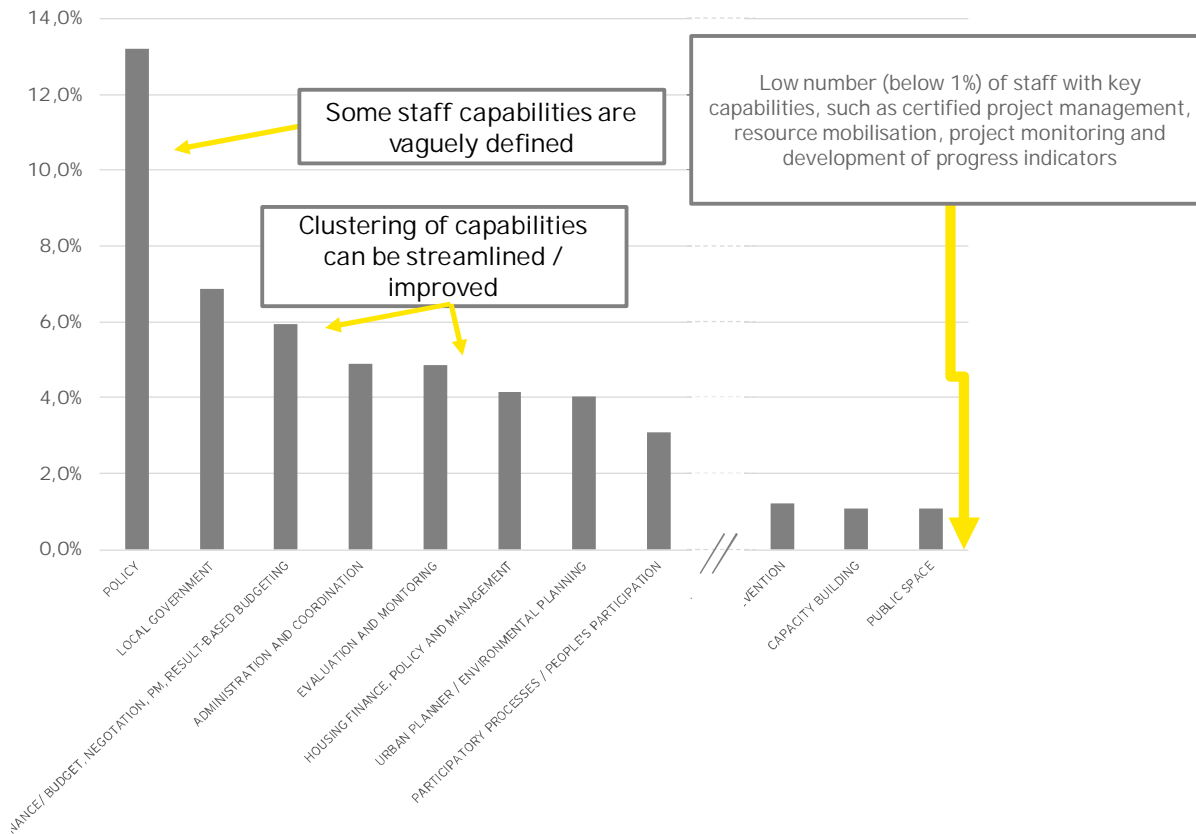
# Strategic analysis: Capability model & organisational sizing

An analysis of the internal skills DB shows that UN-Habitat's organisational capabilities are not updated; there is a need for a "right-sizing" exercise



CURRENT UN-HABITAT CAPABILITY MAPPING\*

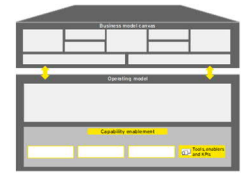
CONSIDERATIONS FOR THE DEVELOPMENT OF UN-HABITAT CAPABILITY MODEL\*



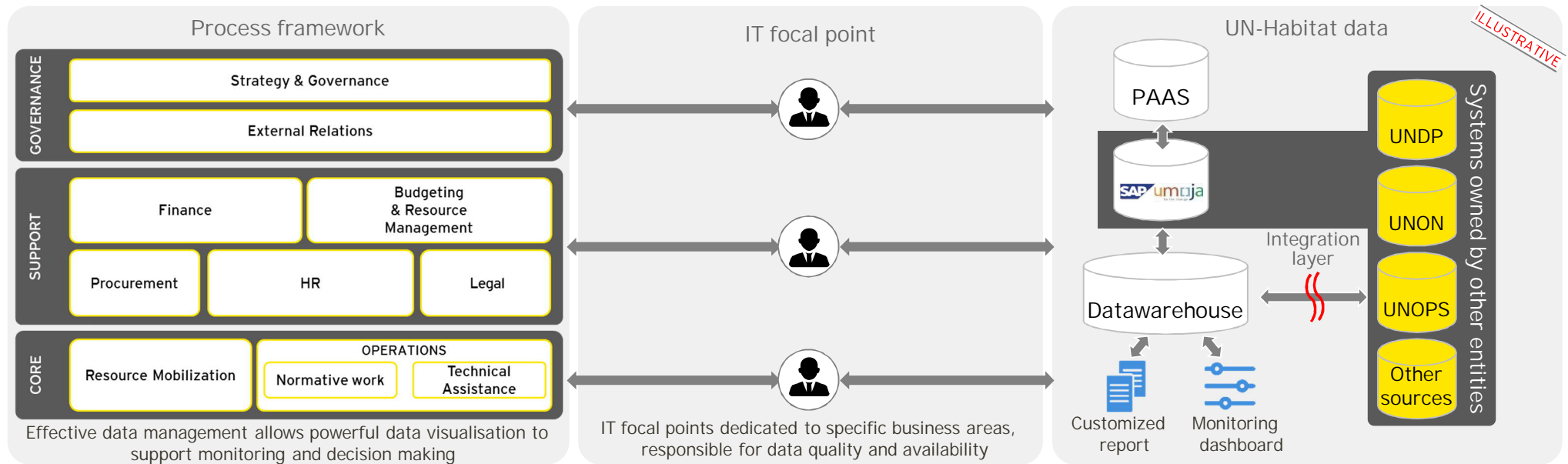
- ▶ Capability models are used to determine the quality and the quantity of workforce needed to execute on the business strategy and identify the gaps between current and future workforce needs
- ▶ A preliminary exercise has been conducted to determine which are the key capabilities that UN-Habitat needs and which are the main current gaps
- ▶ 15 capability areas and 79 capabilities identified as a preliminary proposal
- ▶ Within these 79 capabilities, at least 24 capabilities need to be further investigated in terms of actual capacity and right sizing

