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# 2021 FIRST SESSION OF THE EXECUTIVE BOARD, 7 - 8 APRIL 2021

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SUMMARY OF PLENARY DISCUSSION AND OUTCOMES |  
WEDNESDAY, 7 APRIL 2021





On Wednesday, 7 April 2021, the first session of the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) for the year 2021 commenced online.

## Agenda Item 1: Opening of the session

The meeting started with a moment of silence to remember Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania, who passed away in March 2021, as well as colleagues who passed away over the last few months, specifically H.E. Mr. Peter Joseph Francis, High Commissioner and Permanent Representative of Sierra Leone to UN-Habitat, who was an active participant at the sessions of the Executive Board, and Ms. Tatiana Khabarova, Programme Manager for UN-Habitat's office in Moscow, who worked to strengthen UN-Habitat's programme of work in Russia and in the Commonwealth of Independent States.

The Chair of the Executive Board, Mr. Jafaar Barmaki of the Islamic Republic of Iran, welcomed participants and recalled that the Bureau of the Executive Board met four times since the beginning of the year to review the preparations of the session. The Bureau made a number of recommendations, notably to hold the first session of the Executive Board online with interpretation considering the evolution of the COVID-19 pandemic.

The Chair's remarks were followed by a statement by Ms. Zainab Hawa Bangura, Director-General of the United Nations Office at Nairobi (UNON), who recalled the challenges faced due to COVID-19 and the measures put in place by UNON to minimize its impact and ensure business continuity. She indicated that work in the UN complex will resume once safety and protection measures can be ensured.

Ms. Marta Delgado, President of the UN-Habitat Assembly, encouraged Member States to consider the Programme as a public good to advance the implementation of the New Urban Agenda, the Sustainable Development Goals, and the Paris Agreement. She congratulated the agency for the publication of the Report on [Cities and Pandemics: Towards a More Just, Green and Healthy Future](#) and appealed to Member States to ensure UN Habitat's consistent funding to achieve global goals.

UN-Habitat Executive Director Ms. Maimunah Mohd Sharif acknowledged the efforts by front-line workers to respond to the global pandemic and highlighted the three broad priorities identified for 2021, namely adequate and affordable housing, climate resilience and adaptation, and localizing the SDGs. She emphasized the difficult financial position of the Programme which limits implementation of the new organization structure and the Strategic plan as approved by Member States.

In his welcoming remarks, Hon. Charles Hinga, Principal Secretary of the State Department for Housing and Urban Development and representing Kenya, commended the work of UN-Habitat but expressed concerns over its financial situation and the decrease in non-earmarked voluntary contributions. He recalled that Kenya had honoured its pledge to increase its annual contribution to the regular budget and underlined that the implementation of the regional architecture needed to strike an adequate balance between Headquarters and regional offices.

The opening of the session concluded with the screening of a video presenting UN-Habitat's new Regional Goodwill Ambassador for Africa, French international football star Blaise Matuidi. Mr. Matuidi's foundation will work with UN-Habitat for equal access to decent housing and basic services for children and families living in informal settlements in Central Africa.

## Agenda item 2: Organizational matters

The Executive Board:

- Adopted the agenda and workplan of its 2021 first session;
- Took note of the report on the work of its 2020 second session;
- Agreed on the organization of the consultations on draft decisions.

## Agenda item 3: Reports by the chairs of the Ad-hoc working groups

The Chair of the Ad-Hoc working group on programmatic, budgetary and administrative matters, H.E. Ms. Saqlain Syedah of Pakistan, gave an overview of the work done by the working group towards the 2021 first session of the Executive Board, particularly its role to assist and advise the Executive Board.

The Chair reported that the working group supported the proposed work programme for 2022 and gave its preliminary support for the proposed budget for 2022, with a cap of USD 10 million for the United Nations Habitat and Human Settlements Foundation non-earmarked budget. The Chair shared the working group's appreciation of UN-Habitat's professionalism and its strategic positioning in the implementation and delivery of its normative and operational activities. With regard to the alignment of the Quadrennial Comprehensive Policy Review (QCPR) process with the planning cycles of UN-Habitat, the Chair shared the varied opinions and options presented by the working group and the lack of consensus on this matter and recommended that, among others, the Executive Board may instruct the Ad-hoc working group on programmatic, budgetary and administrative matters to continue consultation and report back to the Executive Board at its next session.

