

## Summary of the thirty-eighth meeting of the ad-hoc working group on programmatic, budgetary, and administrative matters of the Executive Board

Wednesday, 8 March 2023 – 10:00 – 12:30 East Africa Time

Chair: H.E. Ms. Saqlain Syedah

Permanent Representative of the Islamic Republic of Pakistan to UN-Habitat

### **Agenda item 1 - Adoption of the Agenda**

The meeting of the ad hoc working group on programmatic, budgetary, and administrative matters of the Executive Board was called to order at 10:05 EAT. The working group adopted the provisional agenda for its thirty-eighth meeting without any change, as follows:

1. Adoption of the provisional Agenda.
2. Supplementary budget for the year 2023.
3. Discussions on the draft budget of UN-Habitat for 2024.
4. Informal discussions on draft decisions to be considered by the Executive Board at its 2023 first session.
5. Any other matters.

After the adoption of the agenda, the meeting considered Agenda item 2, namely Supplementary budget for the year 2023.

### **Agenda item 2 - Supplementary budget for the year 2023**

**Under this item, the Chair gave the following background:**

- i. The Chair recalled that during the 2022 second session of the Executive Board, the Board, in paragraph 17 of its Decision 2022/6 requested the Executive Director to provide an update on programmes and initiatives on the implementation of the New Urban Agenda (NUA), including with regard to the submission of national reports, at each session of the Executive Board. At that same session, the Executive Board also took note of the technical note ([HSP/EB.2022/CRP5/Rev.2](#)) prepared by the Executive Director on the Programme Budget Implications (PBI) on the work programme and budget of the United Nations Habitat and Human Settlements Foundation for 2023 of paragraph 17 of the draft Decision 2022/B .
- ii. The Chair noted that that the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had considered the technical note and shared a report on the programme budget implications of draft Decision 2022/B on the work programme and budget of the United Nations Habitat and Human Settlements Foundation for 2023. The report of the ACABQ can be accessed [here](#).

**Following the above background information, the Secretariat provided a briefing on draft Supplementary budget for the year 2023. The full presentation can be accessed [here](#).**

**The briefing by the Secretariat highlighted the following:**

- i. The Secretariat outlined that the provision of the technical note, as a result of paragraph 17 of Decision 2022/6, was guided by rule 12.5 of the Rules of Procedure of the Executive Board which provides that ‘*the secretariat shall provide the Board with a written estimate of the cost of implementing the proposal*’. In addition, rule 203.6 of the Supplement to the Financial

Regulations and Rule of the United Nations states that *'the Executive Director is responsible for preparing and presenting to the Governing Council [now United Nations Habitat Assembly, as delegated to the Executive Board] a statement of Foundation programme budget implications.'*

- ii. The Secretariat provided that it transmitted the technical note including the PBI of paragraph 17 of Decision 2022/6 to the ACABQ. In February 2023, the ACABQ released its report with adjustments to the draft supplementary budget to reflect the standard posts cost for 2023. Therefore, the ACABQ recommended a draft supplementary budget level for the Foundation non-earmarked of \$303,600 for the year 2023 and \$607,200 for the year 2024. which would bring the total foundation non-earmarked budget of UN-Habitat for the year 2023 to \$3,304,600 million.
- iii. The Secretariat indicated that this new budget level includes additional four posts to support the implementation of paragraph 17 of Decision 2022/6 which, if approved, is expected to be implemented from mid-year 2023.
- iv. The Secretariat further noted that as the draft budget for the year 2023 was prepared based on actual revenue, the Secretariat does not have any excess funds to implement paragraph 17 of Decision 2022/, hence the need for a PBI.

