

**Summary of the eleventh meeting of the Ad-Hoc working group on programmatic, budgetary and Administrative matters of the Executive Board
Thursday 11 February 2021 – 14:30 – 16:30 East Africa Time (EAT)**

Chair: H.E Ms. Julia Pataki, Permanent Representative of Romania to UN-Habitat

The Chair called the meeting to order at 2.35 PM (EAT)

1. Adoption of the Agenda

The Ad-Hoc working group on programmatic, budgetary and administrative matters of the Executive Board adopted the provisional agenda for its eleventh meeting as follows:

1. Adoption of the Agenda;
2. Discussions on the proposed draft work programme and budget of the United Nations Human Settlements Foundation for the year 2022;
3. Any other matters.

After the adoption of the Agenda, the meeting considered Agenda item 2, namely discussions on proposed draft work programme and budget of the United Nations Human Settlements Foundation for the year 2022.

2. Discussions on the proposed draft work programme and budget of the United Nations Human Settlements Foundation for the year 2022

- i. Under this item, the Chair provided a brief chronology related, inter-alia, to the preparation and submission of documents to the Working Group regarding the draft work programme and budget of UN-Habitat for the year 2022. She recalled that during the 2020 second session of the Executive Board, the Board took note of the need to align the sessions of the Executive Board for the year 2021 with the preparatory and approval process of the draft 2022 work programme and budget of UN-Habitat.
- ii. In this regard, the Chair recalled that the Executive Board in its Decision 2020/6 adopted at its 2020 second session requested the Ad-Hoc working group on programmatic, budgetary and administrative matters:
 - (i) To discuss a draft work programme of UN-Habitat for the year 2022 in readiness for submission to the Controller of the United Nations in New York by 15 January 2021 and;
 - (ii) To discuss a draft budget for UN-Habitat for 2022 in line with the recommended budget range for the United Nations Habitat and Human Settlements Foundation non-earmarked budget of UN-Habitat for 2022 of between \$10 million and \$12 million and other extra budgetary resources, for submission to the Advisory Committee on Administrative and Budgetary Questions by 15 February 2021.
- iii. Referring to Decision 2020/6, the Chair further recalled the schedule of the four meetings of the Ad-Hoc working group initially agreed upon, for the discussions on the draft work programme and budget of the UN-Habitat for the year 2022 which was as follows:
 - a. **11 and 14 January 2021:** Discussions on the draft work programme of UN-Habitat for the year 2022
 - b. **8 and 10 February 2021:** Discussions on the draft work programme and budget of UN-Habitat for the year 2022