# Strategic analysis: Data management

Data Management initiative should be driven by the business and conducted in close collaboration with the UNSG IT function, in all its components



## Data management approach



# Summary strategic analysis

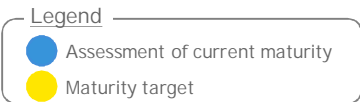
The analysis has led to 5 strategic considerations based on the elements of UN-Habitat's Operating Model

Structural configuration	<div style="text-align: center;"> <span style="font-size: 24px; font-weight: bold; border: 1px solid black; border-radius: 50%; padding: 5px;">5</span> Business Structure  </div> <p>Prior to defining the detailed organisational design, it is critical to define the business structure and where authority and accountability will sit within the organization. The business structure will then drive capability choices. UN-Habitat current business structure seems to be too concentrated in just on Division and does not seem to adequately represent the two different businesses</p>				
Capability enablement	<div style="text-align: center;"> <span style="font-size: 24px; font-weight: bold; border: 1px solid black; border-radius: 50%; padding: 5px;">1</span> Processes Framework  </div> <p>The vast majority of UN Habitat's processes are not adequately defined, or supported by formalized procedures (or properly customized to UN-Habitat's needs, if governed by UNSG).</p> <p>Many scattered attempts to codify and formalize organizational documents, without however a single and coherent direction</p> <div style="text-align: center; margin-top: 20px;"> </div> <p>UN Habitat should work on a comprehensive process map, in order to make roles and responsibilities clear, set standards and expectations in an integrated process and controls framework</p>	<div style="text-align: center;"> <span style="font-size: 24px; font-weight: bold; border: 1px solid black; border-radius: 50%; padding: 5px;">2</span> Organisational Structure  </div> <p>Based on the analysis performed, some processes like Human Resources and Procurement do not have clear accountability and positioning within UN Habitat's Organisational Chart</p> <p>The analysis of the process framework has highlighted an opportunity to strengthen the governance for some supporting processes and to facilitate the collaboration between HQ and the field. These principles should be clearly reflected in the Organisational Structure.</p> <div style="text-align: center; margin-top: 20px;"> </div> <p>UN Habitat should perform a review of its organisational structure, according to the selected business model and the target objective of process governance</p>	<div style="text-align: center;"> <span style="font-size: 24px; font-weight: bold; border: 1px solid black; border-radius: 50%; padding: 5px;">3</span> People &amp; Capabilities  </div> <p>UN Habitat's organisational capabilities are not always fit for purpose and they are not managed in perspective and in consideration of the future strategy.</p> <p>In particular, there is no capability model in place that helps identify which and how many competences are available or are needed now and in the future within the Organisation.</p> <p>Training is also rarely focused on business issues, focusing more on ethics and compliance topics.</p> <div style="text-align: center; margin-top: 20px;"> </div> <p>There is a need to develop a capability model and to conduct a right-sizing exercise in order to ensure that the organisation is equipped with the right skills and that these are consistently allocated</p>	<div style="text-align: center;"> <span style="font-size: 24px; font-weight: bold; border: 1px solid black; border-radius: 50%; padding: 5px;">4</span> Tools, enablers and KPIs  </div> <p>Data management can be improved in all processes across the organization, along with enabling tools and dashboards, with particular regards to all support functions.</p> <p>In general, KPI based monitoring and review is not implemented and streamlined.</p> <div style="text-align: center; margin-top: 20px;"> </div> <p>In light of these considerations, UN-Habitat should undergo a Data Management and IT Governance process review in order to improve system integration and ensure data quality and availability</p>	

# Maturity level improvement

Target of the implementation phase is to bring all processes at an “established-advanced” level within the first 2 years of the new Strategic Plan, and set-up mechanisms for their continuous improvement

Process	Maturity level (target after 2 years)					Key improvement objectives	Main actions	Link to Change Mgmt Objectives				
Travel Management	Basic	Developing	Established	Advanced	Leading	Improve the global governance of the process	<ul style="list-style-type: none"> <li>Implementing travel planning</li> <li>Appoint Travel Management focal point</li> <li>Improving reporting activities</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Procurement		Developing	Established	Advanced		Improve global governance and procurement efficiency	<ul style="list-style-type: none"> <li>Ensuring better planning and systemic analysis of procurement data</li> <li>Appoint procurement focal point</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Project Management		Developing	Established	Advanced		Improve the Project Management framework	<ul style="list-style-type: none"> <li>Better definition of role &amp; responsibilities</li> <li>Introducing KPI based monitoring</li> <li>Enhancing training</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Human Resources		Developing	Established	Advanced		Implement HR end-to-end process governance	<ul style="list-style-type: none"> <li>Full end-to-end process review</li> <li>Clear ownership, role &amp; responsibilities</li> <li>Improving data management</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Budgeting and Expenditure Management		Developing	Established	Advanced		Define transparent budget allocation and cost-recovery methodologies fully accepted by the organisation	<ul style="list-style-type: none"> <li>Reviewing the budgeting process</li> <li>Reviewing and implementing a new cost recovery policy</li> <li>Implementing a supporting tool</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Internal Borrowing		Developing	Established	Advanced		Improve the effectiveness of the internal borrowing system process	<ul style="list-style-type: none"> <li>Reviewing the Internal Borrowing procedure</li> <li>Improving the awareness of the process across the organisation</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Implementing Partner Management		Developing	Established	Advanced		Improve the governance of Implementing Partner management	<ul style="list-style-type: none"> <li>Defining and implementing a monitoring process over funds released</li> <li>Improve the formalisation of verifications performed at IP selection phase</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Funding agreement Management		Developing	Established	Advanced		Improve the end-to-end process for managing funding agreements	<ul style="list-style-type: none"> <li>Improve IT integration between corporate systems, databases and data visualisation</li> <li>Defining a procedure governing the entire process</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust
Resource mobilisation		Developing	Established	Advanced		Develop the resource mobilisation strategy and communication plan	<ul style="list-style-type: none"> <li>Develop resource mobilisation targets</li> <li>Improve reporting to communicate impact</li> <li>Define skills requirements and define roles and responsibilities across areas</li> </ul>	Effectiveness	Efficiency	Accountability	Transparency	Trust



