

Summary of the eighteenth meeting of the Ad-Hoc working group on programmatic, budgetary and Administrative matters of the Executive Board

Wednesday 13 October 2021 – 10:00 – 13:00 East Africa Time

Chair: H.E. Ms. Saqlain Syedah
Permanent Representative of the Islamic Republic of Pakistan to UN-Habitat

1. Adoption of the Agenda

At the outset, the Chair noted that while the meeting which was scheduled a while back was being held on-line, the Secretariat is adequately preparing for the return to in-person meetings in line with the required safety precautions for meeting participants issued by UNON. Anticipating the number of all delegates being involved in the ad hoc working group meetings and taking into account the revised capacity of the UNON conference rooms, it is expected that the next meetings of the ad hoc working group will be held in a hybrid format for delegates who would wish to take advantage of that format.

The Ad-Hoc working group on programmatic, budgetary and administrative matters of the Executive Board was called to order at 10:05 EAT and it adopted the provisional agenda for its eighteenth meeting as follows:

1. Adoption of the provisional Agenda.
2. Briefing on normative and operational activities.
3. Recap of discussions on:
 - a. the draft work programme and budget of UN-Habitat for the year 2022.
 - b. the alignment of UN-Habitat planning cycles with the quadrennial comprehensive policy review.
4. Any other matters.

After the adoption of the Agenda, the meeting considered Agenda item 2, briefing on normative and operational activities.

2. Briefing on normative and operational activities

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

- i. The Chair recalled that during the resumed session of the Executive Board held in November 2019, the Board decided that the normative and operational activities of UN-Habitat should be included on the provisional agenda of Executive Board sessions on a regular basis.
- ii. During the 2021 first session of the Executive Board, the Board in paragraph 4 of its Decision 2021/4 agreed that the provisional Agenda for the second session of 2021 should include an Agenda item on the implementation of the normative and operational activities of UN-Habitat, including reporting on the programmatic activities of the Programme in 2021 and the implementation of subprogrammes, flagship programmes and technical cooperation activities, and an update on the response of the Programme to the coronavirus disease (COVID-19) pandemic.
- iii. On 6 October 2021, the Secretariat shared with the ad hoc working group an Advance version of the report of the Executive Director entitled “ Normative and operational activities of UN-Habitat focusing on the localization of the Sustainable Development Goals, guidance on housing rights and policy, and work on

migration and displacement“ as set out in document HSP/EB.2021/18, which can be accessed [here](#). This document is expected to be considered by the Executive Board at its second session in November 2021.

- iv. Following the above background, the Secretariat provided a briefing on the normative and operational activities of UN-Habitat. The full presentation by the Secretariat can be accessed [here](#).

The briefing by the Secretariat highlighted the following:

- i. The Secretariat recalled that the iterative relationship between the normative programmes and operational work of UN-Habitat was central to the impact of the work of UN-Habitat. The Secretariat further added that knowledge-building programmes inform development of technical tools that, in turn, improve understanding of urban development issues at the local, national and global levels. This provides evidence to refine existing and develop new knowledge and tools to member states and other stakeholders.
- ii. The Secretariat noted that the report on normative and operational activities of UN-Habitat showcases 3 initiatives on integrated normative and operational activities of UN-Habitat that can improve quality of life, promote peace, and encourage a greener and more just recovery from the pandemic by harnessing the power of sustainable urban development towards the achievement of the New Urban Agenda and Sustainable Development Goals (SDGs), as follows :
 - a) SDGs localization;
 - b) Housing rights and policy guidance with focus on Europe; and
 - c) Migration and displacement work.

Localization of SDGs

- iii. The Secretariat presented the first initiative related to the localization of SDGs and emphasized on UN-Habitat strategies and progress made so far to support localization includes working through multilevel, integrated partnerships, as follows:
 - a) On the normative side, from support on inclusive data collection to evidence-based policymaking; and,
 - b) On the operational side, from project implementation support to robust monitoring and reporting systems.
- iv. The Secretariat noted that UN-Habitat is running 3 programmes to ground the localization work:
 - a) the Global Urban Monitoring Framework
 - b) the Voluntary Local Reviews (or ‘VLRs’), and
 - c) the SDG Cities flagship programme of the Strategic Plan 2020-2023
- iv. The Secretariat recalled that UN-Habitat is mandated by the United Nations General Assembly and the Statistical Commission to lead the development of indicators to track progress in the implementation of the SDGs and the New Urban Agenda (NUA) implementation at the local level. The global Urban Monitoring Framework is at the heart of the UN-Habitat approach to data collection and indicators development for SDGs localization. This Framework also leads the data collection both for the VLRs and the SDG Cities flagship programme. The Secretariat further updated the ad hoc working group on the progress of the Framework design:
 - a) The Framework harmonizes existing indices while incorporating rural-urban linkages and the ‘leave no one behind’ principles of the SDGs.
 - b) It is composed of a core set of global indicators and a series of secondary indicators, to allow for the adaptation to each locality and vision for each city.

- c) Once endorsed by the Statistical Commission and fully digitized during 2022, it will be rolled out worldwide.

- v. The Secretariat provided a background on VLRs, recalling that UN-Habitat supports cities in developing VLRs through the provision of cutting-edge data and insights, as well as peer learning opportunities, recalling that developing local reviews can enhance innovative data use, stakeholder participation, policy coherence, and strategic planning. The VLR process can also improve interaction between the local and national levels of government. The Secretariat noted the features and progress of the VLR support work, highlighting that the VLRs have become a main tool for local and regional governments to monitor and report on the progress of SDG localization, allowing bottom-up transformation through local innovation. In addition, VLRs have proved to be powerful accelerators for the localization.

- vi. The Secretariat presented the exponential growth of VLRs and increased geographical scope, with 65 Reviews currently under way and some 20 municipalities and regional governments already working on their Reviews for 2021 and 2022. The mapping of VLR can be accessed [here](#).

- vii. The Secretariat presented the SDG Cities flagship programme, through which UN-Habitat aims to have a positive impact on about 1 million people in 1,000 cities through the adoption of a systematic approach that combines evidence-based policymaking, digitized tools and digital capacity support, technical backstopping and matching finances with impactful projects aligned with the SDGs. The Secretariat further noted the features and progress of the SDG Cities flagship:
 - a) In the data track, the voluntary local reviews are used to bring together statistical, spatial and perception data through the Urban Monitoring Framework, to monitor implementation of the SDGs;
 - b) The capacity development track includes diagnostic tools such as the SDGs' Project Assessment Tool that directs cities to relevant resources while improving projects' alignment with SDGs;
 - c) The investment track includes a city investment facility that supports upstream project preparation, which, in turn, ensures alignment with the SDGs and financial feasibility, as well as match project pipeline to financing sources.

- viii. The Secretariat noted that it was operating with minimal resources over the past 12 months, and that therefore UN-Habitat has focused its efforts on four streams :
 - a) Creating and consolidating strategic partnerships with key stakeholders while positioning itself as the go-to partner regarding SDGs localization and local reviews.
 - b) Working with the United Cities and Local Governments (UCLG), developed a comprehensive normative guideline to support governments in the localization of the SDGs and in developing effective local reviews
 - c) UN-Habitat advocates and builds capacity on sustainable urban development by organizing events and city-to-city learning. (Over the past year key partners in this workstream include UCLG, Metropolis, OECD, G20, City of Madrid, to name a few.)
 - d) In terms of technical assistance to member states and cities on localization, UN-Habitat worked with cities in ten countries (Brazil, Peru, Russia, Italy, Poland, Jordan, Spain, Morocco, India and Malaysia).

