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**Implementation of UN-Habitat strategic plans: update on
the final report on the strategic plan for the period
2014–2019 and the ongoing evaluation of the strategic plan
for the period 2014–2019**

Overview of the final evaluation of the implementation of the UN-Habitat strategic plan for the period 2014–2019

I. Introduction

1. The present document provides an overview of the independent evaluation report of the United Nations Human Settlements Programme (UN-Habitat) strategic plan for the period 2014–2019. It forms part of the final report on the implementation of the strategic plan prepared for the UN-Habitat Executive Board meeting scheduled to take place from 27 to 29 October 2020. The full evaluation report can be accessed at <https://unhabitat.org/2020-second-session-of-the-executive-board-meeting>.
2. The strategic plan for the period 2014–2019 was approved by the UN-Habitat Governing Council in April 2013, along with a framework for its midterm and final evaluation. The midterm evaluation was conducted in 2017. The adoption of the Sustainable Development Goals in 2015 and the New Urban Agenda in 2016, and results from the midterm evaluation, underlined the need for and led to adjustment of the strategic plan.
3. The evaluation assessed, as objectively as possible, the relevance, effectiveness, efficiency, coherence, sustainability and impact of UN-Habitat. Specifically, it assessed expected results based on the performance measurement plan; contributions to achieving Sustainable Development Goal 11, other Goals related to urban issues, and the implementation of the New Urban Agenda; and the integration of cross-cutting issues of gender, human rights, youth and climate change, as well as partnerships and capacity-building. It also identified lessons learned and provided recommendations. The evaluation was conducted by two independent consultants, Dorothy Lucks and Joshua Bwiira, from March to August 2020.
4. The evaluation touches on accountability and learning purposes. It is aimed at strengthening accountability by fostering discussion among key stakeholders, especially the management and staff of UN-Habitat, its governing bodies (including the Executive Board and the Committee of Permanent Representatives), donors and other key partners, on whether UN-Habitat has used resources effectively to achieve the planned results over the strategic plan's period of implementation. If the evaluation findings, lessons and recommendations are used, they will enhance learning aspects and inform management and programmatic approaches and decisions during the implementation of the new strategic plan for the period 2020–2023, the New Urban Agenda and the Sustainable Development Goals related to urban development. The evaluation is also useful to organizations that assess the performance of UN-Habitat, such as the Office of Internal Oversight Services (OIOS) and the Joint Inspection Unit, development evaluators and professionals interested in the work of UN-Habitat.

* HSP/EB.2020/19.

II. Overview of the strategic plan for the period 2014–2019

5. UN-Habitat has a broad mandate that derives from the outcomes of relevant international conferences and from specific mandates given the General Assembly, the Economic and Social Council and UN-Habitat governing bodies in their various resolutions. The strategic plan for the period 2014–2019 was approved by the UN-Habitat Governing Council in its resolution 24/15 of 19 April 2013. The plan had seven substantive focus areas, or subprogrammes: (a) urban legislation, land and governance; (b) urban planning and design; (c) urban economy; (d) urban basic services; (e) housing and slum upgrading; (f) risk reduction and rehabilitation; and (g) research and capacity development. In addition to seven subprogrammes that corresponded to seven branches through which the subprogrammes were delivered, the organizational structure included executive direction and management, the Programme Division, the Management and Operations Division, the External Relations Division, three liaison offices and four regional offices as enablers for effective implementation of the subprogrammes, focusing on resource management, partnership risk management, results-based planning, budgeting, monitoring, reporting, evaluation, auditing, legal matters, enhanced accountability and transparency.

6. The plan was implemented over a six-year period and linked to the biennial work programmes and budgets for 2014–2015, 2016–2017 and 2018–2019. The programme budgets were structured under the seven focus areas, or subprogrammes, that corresponded to the seven branches of the organizational structure. UN-Habitat worked with its key partners – national Governments, local authorities, non-governmental organizations and private-sector organizations – to deliver policies, strategies, advisory services, advocacy work, capacity-building, projects and programmes.

A. Resource plan

7. The implementation of the strategic plan was financed through five major sources of funding: (a) regular budget, (b) foundation general purpose (non-earmarked), (c) foundation special purpose (earmarked), (d) technical cooperation for operational activities at the country and regional levels and (e) programme support costs.

8. The strategic plan was estimated to be implemented at a cost of \$1,390.6 million.¹ The approved estimated costs for the work programmes and budgets for 2014–2015, 2016–2017 and 2018–2019 were \$392.428 million, \$482.3 million and \$499.8, respectively. The total income received was around 75 per cent of the approved costs, most of which came from technical sources. While the regular budget remained a stable source of income for UN-Habitat during the evaluated period, income from the regular budget comprised only around 10 per cent of total income.

