

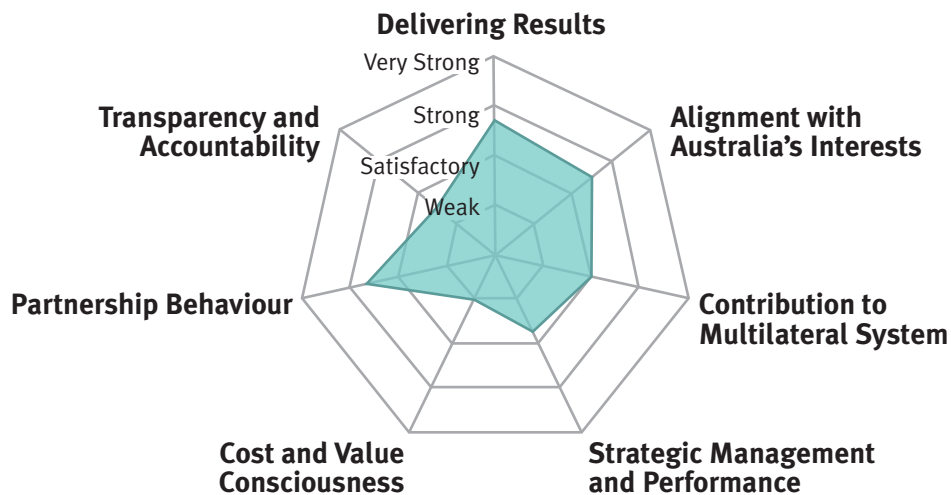


Australian Multilateral Assessment March 2012

# United Nations Human Settlements Programme (UN-Habitat)



## OVERVIEW OF ORGANISATION RATINGS



## ORGANISATION OVERVIEW

The United Nations (UN) Human Settlements Programme (UN-Habitat) was established in 2001 replacing the UN Commission on Human Settlements which had been operating since 1978. It is the lead UN agency responsible for promoting sustainable urban development. Its mission is mandated by the UN General Assembly and it seeks to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all.

To guide its work, UN-Habitat states its core functions as: monitoring and research; policy development; capacity building; and financing for housing and urban development.

To put these core functions into action, UN-Habitat has a strategic vision that is anchored in a six-pillar strategy aimed at attaining the goal of ‘sustainable urbanisation created by cities and regions that provided all citizens with adequate shelter, services, security and employment opportunities regardless of age, sex and social strata’. This strategy consists of:

- > effective advocacy, monitoring and partnerships
- > participatory planning, management and governance
- > access to land and housing for all
- > environmentally sound basic urban infrastructure
- > strengthened human settlements finance systems, and
- > excellence in management.

In this way, UN-Habitat is unlike many other UN development and humanitarian agencies in that the organisation’s focus is mostly normative rather than on the provision of goods and/or activities as such.

UN-Habitat draws its budget from three main sources: contributions from multilateral and bilateral partners for technical cooperation; earmarked contributions from donors; and a small allocation (approximately five per cent of its overall budget) from the regular UN budget.

Australia provided \$4.4 million to UN-Habitat in 2010–11 in non-core funding.

<b>RESULTS AND RELEVANCE</b>	
<b>1. Delivering results on poverty and sustainable development in line with mandate</b>	<b>STRONG</b>

UN-Habitat plays a unique role in that it is the only multilateral organisation with a focus on human settlements. It has demonstrated ability to deliver high impact results on specific projects. During the Australian Multilateral Assessment field visit to Sri Lanka, for example, stakeholders were very positive about the impact of a project delivering 4000 houses for the most vulnerable internally displaced people returning from government camps following the end of conflict in 2011.

At broader organisational-level, however, UN-Habitat recognises the need to strengthen its focus on results monitoring and reporting, and has recently implemented a new results-based management approach. It is too early to tell the impact that this will have on operations and reporting, particularly at country-level.

While it is recognised that normative work comes with the inherent problems of attribution of results, more work could be done to demonstrate the impact of UN-Habitat’s normative work at global-level.

