



2022 FIRST SESSION OF THE EXECUTIVE BOARD, 29 – 31 March 2022

UN-Habitat Executive Board
A better quality of life for all in an urbanizing world

Summary of Plenary Discussions and Outcomes

First Daily Journal (Draft)

DAY 1- Tuesday, 29 March 2022

On Tuesday, 29th March 2022, the first session of the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) for the year 2022 commenced in a hybrid format with delegates participating in-person at the UN-Habitat headquarters in Nairobi and online from across the globe.

Agenda item 1: Opening of the session

The meeting started with the Chair of the Executive Board H.E. Mr. Marek Rohr-Garztecki, Permanent Representative of the Republic of Poland to UN-Habitat, welcoming participants and delegates.

In her opening statement, Ms. Zainab Hawa Bangura, Director-General of the United Nations Office at Nairobi (UNON), underlined UNON's efforts to ensure

that important meetings can be safely convened during the COVID-19 pandemic and to meet the future expanded conferencing demands. She noted that most staff and contractors have been fully vaccinated and a gradual return to office policy has been put in place.

She congratulated UN-Habitat's Executive Director for her re-election for a second term and assured her of the support of UNON for the achievement of targets set by the Programme for the next two years. She also informed that her team is supporting UN-Habitat in the preparations for the High-Level Meeting on the implementation of the New Urban Agenda to take place in New York on 28 April 2022.

On behalf of Ms. Martha Delgado, President of the UN-Habitat Assembly, Mr. Hugo Isaak, General International Coordinator for Urban Affairs also congratulated the Executive Director on her re-election. He highlighted the three focus areas of her second term, namely housing, climate adaptation and the localization of the Sustainable Development Goals, in line with the recommendations of Member States in the mid-term high-level review of the UN-Habitat Strategic Plan.

He welcomed the proposal to set a baseline budget of USD 3 million for 2023, reflecting the liquidity constraints of the Programme. In addition, he appreciated the efforts to better position UN-Habitat in the wider UN System and welcomed the prioritization of UN-Habitat for additional regular budget posts by the Secretary General. He invited Member States to provide

support through their permanent missions in New York in the Fifth Committee.

He announced that Mexico will provide a voluntary contribution of USD 3 million in support of the 2022 budget. He urged Member States to make voluntary contributions to enable UN-Habitat to meet its normative obligations and achieve its important mandate.

Hon. Charles Hinga, Principal Secretary of the State Department for Housing and Urban Development and Head of the Delegation of the Republic of Kenya, assured the Executive Director of Kenya's support for the success of her second term. He further appreciated the leadership of the Chair of the Executive Board. He recalled the importance of urbanization trends and the crucial role of UN-Habitat in promoting human settlements and cities. He appreciated UN-Habitat's initiatives for COVID-19 responses and underlined the importance of the organization's Strategic Plan.



He expressed concerns over the decline in non-earmarked contributions to the Programme. He encouraged the Secretariat to strengthen its resource mobilization strategy and also called on Member States to support UN-Habitat in seeking additional funding on the Regular Budget.

He indicated that the new Kenya Habitat Country Programme for 2022-2025 will strengthen the local implementation of the New Urban Agenda and complement Kenya's policies and legal frameworks for urban development.

Finally, he welcomed the African Ministerial Session on Sustainable Urbanization that was scheduled to be held on Friday 1st April 2022. He further invited delegates to

the 9th Africities Summit to be held in Kisumu from 17th to 21st May 2022 under the theme “the role of Intermediary cities in achieving the 2030 Agenda for Sustainable Development and the African Union Agenda 2063”.

UN-Habitat’s Executive Director, Ms. Maimunah Mohd Sharif, delivered her welcoming remarks and thanked the General Assembly for her second term reelection. She highlighted that two mega trends need to be urgently addressed, namely global warming and rapid urbanization. She stated that global action to restore the planet starts with human settlements and promoted UN-Habitat as the agency for local action in that respect. She urged delegates to support her call to action on housing, climate action and the localization of the SDGs.



In addition, she thanked Member States and donors for their support through earmarked and soft-earmarked funding. She called upon Member States to provide grants and donations for UN programmes in the most vulnerable cities and communities. The Executive Director encouraged Member States to speak with one voice in support of the cost reduction plan. Finally, she wished participants a fruitful Executive board meeting and encouraged to reach decisions that will be supported by adequate resources.

Agenda item 2: Organizational matters

The Executive Board:

- Adopted the agenda and workplan of its 2022 first session.
- Agreed upon the organization of the informal consultations on the draft decisions.
- Took note of the report on the work of its 2021 second session.