# Organisational transformation journey

While both the views can be used to initiate an organisational transformation journey, it is advised that UN-Habitat follows the more comprehensive approach provided by the working areas (the top-down view)

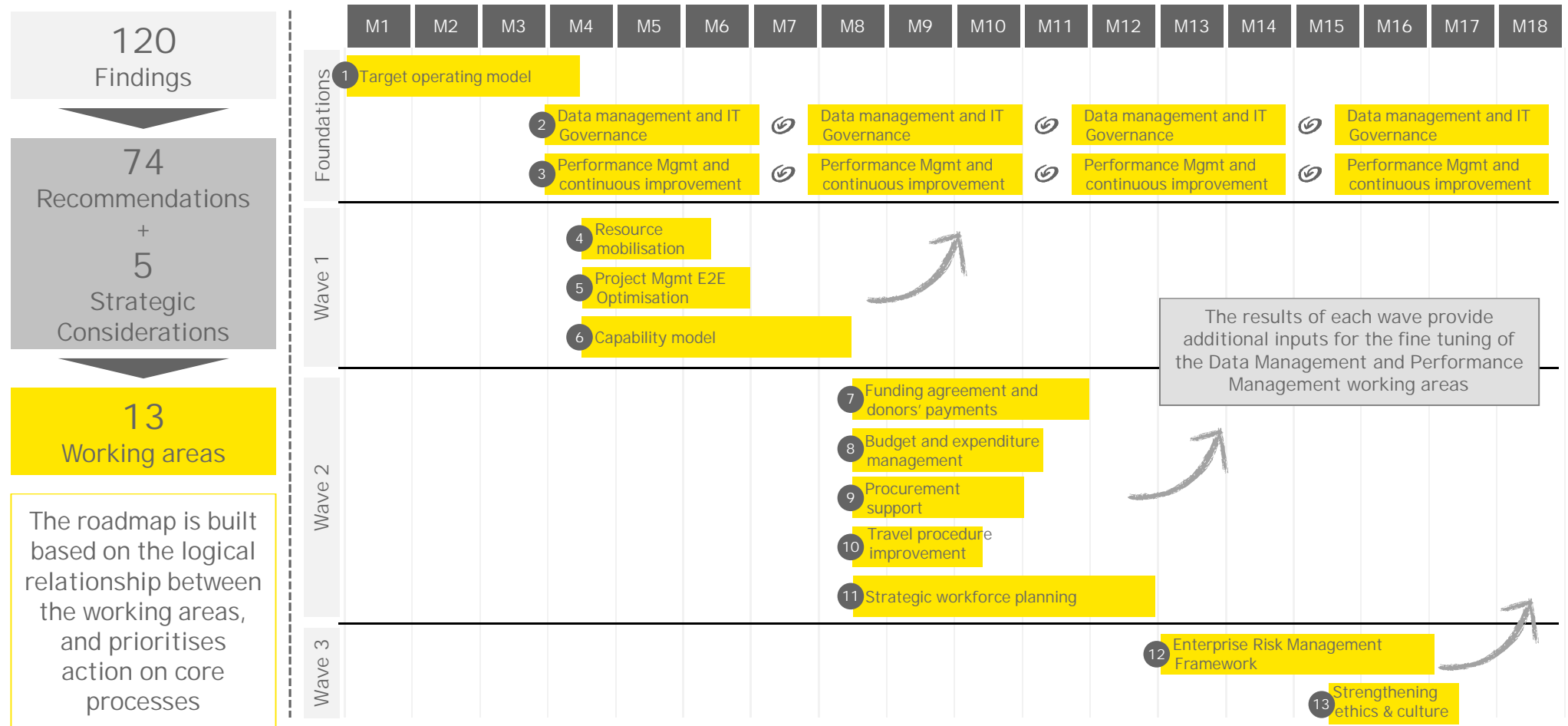
- ▶ UN-Habitat has been provided with a double view: detailed, function specific, actionable recommendations (bottom-up view) and corporate, broader and strategic “Working areas” (top-down view)
- ▶ The “top-down” considerations lead to identify a series of wider and cross-functional improvements, that have been used to aggregate all the bottom-up recommendations (see Annex I) into broader “working areas”

	74 recommendation	13 Working areas <i>Suggested approach</i>
Implementation approach	<ol style="list-style-type: none"> <li>1. Review bottom-up recommendations</li> <li>2. Select most relevant/applicable</li> <li>3. Assign specific responsibilities and timing for the implementation</li> <li>4. Monitor the implementation of each recommendation</li> </ol>	<ol style="list-style-type: none"> <li>1. Refine working area scopes</li> <li>2. Review the logical dependencies and the roadmap</li> <li>3. Define the transformation management office (see page 65) to commit to larger transformation projects</li> <li>4. Implement projects according to logical sequence/priority</li> </ol>
Pros	<ul style="list-style-type: none"> <li>▶ Generally speaking, a single recommendation is easier to implement than a “working area”</li> <li>▶ Recommendations can be assigned to different owners and implemented in parallel</li> <li>▶ Lower and more flexible investment needed</li> </ul>	<ul style="list-style-type: none"> <li>▶ More consistent approach with a 360° look at the organization</li> <li>▶ End-to-end view on the processes, avoiding misfocused approaches to address only part of the issues</li> <li>▶ More effective to tackle the strategic and organisational root causes of the issues</li> </ul>
Cons	<ul style="list-style-type: none"> <li>▶ Risk of an inconsistent, patchy, approach to solve problems, whose root causes lie in structural configuration</li> <li>▶ Potentially “self-managed” implementation, with limited capacity to see the evolving “big-picture”</li> <li>▶ Risk of parallel development of solutions that pursue conflicting goals</li> </ul>	<ul style="list-style-type: none"> <li>▶ Requires greater investments and longer timeframe</li> <li>▶ Risk of “unfinished work”, in most cases the working area deliver results only if all the activities within the project are completed</li> <li>▶ Need a structured Project Management approach and dedicated resources to drive the implementation</li> </ul>