Many of UN-Habitat’s programs target the poorest, such as the program in Sri Lanka. Poverty orientation is a key criterion for assessment of projects for inclusion in UN-Habitat’s work program.

<b>a) Demonstrates development or humanitarian results consistent with mandate</b>	<b>STRONG</b>
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UN-Habitat has a wide ranging mandate that looks at the full gamut of issues associated with sustainable human settlements. The range of areas it is mandated to address includes sustainable cities; advocating for good policy at all levels ranging from global to local; acting as a catalyst in the field to get sustainable housing projects started; research and analysis; and working on access to clean water and sanitation.

Against this mandate, UN-Habitat is able to show some good results. The field visit undertaken by the Australian Multilateral Assessment to Sri Lanka noted that a well-planned and effective UN-Habitat program was in place. It was well executed and clearly demonstrated good development and humanitarian results. UN-Habitat had built or reconstructed close to 4000 houses for the most vulnerable internally displaced people returning from government camps. At the same time as achieving these development and humanitarian results, the Support to Conflict Affected People through Housing Sri Lanka Project also worked effectively with local authorities to build capacity and positively influence policy.

This is one good demonstration of UN-Habitat achievement against its mandate. Other areas of this assessment will consider areas of UN-Habitat’s work and management that requires improvement to help embed this sort of achievement and result across the organisation.

In addition to the field-based activities such as the Sri Lanka project referred to above, UN-Habitat maintains a normative function consisting of research and advocacy and enacting the agenda arising from the UN General Assembly’s Declaration on Cities and Other Human Settlements in the New Millennium.

While it is recognised that normative work comes with the inherent problems of attribution of results, more work could be done to demonstrate the impact of UN-Habitat’s normative work at a global-level. Reforms to better embed a stronger results-based management culture in the organisation have been ongoing since 2008, for example through establishing the standardised monitoring and assessment of relief and transitions indicators of results. Clients appear to be broadly satisfied with UN-Habitat’s work in this area, although it remains too early to determine the full impact of these important organisational reforms. UN-Habitat is also responsible for reporting progress against Millennium Development Goal 7(d): improving the lives of at least 100 million slum dwellers and also contributes to Goal 7(c): halving the proportion of people without sustainable access to safe drinking water and basic sanitation.

<b>b) Plays critical role in improving aid effectiveness through results monitoring</b>	<b>SATISFACTORY</b>
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This is an area in which UN-Habitat has made improvements at an organisational level. A key strategic document, the *Medium Term Strategic Implementation Plan 2008–2013* (MTSIP), sets out the MTSIP results framework that clearly identifies the work objectives across its six focus areas. As a part of the plan, UN-Habitat is working to implement results-based management across the organisation. Again, this is a relatively recent

initiative and a product of the far-reaching management reform being implemented under the leadership of the executive director, Dr Joan Clos, who has been in office since October 2010. Under this reform agenda so far, significant training of staff in results-based management principles and skills has taken place.

Prior to these reforms, monitoring and evaluation of results was weaker in application. Previous monitoring documentation tended to focus on simple outputs and irregular follow up to the results of what evaluations did take place.

The reform agenda in this respect is welcome and a positive development but it remains too early to see the full effect of these efforts.

<b>c) Where relevant, targets the poorest people and in areas where progress against the MDGs is lagging</b>	<b>STRONG</b>
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UN-Habitat does make an effort to specifically target the poorest people in the areas in which it undertakes its projects.

Poverty orientation is a key criterion for assessment of projects for inclusion in UN-Habitat’s work program. This emphasis is reflected in UN-Habitat’s focus on post-conflict and post-disaster areas: according to figures presented in the headquarters visits undertaken for the Australian Multilateral Assessment, between 70 and 75 per cent of UN-Habitat’s operational work is undertaken in these environments.

In Sri Lanka, for example, the post-conflict housing repair and construction efforts were driven by community consultations that sought decisions from the community about who should receive assistance first, in order of greatest need. Gender and disability considerations were taken into account and the project was effective at targeting the poorest of those affected.

