

Summary of the fifth meeting of the Ad-Hoc Working Group on programmatic, budgetary, and administrative matters of the Executive Board held Virtually on Monday 15 June 2020

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

Co-Chair: H.E Ms. Saqlain Syedah, Permanent Representative of Pakistan to UN-Habitat

Agenda of the working group meeting

The meeting considered the following agenda items:

1. Discussions on the draft Work Programme and draft Budget of UN-Habitat for the year 2021
2. Progress in the implementation of the Strategic Plan for the period 2020–2023: the draft Resource Mobilization Strategy and review of the Investment Funds.

1. Discussions on the draft work programme and budget of UN- Habitat for the year 2021

The Secretariat provided a briefing on the draft work programme and budget of UN-Habitat for the year 2021. The highlights of the briefing are as below:

- i. Updates on Secretary General’s report and ACABQ as follows:
 - a) The Secretariat contacted New York with regard to the proposal by the Ad-Hoc working group at its fifth meeting held on 11 March 2020 to delay Secretary General (SG) ’s report to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the response received was that postponing the report to a later date was not an option for the Programme Planning Division.
 - b) ACABQ met on 8 June 2020 and raised 42 questions on the draft work programme and budget for 2021 to the UN-Habitat Secretariat.
 - c) Deadline expected of the SG’s report is what will prevail and as such any comments from Member States and update could be considered as conference room papers, for the ACABQ to consider at its subsequent session.
- ii. Overview Strategic Plan 2020-2023 and the draft work programme 2021:
 - a) The Strategic plan is focusing on how the Secretariat achieves impact and creates change.
 - b) The Strategic Plan is operationalized through normative and operational deliverables, as well as through post resources and non-post resources.
 - c) There are 4 key subprogrammes under the Strategic plan 2020-2023 which are aligned to domains of change, including objectives and strategies. The proposed work programme for the year 2021 is aligned to these.
 - d) Each subprogramme in the proposed work programme and budget 2021 has a structure covering: field and technical operations, seminars, workshops and training events, publications, and technical materials.
- iii. Discussions on the draft budget for 2021
 - a) ACABQ had its review of the budget on 8 June 2020 and UN-Habitat is expected to get back to the Committee by 17 June 2020 with responses on the questions raised.
 - b) The proposed Budget was developed in line with the proposed work programme for 2021 as guided by the Strategic Plan.

- c) Four additional scenarios were developed as requested by the Ad-Hoc working group and shared with the working group.
- d) Regular Budget proposal covers policy making organs, executive direction and management,
- e) The budget established for the programme of work is based on expenditure expected from programmes support for the year 2020 and 2021
- f) For the proposed budget on Foundation Fund, scenarios have been provided for 80% personnel, 60% personnel, 27% personnel and 14% personnel based on approved budget for the year 2020.

The full presentation can be accessed here: https://unhabitat.org/sites/default/files/2020/04/english_1.pdf

In the discussions, the following issues were raised:

- i. Budgets of UN-Habitat for the years 2020 and 2021 had unrealistic projections and the scenarios do not seem to be helpful. The documents should be adjusted to reflect the actual current expenditure as it is difficult for some Member States to take such a report back to their capitals.
- ii. The proposed budget for 2021 is unrealistic and therefore the Secretariat should have a realistic figure that can be achieved in 2021 with priority activities. The Secretariat should adjust the documents with realistic figures and take into consideration actual 2019 expenditure.
- iii. An increase in the regular budget from 11 billion USD in 2020 to 14 billion USD in 2021 is noted in the proposed budget with concern as there should be a zero growth on the regular budget.
- iv. The earmarked budget is acceptable if only the Secretariat justifies it and is in a position to raise the high amount of money required, with the condition that all earmarked activities are aligned to the programme of work for 2021.
- v. The Secretariat needs to provide additional information on 2020 contributions which should include pledges as well.
- vi. Member States requested to get organogram of UN- Habitat to understand the roles of different staff.
- vii. The need to understand if the Executive Board can give more guidance to ACABQ and if there is a deadline for that and, what the next steps are in the process after ACABQ session
- viii. Need to understand the costs of the Executive Board sessions and the resource gap in that regard.
- ix. Need for consistency in the documentation, for instance the use of “sustainable urbanization and human settlements”. Also reference to the figures reflected in the budget and the human resources need to be aligned so that they are similar throughout.
- x. Need to understand the efforts being placed on fundraising which had only realized 700,000 USD so far, and in addition, the appropriate way forward in terms of fundraising considering the need for a realistic foundation non-earmarked budget.

The Secretariat clarified that the Executive Board did not manage to meet in March which was to be before the ACABQ could meet and which would have accorded an opportunity for the Board to give guidance on the draft budget. It was added that the ACABQ session will have completed its work and will be writing its report and recommendations before the Executive Board Session scheduled on 29 June 2020. It was further added that should the Executive Board wish to give recommendations on the draft budget at its next session, the Programme Planning Division in New York will liaise with ACABQ.

Secretariat further made the following remarks:

- i. On the proposed 2021 foundation draft budget figures that are considered as unrealistic by some Member States, the Secretariat stated that these figures are for further guidance from Executive Board for a more realistic budget and based on budget figures approved by the Executive Board at its session in November 2019.
- ii. On the concern over regular budget increase, it was clarified that- there is no actual increase other than realistic costing based on cost of living, exchange rates, and operations.

