

Briefing by the Executive Director of UN-Habitat – Tuesday 31 March 2020 10:00 am East Africa Time

Written responses from UN-Habitat on comments provided by the United States of America on financial and administrative matters of UN-Habitat based on the background documentation shared with Member States on 24 March 2020

1. Can UN-Habitat provide additional information on the level support it provides to its regional offices and to workers in the field? Are there measures under consideration to re-evaluate such support in an effort to cut costs?

The Foundation fund currently on-board staffing includes the following staff in Regional Offices are as follows:

Regional Office for Arab States two professional positions

Regional Office for Asia and Pacific two professional and one GS-OL position

UN-Habitat Liaison Office for Geneva one professional position

UN-Habitat Liaison Office for New York two professional positions

The current review of the UN-Habitat of the implementation of the 2020 – 2023 Strategic Plan, includes the intention of having normative personnel funded by the Foundation Fund situated in key Regional and Multi-Country Offices to ensure the mandated deliverables of UN-Habitat can be achieved, including to capture data required for monitoring the Strategic Development Goals and New Urban Agenda in the Decade of Action. This follows the Secretary-General’s concept of decentralization and support the initiative of the United Nations agencies working as one under the Sustainable Development Framework of each country guided by the respective resident coordinator.

2. UN Regular Budget (UNRB) Overview: UN-Habitat noted that their proposals are not being included in the final submission to legislative bodies. Which proposals and which bodies are they referring to?

UN-Habitat Executive Director submitted a request on xxx for additional funding from the Regular Budget in 2020 and 2021 to the United Nations Chef de Cabinet.

The internal response to UN-Habitat’s additional budgetary proposal for 2021 was not accepted by the Programme, Planning, and Budget Division in accordance with the Secretary-General’s instructions for a zero-growth budget proposal. The bodies the budgetary proposal was submitted to is the Advisory Committee on Administrative and Budgetary Questions (ACABQ) whose report is submitted to the UN-Habitat Executive Board and the United Nations 5th Committee.

3. In their narrative, UNH states that \$18.9 million was approved. Is this the “final budget” that was approved or the initial budget amount?

The UN-Habitat Executive Board approved the Executive Director’s budget proposal on 20 November 2019 as recorded in document HSP/EB.1/11 publicly available at documents.un.org. The approval of the UN-Habitat programme of work and associated revenue and expenditure targets are the basis upon which the Executive Director implements the mandated deliverables as such it is the ‘final budget’ based upon the expectations of Member States as approved in the work programme and its deliverables.

This is a key issue, since in the past, the ED determined the final budget without input for the Governing Council. This is not the way the EB is set up. The final budget is determined by the EB. The EB should adopt a conservative (i.e. realistic) budget based on current revenue trends and past actual expenditures. A budget based on last year’s actual would look more like Scenario 3.

The Executive Board is to meet two to three times in a calendar year in accordance with the rules of procedure. At these sessions, the Board can take decisions for the Executive Director to implement. This may result in additional obligations, particularly if it has budgetary implications and disrupt the approved programme of work. UN-Habitat is seeking clear guidance on the mandated deliverables for the programme of work and a predictable annual revenue level, inclusive of a cash in-flow timeline within the annual fiscal year.

4. The presentation is not giving us the whole picture. Funding from the UNRB is now the largest component of non-earmarked funds. The ED is only presenting proposed spending of the donor funds. In order to understand how all of this fits together we need to see a comprehensive proposal as to how ALL funds will be budgeted.

UN-Habitat budget proposal is comprehensive of all funds, but the current financial status update focuses on the core funding consisting of the Foundation Fund and the Regular Budget.

The earmarked field project and technical cooperation funding is based on signing donor agreements. The annual budget presentations include both revenue targets and associated planned expenditures. This comprises of the operational implementation of current donor agreements and the projected donor agreements to be concluded in the upcoming fiscal year. In short, this figure is variable and fluctuates. What is required is a stable commitment in the RB and Foundation funds to allow for future planning.