# Roadmap

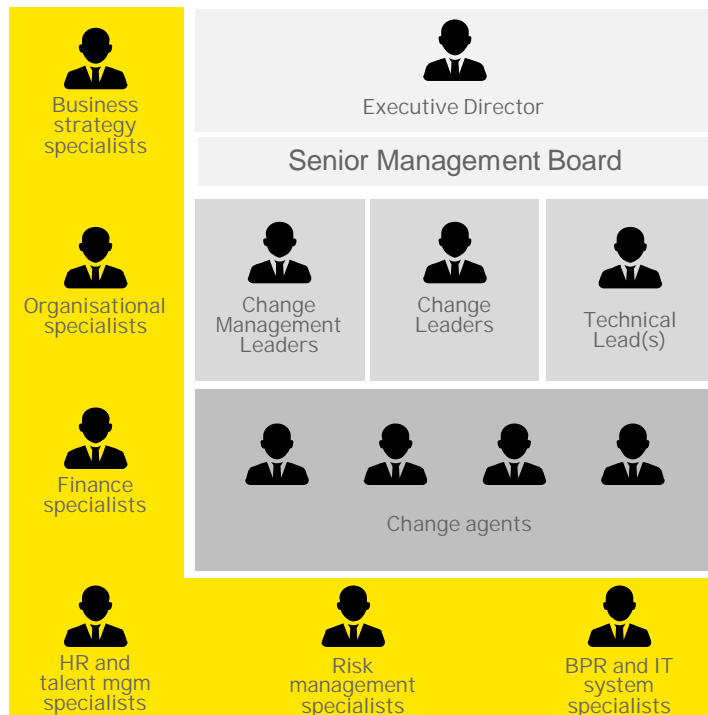
The identified recommendations together with the strategic improvement guidelines can be implemented through 13 working areas, which guarantee a comprehensive approach to the transformation journey



# Organisational transformation governance

The comprehensive transformation journey to be undertaken by UN-Habitat will require the development of a function dedicated to overseeing change processes

In line with the strategic vision and purpose of UN-Habitat, keeping sight of the point of view of internal stakeholders and the available budget and timeframe, it is suggested that an overall transformation journey should be designed, implemented, driven and managed by a specific task-force: the Transformation Management Office (TMO).



Considering the Transformation journey's magnitude, key factors are represented by the Executive Director's endorsement, together with the SMB, the commitment of the internal/external stakeholders involved and the availability of resources with very specific skill sets and experience.

**Role:** The Leads are specialists in specific transformation areas and can be sourced from any where within and outside UN-Habitat (i.e.: other UN agencies).

**Skills:** The three main skills at this level are large scale change management (including change planning, benefits management, stakeholder management, comms), project management (including program planning, risk management, budget and resource management) and technical leads in areas undergoing significant transformation.

**Role:** The change agents are a dedicated team of analysts who support the Director and Leads in implementing transformation activities.

**Skills:** Whilst the skills required are again preferably change management and programme management, these roles can be used as training grounds for smart, motivated employees from any background to form them into change agents.

**Role:** pools of additional resources will be required to supplement and technically support the transformation office at varying points in time. These experts can again be sourced from within and outside UN-Habitat.

**Skills:** The key skills required from this pool is technical areas across the 4 pillars, legal experts and other independent transformation advisors.

# Target operating model

Working area n° 1	Target Operating Model	Benefit	High				
<b>Objectives</b>							
<ul style="list-style-type: none"> <li>The Target Operating Model allows to define the structure that optimally delivers against “market” (in the case of UN-Habitat, these are donors and beneficiaries) and functional requirements</li> <li>In order to redefine the Target Operating Model, capabilities must be assessed to consolidate the ones that are already in place and identify the capabilities that can be shared in the organisation</li> </ul>							
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>					
		M1	M2	M3	M4	M5	M6
1. Define the business structure and where authority and accountability will sit within the organisation		Target Operating Model					
2. Identify the target organisational chart on the basis of the corporate business model and to the re-balancing of UN-Habitat’s value proposition from normative work to technical assistance		Target Organisational Chart					
2.1 Consolidate the process framework and define leadership roles and responsibilities required according to the new organisational chart		Capability design profile					
2.2 Assessment of the leadership roles required by the new target operating model							
3. Define IT enabling systems and tools needed to support the organisation		IT systems and tools assessment					
4. Define the capability matrix in order to map for each capability the processes and supporting systems involved		Capability matrix					
5. Assessment of available capabilities within the organisation in order to identify capability gaps, with a view towards addressing processes in effectively manner, in terms of:		Capability gap analysis					
- Current capability gaps							
- Potential capability sharing/sinergies							

# Data management and IT Governance

Working area n° 2	Data management and IT Governance	Benefit	High																														
<b>Objectives</b>																																	
<ul style="list-style-type: none"> <li>• Definition of responsibilities of IT focal points dedicated to specific business areas</li> <li>• System integration improvement for identifying opportunities to leverage available data</li> <li>• Strengthening of data management process in order to ensure data visualisation and data quality across the processes of the organisation</li> </ul>																																	
<b>Improvement Initiatives</b>		<b>Preliminary GANTT by process</b>																															
<ol style="list-style-type: none"> <li>1. Organisation review             <ul style="list-style-type: none"> <li>• 1.1. Identify IT focal points dedicated to specific business areas</li> <li>• 1.2 Define responsibilities in terms of data management, quality and data visualisation and continues improvement approach implementation</li> </ul> </li> <li>2. Demand management             <ul style="list-style-type: none"> <li>• 2.1. Define business needs in terms of additional tools to support decision making processes</li> <li>• 2.2 Assessment for identifying integration oportunitites to leverage available data</li> </ul> </li> <li>3. Initiatives prioritisation and roadmap definition             <ul style="list-style-type: none"> <li>• 3.1. Prioritisation of business needs on the basis of relevance and impact on existing assets</li> <li>• 3.2. Develop a technology roadmap for implementing initiatives identified</li> </ul> </li> <li>4. Requirements collection             <ul style="list-style-type: none"> <li>• 4.1. Supporting to collect requirements for developing additional powerful reports and tools, in order to support business decision making processes</li> </ul> </li> </ol>		<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">Job description and RACI matrix</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Initiatives short list</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Roadmap</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Requirements</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		M1	M2	M3	M4	M5	M6	Job description and RACI matrix						Initiatives short list						Roadmap						Requirements					
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# Performance management and continuous improvement