- iv. The Chair acknowledged that in December 2020 the Secretariat brought to her attention that it has since received new guidance from the SG and the UN-Controller with respect to the timeline for preparations of the work programme and budget for the year 2022, which as a result would impact the schedule of meetings of the Ad-Hoc working group as agreed above. Specifically, the Programme Planning and Budget Division (PPBD) informed that UN-Habitat's submission date for the draft work programme would be 11 February 2021 and 22 February 2021 for the draft budget.
- v. The Chair recalled that in light of this update, the meetings initially scheduled on Monday 11 January 2021 and Thursday 14 January 2021 were cancelled and rescheduled.
- v. In order to still allow time for adequate preparations towards a meaningful discussion on the priorities of the Organization within the context of the strategic plan towards the development of the Work Programme of UN-Habitat for the year 2022, the Chair requested the Secretariat to share before the Christmas break a document on the priorities of the Organization towards the development of the Work Programme of UN-Habitat for the year 2022. The document was shared by the Secretariat on 22 December 2020 for discussion by the Ad-Hoc working group on 18 January 2021 with the objective to hold a preliminary discussion and provide guidance to the Secretariat on the areas of focus and potential catalytic actions for the development for the work programme for the year 2022.
- vi. The Chair recalled that during the meeting of the Ad-Hoc working group held on 18 January 2021, the ad-hoc working group discussed the orientations for the development of the draft Work Programme of UN-Habitat for the year 2022. At that same meeting, the Secretariat updated that it had received new guidance from the SG and the UN-Controller with respect to the timeline for preparations of the work programme and budget for the year 2022. Specifically, the Programme Planning and Budget Division (PPBD) informed that UN-Habitat's submission date for the draft work programme will be 15 February 2021 and 22 February 2021 for the draft budget.
- vii. Having presented the new timelines, the Secretariat committed to transmit the draft work programme and budget of UN-Habitat for the year 2022 to Member States on Wednesday 27 January 2021. In that respect, it was accordingly further agreed, at the request of the Secretariat, that the Ad-hoc working group will meet to review and discuss the proposed Work Programme and budget for 2022 on Thursday 4 February 2021 and Monday 8 February 2021.
- viii. The Chair recalled that on 27 January 2021, the Secretariat did transmit to Member States the draft Work Programme of UN-Habitat for the year 2022 but without the budget. The budget section was not sent till 4 February 2021.
- ix. The Chair therefore requested for the cancellation of the two meetings of the Ad-Hoc Working Group, initially scheduled on Thursday 4 February 2021 and Monday 8 February 2021, to discuss the draft work programme and budget so that Member States could have time to consult including with their capitals. A communication was sent in this respect to all Member States on 1 February 2021.
- x. The Chair indicated that based upon the indication given by the Secretariat that the draft budget would be transmitted to Member States on 3 February 2021 and in order to allow time for adequate preparations towards a meaningful discussion on draft work programme and budget, she had no choice but to suggest that the meeting of the Ad-hoc working group be held on 10 February 2021.
- xi. The Chair noted that the draft work programme and budget for the year 2022 was not transmitted to Member States until 4 February 2021 and therefore in order to allow time for adequate preparations for Member States towards a meaningful discussion on the draft work programme

and budget, the Chair suggested that the meeting of the Ad-hoc working group be held on 11 February 2021.

- xii. She expressed her concerns with the persistent lateness in the submission of the budget document to the Working Group, time enough to allow adequate time for Member States to review the document in a substantive manner and to share the draft budget with their capitals. This she noted had resulted in the postponing of the meetings of the Working Group to discuss the Budget. The Secretariat conveyed its sincere apologies to the Chair of the Ad-Hoc working group and to its members for not meeting the intended deadlines and promised to work harder while also setting deadlines that can be workable and met by the Secretariat.
- xiii. The Chair reiterated that the purpose of the meeting was for the Ad-Hoc working group to formulate recommendations that would enable the Executive Director to update the Executive Board at its upcoming first session in April 2021 on the status of the draft work programme and budget for 2022, taking into account the recommendations of the Ad-Hoc working group.
- xiv. The Secretariat provided a briefing on the draft work programme and budget of UN-Habitat for the year 2022. The full presentation by the Secretariat can be accessed [here](#).

The briefing highlighted the following:

- i. UN-Habitat reiterated its areas of focus for the proposed work programme of UN-Habitat for 2022, which are based on the 2020–2023 strategic plan, which was approved by Resolution 1/1, adopted by the UN- Habitat Assembly at its first session in May 2019.
- ii. The Secretariat further presented the four Sub-Programmes of the programme of work for the year 2022 which are based on the four domains of change of the 2020-2023 Strategic Plan:
 - Reduced spatial equality and poverty in communities across the urban- rural continuum,
 - Enhanced shared prosperity of cities and regions,
 - Strengthened climate action and improved urban environment,
 - Effective urban crisis prevention and response.
- iii. The Secretariat reiterated that UN-Habitat is currently planning for 2022 which is year 3 of the implementation of the 2020-2023 Strategic Plan and emphasized that its presentation will focus on the following items:
 - Normative deliverables (e.g. 2nd Quadrennial reports)
 - Operational deliverable (e.g participatory urban resilience planning)
 - Post resources (e.g staff costs)
 - Non-post resources (e.g non-staff costs)
- iv. The Secretariat recalled the impact of COVID-19 on the planned deliverables and activities for the year 2020, which involved seeking alternative forms of gatherings and consultations using virtual meeting platforms, advisory services, and remote technical support. However, the Secretariat acknowledged that there are valuable lessons learned and best practices related to adjustments and adaption of programme due to COVID-19 pandemic.
- v. The Secretariat presented the strategic direction for 2022 towards the implementation of the Strategic Plan 2020-2023 through Sub-programmes 1 to 4 as follows:

Sub programme 1 will support Member States to:

 - a) Improve access to and provide efficient, quality, reliable and sustainable basic services
 - b) Implement inclusive and gender-responsive land and housing policies, improve

tenure security for all, provide adequate, affordable housing and prevent unlawful forced evictions

- c) Address structural inequalities exposed by the COVID-19 pandemic

In this regard, **Sub programme 1** is expected to achieve the following results:

- a) Improved quality, accessibility, inclusion and safety of public spaces for all in urban areas;
- b) An increased number of people living in adequate and affordable housing and strengthened capacities of policymakers to implement sustainable land governance systems; and
- c) Transformation and regeneration of dilapidated urban areas into social and economically inclusive areas that offer improved quality of life to inhabitants.

Sub programme 2 will support Member States to/on:

- a) Enhance the contribution of urbanization to productivity and inclusive economic development
- b) Issues related to COVID-19 by providing a territorial framework for the socio-economic recovery from COVID-19, climate action, and safeguarding the environment and biodiversity

In this regard, **Sub programme 2** is expected to achieve the following results:

- a) Balanced territorial development and better-connected human settlements, while contributing to improved social inclusivity, poverty reduction and climate action;
- b) Local authorities enacting the institutional and legal reforms necessary to generate additional financial resources, including through public-private partnerships and land-based revenue and financing tools; and
- c) The strengthened capacity of cities to address inequalities and bridge social, spatial and digital divides.

Sub programme 3 will support Member States to:

- a) Promote sustainable and nature-based solutions to urban climate action, urban and peri-urban environmental protection, restoration and green public spaces and resource efficiency.
- b) Issues related to COVID-19 by providing support on technologies, processes and investment opportunities support green recovery opportunities and an integrated approach to climate and health resilience.

In this regard, **Sub programme 3** is expected to achieve the following results:

- a) Strengthened capacities of partner cities and Member States to plan for, invest in and monitor city-level climate action;
- b) Multidimensional climate action and urban environment planning that preserves, regenerates and restores urban biodiversity and reduces air and water pollution; and
- c) The mobilization of investments for adaptation to climate change at national and sub-national level:
 - i. Increased capacities of partner cities and Member States to develop green COVID-19 recovery plans which can attract funding; and
 - ii. More climate and pandemic resilient cities, human settlements and communities.

Sub programme 4 will support Member States to/on:

- a) Implement strategies and actions to increase social integration and safety in public spaces; and implement fit-for-purpose land administration towards the achievement of tenure security for all in crisis-affected areas.
- b) Prioritise improved living standards and inclusion of migrants, refugees, internally displaced persons and returnees.
- c) Implement disaster risk reduction and resilience strategies.
- d) Issues related to COVID-19 and lead on urban issues in crisis contexts and working towards inclusion of urban recovery into national COVID-19 recovery strategies.

In this regard, **Sub programme 4** is expected to achieve the following results:

- a) Increased proportion of the population in crisis-affected communities engaged in local decision-making with regard to reconstruction projects and improved social inclusion, strengthened land tenure and improved access to adequate housing and basic services in fragile situations;
- b) Increased numbers of cities where refugees, migrants, internally displaced persons, returnees and host communities are progressively achieving access to: secure tenure, sustainable basic services and social services, adequate housing, safety, security; and
- c) The reduction of multidimensional risks and increased protection for the most vulnerable in cities through enhanced urban resilience.

vi. On the budget component, the Secretariat started by first presenting the following items:

- a) The interim Financial Status report as at 31 December 2020 (regular budget, foundation non-earmarked, foundation earmarked, technical cooperation) and UN-Habitat's top ten contributors in 2020 which are as follows:
 - European Commission
 - Sweden
 - Japan
 - UN agencies (including the One UN Fund)
 - Regular budget
 - The Adaptation Fund
 - Germany
 - Norway
 - Awash Welday General Contractor
 - Brazil
 - Other partners including civil society organizations
- b) UN-Habitat Foundation non-earmarked fund revenue trends from 2012 to 2020;
- c) The encumbered Foundation posts for UN-Habitat in 2021 under the current on-going Austerity Plan.