The donor agreement projections formulate the basis of the revenue of the Programme Support Cost fund that will support the additional managerial, legal, evaluation, programmatic, and resource mobilization efforts related to the implementation of earmarked funded projects. As such, it would be not be beneficial to contravene set regulations to regard the Programme Support Cost as part of core funding to support activities and positions that should be funded by RB and donor funds, particularly those associated with normative work.

This include all earmarked and non-earmarked contributions, cost recoveries, and UNRB funds. The EB cannot make any informed decision without all of the information. We should remind the ED that it is the US position that the new UNH governance structure passed in NY gives the EB oversight of the entire UNH budget. Presenting just a portion of the total UNH budget is not particularly useful.

UN-Habitat would note the Executive Director’s briefing on the financial status of UN-Habitat is to focus and appraise Member States and observer entities of the situation and its impact on the agency’s ability to deliver the programme of work. The overall budget proposal of 2020 included all elements noted above as does the 2021 programme of work and budgetary proposal.

Additionally, UN-Habitat Secretariat provided alternative scenarios for the programme of work and resource levels as requested by the Executive Board’s ad hoc working group on programmatic, budgetary, and administrative matters. I would ask each delegation to refer to the Executive Board’s Rules of Procedure 5e, which states the function of the Executive Board is to guide and support efforts to finance the work of UN-Habitat.

5. Technical support: Your technical support budget (training, workshops, etc.) could be conducted online or through webinars. Is this a potential option?

UN-Habitat continues to assess the opportunity that technology provides to deliver all aspects of the programme of work in the most effective and efficient manner. The use of on-line seminars and workshops must be considered in the context of the intended audience largely in least developed and developing countries. Where ever possible and connectivity is good, UN-Habitat will be very happy to use digital technology to advocate, communicate and disseminate its normative guidance. Nonetheless, in the business of ‘city-making’, these guidance has to have demonstration and catalytic projects especially in conflict areas or disaster zones. The “Building Back Better” programme, for example, requires real-time boots on the ground assessment, design, planning and re-building after natural and increasingly climate change-related disasters particularly in small island developing states.

6. Welcome any action taken to engage with the private sector.

Engagement with the private sector continues to be a component of the resource mobilization strategy. However, it should be noted that most collaboration with the private sector will focus on project funding, earmarked support, or in-kind technical services. The normative work of the agency is rarely funded through private sector collaboration.

7. COVID-19 Questions:

o See USAID questions (attached)

o Given the role of city governments and the potential impacts of the virus on urban spaces, UN-Habitat’s has not adequately communicated to key donors how they are responding to COVID-19. Is there a taskforce? Donor page?

Please find attached the corporate statement and press release on the local government live-learning seminar co-convened with UCLG. The series will include 4 more weekly seminars with

mayors and local authorities exchanging on key issues; this week the focus is on housing for instance.

In addition, further live-learning events are being explored specifically for Africa through UCLG-Africa and our Regional office.

UN-Habitat has contributed to the IASC Global Humanitarian Response Plan with a funding request of \$2 million and will be tracking contributions to this fund and other humanitarian funding received through OCHA's FTS. We are not maintaining a separate donor page at this time.

In addition to the Crisis Management Group, there is a humanitarian programming and coordination team working on support to Regional and Country offices as they scale up preparedness and response. With their full engagement, we have just issued our internal UN-Habitat COVID 19 Programme and Policy Framework, to shape immediate and medium-term planning as well as framing our engagement with key partners in the coming weeks and months.

o Will Habitat set-aside additional funds to research COVID-19 impacts in the global south.

We are currently working with partners including UNDP and the Kenya UNCT to analyse the macro-economic and socio-economic impact of the crisis in Kenya. This approach can be replicated and will be further developed. In addition, we take the SG's report on the socio-economic impact as a foundational document steering our work in the global south, especially as it relates to informal settlements and slums. At this time, we are exploring partnerships to leverage additional research and analysis which will focus on the impact of COVID 19 in the global south. However, to date, we do not have confirmed resources.