Agenda Item 3: Reports by the chairs of the Ad-

hoc working groups

H.E Ms. Saqlain Syedah, the Permanent Representative of Pakistan to UN-Habitat and Chair of the Ad-Hoc working group on Programmatic Budgetary and Administrative matters provided updates on the discussions of the ad hoc working group since the last session of the Executive Board. The following items were highlighted in the discussions:

1. The orientation and priorities for the work programme for 2023
2. The draft work programme and budget for the year 2023
3. The normative and operational activities of UN-Habitat
4. The draft outcomes to be considered by the Executive Board at its first session for the year 2022

The Ad-hoc working group's **recommendations on the draft work programme and draft budget** for the year 2023 are as follows:

- The working group supported the proposed work programme for 2023, which aligns with the 2020-2023 Strategic Plan and its continued focus on the normative work.
- The working group did not reach a consensus on the proposed draft budget for the year 2023, with the United Nations Habitat and Human Settlements

Foundation non-earmarked budget of a maximum of USD 3 million.

- The working group noted that some Member States would consult further with their respective capitals on the matter.

The Ad-hoc working group set forth its **recommendations on the normative and operational activities of UN-Habitat**, acknowledging UN-Habitat's professionalism and its strategic positioning in the implementation and delivery of its normative and operational activities, specifically with regard to:

- the “people’s process” in Afghanistan; and
- the global urban monitoring framework to support the implementation of the New Urban Agenda; and
- UN-Habitat’s work on cities and climate change following the Innovate4Cities Conference.

The working group also **reported on informal consultations on the draft decisions** towards the 2022 first session of the Executive Board. The draft decisions for further consideration as contained in the document HSP/EB. 2022/CRP.2. “Proposed draft outcomes for consideration by the Executive Board at its first session of 2022” are as follows:

1. Draft decision 2022/[A]: Draft work programme of the United Nations Human Settlements Programme and draft budget of the United Nations Habitat and Human Settlements Foundation for 2023, and

financial, budgetary and administrative matters of UN-Habitat

2. Draft decision 2022/[B]: Implementation of the normative and operational activities of the United Nations Human Settlements Programme
3. Draft decision 2022/[C]: Methods of work of the Executive Board and the workplan of the Executive Board for 2022
4. Draft decision 2022/[D]: Election of officers of the Bureau of the Executive Board for the term 2022–2023

The Ad-hoc working group on programmatic, budgetary and administrative matters agreed to continue informal consultations to further discuss the work programme and budget 2023.

The Chair of the Ad-hoc working group on stakeholder engagement policy, Mr. Patrick Egloff, Permanent Representative of the Swiss Confederation to UN-Habitat, briefed the Executive Board about the history of the working group following the Governing Council Resolution 26/7 (2017).

Recommendations from the working group on stakeholder engagement policy are as follows:

- That its scope of work and focus be on stakeholder engagement in intergovernmental processes and UN-Habitat governance structure.

- That the ad hoc working group focuses first on the modalities of the stakeholder engagement, and then focuses on the accreditation procedure.
- That stakeholders and partners be invited to participate in the meetings of the ad hoc working group in an observer capacity without participating in the decision-making process.
- That the ad hoc working group aims to conclude the discussions on modalities of stakeholder engagement before the second session of the Executive Board later this year 2022.
- That discussions on accreditation procedures should start after the second session of the Executive Board for the year 2022.

Both working groups thanked member states for their cooperation and participation in the working groups.

The Chair noted the absence in the nomination of a Vice-Chair from a developing nation to the Ad-hoc working group on stakeholder engagement policy.

The Executive Board took note of the reports of the Ad-hoc working group on programmatic, budgetary and administrative matters and of the Ad-hoc working group on stakeholder engagement policy.

Agenda item 4:
Financial, budgetary and
administrative matters,
including the
implementation of the
resource mobilization
strategy in accordance
with the strategic plan
for the period 2020-
2023 and action by UN-
Habitat to address
geographical and gender
imbalances in the
composition of its staff

The Executive Director reaffirmed that earmarked
voluntary contributions remain very strong and the

regular budget from assessed contributions remains stable. She noted, however, that non-earmarked voluntary contributions continue to decline. She stated that UN-Habitat only received USD 3 million in 2021, against an approved budget of USD 10 million. Despite this, UN-Habitat continues to deliver, providing valuable technical advice and guidance to governments at the national, regional and municipal levels. The Executive Director urged all member states to fund UN-Habitat's non-earmarked funding and help convert pledges into contributions.