- ix. The Secretariat summarized on the main normative and operational achievements as follows:
 - a) Since April 2020, the work on SDGs localization and VLRs has greatly evolved owing to an articulated process of internal coordination.
 - b) Externally, this dedication has led to, for example, the UN regional commissions and Resident Coordinator offices approaching UN-Habitat to develop joint regional and national guidance on VLRs.

- x. The Secretariat highlighted the way forward, indicating that the localization strategy of UN-Habitat will remain grounded on the territorial strategies. To progress with this, UN-Habitat will:
 - a) Scale up institutional integration and reinforce multilevel governance;
 - b) Reduce spatial disparities and inequalities and address the lack of data by unifying the urban monitoring framework;
 - c) Provide knowledge and guidance to local and regional governments on localizing the SDGs.

Housing Policy Issues and Priorities (focus on Europe)

- xi. The Secretariat presented the second programme example of work, namely Housing Policy Issues and Priorities (with focus on Europe) and recalled that in 1991, the Committee on Economic, Social and Cultural Rights identified seven elements to the right to adequate housing as: (1) legal security of tenure; (2) availability of services, facilities and infrastructure; (3) affordability; (4) habitability; (5) accessibility; (6) location; and (7) cultural adequacy.
- xii. The Secretariat noted that the report on normative and operational activities presents highlights from the UN-Habitat's guidance on housing policy in Europe, noting the following :
 - a) While recent European Union data showed positive trends in all SDG11 indicators, certain groups were still disproportionately deprived of housing, a problem that was magnified by the COVID-19 crisis.
 - b) The graph highlights groups who are likely to suffer increased levels of overcrowded housing, as opposed to the national average of 17%.
 - c) Housing is also unaffordable: nearly one in three low-income renters in Organisation for Economic Co-operation and Development (OECD) countries spend over 40 per cent of their income on housing and this was again exacerbated by the pandemic.
 - d) The United Nations Economic Commission for Europe (UN ECE) region has experienced an increased investment gap in social housing.
 - e) Policy priorities are as described below:
 - o The main housing policy priority in the ECE region is related to the ongoing affordability crisis.
 - o The region unequal housing situation call for better capacities and understanding to advice on housing system reform.
- xiii. The Secretariat updated that UN-Habitat :
 - a) Coordinated a 'Housing 2030' initiative with ECE and the 'Housing Europe' Federation. This is a normative toolkit for policymakers which highlights good practices that can promote housing affordability, such as land management.
 - b) Assisted the United Nations Department of Economic and Social Affairs (UNDESA) in making the first UN resolution on homelessness.
 - c) Provides technical assistance to member States and cities, housing stakeholders and local entities. Lisbon, Portugal, and the Government of Bulgaria have approached UN-Habitat for guidance on affordable housing strategies and policies.
- xiv. The Secretariat further provided highlights on the way forward, indicating that UN-Habitat, in cooperation with UN ECE, has embarked on the following priority actions on housing:
 - a) Developing a platform to strengthen the capacity of European stakeholders in the housing sector.
 - b) Promoting improved reporting on the SDGs relating to land and housing and including housing-related rights in the universal periodic review process for the ECE region.
 - c) Identifying 6 priority objectives for the future of housing policies.

Work on Migration and Displacement

- xv. The Secretariat recalled that as people move to cities in search of a better life and job prospects, migration will remain one of the key driving forces of urbanization. The inclusion in the strategic plan of the domain of change on effective urban crisis prevention and response allows for the development of a more tailored normative tools, as a complement to the vast operational experience of UN-Habitat.
- xvi. The Secretariat noted that UN-Habitat's normative work on urban recovery frameworks builds on the long field operation experiences in Iraq, Lebanon and the Syrian Arab Republic. The frameworks encapsulate institutional and policy assistance, with related programming, that support resilient urban recovery at scale and to facilitate the renewal of the social contract for peace. It was also noted that the 'High-level Panel on Internal Displacement' focuses on the urban and local dimensions of displacement. UN-Habitat (with the International Institute for Environment and the Displaced Profiling Service) prepared a submission to the High-level Panel based on consultations in Burkina Faso, Colombia, Honduras, Iraq, Somalia and Ukraine. Findings from the consultations recommended, among other priorities, fundamental changes to global and local financing structures to better address displacement issues.
- xvii. The Secretariat emphasized that to respond to the protracted crisis in Venezuela :
 - a) The 'Inclusive Cities, Communities of Solidarity' project, run by UN-Habitat with the High Commissioner for Refugees, and the International Organization for Migration, works on the assumption that migration can contribute significantly to a city's prosperity.
 - b) The project seeks to achieve effective integration of migrants through targeting both the socioeconomic and spatial determinants of inclusion and, for example, by preparing territorial interventions.
- xviii. The Secretariat indicated that in Burkina Faso:
 - a) Small and medium-sized cities have seen their populations double and many being exposed to unplanned, inadequate living conditions due to displacement crisis.
 - b) UN-Habitat, financed by the European Union, is working in four cities to help authorities to find durable solutions for internally displaced persons.
 - c) The project has for example established municipal cells of urban resilience as a vehicle for all-inclusive local decision-making.
- xix. The Secretariat further provided highlights on the way forward, noting that the flagship programme "Inclusive cities: enhancing the positive impact of urban migration" will help further integrate the operational and normative work of UN-Habitat by 2023. The programme has dual focus on durable solutions for migrants, refugees and internally displaced people by maximizing the positive contribution that they can make to urban development, and by ensuring social cohesion with host communities.

Conclusion

- xx. UN-Habitat concluded by emphasizing that the three cases of interlinked normative and operational work demonstrate the following:
 - a) UN-Habitat's approach has leveraged the universal agendas and rights-based goals towards sustainable development outcomes.
 - b) UN-Habitat's territorial and spatial approaches and local monitoring and reporting systems have proven their value for governments and for broader development community.
 - c) Further enhancing normative and operational linkages can help meet the targets of the Strategic Plan given the challenges of COVID-19 recovery.
 - d) Strong collaboration with UN agencies and other partners in both the development of normative guidance and country level implementation

Draft plan for developing the institutional anchoring of capacity-building as a cross-cutting function

