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**Progress in the implementation of the
recommendations of the 2022 report of the Joint
Inspection Unit on the findings of its review of the
management and administration of UN-Habitat**

Progress in the implementation of the recommendations of the 2022 report of the Joint Inspection Unit on the findings of its review of the management and administration of UN-Habitat

Report of the Executive Director

I. Introduction

1. The Joint Inspection Unit is the only independent external oversight body of the United Nations system, mandated to conduct evaluations, inspections and investigations system-wide, as well as single-organization management and administration reviews. It conducted a review of the management and administration of UN-Habitat in 2021–2022, covering four areas:

- (a) Governance reform;
- (b) Organizational restructuring and management;
- (c) Financial management;
- (d) Oversight and evaluation.

2. The resulting review report (JIU/REP/2022/1) contained eight formal recommendations and 24 informal recommendations intended to improve the overall effectiveness and viability of UN-Habitat. Of the eight formal recommendations, one was addressed to the UN-Habitat Assembly, two to the Executive Board, four to the Executive Director and one to the Secretary-General.

3. The report was presented by a Joint Inspection Unit inspector to the Executive Board at its second session of 2022. The Executive Board took note of the report, called upon the Executive Director to implement the recommendations, and requested her to report to the Board on the progress of the implementation of the recommendations at the Board's second or third session of 2023.

* Reissued for technical reasons on 21 November 2023.

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II. Progress in the implementation of the recommendations

4. The table starting on page 3 shows the status of implementation of formal and informal recommendations resulting from the management and administration review. As at 31 August 2023, out of the eight formal recommendations, one had not been accepted, four had been implemented and three were under implementation. Of the 24 informal recommendations, nine (37.5 per cent) had been implemented, 14 (58.3 per cent) were under implementation, and implementation of the remaining one (4.2 per cent) had not started.

III. Proposed decision

5. In fulfilling its mandate of strengthening the accountability, transparency, efficiency and effectiveness of UN-Habitat, as well as overseeing compliance with recommendations in the reports of oversight bodies, the Executive Board may wish to take note of the present report and recommend actions to further improve the implementation of the recommendations of the Joint Inspection Unit.

Progress in the implementation of the recommendations of the 2022 report of the Joint Inspection Unit on the findings of its review of the management and administration of UN-Habitat*

<i>Rec. no.</i>	<i>Recommendation</i>	<i>Acceptance status</i>	<i>Implementation status</i>	<i>Responsible office</i>	<i>Implementation date</i>	<i>Remarks</i>
Formal recommendations						
Rec. 1	The UN-Habitat Assembly should consider amending its rules of procedure, in accordance with rule 71 thereof, to further clarify the distinct roles and responsibilities of each of the governing bodies of UN-Habitat. Such an amendment should be adopted by the end of 2024.	Accepted	–	UN-Habitat Assembly	Not applicable	The UN-Habitat Assembly decided, in decision 2/5, that, given the new UN-Habitat governance structure instituted in 2019, it was premature to revisit the rules of procedure, and that they could be revisited later.
Rec. 2	The Executive Board of UN-Habitat should approve a realistic budget for the Foundation non-earmarked fund, to which Member States should consider making sufficient contributions so that UN-Habitat can carry out its critical normative work in accordance with its mandate and in a consistent and sustainable manner.	Accepted	Implemented	Executive Board	March 2023	<p>The Executive Director, after consultation with the United Nations Controller and Member States, put forward a realistic budget. Budgeting was done in line with available revenue, with fixed ceilings of US\$ 3 million for the Foundation non-earmarked fund and US\$ 10 million for programme support costs. The Executive Board approved the ceiling, and letters urging Member States to provide adequate funding are sent periodically.</p> <p>In addition, the Executive Board at its second session of 2022 welcomed UN-Habitat's exploration of innovative sources of funding. At its first session of 2023, the Executive Board welcomed the UN-Habitat report on scalability, up to \$12 million, and requested the Executive Director to report on the scalability level to the Executive Board at its first session of 2024.</p>
Rec. 3	The Executive Board of UN-Habitat should establish a voluntary indicative scale of contributions for the Foundation non-earmarked fund by the end of 2023.	Accepted	In progress	Executive Board	Dec. 2024	The Executive Board at its first session of 2023 requested that the ad hoc working group on programmatic, budgetary and administrative matters continue its discussions on the non-earmarked budget, including the voluntary indicative scale of contributions, of the Habitat and Human Settlements Foundation for 2024.