<b>2. Alignment with Australia’s aid priorities and national interests</b>	<b>STRONG</b>
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UN-Habitat’s mandate and operations align most closely with the Australian aid program’s strategic goals of saving lives and humanitarian and disaster response. Its normative work is also broadly consistent with Australia’s broader priorities on sustainable development.

With a significant amount of its operational activities in post-conflict and/or post-disaster phases, UN-Habitat plays a unique role in providing a focus on sustainability in these phases.

UN-Habitat has a strong focus on gender issues through implementation of its Gender Equality Action Plan (2008–13). This includes initiatives such as assigning gender focal points in the water and sanitation program and developing and training on gender-sensitive land management tools.

UN-Habitat has a climate change policy.

In at least some activities, UN-Habitat takes issues of disability into consideration, as seen during the Australian Multilateral Assessment field visit to Sri Lanka.

Most of UN-Habitat’s operations occur in post-conflict and/or post-disaster settings and it uses a range of tools to guide its work, including its strategic policy on human settlements and crisis.

<b>a) Allocates resources and delivers results in support of, and responsive to, Australia’s development objectives</b>	<b>SATISFACTORY</b>
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The five key thematic priorities (that is, excluding the management reform priority) identified in the UN-Habitat MTSIP have a satisfactory link with Australia’s development objectives.

According to figures presented in the headquarters visit undertaken for the Australian Multilateral Assessment, UN-Habitat has a large focus on siting its operational activities in post-conflict and post-disaster areas.

Through funding received from the Cities Alliance and other sources, UN-Habitat is implementing city development strategies in three Pacific Island countries with a total project value of approximately US\$1.1 million. This activity is current and was approved in April 2011. UN-Habitat is also active in Africa and South Asia, regions of growing interest and importance to the Australian aid program.

<b>b) Effectively targets development concerns and promotes issues consistent with Australian priorities</b>	<b>SATISFACTORY</b>
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The overall strategic direction UN-Habitat is taking through its current MTSIP has good links to the priorities established in the Australian aid program, particularly the strategic goals of saving lives and humanitarian and disaster response. UN-Habitat is quick to firmly state that a large proportion of its work is normative with a focus on policy, technical assistance and research; however the themes pursued in this normative work are relatively consistent with Australian priorities, particularly in the broad sense of sustainable economic development.

The operational activities undertaken by UN-Habitat have also demonstrated the practical alignment of its operational work to Australian priorities.

<b>c) Focuses on crosscutting issues, particularly gender, environment and people with disabilities</b>	<b>STRONG</b>
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The executive director’s organisational reform plans are being implemented and include specific mention of increasing the organisation’s engagement in crosscutting issues through mainstreaming efforts. Specific crosscutting issues mentioned include gender, youth and climate change.

UN-Habitat has a gender equality action plan for 2008–13. This plan seeks to mainstream gender issues across the organisation’s work and there are many examples of how gender is being worked in to UN-Habitat’s activities:

- > gender focal points in the water and sanitation program
- > gender-sensitive land management tools and associated training

- > effective gender sensitive practices incorporated into the Sri Lanka housing rebuilding and repair project, and
- > work on gender and urban issues.

Evidence also indicates that disability is taken into consideration in some operational activities (again, seen in the Sri Lanka project) but no evidence of a formal disability policy was found.

UN-Habitat has a climate change policy in place and the MTSIP includes actionable items for all focus areas that relate to climate change. Although the field of climate change is a relatively new consideration at UN-Habitat following the governing council mandated action in this area in 2009, UN-Habitat has launched several climate change programs. For example, UN-Habitat’s cities and climate change initiative is now active in more than 20 cities, with a focus on building resilience to climate change and assisting cities to formulate strategies for low-carbon growth. UN-Habitat will conduct a mid-term review of its climate change policy in the first quarter of 2012 to assist in planning for an expansion of climate activities.