- xxi. In addition, the Secretariat provided a quick overview on the draft plan for developing the institutional anchoring of capacity-building as a cross-cutting function as set out in document HSP/EB.2021/17 which can be accessed [here](#) , noting that it will be presented in detail during the up-coming session of the Executive Board.
- xxii. The Secretariat noted that the updated implementation plan provides a comprehensive, adaptable structure within which to plan and prioritize efforts and resources. It presents an overview of the four-year period from 2021 to 2024, while proposing concrete priorities for 2022. The priorities can be summarized in the following 5 key strategic areas which build on existing initiatives and resources :
- a) Progressively align current and new initiatives through better coordination
 - b) Strengthen the mobilization of partners, through for instance academic networks, partnerships with training institutions and relevant UN organization such as the UN System Staff College, building on the work undertaken through CoPs
 - c) Better understand capacity gaps, needs, expectations from member States, and funding opportunities, for instance through a dedicated dialogue at WUF
 - d) Strengthen UN-Habitat capacity-building offer by focusing on key tools and methodologies (Catalogue of services), to further disseminate and implement where needed
 - e) Continue innovating through digital capacity-building, by developing online training resources and the use of new technologies for knowledge transfer (digital transformation)
- xxiii. The Secretariat highlighted two key pillars of the implementation of the capacity building strategy, as follows:
- a) Building and disseminating solid capacity building tools accessible to a maximum of beneficiaries in support of the effective implementation and monitoring of the NUA.
 - b) Harnessing the benefits of digital transformation for more efficient and effective transfer of knowledge to governments and other stakeholders
- xxiv. The Secretariat noted that the incremental development of the NUA Illustrated Toolkit significantly strengthens UN-Habitat's efforts to build capacities on the NUA. The toolkit will be launched in all 6 UN official languages at the eleventh session of the World Urban Forum (**WUF**). This project was developed with very limited resources, demonstrating UN-Habitat's team's creativity and capacity to innovate with the in-house creation of a self-paced online course Interest confirmed through support received from Member States (France) and regional partners as the United Nations Economic and Social Commission for Western Asia (**ESCWA**) and the mobilization of UN-Habitat regional and country teams to translate and disseminate the toolkit. The toolkit directly supports the implementation of the Capacity-building strategy through communication, and mobilization of partners and resources.
- xxv. The Secretariat briefed the ad hoc working group on the timeline of the incremental development of the NUA Illustrated Toolkit, as presented below :
- a) Oct. 2020: Online course part 1 launched
 - b) Jan. 2021: Illustrated handbook launched
 - c) Sept. 2021: Online course part 2 launched; Toolkit promotional page unhabitat.org/nua-illustrated-toolkit
 - d) Oct/Nov 2021: Translation efforts ongoing in all UN official languages through Member States and partners
 - e) June 2022: Launch of the NUA global toolkit in all UN languages at WUF
 - f) The toolkit constitutes the basis for the development of capacity-building programmes at regional and country levels once the different languages are available, allowing to unpack the propositions made in the NUA and support existing efforts to localize the NUA, such as the Harmonized Implementation Framework for the NUA in Africa.

- xxvi. The Secretariat updated that innovative tools and approaches are being piloted and tested. Specifically, a Guide to deliver capacity building using digital tools has been developed to support UN-Habitat teams and partners navigate through the use of available digital tools and best practices to deliver the capacity building. In addition, an interactive promotional online page has been developed to disseminate the NUA illustrated toolkit broadly.
- xxvii. UN-Habitat efforts to embrace the digital transformation have led to the progressive development an online learning platform, the “UN-Habitat Learn” The long-term sustainability of the Learning Management System (LMS) is directly linked to available resources – the development of a business plan is needed to further define the scope of the LMS, the minimum resources needed to ensure its sustainability, and the key strategic partners to be approached to increase its relevance. As of today, the work is developed with no dedicated budget but small contributions from projects. The LMS is catching interest and more courses are to be scheduled.
- xxviii. The Secretariat shared some highlights of the next steps as follows:
 - a) Priorities implementation plan 2021 – 2024 indicating what can be done with core resources and what requires soft or hard earmarking.
 - b) Call for interested member states and partners to help prepare the financing dialogue on capacity building at the World Urban Forum
 - c) Soft earmarked funding needed on digitalization, roll out of capacity building related to the New Urban Agenda
 - d) Building a new coalition of strategic capacity building partners at global, regional and country level
- xxix. In addition, the Secretariat mentioned that two additional documents will be presented in detail to the Executive Board at its second session of the year 2021, as follows:
 - a) HSP/EB.2021/20 Terms of reference of a peer review mechanism for an effective implementation of the UN systemwide Guidelines which can be accessed [here](#)
 - b) HSP/EB.2021/INF/4 Briefing on cooperation with the United Nations Environment Programme which can be accessed [here](#)

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

- i. One Member State emphasized on the value of the approach of localization SDGs through the data, capacity development and investment tracks, in accordance with the commitments and principles set in the New Urban Agenda. This Member State appreciated the support provided by UN-Habitat that ensures that the characteristics of the SDGs, namely universality, interconnectedness and indivisibility are carried out at the local level. The Member State also underscored the role of the SDG Cities flagship programme of the Strategic Plan 2020-2023 that helps cities to achieve the SDGs through a value chain that brings together urban data, planning, institutional capacity development, and investment in impact. The Member State particularly highlighted the potential of South-South and Triangular collaboration in furthering the flagship programme. It further supported the suggested forward as presented by the Secretariat, especially the element on the increasing of knowledge and capacity of cities and municipalities to achieve the 2030 Agenda.
- ii. One Member State further noted with appreciation the work on localization, emphasizing that it is a very good illustration of what normative work actually should eventually become. This Member State sought further clarification on the distribution of the work of localizing the SDGs and on the beneficiaries of the normative work, highlighting that many of the cities which are mentioned are located in the developed countries. That Member State also referred to the document presenting the recalibration of

the strategic plan of UN-Habitat for the period 2020–2023 and the analysis of linkages between the operational and normative activities of UN-Habitat (HSP/EB.2021/19), appreciating that the climate and environment perspectives allow the implementation of the work.

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

- i. The recommendations on the way forward regarding the SDG Cities flagship programme of the Strategic Plan 2020-2023 are welcomed and well noted and a bilateral meeting will be planned between the Member State and the Secretariat to further discuss SDG Cities.
- ii. The map presented during the briefing is not fully reflecting the geographical presence of all UN-Habitat's normative work as it is only focusing on the VLRs and essentially maps out the cities which undertook VLR on a voluntary basis over the last 2 years. It is only a subset of cities where UN-Habitat has provided technical support and advisory. UN-Habitat is currently monitoring, analyzing and supporting VLRs work in different ways and UN-Habitat built upon this experiences to develop VLRs guidelines with the United Cities and Local Governments and other partners. The demand for undertaking VLRs grows and UN-Habitat develops new projects and activities to support in this respect. Noting that UN-Habitat works closely with other cities, depending upon the demands and the available resources, some example include :
 - a. Development of a United Nations Development Account (UNDA) project which is in its final stage of approval for countries of Central Asia and South Eastern Europe specifically Serbia, Tajikistan, Georgia, Kirgizstan, Iran and Ukraine.
 - b. Work with the United Nations Economic Commission for Africa to support VLRs in Zimbabwe,
 - c. Work with Urbanice in Malaysia
 - d. Support for VLRs in India
 - e. Support for VLR from Dominican Republic in the GRULAC region.

After the consideration of Agenda item 2, the meeting moved to Agenda item 3, namely recap of discussions on the draft work programme and draft budget of UN-Habitat for the year 2022 and on the alignment of UN-Habitat planning cycles with the quadrennial comprehensive policy review .

3. Recap of discussions on the draft work programme and draft budget of UN-Habitat for the year 2022 and on the alignment of UN-Habitat planning cycles with the quadrennial comprehensive policy review

- a. the draft work programme and draft budget of UN-Habitat for the year 2022

Under this sub-item, the Chair first gave the following background:

- i. The Chair recalled that that the ad-hoc working group met on 15 September 2021 to discuss the draft work programme and budget of UN-Habitat for the year 2022, following the request by the Executive Board in paragraph 3 of its decision 2021/1 that this ad-hoc working group should continue its discussions on the United Nations Habitat and Human Settlements Foundation non-earmarked budget of UN-Habitat for 2022 with a view to bringing it within the range of \$10 million to \$12 million for further consideration by the Executive Board at its second session in November 2021.
- ii. At that meeting, the Secretariat presented to this ad-hoc working group the draft work programme and draft budget of UN-Habitat for the year 2022. The Secretariat referred Member States to the draft work programme and budget of UN-Habitat for the year 2022 as set out in document HSP/EB.2021/4, which was presented to the 2021 first session of the Executive Board.