- vii. The Secretariat subsequently presented the resource requirements with an overview of resource requirements by source of funds in 2021;
- viii. The Secretariat presented the resource requirements with an overview of resource requirements by source of funds in 2022 and the proposed Foundation post for UN-Habitat for the year 2022.

The full presentation by the Secretariat on the proposed draft budget of UN-Habitat for the year 2022 can be found [here](#).

Following the presentation by the Secretariat, the discussions highlighted the following:

- i. Germany expressed her Country's appreciation for the focus of the UN-Habitat Work Programme 2022, while taking into consideration the challenges due to the COVID-19 pandemic, climate change and unplanned urbanization and aligning with the 2020-2023 Strategic Plan with realistic goals and objectives. In relation to the difficult current financial situation faced by UN-Habitat, Germany highlighted that the 2022 work programme is ambitious yet not overachieving.
- ii. On the budget component, Germany affirmed tentative support for the proposed budget for the year 2022 with a cap on USD 10 Million, taking into consideration the ongoing tense financial situation. Should core contributions from Member States exceed the USD 10 Million budget, Germany suggested that UN-Habitat could prepare a case scenario on how to allocate the additional resources received and update the Ad-Hoc working accordingly on a regular basis.
- iii. Germany also enquired on the methodology used to calculate the estimate increase of 60% on the Foundation's earmarked budget in 2022 in comparison to 2021 and advised that such increase should however not be held at the expense of UN-Habitat core budget and should whenever be possible be well interlinked in view of limited core resources.
- iv. USA enquired on the 13 currently encumbered foundational posts mentioned in the proposed work programme and the budget on [slide 23 of the presentation](#). Specifically, USA enquired on the geographical positioning of the proposed professional posts and raised concerns on encumbering professional posts outside of the headquarters located Nairobi.
- v. USA also referred to the [report on recruitment, equitable geographical distribution and gender parity HSP/EB.2020/3/Add.1](#) presented to the 2020 first session of the Executive Board that addressed geographical gender imbalances and reiterated on the need to reduce UN-Habitat's footprint at the regional and country offices taking into considering how the headquarters in Nairobi is currently understaffed.
- vi. USA also referred to the highlighted assumptions emanating from the Secretariat's presentation, based on the Member State's experiences in 2020 and 2021, as follows:
 - a) The COVID-19 Pandemic will not negatively impact UN-Habitat's ability to conduct its work and work across the globe.
 - b) The Funding requested will meet expectations of the Member States.
 - c) The Member State supported the negation based on:
 - d) Deployment of global vaccination exercises which will take a while hence limiting development work.
 - e) Outpaced UN-Habitat's revenues and expenditures in 2020. In this regard, USA mentioned that it does not support the proposed budget increase.
- vii. Sweden acknowledged that the proposed work programme for 2022 aligns with the 2020-2023 Strategic Plan and reiterated on its continued focus on the normative work. Sweden commended on UN-Habitat's increased emphasis and catalytic perspectives, which should bring on board more partners and collaborations.
- viii. Sweden highlighted the gap between the budgeted amounts for the non-earmarked budget and revenue.
- ix. Kenya confirmed its full support to the proposed draft budget for the year 2022, as it is constructive and useful but also encouraged the Secretariat to look for alternative and innovative funding mechanisms.
- x. Egypt supported the comments from Kenya and stated that it looked forward to future constructive discussions of the proposed draft work Programme and budget for the year 2022.

- xi. Egypt further recalled the discussions held during the 2020 second session of the Executive Board on the alignment of the planning cycles of UN-Habitat the Strategic Plan with the Quadrennial Comprehensive Policy Review (QCPR) and mentioned that in its Decision 2020/3 the Executive Board recommended that the ad hoc working group further consider and discuss the prioritization of scenarios 2 and 3, as set out in the report of the Executive Director, with a view to taking a final decision at the upcoming 2021 first of the Executive Board. In this vein Egypt enquired when such discussions will be held by the ad-hoc working group ahead of the 2021 first session of the Board.