<b>d) Performs effectively in fragile states</b>	<b>STRONG</b>
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UN-Habitat’s mandate does not specify that it must work in fragile states, but in reality a majority of its operations do take place in post-conflict and/or post-disaster settings. UN-Habitat has a range of tools available for working effectively in fragile settings. The main tool is the strategic policy on human settlements and crisis that has a number of aims: for example, working with cities to mitigate the effects of human and natural disasters; and working with countries to adopt pro-poor systems for populations affected by crisis.

UN-Habitat also works through the cluster system in emergencies and is a focal point for shelter and land issues in the protection, emergency shelter and early recovery clusters.

<b>3. Contribution to the wider multilateral development system</b>	<b>SATISFACTORY</b>
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UN-Habitat’s focused and unique mandate means it has a clear but narrow role in the multilateral system.

In certain circumstances, such as in Sri Lanka, UN-Habitat has influenced government policy positions on issues such as post-conflict housing and shelter construction.

Its contribution to policy and norms development is valuable, but it has tended to have greater success at country-level than at global level. Innovations have also tended to be strongest at country-level, with the innovations in the nature of community engagement in Sri Lanka again a good example.

<b>a) Plays a critical role at global or national-level in coordinating development or humanitarian efforts</b>	<b>SATISFACTORY</b>
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UN-Habitat plays a niche role at both the global and national-level in coordinating development and humanitarian efforts, primarily due to its focussed and unique mandate.

Evidence gathered for the Australian Multilateral Assessment indicates that UN-Habitat has enjoyed some successes in a coordinating role in its operations. In Kenya, UN-Habitat has collaborated closely with the national government and key development partners on land rights reform and shaping national policy. In the Philippines, UN-Habitat worked closely with regional and national governments on climate change policy through its cities and climate change initiative. This area of work helped to mainstream the urban agenda into national environmental policy.

At global-level, UN-Habitat has been active in pursuing mainstreaming of the urban recovery and resilience agenda into broader humanitarian efforts by collaborating closely with UN High Commission for Refugees, the International Federation of the Red Cross and the Secretariat of the International Strategy for Disaster Reduction.

Worth noting, however, is that a 2010 peer review of the MTSIP recommended a large range of important reforms needed to improve effective implementation. The recommendations included: ‘UN Habitat should identify mechanisms for tracking [its] work at country-level’; and ‘Given the rapid increase of funding of disaster and post-disaster projects, an in depth evaluation should be carried out to assess the extent to which it has contributed to an enhanced normative and operational framework at country-level’. UN-Habitat management has accepted these, and all other, recommendations from the peer review. These recommendations indicate that UN-Habitat’s evaluations to measure its effectiveness at the country or global-level have been lacking in quality to date. More recently, however, the 24 evaluations conducted during 2010–11 were considered ‘high quality’ by the UN Evaluation Group. Furthermore, a capacity building program in planning, monitoring and evaluating and reporting on UN-Habitat work at global, regional and country-level has been carried out since 2009, and over 300 staff have been trained to date. Australia will continue to monitor closely the ongoing reform efforts to track progress in this respect.

<b>b) Plays a leading role in developing norms and standards or in providing large-scale finance or specialist expertise</b>	<b>SATISFACTORY</b>
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UN-Habitat’s niche mandate and specialisation have led the organisation to be a field leader in the area of sustainable urban development and its research, advocacy and policy work is particularly valuable. UN-Habitat is the only institution with a principle mandate in shelter/housing and urban development and its activities are closely linked to the achievement of MDG 7 (sustainable development and the targets on water and sanitation and improving the living conditions of slum dwellers).

UN-Habitat does play an important normative role in working with policy-makers to better inform local and national urban issues including infrastructure. As part of its normative work, UN-Habitat produces two key publications as a tool to help policy-makers. These publications are the *State of the World’s Cities Report*, and the *Global Urban Observatory*.

Additionally, in March 2010, UN-Habitat jointly launched a proposed global standard on city-wide greenhouse gas emissions with the World Bank and UN Environment Programme.