- iii. The Chair recalled that following the presentation by the Secretariat, with the exception of one Member State, there was no objection to the proposal that the budget for the year 2022 of the United Nations Habitat and Human Settlements Foundation non-earmarked budget of UN-Habitat be within the range of \$10 million to \$12 million. Member States reiterated the importance of providing adequate resources to UN-Habitat to deliver efficiently the four sub-programs of the programme of work for the year 2022, which are all based on the four domains of change of the Strategic Plan for the period 2020-2023. It was further emphasized that a drawdown could have consequences in terms of core competencies and human resources for UN-Habitat.
- iv. The Chair however noted that one Member State however noted that the United Nations Habitat and Human Settlements Foundation had so far only received \$1.5 million non-earmarked contributions in 2021, which was only 10% of the approved non-earmarked budget for the year 2021. That Member State further requested the secretariat to prepare and present a revised draft work programme and draft budget for the year 2022 which should be based on the actual revenue levels of the United Nations Habitat and Human Settlements Foundation for 2021. In response, the Secretariat noted that the draft work programme and budget of UN-Habitat for the year 2022, having been presented to the Executive Board at its first session for the year 2021, was forwarded to the ACABQ based on the guidance received from the Executive Board at that session, with the recommended budget range for the United Nations Habitat and Human Settlements Foundation non-earmarked budget for 2022 between \$10 million and \$12 million. The secretariat stated that due to time constraints on the schedule of the ACABQ, it would not be possible for UN-Habitat to go back and present a different budget to the ACABQ for consideration.
- v. The Chair further noted that at that meeting, the Secretariat indicated its readiness to provide further details to the ad-hoc working group on possible areas of prioritization based on continued funding projections, and that therefore UN-Habitat circulated to the ad-hoc working group the advance version of the following documents :
 - a) HSP/EB.2021/19 Recalibration of the strategic plan of UN-Habitat for the period 2020–2023 following the first meeting of the Committee of Permanent Representatives to UN-Habitat for a high-level midterm review which can be accessed [here](#)
 - b) HSP/EB.2021/19/Add.1 Analysis of linkages between the operational and normative activities of UN-Habitat to increase the impact of its work across the outcomes of the strategic plan in support of sustainable and inclusive recovery which can be accessed [here](#)
- vi. Following the above background, the Secretariat provided a briefing on the recalibration of the strategic plan of UN-Habitat and the related analysis of linkages between the operational and normative activities of UN-Habitat which can be accessed [here](#)

The briefing by the Secretariat highlighted the following:

- i. The Committee of Permanent Representatives (CPR), at its first meeting for a high-level midterm review in June 2021, noted that the UN-Habitat Strategic Plan 2020–2023, with its 4 domains of change and 12 outcomes, has proven to be robust.
- ii. At the current stage, however, a recalibration of UN-Habitat's normative and operational work is needed, while retaining the original structure of the plan.
- iii. Recalibration will make UN-Habitat more fit for purpose, relevant and efficient to support sustainable urbanization and new demands and needs of the world's cities
- iv. UN-Habitat will be in a better position to support Member States and cities in their efforts to recover from the pandemic, while building their ability to navigate future threats and prepare for long-term sustainability to better tackle the priorities of sustainable urbanization in the world of 2022 and beyond.

- v. Recalibration can form a tighter proposition to focus investment, mobilization, programming and policy in the integrated outcome areas.
- vi. [Document HSP/EB.2021/19](#) explains in detail what the three-lens approach to recalibrate the Strategic Plan 2020-2023 entails, and what are the implications for the way in which the organization works.
- vii. The Secretariat highlighted that a three-lens recalibration was proposed to help UN-Habitat rebalance investment and establish a better connection to knowledge, assets and capacities through an integrated way of working by:
 - a) Responding to new vulnerabilities and risks in cities
 - b) Adapting the function and form of cities to respond to current and future crises
 - c) Supporting long-term socioeconomic urban recovery
- viii. The Secretariat presented the **proposed three lenses** as follows:

- a) Ensuring that all new programming responds to new vulnerabilities and risks in cities.

The analysis of the impact of COVID-19 in cities showed that the risks of contagion and death were matched in areas of inadequate housing, higher deprivation and spatial inequalities, but also in more consolidated areas, where people appeared particularly affected by inadequate public transport and type and location of work. UN-Habitat has mapped a number of such areas that are considered to be weak spots, describing a new geography of vulnerability and risk. It is proposed that UN-Habitat responds by increasing focus on housing (outcome 1.2), as part of sustainable ecological neighbourhoods (outcome 1.3) as a way to build climate and pandemic resilience (outcomes 3.2, 3.3 and 4.3) and contribute to climate mitigation (outcome 3.1);

- b) Pursuing more integrated programming to adapt the function and form of cities to respond to current and future crises in terms of resilience and climate change.

Best practice in urban planning and governance arrangements in the world's cities shows that sustainable ecological neighbourhoods are the optimal option in response to both the COVID-19 pandemic and future threats, balancing sustainable urbanization with protection of biodiversity. Neighbourhoods with adequate public spaces, services and amenities, including those for health and education, and well-established local or community organizations, appear to be the most appropriate functional units for the structuring and scaling-up of responses at the city-level. UN-Habitat will therefore review current urban planning principles that espouse sustainable and equitable solutions with a view to reorienting interventions that reshape the urban morphology, supported by innovation, creativity, technology and nature-based solutions that contribute to making cities more resilient and future-proofing them against climate change. It is proposed that UN-Habitat responds by ensuring that the work on increased and equal access to public spaces and mobility (outcome 1.1) links more effectively with adopting nature-based solutions, protecting ecosystem services and biodiversity, and reducing CO2 emissions and urban heat island-effect (outcomes 3.1 and 3.2).

- c) Creating conditions for all programmes to support long-term socioeconomic urban recovery that helps to overcome spatial inequality and addresses the climate emergency.

The pandemic has challenged the fiscal health of many local governments. Municipal revenues are shrinking as a result of reduced economic activity and tax policies. Urban productivity sectors and labour markets have been severely damaged, and value and supply chains have been disrupted. Local governments are expected to see a significant drop in local finances, while needing to increase local expenditure to cope with both the current situation and future conditions. UN-Habitat will therefore refocus its work to increase the economic resilience of cities and

prepare social and economic strategies underscored by solid economic approaches to infrastructure development, supply chains and productive upgrading. It is proposed that UN-Habitat responds by linking climate change planning (outcomes 3.1, 3.2 and 3.3) more explicitly to socioeconomic recovery, which also requires a review of how UN-Habitat can engage more strongly on urban economies (outcome 2.2).