9. During the implementation of the strategic plan, financial concerns persisted. UN-Habitat considers foundation general purpose (non-earmarked) funding, regular budget funding and programme support as elements of core resources. Their income contribution was around only 11 per cent of the approved total budget of the strategic plan. Owing to insufficient core funding, the organizational structure that was aligned with the substantive focus areas had unfilled key administrative and coordination posts throughout the period of implementation. For instance, out of 130 approved foundation general purpose posts, only 61 were filled in the 2014–2015 work programme, decreasing to 52 during the period covered by the 2016–2017 work programme and to 36 during the period covered by the 2018–2019 work programme. Dependence on a small number of donors is another concern. During the period of the strategic plan, the top 10 donors provided 55 per cent of total contributions.

B. Governance and management

10. UN-Habitat had a dual system of governance during the period of implementation of the strategic plan, which affected its delivery. First, UN-Habitat is part of the Secretariat of the United Nations and has to adhere to the Secretariat's rules and regulations. Second, the organization is expected to perform like other programmes and funds by abiding by the decisions of its governing bodies, donors and partners. This ambiguity stems from the evolution of the UN-Habitat mandate, which initially positioned the organization as primarily a technical centre for human settlements to support Member States on human settlement issues but later expanded its remit to that of a fully fledged programme implementing various interventions, including in humanitarian areas.

¹ Work programmes and budgets for 2014–2015, 2016–2017 and 2018–2019.

11. During the period 2014–2019, UN-Habitat was governed by the General Assembly, the Governing Council and the Committee of Permanent Representatives. The Governing Council was a subsidiary body of the General Assembly and served as the intergovernmental decision-making body of UN-Habitat. It reported to the Assembly through the Economic and Social Council, which coordinates the work of United Nations agencies. The Governing Council was composed of 58 States Members of the United Nations elected by the Economic and Social Council for a four-year term. Every two years, the Governing Council approved the work programme of UN-Habitat and provided guidance on its relationship with partners. Council meetings were high-level forums of Governments at the ministerial level that set UN-Habitat policy guidelines and approved its work programme and budgets every two years. The Committee of Permanent Representatives served as the intersessional subsidiary body of the Council. The membership of the Committee was open to all Permanent Representatives of Member States in Nairobi accredited to UN-Habitat. The Committee reviewed and monitored the implementation of the work programme of UN-Habitat and the implementation of decisions of the Council. It also reviewed the draft work programme and budget of UN-Habitat and prepared draft decisions and resolutions for consideration by the Council.

12. The complexity of the various committees in New York and the Committee of Permanent Representatives and its working groups in Nairobi made the UN-Habitat governance structure inefficient. The Governing Council, which provided overall direction for the work programme and budget and the adoption of resolutions, met once in two years, for only one week. Members of the Committee conducted oversight of UN-Habitat in addition to their primary functions at their embassies and had no decision-making powers. This led to bottlenecks and delays because of the need to consult and clear substantive matters with their capitals (see A/71/1006). This governance structure was therefore not optimum for efficiency, accountability and timely decision-making.

13. The debate and reform process for UN-Habitat organizational governance was ongoing for more than 12 years. It was initiated during the implementation of the previous strategic plan, the Medium-term Strategic and Institutional Plan for the period 2008–2013. Finalizing the reform process became a priority in 2018 when a new Executive Director, Maimunah Mohd Sharif, joined the organization. Over a two-year period from January 2018 until December 2019, UN-Habitat carried out an organizational change process to make itself fit for purpose, maximizing its added value to United Nations system-wide efforts and effectively supporting Member States in tackling challenges related to sustainable urbanization. The organization identified eight priorities to foster the anticipated change. By the end of December 2019, UN-Habitat had delivered on its new reform process with:

(a) A newly established governance structure, through General Assembly resolution 73/239 of 20 December 2018, which dissolved the Governing Council and replaced it with the UN-Habitat Assembly, composed of the 193 Member States, an Executive Board of 36 members and a Committee of Permanent Representatives;

(b) A new strategic plan for the period 2020–2023, which was approved by the UN-Habitat Assembly at its first session, in May 2019;

(c) An internal change process aimed at transforming the organization into a trusted, transparent and accountable United Nations agency that operates effectively, efficiently and collaboratively, and whose expertise is relevant, valued and in demand;

(d) An organizational restructuring to equip UN-Habitat with a more flexible and agile structure that will enable the organization to more effectively support Member States and development partners in the implementation, monitoring and review of the Sustainable Development Goals and the New Urban Agenda. The new organizational structure took effect on 1 January 2020.