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

- v. Several Member States acknowledged that paragraph 17 of Decision 2022/6 augments the existing mandate and work of UN-Habitat. They further noted that it enhances the oversight function of the Executive Board by facilitating reporting on a regular basis which will increase efficiency and effectiveness of the oversight role in UN-Habitat.
- vi. Several Member States sought clarification on what would be the source for the supplementary budget for 2023 and further expressed concerns that an additional \$ 600,000 for the year 2024 was exceptionally high for one year for four additional posts.
- vii. Some Member States expressed some reservations regarding the technical note on the PBI of paragraph 17 of Decision 2022/6 and regretted the lack of discussion on the technical note at the second session of the Executive Board in November 2022 prior to the adoption of decision 2022/6. Some Member States further encouraged that the process for the consideration of PBI related to a specific draft decision language be revisited to avoid any ambiguity upon adoption.
- viii. Several Member States, referring to the language contained in paragraph 17 of Decision 2022/6, indicated that the sentence *"provide an update on programmes and initiatives on the implementation of the New Urban Agenda, including with regard to the submission of national reports, at each session of the Executive Board"* may be subject to interpretation as it does not necessarily translate to the recruiting of additional staff and preparation of an annual report on the matter. Rather, an update could be interpreted as a paragraph included in existing reports and based on this language interpretation, the implementation of the decision could be achieved within the existing resources without additional resource neither creating new reports.
- ix. A Member State enquired whether UN-Habitat already receives national reports on the status of implementation and activities relevant to the NUA or if monitoring for the NUA was only done at a quadrennial basis, expressing concerns if such reporting is only done on a quadrennial basis.
- x. One Member State enquired if the additional 4 staff provided for in the PBI of Decision 2022/6 would only be dedicated to updates on the reports of the implementation of the NUA or would also support wider mandate of the Organization.
- xi. Another, Member State felt that the language contained in paragraph 17 of Decision 2022/6 require as extensive report but rather a light and flexible update.

- xii. One Member State suggested that the report on the implementation of the NUA could be presented as a one-off report by the Secretariat to the 2023 third session of the Executive Board and that the Executive Board could further assess at its 2023 third session if such a report should become recurrent.

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

- xiii. The Secretariat informed Member States that the seven posts approved by the General Assembly of the United Nations as part of the increase in the regular budget of UN-Habitat are separate from the 4 posts included in the PBI on the implementation of paragraph 17 of Decision 2022/6 which will be newly established additional functions that will add to UN-Habitat's current workforce. The seven posts as approved by the General Assembly cover already existing functions which were funded from the Foundation non-earmarked budget, and which would be now funded from regular Budget.
- xiv. The Secretariat informed that the resources required for the PBI of paragraph 17 of Decision 2022/6 would come from the surplus of Foundation non-earmarked.. Therefore, if the Executive Board were to approve the supplementary budget for the year 2023, the budget for 2023 would be of \$3.3 million for the Foundation non-earmarked.
- xv. The Secretariat indicated that the language of paragraph 17 of Decision 2022/6 was tabled from the floor during the informal consultations held during the 2022 second session of the Executive Board. When this language was introduced, the Secretariat took the floor during the informal consultations to flag the potential PBI. A technical note including PBI was subsequently shared with the members of the 2022-2023 Bureau of the Executive Board which recommended that the technical note be formally circulated to all Member States. The technical note was shared via email to all Member States. The Secretariat further noted that during the last plenary session of the 2022 second session of the Executive Board, upon adoption of Decision 2022/6, the Chair brought the technical note to the attention of Member States with respect to the implementation of paragraph 17 of Decision 2022/6. The Secretariat welcomed the need to streamline the procedure and discussions related to PBI of a specific decision language to avoid any ambiguity in the future.
- xvi. The Secretariat noted that every four years UN-Habitat produces the quadrennial report on the implementation of the NUA on behalf of the Executive Office of the Secretary General which has a specific budget for this report . In addition to this, there are two reports per year providing updates on the programs and initiatives related to the implementation of the NUA, including updates on submission of national reports by countries. The Secretariat noted that the need to provide an update on programmes and initiatives on the implementation of the NUA would require the Secretariat to continuously scan, analyze, and describe the activities of Member States in order to report to the Executive Board. The Secretariat also highlighted that the four posts included in the PBI would allow for (i) one position focused on the monitoring, analysis and report writing; (ii) one position focused on capacity development with country offices and organizing workshops to support Member States at subregional level; (iii) one position dealing with the technical maintenance of the NUA platform, which would then allow for the preparation of the reports; (iv) one position dealing with the communications and advocacy. Additional costs captured in the PBI also include the obligation for editing and translation the pre-session document as part of the reporting.
- xvii. The Secretariat indicated that the national reports received from countries on the implementation of the NUA are made available on the NUA platform. These reports inform the Secretary General's Quadrennial report. The Secretariat noted that under current existing resources, it is possible for the Secretariat to note how many national reports have been submitted. The Secretariat noted, however, that the current language of paragraph 17 of Decision 2022/6 goes beyond simply taking note of incoming reports. The Secretariat noted that most regional offices are funded by earmarked funds and as such do not have the ability to