Working area n° 3	Performance management and continuous improvement	Benefit	High																																												
<b>Objectives</b>																																															
<ul style="list-style-type: none"> <li>• Performance management systems, when effectively implemented, ensure that every organisational area has key controls established and a common language to derive insights and support decision making</li> <li>• Key Performance Indicators (KPIs) can help increase operational effectiveness. However, in order to define, track, integrate, manage and report KPIs, a robust framework needs to be developed</li> </ul>																																															
<b>Improvement Initiatives</b>			<b>Preliminary GANTT by process</b>																																												
<ul style="list-style-type: none"> <li>• Identify the main objectives at the organisational level for each business area or support function (i.e. HR, Finance, implementing partners management, etc.) and assess the current monitoring and reporting structure, including methodologies of extraction and aggregation of data from the systems</li> <li>• A KPI Long list will need to be defined according to each business area. In particular, objectives must be specific, measureable, achievable, realistic and time-based</li> <li>• Define a KPI shortlist (executive view) on the basis of KPI classification in terms of data availability, detection frequency and priority</li> <li>• Design the Dashboard components</li> <li>• Setup a reporting structure in order to give different views to the different organisational levels according to the measured KPIs</li> <li>• Support the Performance Management process with a structured governance that evaluates design and effectiveness of the KPI monitoring, reviewing the process according to emerging needs</li> </ul>			<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">Objectives identification and data assessment</td> </tr> <tr> <td colspan="6" style="text-align: center;">KPI long list</td> </tr> <tr> <td colspan="6" style="text-align: center;">KPI short list</td> </tr> <tr> <td colspan="6" style="text-align: center;">Define dashboard requirements</td> </tr> <tr> <td colspan="6" style="text-align: center;">Reporting structure</td> </tr> <tr> <td colspan="6" style="text-align: center;">Performance Management Governance</td> </tr> </tbody> </table>			M1	M2	M3	M4	M5	M6	Objectives identification and data assessment						KPI long list						KPI short list						Define dashboard requirements						Reporting structure						Performance Management Governance					
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# Resource mobilisation

Working area n° 4	Resource mobilisation	Benefit	High																																				
<b>Objectives</b>																																							
<ul style="list-style-type: none"> <li>In order to assist UN-Habitat define the principles for the operating model to support resource mobilisation from a global, regional and country level it is necessary to identify multi-sector, multi-country flagship programmes and internal collaboration must be enhanced</li> </ul>																																							
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>																																					
<ol style="list-style-type: none"> <li>1. Organisation           <ul style="list-style-type: none"> <li>1.1. Identify and document skills requirements and map existing skills for the resource mobilisation function at headquarters and field level and considering emerging opportunities and challenges and identify key gaps in staffing</li> </ul> </li> <li>2. Resource Mobilisation Process           <ul style="list-style-type: none"> <li>2.1. Determine funding targets for branches, regions and countries, thematic areas and flagship multi-sector, multi-partner and multi-country programmes and timelines</li> <li>2.2. Validate and cascade funding forecasts and targets with team members and communicate funding needs to Member States, partners and other stakeholders</li> <li>2.3 Conduct mapping of potential funding partners and develop specific communication for target groups, guidelines and tools to support diversification initiatives</li> </ul> </li> <li>3. Standards and Procedures           <ul style="list-style-type: none"> <li>3.1. Redevelop pipeline identification processes by facilitating reviews and qualification before pursuit to create visibility</li> <li>3.2. Develop resource mobilisation guidelines to document experiences and best practices in order to build capacity, while providing branches, regions and offices with an overview and introduction to resource mobilisation</li> </ul> </li> <li>4. Communication and Governance           <ul style="list-style-type: none"> <li>4.1. Review the UN-Habitat communication strategy in light of shifts in targeted audiences and unique communication requirements relating to every donor and develop a social media communication strategy</li> </ul> </li> </ol>		<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">▬ ◆ Capabilities mapping and staff needs</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">▬ ◆ Targets developed and validated</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">▬ ◆ Donor mapping, ranking and prioritisation</td> <td></td> <td></td> </tr> <tr> <td colspan="2">▬ ◆ Resource mobilisation guidelines and knowledge management developed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">▬ ◆ Communication strategy implemented</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		M1	M2	M3	M4	M5	M6	▬ ◆ Capabilities mapping and staff needs							▬ ◆ Targets developed and validated							▬ ◆ Donor mapping, ranking and prioritisation				▬ ◆ Resource mobilisation guidelines and knowledge management developed							▬ ◆ Communication strategy implemented				
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# Project Management E2E Optimisation

Working area n° 5	Project Management E2E Optimisation	Benefit	High					
<b>Objectives</b>								
<ul style="list-style-type: none"> <li>• Effective Project Management supports the organisation in delivering its technical assistance work and gain more awareness on how it fits within the overall “business strategy” of UN-Habitat</li> <li>• The definition of a Project Management framework helps address the needs of the project’s stakeholders and help UN-Habitat in setting the scope, schedule and budget of projects accurately from the start</li> </ul>								
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>					
<p>1. Process reengineering</p> <ul style="list-style-type: none"> <li>• 1.1. Review the Project Approval process in order to add the possibility for the PM to signal to PAG if a Grant need to be signed in a short timeframe (due to Donors’ needs); introduce an Explanatory memorandum for the PM submission to PAG</li> <li>• 1.2. Introduce a mandatory project planning phase in order to speed the operations after the budget release phase and perform a better budget allotment on projects (including IHA timely identification)</li> <li>• 1.3. Introduce in the evaluation process a regular mandatory feedback on the recommendation implementation</li> <li>• 1.4. Insert a preliminary analysis of donor’s creditworthiness, default probability, exchange rate fluctuations and likelihood of a delay in project implementation in order to improve the activities’ planning</li> </ul>			M1	M2	M3	M4	M5	M6
<p>2. Standard and Procedures</p> <ul style="list-style-type: none"> <li>• 2.1. Review the Project Management procedures according to the process reengineering defined (critical approval alert, project operations planning, evaluations’ recommendations feedback, etc..)</li> <li>• 2.2. Define a RACI matrix for the whole roles involved in the Project Lifecycle and formalise it into the procedures (with a special focus for Pm and PMOs)</li> <li>• 2.3. Review the decentralised evaluation process and procedures in order to make the evaluator as independent and therefore not in direct dependence from PM of the Project</li> </ul>								
<p>3. Process Monitoring</p> <ul style="list-style-type: none"> <li>• 3.1. Strengthen the current reporting and monitoring process: identify Project Management KPI and design a dashboard in order to develop additional project reports within a shorter timeframe (i.e. monthly repots)</li> <li>• 3.2. Integrate PAAS with Umoja and KPI monitoring, in order to enrich reports, simplify data analysis and have consistent reporting between data extracted from the two different systems</li> </ul>								