* The recommendations are contained in document JIU/REP/2022/1.

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Rec. 4	The Executive Director should implement activities supported by the Foundation non-earmarked fund within the scope of existing resources and should not consider new activities until adequate contributions for that fund are received.	Accepted	Implemented	MACS	Dec. 2023	UN-Habitat presented the work programme and budget to the ad hoc working group on programmatic, budgetary and administrative matters, with clear limitations indicated within the US\$ 3 million budget to implement activities supported by non-earmarked funds.
Rec. 5	By no later than the end of 2023, the Executive Director should develop a corporate risk register, including risk owners and action plans for each risk, and ensure that critical risks faced by UN-Habitat are regularly monitored and the necessary actions are taken.	Accepted	In progress	MACS	Dec. 2023	Risks are now identified at the project level through the programme review committee system and will be consolidated. Currently, the function of oversight and internal control is exercised by MACS. The possibility of lending an enterprise resource management officer from DMSPC to support the finalization of the risk register is being explored.
Rec. 6	Given the current financial constraints and staffing situation of the UN-Habitat secretariat, the Executive Director should implement the main outstanding audit recommendations as a matter of urgency.	Accepted	In progress	MACS	Dec. 2023	At the Executive Board's second session of 2022, the Executive Director confirmed the implementation of the audit recommendations as her priority. Her target was to implement 50 per cent of outstanding recommendations by 31 March 2023.
Rec. 7	The Executive Director should urgently discuss the current financial and human resources issues with the Secretary-General and request substantive support and special arrangements, at no cost to UN-Habitat, until the financial stability of the Foundation non-earmarked fund is secured.	Accepted	Implemented	Office of the Executive Director	Dec. 2023	This has been implemented as reported by the DMSPC response to the Joint Inspection Unit.
Rec. 8	The Secretary-General should, as a matter of priority, address the financial and human resources issues of UN-Habitat, re-evaluate its capability to fulfil its mandate, and explore ways to make it a more viable and sustainable entity.	Accepted	Implemented	DMSPC	Dec.2023	The financial and human resources issues of UN-Habitat were considered and six new regular-budget positions were provided.