- iii. On the earmarked budget, the figure referenced is based on the trends over years, what has been signed and new donor agreements.
- iv. The Secretariat stated that it would provide a slide on funding received so far. It gave an oral briefing on funding received as at the date of the meeting being: 700000USD received from 3 countries. The Government of Norway had pledged 2M USD and Korea had pledged 82000USD by July 2020. In addition, it clarified that it receives very few written pledges on contributions.
- v. The Secretariat would provide as requested an organogram to the Member States Cost of an Executive Board session would also be shared

ACTION REQUIRED:

The Secretariat to provide

- i. Funds so far received, and funds pledged to the Organization for 2020.
- ii. The organogram of UN-Habitat.
- iii. The next steps of the process after ACABQ review in terms of timing.
- iv. The cost of the Executive Board sessions and the resource gap for 2020 in this regard.
- v. The fundraising efforts to ensure more voluntary funding.

2. Progress in the implementation of the Strategic Plan for the period 2020–2023: the draft Resource Mobilization Strategy and review of the Investment Funds

The Secretariat provided a briefing on the progress in the implementation of the Strategic Plan for the period 2020–2023, specifically on the draft Resource Mobilization Strategy which has a target for 2020 of USD 18.9M for the Foundation non-earmarked income, over 100 Member States contributing to core income, a percentage increase in agreements that are multi-year, and USD 30 Million investment in each of the 5 new flagship programmes under the Strategic Plan among others.

The briefing highlighted the following:

- i. Six primary elements of the draft Resource Mobilization Strategy being: a. Adequate funding, b. alignment with SDGS, the New Urban Agenda, the UN-Habitat Strategic Plan 2020-2023, national priorities, among others, c. strategic partnerships, d. diversified donor base, e. value for money and f. innovation.
- ii. Progress on Implementation of the draft Resource Mobilization Strategy 2020- 2023 as follows:
 - a) Structured Funding Dialogues in 2020 which included over 80 Donor meetings during the World Urban Forum held in February 2020, Executive Director’s briefing to the Executive Board on 31 March 2020, briefing on UN-Habitat’s response plan to Covid-19 on 4 May 2020 and ongoing bilateral meetings with Member States.
 - b) Global thematic programmes consisting of
 - Five flagship programmes launched at WUF 10,
 - Donor events on flagship programmes at WUF10 for SDG Cities, Migration and Inclusive Neighbourhoods,
 - Partner engagement through SAGE, civil society advisory body and World Urban Campaign on flagship programmes.

- c) Joint delivery of country programmes under which the development of standard reporting template finalized and, there is continued alignment with Resident Coordinator System as well as engagement in Covid-19 Global Humanitarian Response Plan and Multi Donor Trust Fund.
 - d) Engaging with the corporate sector- city investment platform launched at WUF 10 and drafting of private sector engagement strategy
 - e) Foundations and High Net Worth Individuals and Philanthropists- with an example of a roundtable with Foundations and Philanthropists during WUF 10.
 - f) Communicating Impact by posting impact stories in UN Habitat's website and Urban Impact Report.
 - g) Individual giving by developing online donation platform.
 - h) Internal alignment such as organization structure, policies and enhancement of partners engagements.
 - i) Fees for service- developing UN Habitat's catalogue of services.
 - j) National committee for resource mobilization.
- iii. The Secretariat also highlighted funds received so far in 2020 totaling USD 735 000 against a budget of 18.9 Million, from Botswana, China, France, Japan and United States of America. Pledges totaling USD 2.9 Million USD from India, Kenya, Norway, Republic of Korea, Senegal and Zambia were also noted. The Secretariat emphasized the urgent need for countries to provide core contributions as the Agency cannot retain staff carrying out core functions.
- iv. The Secretariat also highlighted funding status under its Covid-19 Response plan stating new income USD12.5 M was available from donors out of a total USD 72 M for the plan.

The full presentation can be accessed here:

https://unhabitat.org/sites/default/files/2020/03/english_24.pdf

In the discussions, the following issues were raised:

- i. Because Foundations' non-earmarked funding is voluntary, the same criterion should be used to get external funding for UN-Habitat outside the Member States.
- ii. With regard to core budget of operations-, there is need to understand the timing of the considerations of the funding before staff's contracts are jeopardized and in addition, the capacity for considering consultants instead.
- iii. The need to understand the impact of having UN-Habitat staff on the danger to minimizing the impact and existence of UN-Habitat as a programme.

The Secretariat made the following remarks following the discussions:

- i. The Secretariat clarified that non- earmarked funding is not only limited to Member States.
- ii. With regard to Staffing jeopardy, the Secretariat stated that the timelines were tight and the Organization had been developing letters of intent. In addition, liquidity reserve as of 31 Dec 2019 was at 1.3 Million and was set to increase to 1.9 Million. The Organization was utilizing the liquidity reserve and considering a short-term loan.
- iii. Internal executive meetings were ongoing on the jeopardy of staff and looking on the termination of staffs' contracts with reference to their acquired rights.
- iv. Staffing requirements had been considered and the value of bringing in external capacities had also been considered with a consultant assisting in looking at the Strategy. The strategy would be shared with the Member states once the work is completed. In addition, there are rules in the UN system on the secondment of officers.

- v. Impact minimization was a risk the Secretariat was facing and struggling with considering the important mandate of UN Habitat that needs to be fulfilled and which was more crucial under the prevailing season of the global COVID-19 pandemic.

ACTION REQUIRED:

There were no specific recommendations by the working group however Member States were encouraged to liaise with the Secretariat on the specifics of the draft Resource mobilization Strategy and other documents they may need clarification on.

Any Other Matters

The following tentative schedule of meetings was agreed upon:

- a) **17 June 2020:** Progress in the implementation of the Strategic Plan for the period 2020–2023:
 - i. Draft Partnership Strategy, including UN-Habitat engagement with the private sector and with non-governmental partners
 - ii. Draft Financial Plan