With regard to the financial status of UN-Habitat, the working group had recommended that the Secretariat prepare detailed presentations for further discussion by the Executive Board on a) challenges faced by UN-Habitat with respect to its financial situation including implication on staff posts, implementation of the Sustainable Development Goals (SDGs), and UN-Habitat Flagship Programmes, and b) on the progress made by UN-Habitat in the implementation of the resource mobilization strategy. The working group had also noted the ongoing restructuring process and further urged the Executive Board to consider strategies to strengthen UN-Habitat Headquarters and the regional architecture taking into consideration the need to support the overall UN reforms and to strengthen implementation of the 2020-2023 Strategic Plan, the New Urban Agenda, and Sustainable Development Goal 11.

Finally, the Chair of the Ad-hoc working group presented five draft decisions as prepared by the Ad-hoc working group during informal consultations for consideration by the Executive Board:

- Draft Decision 2021/1: Status of the draft work programme and budget of UN-Habitat for the year 2022; implementation by UN-Habitat of the reform of the development system and management of the United Nations and alignment of the planning cycles of UN-Habitat with the quadrennial comprehensive policy review process.
- Draft Decision 2021/2: Financial, budgetary and administrative matters of UN Habitat including the improvement of the internal management, policies and procedures of UN-Habitat and actions by UN-Habitat to strengthen protection against sexual and any other type of exploitation and abuse and sexual harassment in the workplace
- Draft Decision 2021/3: Implementation of normative and operational activities of UN-Habitat including resolutions and decisions of the UN-Habitat Assembly and including reporting on the programmatic activities of UN-Habitat in 2020 and the implementation of subprogrammes, flagship programmes and technical cooperation activities, and update on the UN-Habitat response to the coronavirus pandemic
- Draft Decision 2021/4: Methods of work of the Executive Board and workplan of the Executive Board for the year 2021
- Draft Decision 2021/5: Election of officers of the Bureau of the Executive Board for the term 2021-2022

The Chair of the Executive Board drew attention to the status of the work of the Ad-Hoc working group on stakeholder engagement policy, for which a Chair and Co-Chair could not be elected in February 2021 following concerns raised by several Member States over paragraph 5 of Decision 2020/6, which stipulates that the Ad-Hoc working group would resume its work only once in-person meetings are possible.

## Agenda Item 4: Financial, budgetary and administrative matters, including the implementation of the resource mobilization strategy in accordance with the strategic plan and a proposal on geographical and gender balance

In her report on financial, budgetary and administrative matters, including implementation of the resource mobilization strategy in accordance with the strategic plan, and a proposal on geographical and gender balance, the Executive Director highlighted progress made in securing earmarked funds for specific global and country programmes. However, there remains a significant shortfall in contributions from Member States to support the implementation of core activities.

She emphasized that without flexible funding, UN-Habitat's ability to deliver on the domains of change of its 2020-2023 Strategic Plan is limited, and efforts to build a viable regional architecture are hampered. While donor priority programmes are being implemented, key pillars such as urban economy remain severely under-funded.

### ***Financial Status***

The Executive Director emphasised that while UN-Habitat is a multi-funded programme, substantive normative work is funded through non-earmarked funds, supplemented by the Foundation special purpose and technical cooperation funds which remained relatively strong in 2020 despite the impact of the COVID-19 pandemic.

Of great concern is the fact that despite an increase in revenue and a decrease in operating expenses, the Habitat Foundation non-earmarked fund recorded a deficit of USD 1.5M, leading to a negative asset position of USD 500,000.

The Executive Director has implemented strict austerity measures, resulting in a significant reduction in normative deliverables. Should there be no improvement in this situation by the fourth quarter, the inevitable result will be a reduction in personnel.

### ***Resource mobilization***

The goal is to secure adequate, predictable, long term funding for UN-Habitat using a multi-pronged, result-oriented, focused, innovative and diversified approach. Significant achievements were recorded for all funds, except the Foundation non-earmarked fund.

To implement the 2020-2023 Strategic Plan and finalize the ongoing organizational restructuring process, the funding gap must be addressed urgently. The Executive Director invited to contribute to the Foundation non-earmarked funds and welcomed soft earmarked funding.

### ***Staffing***

UN-Habitat's gender representation stands at 151 females and 149 males. At the professional levels, UN-Habitat maintains gender parity at P2, P3, and P4. However, more work needs to be done to improve gender parity at P5, D1 and D2 levels, as well as in improving regional balance. But without secure funding it is difficult to achieve gender and geographical distribution. Various actions are underway to address this including improved advocacy and outreach, rostering exercises, training for hiring managers, streamlining relationship with UNON, and participating in job fairs to attract wider pools of candidates.