C. Accountability framework

14. Performance measurement, evaluation and reporting were essential elements of the strategic plan. The work programme and budgets provided detailed information on activities, outputs, expected accomplishments and the resources required. The biennial work programme cycles of 2014–2015 and 2016–2017 were monitored and assessed regularly through the Integrated Monitoring and Documentation Information System, which was terminated in the final cycle of 2018–2019. Through the Project Accrual and Accountability System, the monitoring of activities and projects was carried out at the level of outputs and expected accomplishments. Annual progress reports provided information on the implementation of the strategic plan. The reports used indicators to demonstrate progress and to enable substantive analysis and comparison across subprogrammes, regions and countries with regard to the utilization of resources. The reports were shared with the Committee of Permanent Representatives, the Governing Council and key donors.

15. There were operating procedures for the following: review and approval of projects before their implementation, travel planning and approval, cooperation agreements, risk management committees, quality standards, oversight mechanisms and online training. The Project Advisory Group was responsible for ensuring that projects and programmes were aligned with the UN-Habitat mandate, the strategic plan and biennial work programme results before they were approved for implementation.

16. The evaluation framework for the strategic plan specified that a midterm and a final evaluation should be conducted. In addition, different types of evaluations and assessments were conducted, including project, programme, strategy, thematic, policy, institutional, country portfolio and cluster evaluations. External evaluators were used to conduct the evaluations. They were recruited through a competitive process and were selected based on merits and qualifications with regard to the evaluation and substantive areas. The quality of evaluation reports was assessed based on established quality control checklists. Evaluation reports were assessed to meet minimum quality evaluation standards. External evaluations conducted during the implementation of the strategic plan are accessible through the UN-Habitat evaluation website at www.unhabitat.org/evaluation. The implementation of evaluation recommendations was monitored regularly through the online evaluation recommendation tracking system. By December 2019, UN-Habitat was monitoring the implementation of 417 recommendations, of which 72.7 per cent had been implemented and 21.7 per cent were in progress, with implementation of the remaining 5.6 per cent not started.

17. Routine internal audits were conducted by OIOS and periodic external audits were consolidated into a report submitted to the General Assembly every two years. In the final work programme cycle, 2018–2019, some Member States specifically requested audits of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) and the ninth session of World Urban Forum. The Executive Director initiated independent financial and management review of UN-Habitat.

III. Evaluation approach and methodology

18. The evaluation had a global scope, covering all regions and countries of UN-Habitat operations. It was conducted in line with the United Nations Evaluation Group norms and standards for evaluation.² The objectives and key evaluation questions, as per the terms of reference, provided the analytical framework for the evaluation, which focused mainly on the corporate and programme levels.

19. The evaluation employed a mix of approaches, including a results-based approach, by which the analysis followed a theory of change in order to measure the success of implementation efforts against UN-Habitat planned outputs, outcomes and impacts; a systematic review approach, which included assessment of relevance, effectiveness and efficiency at the activity, output and outcome levels across all programme areas; a context variation approach, whereby the evaluation assessed the impact of external factors on levels of success, for instance, through the examination of patterns of performance data across different regions; and a complexity-aware approach, which involved being cognizant of the integrated nature of many of the interventions of UN-Habitat and the existence of multisectoral programme approaches.

20. The methodology included a systematic document review and the active involvement of stakeholders through consultations and interviews of 74 stakeholders, comprising Executive Board members, representatives of Member States, financing and operational partners and UN-Habitat management and staff. A survey was administered to UN-Habitat implementing partners but yielded a low response rate.

21. The evaluation had some limitations. Its scope was large, covering the whole organization and all programme areas, but it was conducted in a relatively short time frame with finite resources. The evaluation could have benefited from wider consultations with partners, government officials, donors and civil society. Difficulty in gaining access to detailed primary data from implementing partners and beneficiaries of UN-Habitat interventions made analysis difficult. The evaluation could have benefited from more in-depth country-level field assessments to obtain a more complete impression of outcomes and intended impacts, but this was not possible during the current coronavirus disease (COVID-19) pandemic, so interviews were conducted remotely. Also, the anticipated mission to Nairobi headquarters to consult with UN-Habitat management and staff on management issues and operations did not take place.

² Available at <http://www.unevaluation.org/document/detail/1914>.