In light of the views expressed by Member States, the Secretariat responded as follows:

- i. The estimated increase of 60% on the Foundation earmarked budget in 2022 in comparison to 2021 was established after an extensive review on the on-going negotiations with donors. The Secretariat recalled the decision made during the 2020 first session of the Executive Board, which revised the 2021 proposed budget projections for earmarked funds from 210 Million to 195 Million.
- ii. A briefing to Member States on methodology used in forecasting the 2022 budget, which involves:
 - a) An analysis of projects that are already approved or implemented or those that have areas that needs to be implemented in 2022.
 - b) Distinguishing between hard, medium and soft pipeline, which involves an analysis of projects and contracts that are likely to be concluded in 2021 for expenditure in 2022.
 - c) Providing an overview of actual estimates of the total budget achieved by allocating part of the budget that will be expended in 2022, followed by additions from sub-programmes to the budget of 2022.
 - d) The proposed budgets are to be executed by the headquarters programmes, while 70% of the budget is implemented by regional programmes and country programmes.
- iii. The Secretariat referred to the resumed first meeting of the Executive Board held in November 2019, which approved the Executive Director’s restructuring approach for UN-Habitat and emphasized on the expansion of the number of posts regionally and globally and in turn provided technical guidance and normative results.
- iv. The Secretariat noted that due to the financial constraints, the proposed increase in the number of posts regionally and globally did not materialize. The Secretariat further explained that the 13 currently encumbered foundational posts showcase an effort by UN-Habitat to reinstate the critical areas of the 135 positions already approved in November 2019. Also, the Secretariat briefed on the professional posts outside the Headquarters in Nairobi as follows:
 - a) Posts to support the liaison office in New York, which supports on second committee of development, ECOSOC and plays an interlocker with the senior management in New York;
 - b) The Foundation posts supports the Office in Geneva that allows UN-Habitat to engage with the humanitarian community;
 - c) The Brussels office as an interlocker with the European Union;
 - d) The Panama office is responsible for UN-Habitat’s work in the Americas.
- v. The Secretariat noted the gap between the budgeted amounts for the non-earmarked budget and the revenue. The Secretariat further clarified on the constant review of the budgeted amounts, which the Executive Board provides, and the revenue that UN-Habitat is able to secure in order to deliver the mandated activities as stated in the work programme.
- vi. The Secretariat briefed the Ad-Hoc working group on its “Donate Now” button which is available on the website as an innovative financing mechanism which was launched in December 2020.

- vii. The Secretariat recalled that the discussions on the alignment of the planning cycles of UN-Habitat the Strategic Plan with the Quadrennial Comprehensive Policy Review (QCPR) will be discussed in the next Ad-Hoc Working Group meeting scheduled on 3 March 2021 and reflected in the [roadmap of meetings of the Governing Bodies of UN-Habitat](#) which has been circulated to Member States.

3. Any other matters

- i. The Chair presented to Member States the schedule for the next meetings as follows:
- **Wednesday 3 March 2021:**
 - a) Normative and operational activities of UN-Habitat
 - b) Alignment of the QCPR process with the planning cycles of UN-Habitat consideration of the scenarios for alignment
 - **Wednesday 17 March 2021:**
 - a) Financial status of UN-Habitat
 - b) Update on the restructuring process
- ii. The Chair also requested the Secretariat to provide guidelines on further discussion of the Work Programme and budget for the year 2020.
- iii. The Chair also announced her resignation from the office of Chair of the Ad-Hoc working group on programmatic, budgetary and administrative matters, effective immediately, hoping that that the next Chair will be accorded support from Member States and from the Secretariat in overseeing the activities of UN-Habitat.
- iv. The Chair acknowledged the Executive Director of UN-Habitat and the Secretary to the Governing Bodies of UN-Habitat for their support and for good working relationship during her tenure of office.

The Chair adjourned the meeting at 3.51 PM (EAT)