Financial Status

The secretariat noted that a revenue of USD 3 million has been recognized for the Foundation non-earmarked for 2022 but it has not yet been received in the first two months of 2022. The approved 2022 budget for technical cooperation was USD 149.8 million of which USD 25 million is pro-rated for the reporting period.

For the year 2021, the Secretariat realized revenues of USD 2.6 million against expenditures of USD 3.2 million for the foundation non-earmarked and noted a lag in the implementation of the technical cooperation due to the COVID-19 pandemic. She stressed that the Core Foundation has been moving in a downward trend for the last 10 years. In 2017, a loan of USD 3 million was taken from programme support account to the Foundation non-earmarked fund.

Basically, the Secretariat's expenses exceed revenues, for example in 2020, net assets went from deficit to debt. As a result, in 2021, spending tightened up. The Secretariat is more than USD 1 million in debt, excluding the USD 3 million loan mentioned above.

Staffing Status

While UN-Habitat has a total of 406 staffing positions, only 308 posts are currently filled. The agency has 75 Regular Budget posts approved, among which 7 are vacant. 58 posts are approved on the core foundation, however 49 of them are currently frozen as there is no funding available. The agency is well resourced at the JPO level thanks to Member States' sponsorship of JPOs.

With respect to gender parity, UN-Habitat's female staffing stand at 52.7%, while the UN Secretariat is performing at 41%.

In terms of geographical representation, there is a need to expand recruitment efforts for candidates from Asia Pacific, Latin America, and Africa. The Secretariat is committed to improving its geographical diversity.

Resource Mobilization

The Secretariat estimated the cost of implementing the UN-Habitat Strategic Plan to be approximately USD 1 billion. The first two years of the Strategic Plan, the Secretariat has managed to raise approximately USD 382.5 million. While satisfactory achievements have been made with the regular budget, the foundation earmarked and the technical cooperation budgets, the foundation non-earmarked budget has not reached its target.

The Secretariat also noted that in 2021, the demand for UN-Habitat's technical cooperation increased by 17%, with greater income generated in the Arab States and Africa. 5 of the 20 top donors were foundations, intergovernmental organisations, private sector, civil society or UN agencies. The Secretariat also highlighted that Sweden, Germany and Switzerland have provided soft-earmarked funding. The Secretariat thanked Member States who contributed to core funding, particularly eight new contributions in 2021.

The Secretariat also presented innovative action to achieve a more diversified donor base. Finally, the Secretariat urged Member States to:

- Increase or provide voluntary contributions in a manner consistent with their capacities;
- Contribute on a multi-year basis in a sustained and predictable manner;
- Shift contributions from highly earmarked to less earmarked flexible resources; and

- Advocate among Member States to prioritize contributing to UN-Habitat regular resources.

Ongoing Restructuring

The Secretariat underlined that UN-Habitat remains actively engaged in the implementation of its organizational restructuring designed to maximize fulfilment of its mandate. The Secretariat further noted that the Sustainable Human Settlements Foundation will support the financing of the regional architecture.

Interventions

The EU took the floor on behalf of its member states and 15 other Member States to reiterate the importance of UN-Habitat's work in crisis-affected countries. Costa Rica joined the EU in supporting the UN-Habitat mandate in the reconstruction of settlements in countries affected by conflicts and man-made disasters, while Angola expressed its commitment to continuing to work with UN-Habitat on territorial planning and housing, observing the SDGs and the New Urban Agenda. Chile highlighted the respect of human rights as a priority, including the realization of the right to decent and adequate housing. Indonesia noted that the implementation of the New Urban Agenda will contribute to the advancement of the SDGs.

Cameroon raised concerns over the geographical distribution of UN-Habitat staff, especially in the African region, and emphasized the need to distinguish between local general Service staff and professional staff.

Malaysia, France, Argentina and Egypt encouraged the Secretariat to continue its efforts in terms of geographic diversity.

Sweden urged Member States and donors to study their funding modalities to make available funding as useful as possible for UN-Habitat. Concerns over declining revenues and non-earmarked funds were echoed by Germany and France, while Brazil called on other Member States to contribute to UN-Habitat's core funding. Tanzania underlined that it had made a contribution in 2021.

Cameroon and Morocco wished to align themselves with a statement issued by South Sudan on behalf of the African Group, raising ongoing issues around Storm Ana, and the need for transparency and accountability in the governance of the organization.