IV. Main evaluation findings

A. Achievement of planned results

22. The strategic plan results framework consisted of the strategic results of UN-Habitat and of the seven subprogrammes. The specified indicators of achievement for organizational strategic results were as follows: (a) percentage of people living in slums; (b) percentage of the urban population with access to adequate housing; (c) percentage of people residing in urban areas with access to safe drinking water, adequate sanitation and regular waste collection services, clean domestic energy and public transport, disaggregated by gender; (d) number of city, regional and national authorities that have implemented urban policies supportive of local economic development and the creation of decent jobs and livelihoods; and (e) number of city and regional authorities that have implemented sustainable urban plans and designs that are inclusive and that respond to urban population growth adequately.

23. The strategic plan emphasized that its final evaluation should include reporting on organizational strategic result indicators of achievement.³ In addition, the midterm review conducted in 2017 raised the issue of the need to produce regular data showing the contribution of UN-Habitat to the achievement of Sustainable Development Goal targets and to use the data to advocate for increased core funding. The evaluation did not find measurement and documentation by UN-Habitat of strategic-level indicators that related to Goal targets. Nevertheless, using other United Nations and other sources,⁴ progress was made on some of the strategic result indicators of achievement. For instance, in 2014, the McKinsey Global Institute estimated that 330 million urban households lived in substandard housing or stretched to pay housing costs that exceeded 30 per cent of their income. In addition, globally in 2018:

(a) 23.5 per cent of the urban population was living in slums, compared with 23 per cent in 2014. The growth in the number of slum dwellers was a result of urbanization and population growth, which are outpacing the construction of affordable housing;

(b) 71 per cent of the global population used safely managed drinking water;

(c) 45 per cent of the global population used safely managed sanitation services and an additional 30 per cent used basic sanitation services;

(d) 2 billion people were without waste collection services and 3 billion people lacked access to controlled waste disposal facilities;

(e) 53 per cent of urban residents in 227 cities in 78 countries had access to public transport;

(f) 150 countries had developed national urban plans, which would help cities grow in a more sustainable and inclusive manner.

B. Achievements by subprogramme at the expected accomplishment level

24. The results framework consisted of seven subprogramme strategic results, 21 associated expected accomplishments, 29 indicators of achievement and 43 targets. Overall, the 2014–2019 strategic plan achieved the expected accomplishments to a satisfactory level; however, not all targets were met. As at December 2019, 62 per cent of targets had been met, 10 per cent had been partially met and 28 per cent had not been met. Results had been achieved across all the subprogrammes, with subprogramme 2, on urban planning and design, noted to have fully achieved all expected accomplishments. The following table summarizes the performance of subprogrammes in relation to expected indicators.

³ See HSP/GC/26/6/Add.3, para 62 (b).

⁴ The website of the Statistics Division (unstats.un.org) is the official website of the United Nations providing information on the development and implementation of an indicator framework for the review of the 2030 Agenda.

Performance of subprogrammes

<i>Subprogramme</i>	<i>Targets achieved (percentage)</i>	<i>Targets partially achieved (percentage)</i>	<i>Targets not achieved (percentage)</i>	<i>Assessment</i>
Subprogramme 1: Urban legislation, land and governance	50	25	25	
Subprogramme 2: Urban planning and design	100	0	0	
Subprogramme 3: Urban economy and municipal finance	75	0	25	
Subprogramme 4: Urban basic services	40	20	40	
Subprogramme 5: Housing and slum upgrading	60	0	40	
Subprogramme 6: Risk reduction and rehabilitation	67	33	0	
Subprogramme 7: Research and capacity development	60	0	40	
Total	62.1	10.3	27.6	
Key:	Highly satisfactory (> 70 per cent)	Satisfactory	Partially satisfactory	Not satisfactory

25. The main reason recorded by most branches⁵ for not meeting the targets of the expected accomplishments was insufficient funding at the global level. Most funding was earmarked for country-level work, leaving limited resources for global work, including funding for both normative work and management and coordination. For instance, in subprogramme 1, under the Safer Cities Programme, implementation budgets were cut, staff transferred without replacement and posts frozen. In subprogramme 7, UN-Habitat had to scale down its global indicators programme and reduce the scope of its *World Cities Reports*. Insufficient core funding also significantly affected the ability of the organization to support advocacy, communication, monitoring, quality assurance, reporting on risk management and evaluation.

C. Assessment based on evaluation criteria

1. Relevance

26. **The mandate of UN-Habitat is relevant in the current context.** In 2016, the New Urban Agenda reaffirmed the role of UN-Habitat as focal point for sustainable urbanization and human settlements in collaboration with other United Nations system entities, recognizing the linkages between sustainable development, disaster reduction, climate change and housing, among other things, that are becoming increasingly prominent as global, national and local priorities. There are other institutions taking an active role in the development of cities, but none with the same level of mandate on informal settlements and poverty reduction.