- vii. The Secretariat further briefed the ad-hoc working group on the proposed actions to realign the normative and operational work of UN-Habitat with the recalibrated strategic plan for the period 2020–2023 indicating that the three-lens approach requires action to adjust UN-Habitat’s normative and operational response and to reprioritize the use of core resources. The approach will guide further analysis of the Programme’s normative and operational portfolio and its contribution to the strategic plan. The proposed actions include the following:
 - a. Integrating new data and analysis with best practices to define strategic interventions;
 - b. Mapping priority linkages across the strategic plan outcomes that are critical for recalibrating the strategic plan, based on the three-lens approach ;
 - c. Prioritizing indicators in the results framework that can help to illustrate the impact of the Three-lens approach;
 - d. Identifying normative frameworks, including policy guidance and tools, that need to be adjusted and normative gaps that need to be addressed, starting with the catalogue of services. For example, developing a guide to and providing technical support for the redesign of public areas and markets (as part of socioeconomic recovery) (outcomes 1.1 and 2.2); and developing capacity-building training modules on how to integrate health into recovery plans (outcome 1.3);
 - e. Adjusting global programmes and flagship programmes.
- viii. The Secretariat highlighted that to implement such actions and ensure the alignment of UN-Habitat’s normative and operational work, the following enabling actions need to be considered: (a) Identification of capacity gaps in terms of core expertise and, where possible, the repositioning of core capacity or prioritization in the mobilization of soft- or hard-earmarked resources; (b) Organization of specialized outreach and training to build awareness and “ownership” of the three-lens approach; (c) Organization of an advocacy campaign.
- ix. The Secretariat provided an overview on the linkages between Strategic Plan Outcomes by number of Programme Review Committee 2020 Projects as follows:
 - a) Total number of projects analyzed: 88
 - b) Total number of projects covering all 4 Domains of Change: 11%
 - c) Total number of projects focused on COVID-19 response: 23%
- x. The Secretariat provided an overview on the linkages between Strategic Plan Outcomes by number of Programme Review Committee 2021 Projects as follows:
 - a) Total number of projects analyzed : 54%
 - b) Total number of projects covering all 4 Domains of Change: 41%
 - c) Total number of projects focused on COVID-19 response: 11%
- xi. The Secretariat shared an analysis of the inter-relation between Strategic Plan Outcome 1.3 Settlements Regeneration against the others which can be accessed [here](#) on slide 10.

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

- i. One Member State reiterated that at the last meeting of the ad-hoc working group held on 15 September 2021, it requested the secretariat to prepare and present in advance of the 2021 second session of the Executive Board a revised draft work programme and draft budget for the year 2022 which would be based on the actual revenue levels of the United Nations Habitat and Human

Settlements Foundation for 2021. The Member State further noted that the Secretariat had responded that due to time constraints on the schedule of the ACABQ, it would not be possible for UN-Habitat to present a different budget back to the ACABQ for consideration. However the Member State recalled that paragraph 4 of Decision 2021/1 adopted by the Executive Board at its 2021 first session requested the secretariat to provide notional budget allocations for 2022 at the second session of 2021 of the Executive Board, on the basis of the projected revenue levels for 2021 for the Foundation non-earmarked budget and requested these details to be provided by the Secretariat. The Member State noted that the proposed draft United Nations Habitat and Human Settlements Foundation non-earmarked budget for 2022 of an amount of \$ 11.9 million as indicated in the draft work programme and budget for 2022 remained, in its view, unreasonably high taking into account the current revenue levels and should be revised, otherwise this Member State will not approve it at the upcoming session of the Executive Board.

- ii. Some Member States reacted to the position stated above, appealing Member States to provide to UN-Habitat the realistic minimum budget it needs to deliver efficiently its mandate and the four sub-programs of the programme of work for the year 2022. One Member State further noted that it would be unrealistic to ask the Secretariat to perform activities that Member States do not provide sufficient resource for. Referring to the current revenue levels, this Member State reminded that the past year was severely impacted by the Covid-19 crisis during which Member States might have made other budgetary contributions and decreased their contributions.
- iii. Some Member States recommended that proposals and language related to the environmental issues in the document on the recalibration of the 2020-2023 Strategic Plan should be in accordance with multilateral agreed language. The Member States recalled that a series of concepts developed in the documents presented to the ad-hoc working group do not have multilateral agreed definition and further indicated that it could lead to misinterpretation of the scope or of the concept, for example, nature-based solutions, green economy, urban recovery and blue green networks. The Member States suggested that it would be prudent to use agreed multilateral language like, for example, ecosystems-based approach or inclusive and sustainable economic recovery.
- iv. One Member State being a member of the High Ambition Coalition for Nature and People and the “30 by 30” initiative welcomed the language on nature-based solutions and green recovery.
- v. One Member State welcomed the engagement by UN-Habitat with climate related issues, highlighting that cities are a critical part of any strategy to mitigate and adapt to climate change, considering that 70% of CO₂ emissions do take place in urban environments.
- vi. One Member State thanked the Secretariat for the presentation on the three-lens approach to recalibrate the Strategic Plan 2020-2023 as contained in document HSP/EB.2021/19, acknowledging it draws upon the lessons learnt from Covid-19 and building towards a more just, green, and healthy future. The Member State further highlighted that in the document it is mentioned that “UN-Habitat proposes using the three-lens approach to provide the draft work programme for 2022 with the additional substantive focus that is required with a view to recalibrating the proposed deliverables”. The Member State sought further clarification on this specific point, asking what the implications for the reporting would be, including with respect to the monitoring of the results framework. The Member State enquired if UN-Habitat had looked at the possibility of streamlining the processes related to the three-lens approach and the results framework, assuming that the reporting would happen towards hard-earmarked funding.

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

- i. The language used in the document on the recalibration of the 2020-2023 Strategic Plan for the year 2022 on green economy, urban recovery and blue green networks is more project-oriented language, emanating from discussions with Member States, Cities, development partners and donors, however,

the observations related to the use of multilateral and agreed language in the pre-session documents to be submitted for the consideration of the Executive Board are well noted.

- ii. With respect to the recalibration of the 2020-2023 Strategic Plan, it is a work in progress and the Secretariat tries to prioritize the right set of indicators in the results framework and its rollout. The lack of core resources is slowing down the prioritization process, however, the Secretariat selected some indicators, following a sound methodology and looking at how the indicators can be rolled out. The reporting will also be done in next years' annual reports on the implementation of the Strategic Plan as well as in the intermediate reporting materials such as the Urban Impact publications which will clearly demonstrate a connection between the recalibration of the Strategic Plan and the documented case studies. The publications will demonstrate how UN-Habitat can achieve impact within the confines of specific programs and projects.

The Secretariat further briefed on the financial status of UN-Habitat as at 30 September 2021, the draft work programme and budget of UN-Habitat for the year 2022, the cost recoveries and methodologies of UN-Habitat, the draft financial plan in the implementation of the 2020-2023 Strategic Plan and the gender distribution geographical distribution as at 30 September 2021. The full presentation can be accessed [here](#). The briefing highlighted the following:

Financial status of UN-Habitat as at 30 September 2021

- i. The Secretariat provided an overview of the financial position of UN-Habitat as at 30 September 2021 and described the performance of the Programme's main funding segments, namely the United Nations regular budget appropriations provided to UN-Habitat and the Foundation non-earmarked, programme support, Foundation earmarked and technical cooperation funds, during the year ended 30 September 2021. An overview of the financial status was provided as follows:

Funding sources	Approved 2021	Approved 2021 Pro-rated to September 2021	Actual Expenditures (September 2021)
Revenues			
Foundation non-earmarked	10,000.0	7,500.0	1,973.8
Regular budget (Section 15)	12,495.8	9,371.9	8,399.9
Regular budget (Section 23 and Section 35)	2,559.0	1,919.3	991.8
Foundation earmarked	43,330.8	32,498.1	14,392.7
Technical cooperation	152,573.1	114,429.8	96,547.7
End of service benefits	-	-	30.9
Programme support costs	9,778.8	7,334.1	7,818.5
Total revenues	230,737.5	173,053.1	130,155.3

Funding sources	Approved 2021	Approved 2021 Pro-rated to September 2021	Actual Expenditures (September 2021)
Expenditures			
Foundation non-earmarked	10,000.0	7,500.0	2,564.4
Regular budget (Section 15)	12,495.8	9,371.9	8,399.9
Regular budget (Section 23 and Section 35)	2,559.0	1,919.3	991.8
Foundation earmarked	43,330.8	32,498.1	35,712.0
Technical cooperation	152,573.1	114,429.8	79,404.5
End of service benefits	-	-	35.9
Programme support costs	9,778.8	7,334.1	8,637.3
Total expenditures	230,737.5	173,053.1	135,745.8
Net Revenues			-5,590.5

Update on the resource mobilization efforts

- i. The Secretariat further updated that one Member State will give a contribution of \$ 5 million to help UN-Habitat with the debt incurred by the Executive Director's predecessor. This contribution is not included in the financial status as at 30 September 2021 because the contribution was yet to be officially effected.
- ii. The Secretariat, on behalf of the Executive Director, called upon Member States to notify, in writing, to UN-Habitat their contributions specifically for the non-earmarked funds.