<b>c) Fills a policy or knowledge gap or develops innovative approaches</b>	<b>SATISFACTORY</b>
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The above criteria demonstrate how UN-Habitat is able to fill a unique policy and knowledge gap because of its specialisation and focus.

In terms of innovation, evidence collected for the Australian Multilateral Assessment suggests that there are also times when its operational activities are considered to be innovative in different contexts. The Sri Lanka field visit showed the approach taken by UN-Habitat was considered to be innovative in that setting as it involved engagement with the community in deciding which houses were to be rebuilt as a priority, thus placing the onus on the community to identify the most vulnerable people or those who most urgently needed shelter.

This foundation to the project approach was a success: the Government of Sri Lanka considers the UN-Habitat program for rebuilding shelter to have been highly effective, and is strongly supportive of the work of UN-Habitat. The government has agreed that the UN-Habitat approach is now the agreed approach in the sector.

<b>ORGANISATIONAL BEHAVIOUR</b>	
<b>4. Strategic management and performance</b>	<b>SATISFACTORY</b>

UN-Habitat has a clear mandate from the UN General Assembly, but its current strategic plan does not provide clear guidance to help prioritise or drive operations. In some contexts it appears to pursue objectives that fall outside of its central mandate.

UN-Habitat's executive director, appointed in October 2010, is focused on providing greater strategic clarity and is planning a more streamlined planning and reporting process for the next medium-term strategic implementation plan which will cover 2014–19. With limited opportunity to meet for formal oversight, UN-Habitat's Governing Council has limited ability to influence management, although reforms to governance arrangements are being explored.

There are reasonable monitoring and evaluation policies and systems in place, but UN-Habitat's internal monitoring and evaluation unit is under resourced at present. A 2010 UN Committee of Permanent Representatives review showed only five per cent of UN-Habitat's 350 projects implemented since 2008 had been evaluated. UN-Habitat is taking steps to address this shortcoming.

Human resource reforms are among the wide range of organisational reforms underway to make UN-Habitat more efficient and effective. These reforms have been introduced since the new executive director started.

<b>a) Has clear mandate, strategy and plans effectively implemented</b>	<b>SATISFACTORY</b>
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UN-Habitat has a clear mandate from the UN General Assembly that was most recently reconfirmed in the Declaration on Cities and Other Human Settlements from 2001.



UN-Habitat’s executive director, appointed in October 2010, is focused on providing greater strategic clarity and is planning a more streamlined planning and reporting process for the next medium-term strategic implementation plan which will cover 2014–19.

The current main strategy guiding UN-Habitat work is the MTSIP 2008–13. The 2010 peer review of the MTSIP concluded that, ‘the next executive director of UN-Habitat [that is, Dr Clos] should consider a new organisational structure with the aim of achieving better alignment with the MTSIP focus areas. Achievement of results within the MTSIP priority areas should be the primary motivation for any such reorganisation’.

The organisational reform aims to better align functionality with the priority MTSIP areas. In addition, the new structure (which will include seven thematic ‘Virtual Branches’) will reflect the planned focus areas of the next strategic plan 2014–19. The aim then is to ensure complete alignment between the six-year strategic plan, the two-year strategic framework, the two-year work program and budget, and the organisational structure of UN-Habitat.

These findings indicate that UN-Habitat’s organisational structure has limited the focus on and achievement of the five focus areas. Nevertheless, the peer review noted that a number of achievements have been made across each focus area, including providing 1.15 million people with improved water and sanitation services. Australia will continue to monitor the reform process under Dr Clos with interest, particularly as Dr Clos has stated that these reforms should bring UN-Habitat to the forefront of the UN in terms of organisational performance.

<b>b) Governing body is effective in guiding management</b>	<b>WEAK</b>
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The Governing Council of UN-Habitat consists of 58 members, elected by the General Assembly (GA) of the United Nations and reports back to the GA through the Economic and Social Council. The principle of equitable regional representation is taken into account in electing Governing Council members and members are elected for four-year terms. The Governing Council only meets formally every second year (the last meeting was held in April 2011). There are some disadvantages with this model in that the gap between meetings is long; and with a four-year term, this means that Governing Council members attend only two meetings before their tenure expires.