# Capability model (1/2)

Working area n° 6	UN-H capability model	Benefit	High					
<b>Objectives</b>								
<ul style="list-style-type: none"> <li>UN-Habitat must re-assess its capabilities in order to support the development of the future capabilities tackling the issues using the right business and operational models</li> <li>The capability model has to be performed in order to assess the available and the needed capabilities</li> </ul>								
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>					
<p>1. Review capabilities</p> <ul style="list-style-type: none"> <li>1.1. Together with the revision of processes, it will also be necessary to assess UN-Habitat capabilities in order to perform in line with the new Operating and Business model</li> <li>1.2. Redesign job descriptions, for example for PMOs it is important to check that organisation integrates the business units across projects' life cycle</li> </ul>			M1	M2	M3	M4	M5	M6
<p>2. Reform/re-design reporting lines</p> <ul style="list-style-type: none"> <li>2.1. In order to pave the way for managerial monitoring as well as smooth day-to-day operation, reporting lines will need to be revised and reflect the new organisation design</li> <li>2.2. While defining the reporting lines, related analytics and dashboards should be defined</li> </ul>			Capabilities mapping		Job Descriptions revised		Analytics defined	
<p>3. Human capital planning</p> <ul style="list-style-type: none"> <li>3.1. Develop action plans to address gaps in workforce (using strategic levers)</li> <li>Redefine HR programmes and processes in order to plan the capabilities where needed and ensure the coordination</li> </ul>			Action plan		HR programmes and processes			
<p>4. Integrated business planning</p> <ul style="list-style-type: none"> <li>4.1. Develop an HR governance, processes, reports, and metrics needed to achieve business planning integrated with the corporate planning</li> </ul>			HR governance review					

# Capability model (2/2)

Working area n° 6	UN-H capability model	Benefit	High					
<b>Objectives</b>								
<ul style="list-style-type: none"> <li>UN-Habitat must re-assess its capabilities in order to support the development of the future capabilities tackling the issues using the right business and operational models</li> <li>The capability model has to be performed in order to assess the available and the needed capabilities</li> </ul>								
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>					
<p>5. Re-arrange the Regional Offices (include country offices) and Branches</p> <ul style="list-style-type: none"> <li>5.1. According to the corporate structure and operating model it is also necessary to design the right delegations and capabilities at the Branches/ Regional Offices and Country office level</li> </ul>			M1	M2	M3	M4	M5	M6
<p>6. Prepare the organisation to fit a proper IT system infrastructure and application</p> <ul style="list-style-type: none"> <li>6.1. Now that the organisation is connected to the people, prepare to choose the right IT capabilities that fits to the UNH people, organisation and Business model</li> </ul>						<p>Region/ country offices, and branches capabilities reviewed</p>		
						<p>IT systems aligned</p>		

# Funding agreement and donors' payments

Working area n° 7	Funding agreements and donors payment management enhancement	Benefit	Medium																																												
<b>Objectives</b>																																															
<ul style="list-style-type: none"> <li>Enhance the effectiveness of the funding agreement end-to-end process in order to improve donors' trust and confidence and prevent any potential issue that could arise</li> </ul>																																															
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>																																												
<ol style="list-style-type: none"> <li>Process reengineering             <ul style="list-style-type: none"> <li>1.1. Review the Project Approval process in order to manage issues related to Grant closure before PAG Approval due to donors' needs</li> </ul> </li> <li>Standard and Procedures             <ul style="list-style-type: none"> <li>2.1. Review procedures in order to include the phase of follow-ups for overdue payments relating to contribution agreement, write-off, bad debt provision calculation, and refund to donors in relation to projects' saving</li> <li>2.2. Introduce as mandatory the use of standard template for funding agreement and write-offs requests</li> <li>2.3 Formalise a RACI matrix for the roles involved in the funding agreement management process</li> </ul> </li> <li>Enabling tools/data             <ul style="list-style-type: none"> <li>3.1. Perform a Segregation of Duties analysis in order to review access rights and implement in Umoja, with particular regards for grant approval.</li> <li>3.2. Implement system automatism in order to notify an overdue payment from a donor and calculate eventual savings at closure</li> <li>3.3. Implement a feature in Umoja that allows to track history of accesses, creations and changes (system logs)</li> </ul> </li> <li>Monitoring             <ul style="list-style-type: none"> <li>4.1 Define and implement a monitoring system based on the review of system logs.</li> <li>4.2. Implement a monitoring system based on historical data of write-offs/write downs for each donor, in order to forecast any potential write-off / down and effectively calculate bad debt provisioning</li> </ul> </li> </ol>			<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">■ Process reviewed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">■ Updated procedures</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">■ RACI Matrix</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">■ Requirements definition</td> <td colspan="2">■ Implementation</td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">■ System requirements</td> <td colspan="2">■ Systems improved</td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="3">■ Monitoring system</td> </tr> </tbody> </table>			M1	M2	M3	M4	M5	M6	■ Process reviewed							■ Updated procedures						■ RACI Matrix						■ Requirements definition		■ Implementation					■ System requirements		■ Systems improved					■ Monitoring system		
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# Budget and expenditure management