27. **UN-Habitat supported countries in the achievement of Sustainable Development Goal 11 and other Goals related to urban issues.** Its interventions at the global, regional and country levels are assessed as positive and appear to be aligned with member needs and priorities. Key stakeholders endorsed the relevance of UN-Habitat through its global initiatives and convening power, including the World Urban Forum, the World Urban Campaign, World Cities Day, the urban basic services trust fund, the Global Land Tool Network, the Global Water Operators' Partnerships Alliance, the Achieving Sustainable Urban Development programme, the Cities and Climate Change Initiative, the Safer Cities Programme, the Participatory Slum Upgrading Programme, the National Urban Policy Programme, the City Prosperity Index and the Global Urban Observatory.

28. **The expertise and achievements of UN-Habitat were evidenced by increased technical cooperation projects, reflecting increased demand for the organization's advisory services, technical assistance and capacity-building support for national and local governments.** Nevertheless, there is room for improvement in documenting the actual results and benefits delivered to beneficiaries in order to build a stronger case for relevance across countries and programmes.

⁵ Overview of self-assessment report for implementation of the strategic plan.

29. **UN-Habitat has a critical niche that is relevant for all countries, especially with regard to housing, informal settlements and inequality in cities.** There is no other global agency with a clearer purpose and greater expertise in addressing the quality of life in cities with a pro-poor focus. The high level of knowledge and skills in sustainable city policies and practices was acknowledged by all stakeholders as a fundamental and unique aspect of UN-Habitat. The organization needs to ensure that it is better equipped to capitalize on this specialization.

30. **Most UN-Habitat interventions were delivered in partnership with partners.** Gender, youth, partnerships, communication, capacity development and best practices were reflected in UN-Habitat programmes and projects that were aligned with the work programmes and the strategic plan itself. The long-term presence of UN-Habitat in a particular region or country helped to build relations and trust with key partners and strengthened credibility.

31. **UN-Habitat has expertise in disaster relief.** In contrast to many agencies that focus only on short-term emergency relief, UN-Habitat was able to take the wider view embodied in the “relief-to-development continuum”, combined with its urban expertise. Post-crisis responses were the contexts in which UN-Habitat was able to achieve outcomes in terms of improving the living conditions of vulnerable and marginalized groups. This represented a significant contribution to the urban poor and vulnerable groups.

2. Effectiveness

32. **The strategic plan was implemented in a matrix structure to reduce the siloed approach, and branches worked closely with regional offices in implementing projects and programmes.** UN-Habitat is assessed to have been effective to some extent with this model, under which branches and regional offices were centralized through the Programme Division to enhance congruence in strategies, planning, delivery and coordination. Although the matrix model achieved some progress in streamlining the planning and implementation of projects, there were gaps in the monitoring and reporting of the results achieved.

33. **The programmes and projects implemented under the strategic plan for the period 2014–2019 do not systematically document outcome-level performance.** Review of data from various sources provided general information that points to substantial benefits from UN-Habitat investments and activities. Nevertheless, the availability of data on performance between 2014 and 2019 is patchy and incomplete. This is attributed, based on interviews, to poor monitoring systems rather than lack of performance. Nonetheless, other data sources such as programme and project evaluations and feedback from partners confirm that overall operations have been satisfactorily completed in line with expected results.

34. **Benefits are achieved where normative and operational activities are linked.** There are numerous examples in UN-Habitat of investment in normative products such as standards and guidelines being of wide benefit. The greatest benefits were noted where normative products had been contextualized based on knowledge generated through in-field pilots or from project learning. Nevertheless, the opportunities for collaboration between the two workstreams were undermined by a largely siloed approach across the seven subprogrammes, as well as low levels of core funding to finance normative work. There is a need to better showcase results and outcomes achieved with regard to both normative and technical work performed by UN-Habitat branches and field offices.

35. **During the implementation period, UN-Habitat committed to integrating cross-cutting issues, including gender, youth, human rights, climate change, partnerships and capacity-building.** There were improvements in integrating cross-cutting issues into the planning and design of projects, and these were identified in key strategic documents. UN-Habitat has also been leading globally in programmes for young people and there is evidence of young people being integrated, for example, into land participation initiatives through the Global Land Tool Network. Overall, there was less evidence of cross-cutting issues being implemented and effectively monitored and assessed in the programmes and projects.