In between the Governing Council meetings, the UN-Habitat’s main oversight mechanism is the committee of permanent representatives which draws together the permanent representatives based in Nairobi. The committee of permanent representative receives regular reports on the operations of UN-Habitat.

The Governing Council has responsibility for setting UN-Habitat policies, objectives and guidelines, and biennial program and budget—and has also approved the major organisational reforms of the current executive director.

The committee of permanent representatives monitors progress with Governing Council directives between meetings, and this oversight ensures that UN-Habitat is generally responsive to the directives which are given. Nevertheless, the infrequency of Governing Council meetings restricts the impact that the Governing Council is able to have on management.

<b>c) Has a sound framework for monitoring and evaluation, and acts promptly to realign or amend programs not delivering results</b>	<b>SATISFACTORY</b>
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Monitoring and Evaluation at UN-Habitat is managed by the monitoring and evaluation unit which was created in 1997. The unit is situated in the Office of the Executive Director which is intended to give it some independence from regular operations. There were no indications found of UN-Habitat drawing on external monitoring and evaluation resources.

The focus of the unit's work is on the implementation of the two-year work program and also managing evaluations through to the project level.

Unfortunately, at present the unit is very under-resourced with four professional staff and two general staff. Additional support is sometimes available through interns and volunteers. Due to these constraints, a recent review in 2010 showed that only five per cent of 350 projects and programs implemented since the MTSIP's commencement in 2008 have been evaluated.

Again, as part of the wider organisational reforms being implemented, management are seeking to address these shortcomings. For example, in 2011 UN-Habitat completed the preparation of monitoring and evaluation policy and guidelines which are intended to provide the basis for improved monitoring and evaluation practices in the future. Progress should be monitored on how this vital function is resourced and bolstered through the ongoing reform process.

UN-Habitat's work also has a strong normative focus, aimed at working with officials and policy leaders to implement policies aimed at creating sustainable towns and cities. Taking into account the difficulties of attribution around normative work, any initiatives UN-Habitat could take at measuring the effectiveness of its normative work would be of benefit.

<b>d) Leadership is effective and human resources are well managed</b>	<b>SATISFACTORY</b>
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Dr Joan Clos joined UN-Habitat in October 2010 and has made swift moves to implement a wide range of organisational reforms aimed at providing greater strategic clarity and is planning a more streamlined planning and reporting process for the next MTSIP which will cover 2014–19. These reforms, many details of which have already been referenced in this assessment, are a positive step in the right direction and Dr Clos is highly encouraged to see these through and to drive implementation throughout all levels of the organisation.

Human resources have not been well managed in the past, despite UN-Habitat adhering to UN staff rules and regulations in the selection and recruitment of staff. Minimal effort was previously given to maintaining staff performance appraisals, and recruitment practices were not fully effective in practice (although the recruitment ratios of female staff representation and geographic representation has matched or beaten targets set by the UN Secretary General to the executive director from 2007–10).

However, human resources policy changes are a part of the reforms being implemented at present. Management has undertaken to rectify these issues and new policies have been put in place. The UN Habitat 2010–11 training plan looks comprehensive and has a good range of topics that cover essentials including results-based management concepts and processes; budget and financial management; procurement; and International Public Sector Accounting Standards (IPSAS) amongst others. UN-Habitat has also worked to consistently improve the compliance rate for staff performance appraisals: the rate increased from 60.2 per cent in 2008 to 72.0 per cent in 2010.

<b>5. Cost and value consciousness</b>	<b>WEAK</b>
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Formal updates on costs and expenditure are handled through the Committee of Permanent Representatives that receives reports from UN-Habitat’s senior management every six months. However, this committee is not a decision making body and so lacks authority to formally scrutinise and re-adjust priorities if needed.

UN-Habitat’s Governing Council has direct input into costs and value assessments when it meets every second year. The timing of its meetings means there are long gaps between scrutinising and questioning costs and expenditure.

