

UN HABITAT

FOR A BETTER URBAN FUTURE

69TH REGULAR MEETING OF THE COMMITTEE OF PERMANENT
REPRESENTATIVES TO UNITED NATIONS HUMAN SETTLEMENTS
PROGRAMME

21 JUNE 2018

Agenda Item 8:

Report on the Work of the Subcommittees of the CPR (HSP/CPR/69/8)

REPORT ON THE WORK OF THE SUBCOMMITTEES OF THE COMMITTEE OF PERMANENT REPRESENTATIVES (CPR).

With respect to the second quarter of the biennium 2018-2019, the Subcommittees of the Committee of Permanent Representatives (CPR) has held seven meetings as at 7 June 2018. These meetings, all which relate to the Subcommittee on Policy and Programme of Work were:

1. Third meeting of the Subcommittee on Policy and Programme of Work on **the roadmap to the preparation of the Strategic Plan 2020-2025 and the outcome of the Ninth session of the World Urban Forum(WUF9).**
2. Fourth meeting of the Subcommittee on Policy and Programme of Work on **the draft Stakeholder Engagement Policy.**
3. Fifth meeting of the Subcommittee on Policy and Programme of Work on **UN-Habitat's Thematic Country Presentation for the African Region.**
4. Sixth meeting of the Subcommittee on Policy and Programme of Work on **the Quadrennial Report - draft Annotated Outline.**
5. Seventh meeting of the Subcommittee on Policy and Programme of Work on **the Annual Progress Report.**
6. Eighth meeting of the Subcommittee on Policy and Programme of Work on **UN-Habitat's Financial Statement.**
7. Ninth meeting of the Subcommittee on Policy and Programme of Work on **the draft Stakeholder Engagement Policy**

A summary of the Subcommittee meetings is provided below.

1. **Third meeting of the Subcommittee on Policy and Programme of Work on the roadmap to the preparation of the Strategic Plan 2020-2025 and the outcome of the Ninth session of the World Urban Forum(WUF9) - 12 March 2018**

i. Briefing on the outcome of the ninth session of the World Urban Forum (WUF9)

The Secretariat in its briefing to the Subcommittee explained that the ninth session of the World Urban Forum (WUF 9) was the first meeting of the World Urban Forum after the adoption of the 2030 Agenda on Sustainable Development Goals (SDGs) and the

New Urban Agenda (NUA). The outcome of WUF 9 demonstrated the relevance of WUF as a platform for tackling issues on human settlements, cities and sustainable development. One of the key outcomes of WUF 9 was the adoption of the Kuala Lumpur Declaration on Cities. The outcome summaries and final outcome report of WUF 9 would be ready in October 2018. The Kuala Lumpur Declaration demonstrated an inclusive multi-stakeholder discussion with the aim to localize and scale up the implementation of the NUA as an accelerator to achieve the SDGs. The Declaration identifies key enablers such as strengthening the role of subnational and local governments, encouraging sharing of creative solutions and innovative practices, building inclusive partnerships and strengthening age and gender responsive environments, adopting integrated territorial development and finally deploying monitoring and reporting mechanisms. In order to achieve the aspiration of the Declaration, there would be need for improved frameworks for implementation, including deeper engagements with governments and partners and adopting innovative solutions.

ii. Briefing on the Preparation of the Strategic Plan 2020-2025

The Secretariat briefed Member States on the preparations for the Strategic Plan 2020-2025 which was expected to begin in the second quarter of 2018. The current Strategic Plan 2014-2019 being implemented was in its last biennial cycle 2018-2019 marking the end of UN-Habitat's 6-year Strategic Plan. o. The Strategic Plan 2020-2025 would inform the next work programme budget and rolling budgets during the same period. Furthermore, it would take into account the recommendations from evaluations and assessments such as the High-Level Panel Assessment report of 2017 and MOPAN evaluation, the 2030 Agenda, NUA, Sendai Framework, Paris Agreement and Addis Ababa Action Framework. The preparations would look into various issues such as knowledge management, programme integration, stronger evidence of results achieved, flaws in the operating model and internal governance among others. In addition, due diligence must be given the UN system wide reform processes.

In addition, the preparations would take into account the Secretary General's UN reform aimed at simplifying procedures and decentralizing decision with greater transparency, efficiency, agility and accountability. The management reform included transformation of the programme planning and budgetary process to better respond to changes in the scope and breadth of the Organization's mandate. It was noted that the new budget planning process preparatory period had been slashed by half from 2.25

years to 1.25 years with a 3-year plan outline as opposed to a biennial strategic framework structure.

iii) Discussions

In the discussion that ensued, the comments revolved around the need to disaggregate data collected at WUF 9 and whether a financial audit of the event will be conducted. Similarly, other members inquired about the timeline for the WUF 11 bidding process and urged the Secretariat to begin soon in order to avail Member States adequate time and opportunity for consideration. Furthermore, Members asked whether the proposed date for the submission of the final WUF 9 report was based on a legislative requirement and whether timeline could be pushed forward. In addition, Member States wanted to know how WUF fed into the review process and the implementation of the NUA and SDGs.