36. **UN-Habitat contributed effectively to improving collaboration with United Nations system entities on a range of normative frameworks.** While the normative work of the organization was assessed as important, it was generally under resourced. For instance, subprogramme 7 had to scale down its global indicators programme and reduce the scope of its *World Cities Reports* because of insufficient resources. The reduced number of posts in the subprogramme reduced the ability of UN-Habitat to work with Member States and other United Nations agencies and partners to collect and analyse data and distil knowledge to support the implementation of global agendas.

37. **The monitoring and evaluation functions of UN-Habitat are not adequately resourced.** There is no robust system for systemic data collection and ensuring the quality of data. In addition, outcome indicators are weak. For instance, the level of achievement for all expected accomplishments in the subprogramme on urban planning and design was highly satisfactory, and some targets were surpassed in terms of the quantitative indicators, but these do not capture all the qualitative results achieved at the global, regional and country levels. The number of institutions is counted, but the capacity built is not measured, and there is limited information on how the cities involved are implementing urban planning and management, owing to the unavailability of performance data at the project and programme levels in the Project Accrual and Accountability System. This makes the reporting of results with regard to performance challenging and has compromised the effective capture and demonstration of results.

38. **Partnerships have been the UN-Habitat service delivery model, but there has been no monitoring of the results that implementing partners achieve and how they contribute to the overall strategic results of UN-Habitat.** UN-Habitat has leveraged considerable additional resources through effective partnerships, and some of these partnerships are based on comparative advantages. Evaluation found that UN-Habitat effectively partnered with other United Nations organizations in some areas and is responding to country priorities. Nevertheless, there was no evidence of how UN-Habitat monitors and assesses its partners' results to contribute to the achievements of UN-Habitat.

39. **Recent changes within UN-Habitat signify an increased emphasis on reporting with regard to accountability, transparency and learning objectives.** These changes have translated into a strategic commitment, but this has not yet been reflected across all areas of the organization. The limited financial and human resources of UN-Habitat hinder the organization's capacity to generate and report quality information and results, including through designated evaluation functions.

3. Efficiency

40. **The evaluation assessed UN-Habitat to have delivered the strategic plan efficiently but indicated that there was a need for improvement in some critical areas as the agency delivers its strategic plan for 2020–2023.** The planning and design of its subprogrammes through biennial work programmes and budgets were targeted at areas of the UN-Habitat mandate and focused on results. Mechanisms and key policies for improving the quality of delivery of its projects were in place, including the project management policy, the accountability framework, the resource mobilization strategy, regional policies, the risk management policy and the evaluation policy. Some stakeholders interviewed confirmed that the operations of UN-Habitat were being delivered in a timely manner within the scope of agreed budgets and time frames, but others said there were always delays in delivery. Unpredictable and insufficient availability of funds for UN-Habitat core functions underpinned the organization's weaknesses and reduced its efficiency.

41. **The introduction of systems improved transparency, accountability and, to some extent, efficiency.** The integration of financial and management systems into the Umoja system, deployed in 2015, resulted in a satisfactory level of compliance with United Nations rules and regulations and good practice with regard to management requirements. Nevertheless, achieving compliance required a significant investment of resources and represented a large burden for UN-Habitat as a small organization. The approval processes hindered flexibility and responsiveness to local conditions, particularly in rapidly changing contexts such as in humanitarian response. Some interviewed staff indicated that the application of Umoja to the UN-Habitat structure had been complex. The allocation of funds could not happen in a systematic way owing to an irregular inflow of funds from donors. That meant continual adjustments to budgets in the system, which reduced operational efficiency, especially in operations at the regional and country levels.

42. **Evaluation could not find evidence of efficiency in the flex teams management approach.** During the reporting period, UN-Habitat introduced flex teams work modalities, in which staff members could be assigned to several projects against which their time could be accounted. The new approach was intended to ensure maximum flexibility and efficiency in the use of human resources. Some interviewed staff indicated that the approach had created a greater workload and stretched staff to an unreasonable extent instead of resulting in greater efficiency.

43. **The funds of UN-Habitat were disproportionately earmarked for subprogrammes that undermined the organization's ability to achieve its mandate and expected accomplishments.** UN-Habitat voluntary contributions have predominantly been earmarked. Consequently, its activities were dictated by donor funding, giving less flexibility for the organization to prioritize the organizational work. This severely limited the ability of UN-Habitat to make strategic programming decisions and to implement approved work programmes, especially in normative areas, which attract

lower levels of funding than operational activities. Furthermore, earmarked funding and insufficient non-earmarked resources to devote to core functions, including monitoring, evaluation, reporting and communication, constrain the overall effectiveness, efficiency and coherence of the organization.