organize capacity building events for countries preparing their national reports on the implementation of the NUA unless it is explicitly included in the project documents.

- xviii. The Secretariat indicated it would welcome further guidance and clarification from the Executive Board on the meaning to ‘*provide an update on programmes and initiatives.*’ Given that the supplementary budget’s vision is to acquire additional staff for the year 2023, however, Member States would need to clarify whether the activity is meant to be a single event or a continuous event so as not entertain a cumbersome and lengthy recruitment process.
- xix. The Secretariat indicated that Secretariat’s interpretation of paragraph 17 of Decision 2022/6 was based on the understanding that the language implies a continuous monitoring system hence the need for additional resources.
- xx. The Secretariat clarified that the cost estimates provided in the PBI of paragraph 17 of Decision 2022/6 for the reports were based on a 5000-word count and based on a system of extracting information in a systemic and continuous manner.

### **Agenda item 3 - The draft budget of UN-Habitat for 2024**

#### **Under this item, the Chair provided the following background:**

- xxi. The Chair recalled that during the 2022 second session of the Executive Board, the Board in paragraph 16 and 17 of its Decision 2022/5, requested the ad hoc working group to discuss a draft work programme and a draft budget for 2024 in line with the Executive Director’s recommended budget for the United Nations Habitat and Human Settlements Foundation.
- xxii. The Chair further recalled that the Executive Board in paragraph 6 of decision 2022/7 which was adopted at its second session for the year 2022, decided that the provisional Agenda for the first session of 2023 shall be reviewed by the Bureau and made available in due course. When the Bureau met on 9 December 2022, it recommended the provisional Agenda for the first session of the Executive Board for the year 2023 and recommended that the draft work programme and budget of UN-Habitat for 2024 be considered at the 2023 second session of the Executive Board.
- xxiii. The Chair having recalled the above and in line with Decision 2022/7 of the Executive Board adopted at its second session of 2022, noted that the purpose of the ad hoc working group was to discuss the draft budget and draft work programme for UN-Habitat for 2024, based upon the Executive Director’s recommended budget for the United Nations Habitat and Human Settlements Foundation non-earmarked budget for 2024.
- xxiv. The Chair emphasized that the recommendation of the ad hoc working group will enable the Executive Director to finalize a draft work programme and budget for 2024, taking into account the feedback from the ad hoc working group.

**The presentation on the draft budget of UN-Habitat for 2024 by the Secretariat can be accessed [here](#).**

#### **The briefing by the Secretariat highlighted the following:**

- xxv. The Secretariat highlighted that the UN-Habitat annual 2023 approved budget is of \$3 million for the Foundation non-earmarked including 14 posts that will undertake normative and core operational work.
- xxvi. The Secretariat indicated that the current draft annual budget of UN-Habitat for 2024 for the Foundation non-earmarked is about \$4 million and includes five additional posts. The five posts include the positions of: i) Deputy Executive Director, Assistant Secretary-General (ASG); ii) Regional Representative for Latin America and the Caribbean (D-1); iii) Senior

Legal Officer (P-5) (upgrading the current P-4 post); and iv) NUA reporting team (P-3, P-2, 2 GS). The four posts from the NUA reporting team are from PBI and form \$600,000 of the increase in the 2024 budget.