Overview of the draft work programme and budget for the year 2022

- ii. The Secretariat further provided an overview of the draft work programme and budget for the year 2022 as follows:

Source of funds	Resources					Posts		
	Actual 2020	Approved* appropriations 2021	Change amount	% change	Estimates 2022	2021	Changes	2022
Foundation non-earmarked								
Post	5 492.5	8 177.4	1 343.6	16.4	9 521.0	58	11	69
Non-post	2 073.5	1 822.6	635.0	34.8	2 457.6			
Subtotal	7 566.0	10 000.0	1 978.6	19.8	11 978.6	58	11	69
Regular budget								
Post	10 857.1	11 285.5	196.2	1.7	11 481.7	75	-	75
Non-post	762.7	1 210.3	597.0	49.3	1 807.3			
Subtotal	11 619.8	12 495.8	793.2	6.3	13 289.0	75	-	75

Programme support									
Post	4 031.7	6 448.1	(354.5)	(5.5)	6 093.6		50	11	61
Non-post	5 272.6	3 330.7	1 804.2	54.2	5 134.9				
Subtotal	9 304.3	9 778.8	1 449.7	14.8	11 228.5		50	11	61

Source funds	of	Resources				Posts			
		Actual 2020	Approved* appropriations 2021	Change amount	% change	Estimates 2022	2021	Changes	2022
Foundation earmarked									
Post		–	–	–	–	–	–	–	–
Non-post		36 389.2	43 330.8	25 791.2	59.5	69 122.0			
Subtotal		36 389.2	43 330.8	25 791.2	59.5	69 122.0	–	–	–
Technical cooperation									
Post		–	–	–	–	–	–	–	–
Non-post		94 490.5	152 573.1	(2 727.6)	(1.8)	149 845.5			
Subtotal		94 490.5	152 573.1	(2 727.6)	(1.8)	149 845.5	–	–	–
Total by category									
Post		20 381.3	25 911.0	1 185.3	4.6	27 096.3	183	22	205
Non-post		138 988.5	202 267.5	26 099.8	12.9	228 367.3			
Total		159 369.8	228 178.5	27 285.1	12.0	255 463.6	183	22	205

- iii. The Secretariat recalled that at its resumed first session held in November 2019, the Executive Board approved the restructuring of UN-Habitat which included a total of 135 posts within the United Nations Habitat and Human Settlements Foundation for 2020. At its second session for the year 2020, the Executive Board approved the draft work programme and budget of UN-Habitat for the year 2021, which included 58 posts within the United Nations Habitat and Human Settlements Foundation and a \$10 million non-earmarked budget. The draft work programme and draft budget of UN-Habitat for the year 2022 includes 69 posts for the United Nations Habitat and Human Settlements Foundation, which comprises 11 key posts that were initially approved by the Executive Board in November 2019. The full distribution of the 11 key posts can be accessed [here](#) on slide 11,
- iv. The annual work programme provides for 2022 a total of 205 posts comprising 75 posts from regular budget, 69 posts from foundation unearmarked and 61 posts from programme support fund.
- v. UN-Habitat projects that a total of \$11.2 million will be expended to support the 2022 programme using programme support revenue earned from the earmarked resources. Estimated revenue to be earned from earmarked projects in 2022 amounts to \$15.3 million of which \$10.1 million is expected from technical cooperation and \$5.2 million is expected from foundation earmarked funds.
- vi. The Secretariat further presented how the draft budget for 2022 is divided across the four subprograms of the programme of work for the year 2022, which are based on the four domains of change of the 2020-2023 Strategic Plan:
- a. 25 positions under **Sub programme 1**
 - b. 29 positions under **Sub programme 2**

- c. 33 positions proposed under **Sub programme 3**
 - d. 33 positions proposed under **Sub programme 4**
- vii. The Secretariat presented the organizational structure and post distribution for the year 2022 which can be accessed in Annex 3 of document HSP/EB.2021/4 [here](#).
- viii. The Secretariat concluded that the overall resource requirements for UN-Habitat for the year 2022 are projected at \$255.5 million, reflecting an increase of 12.0 per cent over the \$228.2 million estimated for the year 2021. 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.
- ix. In response to the request of one Member State, the Secretariat further provided an overview of the four sub packages of the foundation non-earmarked draft budget for the year 2022 :

Sub Package	SP1	SP2	SP3	SP4	EDM	PMO	PGS	Total	Post	Non-post
Sub Package 1	310,101	714,645	386,641	374,328	1,419,690	335,734	947,402	4,488,541	3,562,008	926,533
Sub Package 2	648,949	30,375	83,890	758,956	615,524	67,300	877,726	3,082,720	2,567,192	515,528
Sub Package 3	222,812	442,121	734,988	377,131	368,965	118,500	341,946	2,606,463	2,050,160	556,303
Sub Package 4	255,054	367,999	40,600	34,100	764,375	106,800	231,965	1,800,893	1,341,612	459,281
Total	1,436,916	1,555,140	1,246,119	1,544,515	3,168,554	628,334	2,399,039	11,978,617	9,520,972	2,457,645

Sub-package	SP1	SP2	SP3	SP4	EDM	PMO	PGS	Total	Post	Non-post
Post	1,222,255	1,317,783	994,498	1,285,618	2,645,085	144,810	1,910,923	9,520,972	9,520,972	-
Non-post	214,661	237,357	251,621	258,897	523,469	483,524	488,116	2,457,645	-	2,457,645
Total	1,436,916	1,555,140	1,246,119	1,544,515	3,168,554	628,334	2,399,039	11,978,617	9,520,972	2,457,645

Cost Recovery policies and methodologies

- i. The Secretariat further briefed the working group on the cost recovery policy and methodologies of UN Habitat, recalling that the cost recovery policy of UN-Habitat is based on the Secretary-General's Bulletin on the establishment and management of trust funds (ST/SGB/188); the United Nations administrative instruction on programme support accounts (ST/AI/286); the United Nations Controller's memorandum on cost recovery: programme support costs, dated 8 June 2012; General Assembly resolution A/RES/67/226; and the Secretary-General's bulletins on the financial regulations and rules of the United Nations (ST/SGB/2013/4 and ST/SGB/2013/4/Amend.1) and the supplements thereto (ST/SGB/2015/4 and ST/SGB/2015/4/Amend.1)
- ii. The Secretariat noted that all identifiable costs related to the implementation of projects funded from earmarked resources must be fully budgeted in donor contribution agreements and subsequent workplans as direct costs of those projects.
- iii. The Secretariat presented a detail of the revenue and expenses for the programme support fund for the period 2019–2021 and the Programme support revenue as a percentage of earmarked fund revenue for the period 2016–2021, which can be accessed [here](#) on slide 15.