Beyond the application of standard UN procurement principles, no evidence was found that rates of return or cost effectiveness are important factors in decision making or that UN-Habitat challenges partners on value for money.

<b>a) Governing body and management regularly scrutinise costs and assess value for money</b>	<b>WEAK</b>
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Formal updates on costs and expenditure are handled through the committee of permanent representatives that receives reports from UN-Habitat’s senior management every six months. This committee is not a decision making body and so lacks any authority to formally scrutinise and readjust priorities if needed.

The Governing Council has direct input into the costs and value assessments when it meets every second year. This does mean that there are long gaps between meetings when costs and expenditure can be scrutinised and questioned. The Governing Council also has responsibility for guiding management on expenditure through the development of the six-year MTSIP and in reviewing and endorsing each biennial program of work.

<b>b) Rates of return and cost effectiveness are important factors in decision making</b>	<b>WEAK</b>
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Beyond the application of procurement principles such as ‘best value for money’, which are embedded in the UN financial regulations and rules, no evidence was found that rates of return or cost effectiveness are important factors in decision making. Although rate of return calculations are not routinely employed in planning or program decisions, UN-Habitat attempts to direct resources to high impact areas through its MTSIP.

<b>c) Challenges and supports partners to think about value for money</b>	<b>WEAK</b>
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UN-Habitat encourages value for money in its interactions with partners through requiring the use of local technical solutions, performing independent audits of partner projects, linking payments to the achievement of specific objectives, and requiring regular financial and narrative reporting by partners to UN-Habitat. However, the Australian Multilateral Assessment has not seen evidence of problems which arise being addressed.

<b>6. Partnership behaviour</b>	<b>STRONG</b>
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As an organisation that places great emphasis on its normative work, UN-Habitat has become effective at drawing on partnerships to leverage influence and resources to achieve its goals. One of its major advocacy campaigns is the World Urban Campaign, designed around promoting sustainable urbanisation policies, strategies and practices. The campaign involves more than 50 partners and is managed overall by UN-Habitat. In the field, UN-Habitat demonstrates it works well with a wide range of partners across the UN system; with community-based and non-government organisations; and with all levels of government from local to national.

UN-Habitat has a mixed record on using partner government systems in its programs. It does a good job, however, of incorporating partner voice into its policy setting, project design and operational activity.

<b>a) Works effectively in partnership with others</b>	<b>STRONG</b>
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As an organisation that places great emphasis on its normative work, UN-Habitat has become effective at drawing on partnerships to leverage influence and resources to achieve its goals.

One of its major advocacy campaigns is the World Urban Campaign, designed around promoting sustainable urbanisation policies, strategies and practices. The campaign involves more than 50 partners and is managed overall by UN-Habitat.

In the field, UN-Habitat demonstrates it works well with a wide range of partners across the UN system; with community-based and non-government organisations; and with all levels of government from local to national. UN-Habitat's collaborative approach has led to the strong success noted in the Australian Multilateral Assessment visit to Sri Lanka.

<b>b) Places value on alignment with partner countries' priorities and systems</b>	<b>SATISFACTORY</b>
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UN-Habitat has a mixed record on using partner government systems in its programs. A stated focus of UN-Habitat work is on technical assistance that builds the capacity of policy-makers. In the examples seen for this assessment, UN-Habitat appears to aim to work through government systems where possible with fairly effective outcomes. Other assessments however indicate that this approach is not always uniformly applied across

all activities. Prior to undertaking country activities, all project documents are agreed with local governments.

UN-Habitat does not have a strong leadership role on the Paris Declaration.

<b>c) Provides voice for partners and other stakeholders in decision making</b>	<b>STRONG</b>
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UN-Habitat does a good job of incorporating partner voice into its policy setting, project design and operational activity. A common characteristic of several UN-Habitat projects examined for this assessment indicated that beneficiaries were consulted during project design to ensure the project met their needs and created a strong sense of ownership that is seen to be key in making project outcomes sustainable.