Working area n° 8	Budget and expenditure management	Benefit	Medium																																														
<b>Objectives</b>																																																	
<ul style="list-style-type: none"> <li>• Implement a more strategic budgeting and controlling process that encompasses the needs of every unit in the Organisation, allowing effective oversight</li> <li>• Ensure an effective management of working capital in order to guarantee the cash needs are properly and timely addressed</li> <li>• Establish an expenditure control system in order to guarantee the all the cost incurred within the organisation are properly recovered</li> </ul>																																																	
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>																																															
<ol style="list-style-type: none"> <li>1. Process reengineering             <ul style="list-style-type: none"> <li>• 1.1 Reengineering of the Budget end-to-end process, from the definition and the analysis of strategic objectives, including the inputs of resource mobilisation, human resources and operations up to monitoring and revision phases</li> <li>• 1.2 With regards to the Internal Borrowing process, review loan conditions and constraints (maximum loan amount, repayment period, etc.) and reengineer the related authorisation process, and review standards for risk assessment</li> <li>• 1.3. Review Cost Recovery methodology in order to better allocate Indirect Fixed costs and review criteria for Programme Support Cost rate definition and communication (make the process more consultative and project-related) (IN PROGRESS)</li> <li>• 1.4. Review and develop the current managerial accounting system in place</li> </ul> </li> <li>2. Standard and Procedures             <ul style="list-style-type: none"> <li>• 2.1. Update Internal Borrowing policy, drafting of the RACI matrix</li> <li>• 2.2 Update budget allocation procedure and formalise criteria for budget allocation within each sub-program</li> </ul> </li> <li>3. Process Monitoring             <ul style="list-style-type: none"> <li>• 3.1. Define monitoring requirements for loan refunds in order to effectively follow-up on overdue payments</li> <li>• 3.2. Define a set of KPIs to measure the expenditures on the different cost categories/cost centers</li> </ul> </li> <li>4. Enabling tools/data             <ul style="list-style-type: none"> <li>• 4.1. Implement a Time Report to track services provided by each employee on a specific activities</li> </ul> </li> </ol>	<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">Processes reviewed</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">Procedures formalised</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">Monitoring requirements</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">KPIs list</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Requirements definition</td> <td>Implementation</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>System requirements</td> <td>Systems improved</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	M1	M2	M3	M4	M5	M6							Processes reviewed							Procedures formalised							Monitoring requirements						KPIs list				Requirements definition		Implementation					System requirements	Systems improved			
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# Procurement support

Working area n° 9	Procurement support	Benefit	Medium			
<b>Objectives</b>						
<ul style="list-style-type: none"> <li>• Definition of responsibilities of procurement focal points dedicated to supporting project implementation at country-level</li> <li>• Strengthening of panning process in order to manage effectively the overall procurement process</li> <li>• Identify procurement KPIs and monitoring tools to support decision making and setup training initiatives to reinforce procurement capabilities</li> </ul>						
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>			
<p>1. Organisation review</p> <ul style="list-style-type: none"> <li>• 1.1. Establish a procurement focal point at Country level and define the main responsibilities (i.e.: collecting needs, planning, monitoring purchasing orders, etc.)</li> <li>• 1.2. Establish a procurement HQ focal point and define the main responsibilities (i.e.: input collection from the countries and managing the relationship with the UN agencies, etc.)</li> </ul>	M1	M2	M3	M4	M5	M6
<ul style="list-style-type: none"> <li>• 2.1. Review of category management process, design a spend category tree in order to improve the monitoring effectiveness and identify potential areas of savings</li> </ul>						
<p>2. Process reengineering</p> <ul style="list-style-type: none"> <li>• 2.1. Review of category management process, design a spend category tree in order to improve the monitoring effectiveness and identify potential areas of savings</li> </ul>						
<p>3. Standard and Procedures</p> <ul style="list-style-type: none"> <li>• 3.1. Review the Procurement procedures according to the defined process re-engineering</li> </ul>						
<p>4. Monitoring</p> <ul style="list-style-type: none"> <li>• 4.1. Identification of KPIs for monitoring procurement activities (procurement Dashboard, procurement plan, etc..) in order to oversee procurement process and put in place effective reporting activities</li> </ul>						
<p>5. Enabling tools/data</p> <ul style="list-style-type: none"> <li>• 5.1. Mapping the delegation of authority for ROAS within Umoja system.</li> <li>• 5.2. Development of tools for supporting the monitoring activities</li> </ul>						
<p>6. Training</p> <ul style="list-style-type: none"> <li>• 6.1. Training to UN-Habitat personnel in order to promote the correct use of Umoja, especially to ensure an effective category management, in accordance with the category tree defined</li> <li>• 6.2. Training on using of new digital tools, identified for supporting monitoring activities</li> </ul>						

# Travel procedure improvement

Working area n° 10	Travel procedure improvement	Benefit	Medium					
<b>Objectives</b>								
<ul style="list-style-type: none"> <li>The Un-Habitat Travel procedure needs to be strengthened, especially in the planning phase</li> <li>Define accountabilities within the organisation</li> <li>mission reports should be centralised and uploaded mandatory in PAAS in order to monitor and improve savings</li> </ul>								
<b>Improvement Initiatives</b>			<b>Preliminary GANTT</b>					
			M1	M2	M3	M4	M5	M6
<p>1. Process reengineering</p> <ul style="list-style-type: none"> <li>1.1. Introduce a travel planning phase within projects/countries in order to perform a better budget spending allotment on projects.</li> <li>1.2 Evaluate the creation of a travel focal point to work on coordination mechanism and monitor travel performances</li> <li>1.3 Introduce a mandatory Mission Report to be uploaded in PAAS</li> </ul>								
<p>2. Standard and Procedures</p> <ul style="list-style-type: none"> <li>2.1. Review the Travel Management procedures according to the process reengineering defined</li> </ul>								
<p>3. Monitoring</p> <ul style="list-style-type: none"> <li>3.1. Identification of KPIs for monitoring travel management activities and spending (e.g. KPIs by types of projects or by project value; KPI by role e.g. how many missions per month for different roles; % of working days on mission)</li> <li>3.2 Perform internal and external benchmarks for identified KPIs</li> </ul>								
<p>4. Enabler tools/data</p> <ul style="list-style-type: none"> <li>4.1. Setup a function in Umoja system in order to differentiate staff travel from consultant travel</li> <li>4.2. Definition of KPI monitoring dashboard</li> </ul>								
<p>5. Training</p> <ul style="list-style-type: none"> <li>5.2 Training on using of new digital tools</li> </ul>								