Draft financial plan

- iv. The Secretariat provided an overview of the draft financial plan for the implementation of the 2020-2023 which will be presented to the second session of the Executive Board in 2021. The Secretariat recalled that UN-Habitat provided a proposal for a concept note on the proposed format, scope and content of the financial plan as contained in HSP/EB/2020/7 for consideration by the Executive Board as its second session in 2020. The Executive Board at its second session took note of the draft concept note and in its Decision 2020/3, further recommended including an explanation of actual annual income and expenditures.
- v. The Secretariat indicated it is presenting draft Financial Plan for further consultations, for Member States to decide on the methodology and format of the plan, including the formal implementation date of the financial plan.
- vi. The Secretariat provided the following overview of the Financial Plan of Projected Revenues and Expenditures for calendar years 2020-2023 and mentioned seeks the guidance and approval of the proposed Financial Plan methodology, format, and that the first formal plan be submitted in conjunction with the next UN-Habitat Strategic Plan:

<i>Funding sources</i>	<i>Budgeted 2020</i>	<i>Allotment issued</i>	<i>Actuals 2020</i>	<i>Approved 2021</i>	<i>Allotment issued</i>	<i>Actuals (Sept ember 2021)</i>	<i>Proposed resour ces 2022</i>	<i>Proposed resour ces 2023</i>
Revenues								
Foundation non-earmarked	18,927.4	-	4,916.0	10,000.0	-	1,973.8	11,978.6	12,000.0
Regular budget (Section 15)	14,018.0	-	14,018.0	12,495.8	-	8,399.9	13,289.0	16,289.0
Regular budget (Section 23 and Section 35)	2,217.5	-	1,522.0	2,559.0	-	991.8	2,540.0	2,540.0
Foundation earmarked	63,473.7	-	56,814.0	43,330.8	-	14,392.7	69,122.0	45,000.0
Technical cooperation	147,397.4	-	115,960.0	152,573.1	-	96,547.7	149,845.5	150,000.0
End of service benefits	-	-	2,239.0	-	-	30.9	-	-
Programme support costs	10,641.0	-	10,590.0	9,778.8	-	7,818.5	11,228.5	12,757.0
Total revenues	256,675.0	-	206,059.0	230,737.5	-	130,155.3	258,003.6	238,586.0
Expenditures								
Foundation non-earmarked	18,927.4	7,722.5	6,396.0	10,000.0	3,195.8	2,564.4	11,978.6	12,000.0
Regular budget (Section 15)	14,018.0	14,018.0	14,018.0	12,495.8	12,495.8	8,399.9	13,289.0	16,289.0
Regular budget (Section 23 and Section 35)	2,217.5	2,217.5	1,522.0	2,559.0	2,559.0	991.8	2,540.0	2,540.0
Foundation earmarked	63,473.7	40,601.4	36,303.0	43,330.8	49,406.8	35,712.0	69,122.0	40,500.0
Technical cooperation	147,397.4	104,963.4	91,737.0	152,573.1	162,001.8	79,404.5	149,845.5	135,000.0
End of service benefits	-	-	1,987.0	-	-	35.9	-	-
Programme support costs	10,641.0	12,662.1	10,927.0	9,778.8	11,374.0	8,637.3	11,228.5	11,481.3
Total expenditures	256,675.0	182,184.9	162,890.0	230,737.5	241,033.2	135,745.8	258,003.6	217,810.3
Net Revenues	-	-	43,169.0	-	-	(5,590.5)	-	20,775.7
Subcategory of expenditure								
Posts and other staff costs	96,556.1	82,808.5	80,056.6	93,347.0	78,635.7	36,418.1	108,240.0	97,713.2
Non-post	160,118.9	99,376.4	82,833.4	137,390.5	162,397.5	99,327.7	149,763.6	120,097.1
Total	256,675.0	182,184.9	162,890.0	230,737.5	241,033.2	135,745.8	258,003.6	217,810.3

Gender Distribution Geographical distribution as at 30 September 2021

- vii. The Secretariat provided an overview of staff gender distribution according to Regional groups as follows:

Region	Female	Male	Total	% Female	% Male	% of Total
Africa Group	81	69	150	54.0%	46.0%	47.2%
Asia-Pacific	25	28	53	47.2%	52.8%	16.7%
Eastern Europe	2	4	6	33.3%	66.7%	1.9%
Latin America and the Caribbean	6	6	12	50.0%	50.0%	3.8%
Western Europe and others	52	45	97	53.6%	46.4%	30.4%
Grant Total	166	152	318	52.2%	47.8%	100.0%

- viii. The Secretariat further provided a breakdown on the number of staff within UN-Habitat according to gender and level as follows, noting that the Deputy Executive Director and the Director of ERSKI division are now vacant positions:

Level	Female	Male	Total	% Female	% Male	% of Total
USG	1	-	1	100.0%	0.0%	0.3%
ASG	-	1	1	0.0%	100.0%	0.3%
D-2	1	1	2	50.0%	50.0%	0.6%
D-1	1	6	7	14.3%	85.7%	2.2%
P-5	2	26	28	7.1%	92.9%	8.8%
P-4	32	25	57	56.1%	43.9%	17.9%
P-3	26	29	55	47.3%	52.7%	17.3%
P-2	20	13	33	60.6%	39.4%	10.4%
NO-C	1	5	6	16.7%	83.3%	1.9%
NO-B	10	4	14	71.4%	28.6%	4.4%
NO-A	1	4	5	20.0%	80.0%	1.6%
G-7	10	7	17	58.8%	41.2%	5.3%
G-6	19	11	30	63.3%	36.7%	9.4%
G-5	29	11	40	72.5%	27.5%	12.6%
G-4	11	6	17	64.7%	35.3%	5.3%
G-3	1	2	3	33.3%	66.7%	1.0%
G-2	1	1	2	50.0%	50.0%	0.7%
Grant Total	166	152	318	52.2%	47.8%	100.0%

- ix. The Secretariat further highlighted the various steps taken by UN-Habitat to improve geographical diversity of its staff members including:
- Advocacy with Member States, the UN System, Partner organisations to expand the candidate pool;
 - Training for Hiring Managers to sensitize colleagues on the need to improve productivity by way of diversifying the work force
 - Streamlining the relationship with UNON service provider to avoid duplication, encourage efficiency and improve monitoring
 - Participation in job fairs to build up the pool of candidates and to improve existing roster of candidates.
- x. The Secretariat recalled that while the primary goal of the newly developed strategy is to ensure a more diverse and inclusive workforce that exhibits the core values that the organisation upholds, the Office of Human Resources will work closely with all the entities to secure the highest standards of efficiency, competence and integrity in line with Article 101 of the UN Charter during any recruitment process.

Following the presentation and the responses provided by the Secretariat, further discussions highlighted the following:

- i. One Member State noting that so far the Foundation non-earmarked fund received \$ 1.9 million for 2021, highlighted that the draft work programme and budget for the year 2022 to be presented to the Executive Board provides for a \$ 11.9 million non-earmarked budget. The Member State noted that if there are no revenues, certain areas of the work will not be delivered. The Member State further emphasized that it would be prudent to consider in advance what would not be done. The Member State noted that the lack of revenues was a trend over the past years for UN-Habitat and specifically requested the Secretariat to describe what would be the impact for UN-Habitat, should the \$12 million non-earmarked budget be not realized in 2022.