Informal recommendations

Governance reform

Rec. 1	The respective bureaux of the Executive Board and the Committee of Permanent Representatives should consider holding regular joint bureaux meetings – for example, semi-annually – in a way not to overburden the secretariat but to avoid any overlaps and enhance harmonization between the two bodies (see para. 43).	Accepted	Implemented	Secretary to Governing Bodies	Dec. 2023	Regular meetings are held.
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Rec. 2	The Inspectors recommend that the Executive Director further enrich the regular induction programme for delegations in order to establish and maintain a similar level of understanding and knowledge of UN-Habitat among representatives of Member States to promote the active engagement of all delegations.	Accepted	Implemented	Secretary to Governing Bodies	Dec. 2023	At the start of every calendar year, induction training is delivered to delegations to help them understand the work and operation of UN-Habitat.
Rec. 3	The Inspectors agree that there are a substantial number of pre-session documents for meetings of the governing bodies. While it is commendable that the secretariat prepares various documents with the current limited resources, the pre-session documents should adhere to the decision of the Executive Board. The Executive Director should consider setting a word limit for pre-session documents, if this has not already been introduced.	Accepted	Implemented	Secretary to Governing Bodies	Dec. 2023	Pre-session documents adhere to decisions of the Executive Board.
Rec. 4	The Inspectors are of the opinion that it is also necessary for the Executive Board to prioritize and streamline its reporting requests to the secretariat, with a view to enhancing the efficiency of the secretariat. For example, the Executive Board may wish to consider limiting the annual mandated reports on the activities of UN-Habitat owing to the short timespan for preparing documentation between each session of the Board and the associated costs, including editing and translation costs.	Accepted	Implemented	Executive Board	Dec. 2023	Reporting to the Executive Board is prioritized and streamlined.
Rec. 5	The Inspectors suggest that the Executive Board streamline and prioritize agenda items so that only issues that require urgent attention by the Board are discussed within the mandated two to three days for each session, without compromising the quality of discussion, and ensuring timely decision-making.	Accepted	Implemented	Executive Board	Dec. 2023	Agendas of Executive Board meetings are decided by the bureaux of the Executive Board.
<i>Financial management</i>						
Rec. 6	The Executive Director should further pursue more realistic budgeting based on the actual revenue levels of recent years, with further cost rationalization.	Accepted	Implemented	MACS	Dec. 2023	The annual work programme and budget for 2024 was based on the predicted revenue levels.

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Rec. 7	The Inspectors are of the opinion that more Member States should consider contributing to the Foundation non-earmarked fund, which is crucial for managing the organization and for having a normative presence globally and not being project-based.	Accepted	In progress	Executive Board	Dec. 2024	
Rec. 8	The Inspectors believe that further broadening the base of contributions by Member States and enhancing predictability in financing the Foundation non-earmarked fund is critical for UN-Habitat in fulfilling its mandate and the objectives of the strategic plan for 2020–2023.	Accepted	In Progress	MACS	Dec. 2024	
Rec. 9	As the Foundation non-earmarked fund is a key resource for the normative work of UN-Habitat, the Inspectors are of the opinion that the secretariat should provide relevant and concise information to Member States to enable them to understand all aspects of the funding, including the impact of shortfalls in the fund, for example, by listing normative work activities and deliverables that cannot be implemented and produced in case of insufficient non-earmarked funding.	Accepted	Implemented	MACS	Dec. 2023	Information is provided to and appreciated by the Member States at various meetings.
<i>Organizational restructuring and management</i>						
Rec. 10	The Inspectors reiterate their call to Member States to improve the financial situation of the organization by making non-earmarked contributions so that it can operate in a more stable and sustainable manner in fulfilling its mandate.	Accepted	In progress	Executive Board	Dec. 2024	
Rec. 11	With the new policy and the framework in place, together with the fact that the secretariat updated the results-based management handbook in 2021, it is advisable to conduct refresher training on results-based management.	Accepted	In progress	ERSKID	Dec. 2024	Meetings about results-based management are conducted regularly at the UN-Habitat headquarters and at regional offices.
Rec. 12	Considering the role of the Executive Committee, which is to provide advice to the Executive Director, the Inspectors are of the view that it should be chaired by a senior official other than the Executive Director.	Not Accepted	Not started	Executive Director	Dec. 2024	The Executive Committee is a consultative and decision-making body. The Programme Management Committee with the advisory role is chaired by the Deputy Executive Director.