### ***Restructuring***

Full implementation of the new organizational structure as approved during the resumed meeting of the Executive Board in November 2019 involves the alignment of the Programme's presence at locations away from headquarters to ensure optimal deployment of an array of regional policy and operational assets to help countries deliver on the 2030 Agenda. Following extensive consultations, all Headquarters staff were assigned to new organizational units in January 2019, while four guiding principles for the regional architecture have been approved by Executive Director to cover Headquarters, liaison, regional, sub-regional and country offices. While inviting Member States to host the Offices Away from Headquarters, the Executive Director noted the need for consultations with the Executive Office of the Secretary-General (EOG) on their establishment in order to ensure their alignment with the UN System Reform.

### ***Interventions***

Member States took note of the continued financial challenges facing UN-Habitat, emphasizing the critical role of resource mobilisation in implementation of the strategic plan. They encouraged balance in

geographical and gender representation of staff and commended the efforts made thus far. However, questions were raised regarding underrepresented countries and how this would be addressed. Concern was also expressed about the loan from Programme Support Cost (PSC) – with the hope that it was a one-off. More information was also requested on the partner and pledge event which took place in December 2020 – namely who participated and the final outcome.

It was noted that raising USD 160M was a noteworthy effort given the impact of the COVID-19 pandemic. A request was made for more information on how the envisaged staff changes are aligned to the 2020-2023 Strategic Plan deliverables.

Member States were invited to be consistent with their annual contributions, and were urged to contribute. Switzerland announced its collaboration with UN-Habitat on a USD 3M project and expressed satisfaction with the work of the UN-Habitat Geneva Liaison Office.

UN-Habitat was urged to continue sharpening its normative narrative by focusing on results and impact, and using positive findings of evaluations. Efforts to attract women to senior positions should be strengthened, and regional and field presence aligned with the Strategic Plan and the UN Development System reforms.

Several Member States noted the discrepancy between earmarked and non-earmarked funding and advocated for a more flexible use of PSC, observing that the contribution of USD 65.5m by EU Member States represents 41 per cent of UN-Habitat's revenues. The Member States requested for more factual and analytical information on resource mobilisation, including what did not work, as well as more clarity on the restructuring process.

Several Member States urged a greater UN-Habitat presence in Eastern Europe, including more visits by the Executive Director and questioned the criteria used in selecting Spain and Switzerland as venues for job fairs.

### ***Summary***

The Board took note of the financial status of UN-Habitat, observing that the overall funding situation was adequate despite the pandemic. However, the Foundation's non-earmarked fund is in dire straits and the Executive Board urged UN-Habitat to prioritise resource mobilisation efforts on all fronts, and encouraged Member States to contribute.

On gender balance, the Executive Board took note of efforts made to achieve parity at the lower professional levels. However, more effort is needed at senior levels.

On geographical balance, more work is needed to attract candidates from under and unrepresented countries.

On restructuring and the regional architecture, the Executive Board acknowledged ongoing efforts despite the funding constraints and ongoing pandemic. The Board requested further information on the regional architecture.

It was noted that these efforts are dependent on secure core funding.

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

The Chair recalled that the Executive Board had decided to include in its provisional agenda for its first session of 2021 an item on the Reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) relevant to the work of UN-Habitat, issued since the last session of the Executive Board.

The Executive Director of UN-Habitat indicated that the ACABQ had issued no reports on UN-Habitat Budget Proposals since the last meeting of the Executive Board in October 2020. She highlighted that there had been one ACABQ Report (A/75/804) regarding the Secretary-General's Report (A/75/686): *Tenth progress report on accountability: strengthening accountability in the United Nations Secretariat*.

## Agenda item 6: Status of and discussion on the draft annual work programme of UN-Habitat and draft budget of the United Nations Habitat and Human Settlements Foundation for 2022

The Executive Board took note of the update by the Executive Director on the status of the proposed Work Programme and Budget of UN-Habitat for the year 2022. It further requested that the Ad-hoc working group on programmatic, budgetary and administrative matters continue its discussions on the United Nations Habitat and Human Settlements Foundation non-earmarked budget of UN-Habitat for 2022, to be within the range of USD 10M to USD 12M. The Board requested the Executive Director to finalize a draft annual work programme and budget for UN-Habitat for 2022 and to present it for further consideration by the Executive Board at its second session in 2021.