There was a very intense discussion on the Russian-Ukraine conflict, with one group of countries led by the EU and supported by Ukraine, USA, France, Sweden and Germany, calling on UN-Habitat to address the unfolding humanitarian crisis brought about by the conflict. The Russian Federation responded, noting that the Executive Board session was not the appropriate forum for political debate. Both the Russian Federation and Ukraine exercised their right of reply.

Agenda item 5: Reports of the Advisory Committee on Administrative and Budgetary Questions relevant to the work of UN-Habitat issued since the previous session of the Executive Board.

The Executive Director updated Member States that, given the schedule of work of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), there were no reports issued since the previous session of the Executive Board. The reports are currently planned to be issued in August, meaning that this agenda item will be fulfilled at the second session of the Executive Board in 2022.

Agenda item 6: Status of and discussion on the draft annual work programme and draft budget of UN-Habitat for 2023

The Executive Director informed that she had a detailed conversation with the Office of the Secretary-General on the serious financial situation of the Organization to which the Secretary General agreed to prioritise UN-Habitat in the 2023 Regular budget of the United Nations with additional posts. However, the Secretary-General guided that in order to benefit from a possible Regular budget increase, UN-Habitat must provide in its 2023 draft budget a projection of the non-earmarked budget that is a reflection of the real receipt of contributions by Member States based at the 2021 level, with projections across all sources of revenue, including non-earmarked and earmarked in order to demonstrate what UN-Habitat has achieved in the last few years. The Executive Director indicated that in 2021, UN-Habitat received less than USD 3 million, and since 2014, the Organization has not received substantially more than USD 5 million.

The Executive Director recalled with appreciation and gratitude the effort by Member States at the second session of the Executive Board for the year 2021 to reach the ceiling of USD 12 million for the Foundation non-earmarked fund for 2023 and appealed to Member States to consider the USD 3 million ceiling which would allow to have a meaningful discussion with the Secretary-General towards a favourable response for the ACABQ and the fifth Committee.

Work programme for the year 2023

The Secretariat presented the draft annual work programme for 2023 to the Executive Board highlighting the several urban challenges to address, including poverty, inadequate housing, environmental and energy challenges, crisis and conflict and urban inequalities that have been exacerbated by the COVID-19 pandemic.

The Secretariat presented the Strategic Plan of UN-Habitat for 2020 – 2023 as a key driver of the 2023 Annual work programme through co-creation of new programmes and projects; fast tracking integration of normative and operational work; developing capacity-building initiatives and digital tools; mobilizing public and political support; participating in high-level key meetings; providing evidence-based policy making and establishing strategic partnerships with other UN entities.

The Secretariat underscored that the work programme is based on the following assumptions: adequate extrabudgetary unearmarked resources, commitment of Member States to implement the New Urban Agenda and the 2030 Agenda, continued demands from national and local governments for policy advice and technical assistance from UN-Habitat in the development and implementation of their urban policies, plans and strategies, use of urban indicators, data and information and stable social, political and macroeconomic conditions which will not prevent UN-Habitat and partners from implementing programmes and projects.

The Secretariat provided an overview of the expected results under each of the four sub-programmes and presented the Flagships programmes to be continued in 2023 as vehicles to fast-track the integration between normative and operational work. The Secretariat also presented the elements of the work programme related to the COVID-19 recovery and social inclusion : (a) assisting Governments in supporting increased access to water and sanitation and adequate housing, (b) advocating for the prevention of evictions, (c) measuring and reducing spatial vulnerability, and (d) preparing urban planning strategies and local resilience programmes.

Draft Budget for 2023

The Secretariat emphasized that in light of the Organization's current financial situation, it implemented

strict austerity measures for the Foundation non-earmarked fund. These include reassigning staff to available regular budget posts; reassigning staff who are already doing project work; offering early retirement; implementing a hiring freeze; integrating additional internal controls on non-staff expenditures.

The Secretariat highlighted some the achievements realized by the Organization despite capacity limitations. These include responding to the pandemic, setting the global discourse on sustainable urban development, flagship publications and fulfilling UN-Habitat's normative mandate.

The Secretariat presented a budgetary proposal to effectively achieve the planned activities for the implementation of the annual work programme for the year 2023. It includes a breakdown of resources in 2021 and 2022, as well as the estimates for 2023. In addition, the Secretariat highlighted the proposed posts to be funded by the Regular Budget in 2023.