# Strategic Workforce Planning

Working area n° 11	Strategic Workforce Planning (SWF)	Benefit	Medium																																								
<b>Objectives</b>																																											
<ul style="list-style-type: none"> <li>Strategic workforce planning (SWP) is the method to be applied in order to understand the workforce needed to execute the business strategy and identify the gaps between current and future workforce needs of the organisation</li> </ul>																																											
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>																																									
<ol style="list-style-type: none"> <li>Budget-driven headcount planning             <ul style="list-style-type: none"> <li>1.1. Identify the roles needed in order to support the business across the organisation and collect resourcing needs for budget allocation</li> </ul> </li> <li>Recruiting process and standards             <ul style="list-style-type: none"> <li>2.1. Redesign recruiting process in order to support quicker on boarding and talent management, including succession planning</li> <li>2.2. Conduct analyses to understand the potential gaps/surpluses in both internal and external supply/demand between current workforce and future workforce</li> </ul> </li> <li>KPI and Reporting             <ul style="list-style-type: none"> <li>3.2. Identification of KPIs for monitoring HR activities in order to oversee the overall process and put in place effective monitoring reporting activities</li> </ul> </li> <li>HR baseline data             <ul style="list-style-type: none"> <li>4.1. Define standards for collecting information from both service leaders internal HR and service providers/partners</li> <li>4.2. Set a standard for maintaining of the database up-to-date</li> </ul> </li> <li>Train the workforce and the organisation to adapt the IT systems and technologies             <ul style="list-style-type: none"> <li>5.1. Training UN-Habitat personnel in order to promote the correct use of technology, especially with regards to service line leaders and shared services</li> <li>5.2. Training on using of new digital tools, identified for supporting monitoring activities</li> </ul> </li> </ol>	<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">Roles defined for budgeting purpose</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">Process redesigned</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">Recruiting GAP analysis</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">KPI list</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="3">HR database standards</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="2">Training documentation &amp; calendar</td> <td></td> </tr> </tbody> </table>	M1	M2	M3	M4	M5	M6	Roles defined for budgeting purpose							Process redesigned							Recruiting GAP analysis						KPI list						HR database standards							Training documentation & calendar		
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# Enterprise Risk Management Framework

Working area n° 12	Enterprise Risk Management Framework	Benefit	Medium																																				
<b>Objectives</b>																																							
<ul style="list-style-type: none"> <li>The Enterprise Risk Framework provides to UN-Habitat the key principles and framework in order to manage risk in an integrated manner</li> <li>In particular, the Enterprise Risk Management framework proposed should support both in the decision making process and in achieving corporate goals preventing loss of resources</li> </ul>																																							
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>																																					
<ol style="list-style-type: none"> <li>Process reengineering             <ul style="list-style-type: none"> <li>1.1. Define and implement an Enterprise Risk Management methodology in order to manage all the business area risks in an integrated manner, including the already defined project risk management process</li> </ul> </li> <li>Monitoring             <ul style="list-style-type: none"> <li>2.1. Identify the monitoring requirements in order to ensure that both risk level and related mitigation actions are timely reviewed and updated</li> </ul> </li> <li>Enabling tools/data             <ul style="list-style-type: none"> <li>3.2. Review and updated a risk register in order to ensure the risks related to all the business areas are properly identified</li> <li>3.1. Assess the need for a specific tool in order to support the organisation in the Enterprise Risk Management process</li> </ul> </li> <li>Training             <ul style="list-style-type: none"> <li>4.1. Plan a specific training session in relation to Enterprise Risk Management Methodology</li> </ul> </li> </ol>	<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">Enterprise Risk Management Methodology</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">Monitoring requirements</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="2">ERM Tool</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="2">Risk Register</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td colspan="2">Training documentation and material</td> <td></td> </tr> </tbody> </table>			M1	M2	M3	M4	M5	M6	Enterprise Risk Management Methodology							Monitoring requirements							ERM Tool							Risk Register						Training documentation and material		
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# Strengthening ethics and corporate culture

Working area n° 13	Strengthening ethics and corporate culture	Benefit	Medium																																		
<b>Objectives</b>																																					
<ul style="list-style-type: none"> <li>• Significant steps forward were made to curb unethical behavior; however field personnel revealed a patchwork of situations, with some offices ensuring greater oversight and prevention of unethical behaviour compared to others</li> <li>• In order to make people more aware of the ongoing campaigns the current method for generating awareness must be strengthened</li> </ul>																																					
<b>Improvement Initiatives</b>		<b>Preliminary GANTT</b>																																			
<ol style="list-style-type: none"> <li>1. Organisational structure             <ul style="list-style-type: none"> <li>• 1.1. Appoint dedicated "ethics" Focal Points both within the Legal HQ office and within the individual field locations</li> </ul> </li> <li>2. Standard and Procedures             <ul style="list-style-type: none"> <li>• 2.1. Setup multiple channels to report incidents, both digital and "traditional", ensuring anonymity in all cases</li> <li>• 2.2. Ensure that staff members are made aware of the available channels and of the focal points. Also ensure that issues are treated in the proper manner and with adequate sensitivity, involving HR professionals</li> </ul> </li> <li>3. Training             <ul style="list-style-type: none"> <li>• 3.1. Ethics focal points (described below) should receive dedicated trainings to ensure they are equipped to deal with different issues / situations</li> <li>• 3.2. Ensure the compliance of all staff to mandatory trainings; in cases of non-compliance, this should have an impact on individual evaluations</li> </ul> </li> </ol>	<table border="1"> <thead> <tr> <th>M1</th> <th>M2</th> <th>M3</th> <th>M4</th> <th>M5</th> <th>M6</th> </tr> </thead> <tbody> <tr> <td colspan="2">■ Ethics focal point established</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">■ Channels setup and anonymity ensured</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="3">■ Awareness campaign sent</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td colspan="2">■ Training documentation and calendar</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2">■ Personnel Performance evaluation reviewed</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	M1	M2	M3	M4	M5	M6	■ Ethics focal point established						■ Channels setup and anonymity ensured						■ Awareness campaign sent							■ Training documentation and calendar					■ Personnel Performance evaluation reviewed					
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