- xxvii. The Secretariat noted that another key driver of the increase in the 2024 Foundation non-earmarked draft budget is the position of the incoming Deputy Executive Director post that is currently unbudgeted and not in the regular budget of assessed contributions or any other funding source and should be in the non-earmarked foundation budget.
- xxviii. The Secretariat noted that the approved Foundation non-earmarked budget for the year 2023 did not include the post of the Deputy Executive Director. The Deputy Executive Director has been appointed by the Secretary General and therefore the post must be funded. The Secretariat noted that the Executive Director is taking measures within her authority to find funds in the non-earmarked Foundation budget as there is no other appropriate funding source for this post.
- xxix. The Secretariat noted that the position of P-4 Legal Officer is being upgraded by a P-5 post and that the Program Officer post at P-4 level in the Brussels Liaison Office which will be removed from the non-earmarked foundation.

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

- xxx. With reference to the appointment of the Deputy Executive Director, several Member States enquired if it is common practice to appoint a position before finding sources of funding and further enquired on the justification for hiring a Deputy Executive Director. .
- xxxi. Several Member States agreed that the draft 2024 Foundation non-earmarked budget was realistic.
- xxxii. Several Member States regretted that a scalability model with respect to the Foundation non-earmarked for 2024 was not presented and requested the Secretariat to prepare it.

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

- xxxiii. The Secretariat noted that it is not common practice to appoint a position before finding the source of funding and indicated that the Office of the Secretary General continued with the assumption that even though the position of the Deputy Executive Director was removed from the 2023 budget, it would be reinstated. The Secretariat noted that the vacancy of the position of Deputy Executive Director was an exceptionally unusual situation, and that the Secretariat is compelled to balance political imperatives and technical budget imperatives.
- xxxiv. The Secretariat indicated that the appropriate funding source for the P-4 post in Brussels Liaison Office would be earmarked project funds instead of the non-earmarked foundation funds because the function of the post is more on the operational side than normative side.
- xxxv. The Secretariat noted the following regarding the appointment of the Deputy Executive Director and his responsibilities:
  - a. With the General Assembly elevating the UN-Habitat to a Programme, the responsibility of being a Programme entails significant engagement at the highest level of the UN System which triggers a lot of responsibilities at the highest executive level of the UN System.
  - b. There are several deputy roles and obligations which specifically under the responsibility of the Assistant Secretary-General and particularly in core fundraising of Foundation non-earmarked funding which is now currently untaken by the Under Secretary-General instead of the Assistant Secretary-General. The current interim

Deputy Executive Director cannot assist in such roles hence the Executive Director has not been able to delegate these specific obligations.

- c. The Deputy Executive Director plays the significant role of coherence between the different divisions of UN-Habitat. UN-Habitat has three Divisions and one Office and currently they all report to the Executive Director whilst in other agencies some of the Divisions would be reporting to the Deputy Executive Director.
- d. There are organizations with smaller mandates and similar size but have regular budget funded for the Deputy Executive Director position.

- xxxvi. The Secretariat provided a short briefing on the scalability model for the draft budget for 2024 and the presentation can be accessed [here](#).
- xxxvii. The Secretariat took note of the concern regarding the request of the preparation of the scalability model of up to \$12 million and noted that in 2020 and 2021 the Executive Board requested the Secretariat to look at the scalability model and the Secretariat presented a set of work programs at the budgets of \$18.9 million, \$12 million, \$8million and \$ 6 million. The Secretariat noted that it would revisit those programs and budgets with the indulgence of Member States on any additional work that may come from the UN-Habitat Assembly to appropriately represent the scalability model.

**Agenda item 4 - Informal discussions on draft decisions to be considered by the Executive Board at its 2023 first session.**

**Under this item, the Chair moved to informal discussions on draft decisions to be considered by the Executive Board at its 2023 first session.**

**Agenda item 5 - Any other matters**

The Chair informed Member States that the next meeting of the ad hoc working group was scheduled for 15 March 2023 to continue discussions of informal consultations on the draft decisions towards the 2023 first session of the Executive Board.

**There were no other matters considered and the Chair adjourned the meeting at 17:10 East Africa Time.**

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