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

- i. The Secretariat underscored that in the lower level of the funding, some decisions were made regarding mapping of the positions within the UN-Habitat. For example, most of the funding would be assigned to the Office of the Executive Director and to management. The Secretariat further indicated that at the lower level of funding (sub package one), the office of the Deputy Executive Director would not be funded. The Secretariat further recalled that in 2020 the Executive Director alerted Member States on the impact of a non-earmarked budget of an amount of \$10 million which would directly impact the ability of the Executive Director to manage UN-Habitat, to achieve programmatic coordination and to implement UN-Habitat's mandate. In an effort to be prudent, each of the 69 positions of the Human Settlements Foundation are mapped in 4 different buckets being matched to the deliverables.
- ii. The Secretariat further detailed that the document on the recalibration of the strategic plan of UN-Habitat (HSP/EB.2021/19) comprises a section on the implications of the level of resources on UN-Habitat's normative work in its core mandate functions. The Secretariat emphasized that a lot of UN-Habitat's normative work is increasingly initiated through earmarked funding which is project based. Therefore, the work is often related to a very specific context, and it will take UN-Habitat a bit of time to elevate its normative work to a more global level once the Programme gets more core funding.
- iii. The Secretariat also underscored that UN-Habitat does not have the capacity to fully play its role of focal point within the UN system. The Secretariat further emphasized that the lack of funding impacts the rolling out of the results framework.
- iv. The Secretariat emphasized that in other UN entities, the regular budget funds key functions related to normative work, knowledge, capacity building, best practices, advocacy, interventions in conflict related countries. The Secretariat further noted that some of the key functions are normative functions such as monitoring, advocacy, communication or data and underscored that the budget for these functions cannot be lower to \$5 million because otherwise it will really compromise UN-Habitat's normative operational work. In addition, UN-Habitat needs some enabling activities that are related to partnership, campaigns, communication that could also require additional funding. The Secretariat highlighted that at a budget below \$ 10 million, UN-Habitat will not be able to operate fully.
- v. The Secretariat further indicated that it would need guidance latest by December 2022 from the Executive Board or from the ad-hoc working group on the budgetary ceiling for the draft work programme and draft budget for the year 2023.

In light of the views expressed by Member States, the ad-hoc working group made the following recommendations:

- i. The ad-hoc working group supported the proposed work programme of UN-Habitat for 2022, which aligns with the 2020- 2023 Strategic Plan;

- ii. The ad-hoc working group was not in a position to reach consensus on supporting the proposed draft budget for the year 2022, with the United Nations Habitat and Human Settlements Foundation non-earmarked budget to be a maximum of \$11.9 million;
- iii. The ad-hoc working group noted that some Member States would consult further with their respective capitals on the matter;
- iv. The ad-hoc working group recommended that the Executive Board, based on continued funding projections, provides further guidance on possible areas of prioritization of the draft work programme for the year 2022 to match funding that may be available for 2022.
- v. The ad-hoc working group noted UN-Habitat's concrete actions to seek alternate sources of funding to support the implementation of the UN-Habitat Strategic Plan 2020-2023, particularly from the private sector and acknowledged the additional information on contemplated innovative ways to raise both earmarked and non-earmarked resources through a financial vehicle in a form of a facility to allow for third party financial support to the organisation.

After the consideration of Agenda sub-item 3 a), the meeting moved to Agenda sub-item 3 b), namely recap of discussions on the alignment of UN-Habitat planning cycles with the quadrennial comprehensive policy review.

b. Alignment of UN-Habitat planning cycles with the quadrennial comprehensive policy review

Under this sub-item, the Chair first gave the following background:

- i. The Chair recalled that its last meeting held on 15 September and based upon the request of the Executive Board at its 2021 first session, the ad-hoc working group continued its consultations on the various options for the alignment of the quadrennial comprehensive policy review process with the UN-Habitat planning cycles with a view to report thereon to the Executive Board at its second session of 2021.
- ii. The Chair provided a recap of the recommendations of the working group emanating from its meeting held on 15 September, noting that it provides a number of options and opinions for the alignment of the QCPR with the planning cycles, but are far from consensus:
 - a) It was noted the final decision on the alignment will be made by the UN-Habitat Assembly, at its second session scheduled for the year 2023.
 - b) It was suggested that this ad-hoc working group makes a recommendation to the Executive Board at its second session for the year 2021 to recommend four options for alignment to the UN-Habitat Assembly with the view that the UN-Habitat Assembly should consider all four options and take a final decision. The four options mentioned were as follows:
 - i. Consideration for an interim Strategic plan for 2024 to 2025.
 - ii. That the format for the UN-Habitat Assembly in 2025 could be virtual.
 - iii. That the UN-Habitat Assembly should consider empowering the Executive Board to approve the strategic plan on exceptional basis.
 - iv. That the UN-Habitat Assembly should consider changing the Rules of procedure to allow the Executive Board to permanently approve the strategic plan.
 - c) Possibility to retain the current Strategic Plan 2020-2023 for the full term and develop an Interim two-year Strategic plan for the period 2024-2025 and develop a Strategic Plan for

the period 2026-2029 (Scenario 2). In this scenario it was stated that an interim Strategic Plan would be better fit for purpose to reflect the current needs and realities on the ground, specifically under the Covid-19 circumstances.

- d) Possibility to extend the current Strategic Plan 2020-2023 by another two years to the period 2020-2025 and develop a Strategic Plan for the period 2026-2029 (Scenario 3). In this scenario it was stated that the high-level midterm review of the Committee of Permanent Representatives (CPR) to UN-Habitat held in June 2021 did not call for a change of the 2020-2023 Strategic Plan and as such that strategic plan remains relevant. Under this scenario, one delegation suggested that in June 2023, only the second session of the UN-Habitat Assembly should be held and not the CPR meeting scheduled to prepare for that session.
- e) The need to have any recommendation of the Executive Board on the alignment of planning cycles of UN-Habitat with the QCPR being considered by the UN-Habitat Assembly, and with CPR taking up the discussions on the two scenarios, that is scenario 2 and scenario 3.
- f) Recalling the delicate discussions to create the new governance structure of UN-Habitat, the need to respect the new governance structure with its three bodies with distinct functions, these are the Executive Board, the CPR and the UN-Habitat Assembly was mentioned.
- g) There was suggestion that decision language could be worked on and recommended by the Bureau for the Executive Board to consider at its second session for the year 2021 for further recommendation to the UN-Habitat Assembly.

iii. In order to move forward the Chair recommended the following:

- a) The Bureau of the Executive Board at its next meeting scheduled for 19 October 2021 may work on a proposed decision language for the Executive Board to consider at its upcoming session, taking into account the different options considered by this ad-hoc working group and referring the matter to the UN-Habitat Assembly, for the UN-Habitat Assembly to take a final decision on this matter at its second session scheduled for 2023.
- b) The proposed language will be discussed during the informal consultations on the draft outcomes of the second session prior to that session, which will be done under this working group as the Bureau guided.
- c) The proposed decision language may be forwarded by the Bureau to the Executive Board for consideration at its upcoming session and will form part of the report of the working group under agenda item 3 of provisional agenda for the session. The Executive Board hopefully would then conclude discussions on the alignment of the QCPR with the planning cycles of UN-Habitat by referring the matter to the UN-Habitat Assembly for consideration and decision at its second session in 2023.

There was no objection to the proposal from the Chair and the ad-hoc working group agreed to the proposed way forward.

4. Any other matters

The Ad-Hoc working group recommended that its next meeting should be held on 2 November 2021 in a hybrid format and ***the Chair adjourned the meeting at 12:40 East Africa Time.***