In those same projects, UN-Habitat also ensured that technical assistance was available to local organisations and government so that the results from their side were similarly sustainable.

<b>7. Transparency and accountability</b>	<b>SATISFACTORY</b>
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UN-Habitat recently (December 2011) signed up to the International Aid Transparency Initiative but it does not have a formal disclosure policy. Some project information is available online but this could be strengthened to be more comprehensive and up-to-date.

Operating with a relatively small budget and not being an aid ‘deliverer’, UN-Habitat’s senior management allocates resources against each of the priorities identified in its strategic plan. However, the system of allocation is not clear. Steps at reforming this system are in train through the implementation of the new Project Accrual and Accounting System which will help increase transparency and accountability behind decisions.

UN-Habitat has satisfactory accountability mechanisms due to its use of and participation in wider UN systems such as engaging with the Office of Internal Oversight Services.

Minimal evidence was found to show UN-Habitat encourages transparency and accountability efforts in its partners.

<b>a) Routinely publishes comprehensive operational information, subject to justifiable confidentiality</b>	<b>SATISFACTORY</b>
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UN-Habitat signed up to International Aid Transparency Initiative in December 2011, however it still lacks a formal disclosure policy.

The release of documents is guided by the agency’s archives and records management policy and the UN Secretariat’s policies on record keeping and information sensitivity classification and handling. Documents which were not accessible to the public at the time of their creation are only made accessible if written consent for access is provided by the originating office, or if 20 years has passed since the document’s creation.

In each case, the document may not be made publicly accessible if restrictions have been imposed by the executive director or Secretary-General.

UN-Habitat regularly produces project reporting material for individual donors and also provides six-monthly reporting to the committee of permanent representatives—but this committee is not a decision making body and so any documents shared with the committee is on a for information basis only.

The UN-Habitat website could be improved greatly to enhance the availability of project information. What is available on the public website can be difficult to find and does not accurately reflect what is being currently funded (for example, the Support to Conflict Affected People through Housing Project in Sri Lanka was not listed on the UN-Habitat website). In some cases, more complete and up-to-date information can be found on UN-Habitat country websites (such as those maintained by the Sri Lanka and Fukuoka offices). UN-Habitat’s website is scheduled to be overhauled in 2012 following the introduction of the advocacy, outreach and communications section in the Office of the Executive Director.

<b>b) Is transparent in resource allocation, budget management and operational planning</b>
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<b>WEAK</b>
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This has been a weakness of UN-Habitat in the past. Operating with a relatively small budget and not being a typical aid deliverer, UN-Habitat’s senior management is responsible for allocating resources across the key outcomes of the MTSIP. Although the allocation of resources between areas of the MTSIP was determined using agreed criteria at the sub outcome-level, it is not clear how these decisions were made and on what basis. One of the priorities of the current reform agenda is the implementation of the project accrual and accounting system. This new system has several objectives, but two key ones include increased transparency in decision making and increased accountability for decisions. An expected outcome of this will be the flexible and efficient allocation of resources and to aggregate all project information to give a clearer overall picture of the organisation. This will hopefully improve on current processes which remain weak.

<b>c) Adheres to high standards of financial management, audit, risk management and fraud prevention</b>
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<b>SATISFACTORY</b>
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The accountability systems in place at UN-Habitat conform to international standards. The Office of Internal Oversight Services conducts internal audits with external audits being conducted by the UN’s Board of Auditors. These, and other external evaluations are acted upon by management—a good recent example is the peer review of progress on the MTSIP and associated recommendations on organisational change needed in order to meet MTSIP targets.

Adherence to the International Public Sector Accounting Standards is being introduced. Training programs for this purpose are being organised for staff.

<b>d) Promotes transparency and accountability in partners and recipients</b>	<b>WEAK</b>
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Minimal evidence was found in this Australian Multilateral Assessment process to indicate that transparency in partners and recipients was actively promoted by UN-Habitat. UN-Habitat does, however, require its partners to regularly present their accounts through presentations to community meetings at field-level.