44. **While the policies, systems and procedures for data collection and reporting on the activities of UN-Habitat have been defined, there is weak enforcement of compliance with policies on cooperation.** There are major gaps in how UN-Habitat collects information on its programmes and how the information is analysed and used. The agency is currently not able to assess its overall performance with regard to even the most basic indicators. There is weak monitoring ability and no evidence of a centralized repository of mission reports.

45. **UN-Habitat partnered with other United Nations organizations and delivered joint programmes efficiently to respond to country priorities.** Partnership was a cornerstone of the UN-Habitat delivery model and the organization was efficient in establishing partnerships. Nevertheless, monitoring and assessing the contributions of partners to the overall results of UN-Habitat needs improvement.

4. Coherence

46. **Positive aspects of the coherence of UN-Habitat can be found in relation to work with other United Nations actors and global frameworks.** UN-Habitat is to be commended for ongoing and increasing coherence with global frameworks given the drastically changing international context of development during the period evaluated. Its activities are closely aligned with both the 2030 Agenda for Sustainable Development and the New Urban Agenda. Similarly, the tendency of UN-Habitat to collaborate with other United Nations agencies where possible is a positive example of coherence and increases efficiency.

47. **Gaps and lack of integration in programming have led to a lack of coherence in some of the activities of UN-Habitat. This is improving but still requires attention.** The need for UN-Habitat to leverage funding is often in contradiction to the organizational mandate of addressing the underlying causes of unsustainable urbanization. The organization's pivot towards an integrated approach to sustainable urbanization was not fully achieved during the period 2014–2019 owing to a relatively siloed approach in each of the seven subprogrammes. Furthermore, a perceived tension between normative and operational workstreams undermines organizational coherence and progress towards results.

5. Sustainability

48. **The contribution of UN-Habitat to sustainable urban development is significant but insufficient and is hindered by poor reporting.** UN-Habitat has a proven blueprint for sustainable outcomes when all available tools are implemented correctly. Such tools include capacity-building activities, integration of sustainable urbanization considerations into policies and plans, solution-oriented activities and community engagement. The impacts of these activities are not sufficiently recorded to facilitate replication and scaling up, however, and have largely remained as isolated examples owing to the organization's fragmented "project" approach.

6. Impact

49. **UN-Habitat has a powerful impact model, but gaps in integration and scale of achievement constrain the potential for achieving the maximum results.** There is extremely high potential for positive benefit from UN-Habitat investments towards more sustainable, better functioning and more equitable cities. UN-Habitat is demonstrating relevant strategic approaches towards this potential but has faced, and continues to face, challenges in the delivery of the most relevant approaches, owing mainly to a financial crisis. It is assessed that UN-Habitat contributes significantly to the delivery of substantive outcomes and impacts at the programme and project level, but that these are not adequately documented and reported.

50. **More attention and resources need to be devoted to building a stronger evidence base with regard to outcomes and impacts.** It was difficult to determine actual outcomes and results associated with specific interventions given the limited evaluative evidence. Reporting was generally focused on activities and outputs rather than on actual outcomes and impacts. Nevertheless, the evaluation noted that UN-Habitat was now investing in impact evaluations. By the time the present evaluation was conducted, there was an ongoing evaluation of impact of UN-Habitat's housing approach to adequate, affordable housing and poverty reduction.

D. Assessment of integration of cross-cutting issues

51. **The ability of UN-Habitat to embed cross-cutting issues is characterized by some examples of good practice but is not mainstreamed in all activities.** The integration of gender considerations has improved but is still not effective throughout the organization owing to a lack of specific expertise. Similarly, some projects have resulted in extremely positive results for youth, but these approaches have not been mainstreamed. Human rights are perhaps the most positive example of mainstreaming, as they have been seamlessly integrated into the strategic, operational and normative aspects of the work of UN-Habitat, but this area is also constrained by limited capacity and resources. Climate change considerations are gaining a higher profile within the organization and recently gathered increased momentum with the release of the new strategic plan.

E. Transformational change

52. **UN-Habitat has the building blocks to achieve transformational change if they are used maximally and implemented correctly.** The 2014–2019 strategic plan period was characterized by disjointed programming, tensions between operational and normative workstreams, and insufficient resources to ensure ongoing engagement and expansion of the good practices and results already achieved. This lack of internal coherence and coordination undermined the ability of UN-Habitat to achieve transformational change. Insufficient stakeholder engagement, data capture, analysis and reporting also contributed to a fractured and disjointed approach to programming, as well as isolated examples of impacts with less potential for transformative change. Yet, there are indications that, with continued engagement with stakeholders, coherent and integrated programming, and concerted steps towards the replication and upscaling of good practices, transformational change can and does occur.