### **Work Programme**

The Secretariat presented a work Programme for UN-Habitat for 2022 demonstrating the capacity of the agency to adjust to these evolving conditions and the related economic crisis, responding also to the guidance provided by the Executive Board sessions in June and October 2020 to refocus some priorities and scale down others to ensure higher efficiency and greater impact on the Programme's mandate. The Secretariat presented the strategic direction for 2022 towards the implementation of the Strategic Plan 2020-2023 through subprogrammes 1 to 4 as follows:

(i) Reduced spatial equality and poverty in communities across the urban- rural continuum; (ii) Enhanced shared prosperity of cities and regions; (iii) Strengthened climate action and improved urban environment; (iv) Effective urban crisis prevention and response.

UN-Habitat's focus areas in 2021 are climate adaption and resilience, affordable and adequate housing, and localizing the SDGS. The voluntary local review process is being further developed to a three-pronged approach.

The UN-Habitat focus for 2023 will be on smart cities solutions and technology, social determinants of health, urban form and function, poverty and inequality programmes, urban ecology, and connectivity and development of large urban configurations (megacities).

### ***Budget***

UN-Habitat presented the overall resource requirements for the year 2022, which are projected at USD 255.5 million, indicating that this projection represents continued demand for normative activities and other activities within the technical cooperation budget, in the areas of UN-Habitat advisory services, and support for capacity-building and operational activities at the local, subnational and national levels. UN-Habitat indicated that attempts are being made to revert core funding to 33 per cent of the total budget, which is the goal for Programme entities. The proposed budget for the United Nations Habitat and Human Settlements Foundation to be funded from non-earmarked contributions for the year 2022 is USD 12.0 million, Regular Budget sits at USD 13.2M (including a non-recurrent amount for QCPR), earmarked funding is at USD 219M, and Programme Support Cost (PCS) revenue at USD 11M. UN-Habitat highlighted that 90 per cent of its funding is earmarked (95 per cent when including PSC).

### ***UN Controller briefing***

Mr. Chandramoulli Ramanathan, UN Controller, updated that the Executive Board that he submitted a letter to the Chair of the Executive Board on his concerns regarding the status of the Foundation non-earmarked. The Controller noted that it is encouraging to see stable support to earmarked activities but alerted, however, that funding is moving towards an unsustainable model in the long term. With the donor base shrinking, the Executive Board and Management were advised to be prudent. The Controller noted that expenditures have been above revenue and that PSC is eroding. The Controller recalled the liability towards staff and indicated that the Board of Auditors may call into question the financial viability of UN-Habitat.

### ***Interventions***

The United States of America (USA) supported the approval of the Work programme and budget for 2022, encouraging Member States to contribute to the Foundation's non earmarked fund. It supported the proposal of foundation non-earmarked and PSC funding, transmission to 5C, and a financial reserve of 20 per cent, noting management's response to the Board of Auditor's audit. The USA sought confirmation that actual foundation non-earmarked funding for 2020 amount of USD 7.56M is made up of voluntary contributions and a USD 3M loan.

On behalf of the Africa Group, Eritrea took note of the Work Programme and Budget observing that it demonstrates UN-Habitat's ability to adapt. It welcomed the refocus and scaling down, and the higher efficiency and impact in line with recommendations of the Executive Board. Eritrea also welcomed the idea of mobilising funding from a wider pool and is optimistic that with the support of Member States UN-Habitat will deliver across the subprogrammes.

Germany welcomed the proposed Work programme and Budget and expressed appreciation that the draft takes into consideration the impact of the COVID-19 pandemic and unplanned urbanization, and that it has realistic goals and objectives. Revenue still falls short and is a matter of concern. Germany proposed a reduction of Foundation non-earmarked funding to USD 10M to cater for the tense ongoing financial situation and alignment of revenue and expenses, and called on regular updates by the Ad-hoc



working group on programmatic, budgetary and administrative matters. UN-Habitat was urged to develop case scenarios for the expense of new resources. Germany proposed the use of high-level events strategically and requested updates on the high-level events planned.

Sweden recognized the positive outcomes of the 2014-19 strategic plan, and the short period within which the results were achieved last year. Noting that effective urban planning and land use are key in positioning UN-Habitat strategically, Sweden encouraged the strengthening of UN-habitat's contribution to the triple nexus humanitarian-peace-development. Thanking the Controller, Sweden requested more details on potential solutions.