The Secretariat clarified that while the proposed budget for the United Nations Habitat and Human Settlements Foundation to be funded from non earmarked contributions for the year 2023 is USD 3 million based on the voluntary contributions of previous years, it does not preclude UN-Habitat from gaining a revenue for the non-earmarked fund which could be higher. The Secretariat noted that the proposed budget is based on the projected availability of funds. The Secretariat indicated that the amount of regular budget allocations

for 2023 is projected at USD 14.1 million which represents an increase of about 6.3 per cent, mainly due to a conversion of seven positions from the foundation.

Interventions

The USA expressed its support to the draft work programme and budget of UN-Habitat for the year 2023 (WPB) and of its scalability model and showed appreciation for UN-Habitat's realistic approach. This approach was also commended by France, Sweden and Switzerland. Together with Kenya, the USA and Serbia also raised the issue of non-earmarked funds and expressed concerns that over a period of many years, contributions from Member States to the Foundation non earmarked fund have fallen far short of the budget approved by Member States. Serbia expressed regrets that the restructuring of UN-Habitat undertaken in 2020 did not resolve UN-Habitat's financial issues, and joined the USA in calling on Member States to increase their voluntary contributions.



Kenya, France and Egypt highlighted the need for UN-Habitat to continue its efforts towards capacity-development and digital learning opportunities.

France highlighted the need to take significant measures to address the negative balance of the Foundation non-earmarked for the year 2021, while also joining Kenya and Japan in expressing concerns about the impact of the proposed draft budget on the staffing of the Organization. Switzerland also noted that the financial situation of UN-Habitat remains concerning. Both France and Switzerland indicated they would support at the General Assembly the Secretary General's proposal to increase the Regular Budget of UN-Habitat. France also

enquired if UN-Habitat had any plan to strengthen its presence in Eastern Europe.

Brazil requested that funding remains balanced across the four sub-programmes, while also requesting that the word “security” be removed from subprogramme 4 and replaced by: “humanitarian, development and peace nexus, in a comprehensive system response”.

USA called the Secretariat to avail the annual draft work programme and budget 30 days prior to the first session of each year.

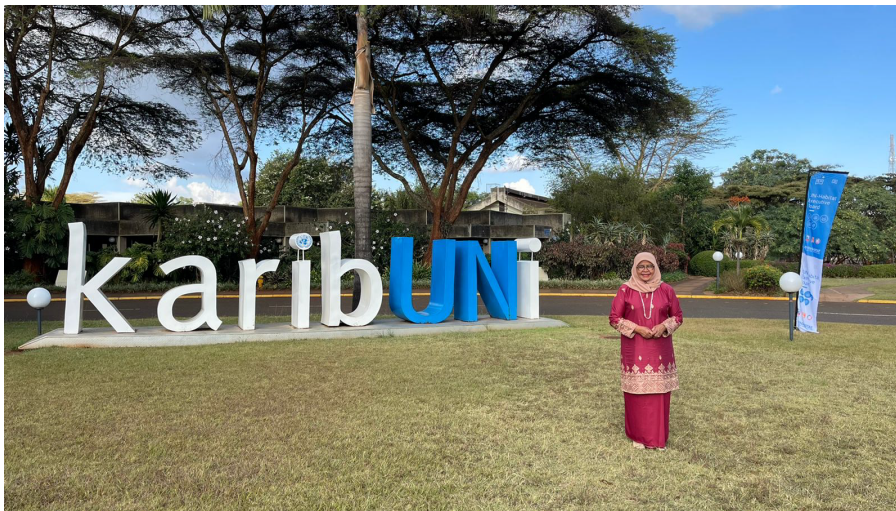
Japan confirmed the important role played by the regional office in Fukuoka and hoped to see a strengthening of the regional and country offices with adequate funding. South Korea provided an update on latest developments regarding a pilot phase for subprogrammes 2 and 3 support implementation which ends in 2022.

Statements by Stakeholders

Prof. Inés Sánchez de Madariaga, Chair of the Advisory Group on Gender Issues, delivered a short recap of the work of AGGI since inception 10 years ago. She highlighted the Activity Report 2012-2021, showing the breadth and depth of a decade of AGGI contributions to gender equality and women’s empowerment in human settlements, supporting UN-Habitat’s normative and

operational work. She further mentioned that AGGI is currently working with UN-Habitat on updating of their Terms of Reference, in order to better align their working procedures with the new governance of UN-Habitat, the NUA and the SDGs.

AGGI also asks for the continued support of Member States to UN-Habitat for an effective implementation of the Resolution 1/4 'Achieving gender equality through the work of UN-Habitat to support inclusive, safe, resilient, and sustainable cities and human settlements', adopted at the first session of the UN-Habitat Assembly in 2019.



Credits:

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