53. **UN-Habitat has a proven ability to achieve transformational change, which is improving further with the strengthening of organizational mechanisms.** The organization has produced some exceptional normative products, which are widely used and appreciated by beneficiaries and stakeholders. When the normative and operational workstreams have collaborated, UN-Habitat has proven its ability to contribute to transformational change. Such positive results are being facilitated and promoted by institutional strengthening and internal system improvements.

54. **The level of success of UN-Habitat was undermined, however, by several key challenges and risks.** Such challenges include shortfalls in reputation, credibility and profile; indecision relating to areas of focus and internal gaps in coherence; critical funding shortages; a business model that was not fit for purpose; and insufficient reporting mechanisms. The organization's current level of activity and impact, as well as its institutional restructuring and strategic repositioning processes, are at risk because of a lack of financial resources, especially core and unearmarked funding.

V. Lessons learned

55. **Strategic lessons from the evaluation highlight the need for a clear message and comparative advantage to reaffirm UN-Habitat's leadership position, regain confidence and leverage funds.** The key message of UN-Habitat has been somewhat diluted by the need to focus on fundraising while addressing all aspects of sustainable urbanization. UN-Habitat needs to be consistent both internally and externally with regard to making its core purpose clear, and to ensure that that purpose benefits from a combination of normative and operational work, and collaboration between the two workstreams, as well as consequential and transformational impact. Such a clear message could help UN-Habitat leverage funds, improve transparency, increase donor confidence and improve advocacy efforts.

56. **The current financial position of UN-Habitat is exacerbated by poor internal systems, which in turn affect the organization's ability to attract funds.** Limited funding has a multitude of impacts, such as an inability to complete a necessary institutional restructuring to improve efficiency and achieve alignment with United Nations requirements. In addition, funding cuts and low levels of core funding result in fewer administrative and coordination staff, which decreases organizational efficiency and inhibits reporting processes. Insufficient reporting of results undersells the effectiveness of UN-Habitat and its potential for impact, which further detracts from donor interest.

VI. Key recommendations

57. The recommendations emerging from the evaluation can be summarized as follows:

(a) **UN-Habitat should capitalize on its strengths** and leadership role to achieve a clear and communicable purpose, increase the utilization of networks, more clearly communicate its successes and build collaboration between normative and operational workstreams.

(b) **UN-Habitat has a number of critical risks that it should address**, including (i) funding gaps that undermine core staffing levels, which should be packaged as projects to attract funding; (ii) the eroded confidence of Member States, which needs to be rebuilt; and (iii) a number of other risks that require a systematic plan to address and minimize them.

(c) **UN-Habitat needs to overcome chronic challenges in a strategic and prioritized way**. Such strategic improvements should include improvement and streamlining of measurement and reporting mechanisms, strengthening of the communications role and analysis of current management systems for opportunities for improvement.

(d) **UN-Habitat should seize opportunities without further overstretching resources**. It is recommended that this occur through the development of a “catalogue of champions” in key decision-making positions in Member States and externally.

(e) **UN-Habitat should strengthen its monitoring and evaluation work in a systematic manner**. While UN-Habitat collects extensive information in documents such as its annual reports, that information covers many different kinds of activities. It is difficult to aggregate different kinds of data to assess the overall impact of UN-Habitat. In addition, the organization should make full use of available management information systems, such as the Project Accrual and Accountability System, to ensure consistent, good-quality information that is comparable between programme levels and between countries and regions.

(f) **UN-Habitat should continue strengthening knowledge management**. Knowledge management is one of the most effective tools for advocacy, technical assistance and capacity development. Current programmes should be strengthened through a greater focus on the dissemination of information and the promotion of its use.

(g) **UN-Habitat should link normative and operational programming for greater impact**. More emphasis should be on supporting the specific technical, regional and country-level projects and activities that are consistent with the organization’s mandate and test solutions to priority normative processes. This approach not only achieves tangible results but also focuses on advancing normative work that will contribute to transformational change.

(h) **Within the new governance and organizational structures, there is a need to engage with key stakeholders, including the Executive Board, on specific issues that UN-Habitat faces in post-disaster and conflict areas**. Broadening the donor base and mobilizing donors to provide non-earmarked funding would enable UN-Habitat to prioritize the implementation of its work.