Poland supported the proposed Work Programme and Budget for 2022 and committed USD 500,000 towards the funding of the 11th session of the World Urban Forum (WUF 11) to be held in 2022.

Egypt expressed support for the document and mentioned it looked forward to the substantive discussions.

The Executive Director thanked Member States, emphasizing that UN-Habitat is making efforts to contain costs and continue to deliver by improving efficiency, while enhancing efforts to increase revenues. She urged the Executive Board to support resource mobilization efforts, pooled funding, and soft earmarked funding.

## Agenda item 7: Implementation of the normative and operational activities of UN-Habitat, including reporting on the programmatic activities of UN Habitat in 2020 and the implementation of subprogrammes, flagship programmes and technical cooperation activities, and update on the UN-Habitat response to the coronavirus disease pandemic

UN-Habitat presented three distinct entry points through a variety of thematic and geographic lenses which demonstrate that normative and operational activities are in balance, that integrated approaches allow for short- and long-term solutions, that a one-UN approach interlinks global, regional and country work, that diverse funding arrangements are critical, and that the COVID-19 pandemic builds relations with key donors, where urban advice and capacity building are common threads.

Specifically, UN-Habitat presented:

- The *UK Prosperity Fund Global Future Cities Programme*, addressing sustainable urbanization and enhanced prosperity through technical assistance to 30 projects across 19 cities in 10 countries. UN-Habitat in its advisory role supports the delivery through strategic advice, including the development and application of the SDG Project Assessment Tool, capacity building, and knowledge management.

- *Building Urban Economic Resilience during and after COVID-19*, a multi-agency project, focuses on strengthening the capacities of local governments in 16 cities globally to design, implement and monitor sustainable, resilient and inclusive COVID-19 economic and financial responses, recovery and rebuilding plans.
- The Lebanon Country Programme, a longstanding programme which demonstrated various operational activities in combination with policy development, as well as the application and scalability of a number of tools.

UN-Habitat further provided an update of the programmatic response to COVID-19 to date, including the different pillars, funding and beneficiaries, as well as an outlook for a more country and city-adapted support looking forward. The recently launched report *Cities and Pandemic: Towards a more just, green and healthy future* provides an important framework in this regard.

### ***Interventions***

Malaysia thanked UN-Habitat for its efforts on normative and operational activities, and in particular on the COVID-19 response and congratulated the work on the Global Future Cities Programme, including Iskandar and Melaka, where strategic advice and capacity building will lead to improved socio-economic conditions and sustainable and inclusive urbanization.

Poland commended UN-Habitat for demonstrating normative and operational work, including conceptualizing resilience through humanitarian and development, and congratulated the work of the Lebanon Country Programme, noting UN-Habitat should not, however, compete with other UN agencies, but rather concentrate on its strengths.

Sweden stressed the importance of documenting and setting the right indicators to measure achievement of results, and recommended that the results framework of the 2020-2023 Strategic Plan continue to be used for that purpose. Sweden commended the fact that UN-Habitat focus on secondary and intermediate cities, which tends to be neglected, and recommended that UN-Habitat be clearer on addressing Least Developed Countries (LDCs): while all flagship programmes are open to all cities, additional cities in LDCs should be included.

France commended UN-Habitat and stands convinced of the Organization's mandate working on urban development. France requested information on the activities of UN-Habitat in the context of interagency cooperation. France expressed its support to the flagship programme on smart cities, with the entry points of digitalization, human rights and human development. France further indicated that a national reflection process is currently ongoing, with findings to be presented by the end of the year, with the participation of other donors (Germany and European Commission). France asked in which format UN-Habitat would be leading the global debate on post-COVID-19.

Germany thanked UN-Habitat for its efforts in answering to the COVID-19 crisis, where cities are most impacted. Germany acknowledged the successful resource mobilization, reflecting the leading role of UN-Habitat.

Indonesia welcomed the Global Future Cities Programme in Surabaya and Bandung, Indonesia. The programme is addressing the most pressing challenges in the cities in Indonesia. These projects can become best practices for other cities as well.

Egypt congratulated and thanked UN-Habitat for its efforts and reiterated the importance of the activities of the Programme, acknowledging the importance of raising awareness that UN-Habitat is yet again the leading agency on urban development, and that additional collaboration is requested.