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Rec. 13	The Inspectors are of the view that the Executive Director should improve in-house coordination and cooperation, for example, by collecting the opinions of staff working in regions and countries through periodic staff surveys.	Accepted	In progress	Executive Director	Dec. 2024	Staff surveys and question-and-answer sessions at town hall meetings are used to elicit the views of staff members.
Rec. 14	The Executive Director is further encouraged to recruit qualified candidates from underrepresented and/or unrepresented countries, whenever possible, in order to pursue more balanced geographical diversity among staff.	Accepted	In progress	Executive Director	Dec. 2024	The relevant central review body reviews recruitments and advises the Executive Director on these matters.
Rec. 15	The Inspectors commend the efforts of the Executive Director to address gender parity at the P-5 and D-1 levels, while encouraging such efforts to be continued.	Accepted	In progress	Executive Director	Dec. 2024	There is significant ongoing improvement in gender parity in UN-Habitat.
Rec. 16	The Inspectors are of the view that a staff rotation scheme should be encouraged, considering the focus of UN-Habitat in balancing and connecting its normative and operational activities, as well as its efforts to implement the reform of the United Nations development system.	Accepted	Implemented	Executive Director	Dec. 2023	Evidence is that the Chief of the Office of the Executive Director moved from the Regional Office for Arab States to take up new functions in the first quarter of 2023.
Rec. 17	The Executive Director should address the negative perceptions of staff regarding consistency and transparency in human resources management by applying and demonstrating the highest degree of compliance, transparency and communication in human resources management, such as in recruitment and promotion processes, to avoid the perceived lack of fairness and grounds for frustration and rumour.	Accepted	In progress	Office of the Executive Director	Dec. 2024	Promotion and recruitment processes are guided by administrative instructions issued by the United Nations Secretariat.
Rec. 18	Considering the funding status of UN-Habitat, which operates with approximately 90 per cent earmarked funding, the Inspectors recommend that the Executive Director discuss the issue of the duration of consultancy contracts with the Department of Management Strategy, Policy and Compliance of the United Nations Secretariat.	Accepted	Implemented	MACS, Office of the Executive Director	Dec. 2024	
Rec. 19	The Inspectors encourage the Executive Director to develop a knowledge management strategy, ensuring a corporate approach to systematic knowledge management, and provide training to staff accordingly.	Accepted	In progress	ERSKID	Dec. 2024	A knowledge management strategy exists. It will be updated taking into account the new organizational structure of UN-Habitat.

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Rec. 20	The performance of each service provider, especially the United Nations Office at Nairobi, needs to be closely monitored and the selection criteria used to choose such service providers among the United Nations Office at Nairobi, the United Nations Development Programme and the United Nations Office for Project Services should be established to ensure transparency and avoid confusion.	Accepted	In progress	MACS	Dec. 2024	Criteria are used for selection of service providers.
<i>Oversight and evaluation</i>						
Rec. 21	The Office of Internal Oversight Services, as an independent function, should present its reports to the Executive Board.	Accepted	In progress	Secretary to Governing Bodies	2024	The Office of Internal Oversight Services will be reporting to the Executive Board.
Rec. 22	The Inspectors encourage the Executive Director to update the status of acceptance and implementation of Joint Inspection Unit recommendations in the Unit's web-based tracking system.	Accepted	In progress	Independent Evaluation Unit	Continuous	Recommendations addressed to the Executive Director are easy to update in the system. It is challenging to update those addressed to the governing bodies before the latter take decisions.
Rec. 23	The Inspectors recommend that the evaluation policy [of UN-Habitat adopted in 2013] be reviewed and updated, for example, by reflecting the recent changes in the governance structure and in the secretariat.	Accepted	In Progress	Independent Evaluation Unit	Dec. 2023	The draft revised evaluation policy 2023 was developed by the Independent Evaluation Unit and shared with the relevant staff and Programme Management Committee members, who provided comments. It is awaiting discussion and endorsement by the Executive Committee and approval by the Executive Director. It has been updated on the basis of the requirements of the new administrative instruction on evaluation in the United Nations Secretariat and of the Joint Inspection Unit recommendation.
Rec. 24	The Inspectors recommend that the Independent Evaluation Unit report directly to the Executive Board on a regular basis.	Accepted	In progress	Executive Director/ Deputy Executive Director	Dec. 2024	The Independent Evaluation Unit will be reporting to the Executive Board.

Abbreviations: DMSPC – Department of Management Strategy, Policy and Compliance; ERSKID – External Relations, Strategy, Knowledge and Innovation Division; MACS – Management Advisory and Compliance Services.