On the issue of the Strategic Plan 2020-2025, Members were in consensus that the preparation for the new Strategic Plan 2020-2025 was important for the new Executive Director and presented an opportunity to formulate her priorities and align them with the priorities of Member States. Nonetheless, some of the concerns raised included the need for the Secretariat to provide a roadmap of the consultative process with CPR members. Moreover, being mindful of the Secretary General's reform, the Secretariat and Member States must consider how the anticipated change in planning and budgetary cycles would play against UN-Habitat's governance reform discussions. Members also sought clarification on the 3-year plan outline and its implication on the current structure of UN-Habitat and the roles of the Governing Council as well as the CPR. Lastly, further clarification was sought on the theory of change.

In response to Member State concerns, the Secretariat explained that the final WUF 9 report would indeed provide all forms of disaggregated data to be used in analyzing existing gaps and build on the lessons learned. Correspondingly, and as requested by the Governing Council, an evaluation would be conducted to measure the impact and the outcomes of the event.

The secretariat noted that for the first time however, the evaluation of WUF 9 would take into consideration the economic impact of WUF and would be spearheaded by the Government of Malaysia. With respect to the final report, the Governing Council resolution only provides that documents for consideration be submitted 10 weeks before the session of the council, because of the relevance of the report, the post the adoption of the NUA, the 2030 Agenda and the Strategic Plan the Secretariat suggested October as a suitable timeline. Furthermore, the Secretariat provided that the role of

WUF in the follow up to the NUA, the 2030 Agenda and the Strategic Plan was to aid Member States by providing as much information on sustainable urbanization and analyses of the findings.

WUF 11 bidding timeline would be presented at the next subcommittee meetings as the Secretariat was currently working on the concept note.

With regards to the Strategic Plan, the Secretariat ensured Members that they were developing the roadmap for the preparation of Strategic Plan 2020-2025 and the final details would be shared as well as to highlighting the mode of engagement.

In the same manner, the Secretariat clarified that that having a 3-year planning cycle would not affect the current cycle of the Strategic Plan but rather the Plan would be implemented through an annual process.

In addition, UN-Habitat would also adopt a trial basis of the proposed budgetary plans until 2020. After which, the programme would regroup, taking into consideration the process and may either revert back to the General Assembly or the biennium budgetary plans. Similarly, the 3-year plan would contain the main objectives of the UN eliminating the need for a strategic framework. Lastly, the Secretariat explained that the theory of change would focus on the link between what Member States wanted to achieve and the role that UN-Habitat needed to play to achieve those objectives.

2. Fourth meeting of the Subcommittee on Policy and Programme of Work on the draft Stakeholder Engagement Policy – 20 March 2018

The Secretariat in its briefing to the Subcommittee emphasized the importance of the Stakeholder Engagement Policy (SEP) as a tool to enhance inputs and strengthen participation of stakeholders in the activities of UN-Habitat. The objectives of the policy would be to increase the participation of partners in the sessions of UN-Habitat Governing Council, contribute to the normative and operational work, explore the opportunities and limitations of engagement and for UN-Habitat to manage stakeholder expectations. To achieve that, the SEP focused on key areas such as accreditation, stakeholders' participation, enhanced coherence in stakeholder engagement in UN-Habitat's work, support to implementation and the review of the policy.

In the discussions that ensued, Member States raised several concerns. Foremost was the need to have clear rules and processes that would govern the extent and

involvement of stakeholders to the decision-making activities of UN-Habitat, as an intergovernmental body. The rules should also determine how input and consultations with stakeholders would be taken into consideration. Members also expressed their eagerness to see a linkage between the SEP roadmap vis-à-vis the on-going governance reform process and the UN system wide reform to the impending new governance architecture of UN-Habitat. Members urged for an ambitious vision of the policy based on best practices, fostering an environment that encouraged engagement between partners, Member States and the Organization. UN-Habitat was advised to showcase a clear linkage between increased stakeholder engagement and the Organization's resource mobilization capacity. Members also raised the issue of making the accreditation process more concise and suggested that the criteria of selection not only be based on registration as some countries do not require organizations to participate in government agencies. Some Members noted the need to clarify that accreditation was not a permanent process but a continuous review process. Lastly, Member States requested for clarification on the Stakeholder Advisory Committee to the Executive Director and whether feedback from that Committee would be shared with the CPR body.

In response, the Secretariat clarified that stakeholders would provide an influencing role to the issues of human settlements as opposed to having an equal footing in decision-making processes of UN-Habitat. In an effort to enhance stakeholder inputs to UN-Habitat's work, stakeholders would be given an opportunity to have a structured dialogue prior to presenting ideas to the Executive Director. As a result, stakeholders would no longer be just observers but valuable members to UN-Habitat's work. The Secretariat took note of the concerns and suggestions raised and welcomed further guidance from Member States with respect to areas such as the criteria for accreditation and registration of stakeholders and the formulation of an advisory committee.

3. Fifth meeting of the Subcommittee on Policy and Programme of Work on UN-Habitat's Thematic Country Presentation for the African Region - 19 March 2018

The Secretariat in its briefing to the Subcommittee highlighted two key issues of significance on the implementation of the New Urban Agenda (NUA) in Africa. The first was the emerging continental framework for the implementation of the NUA in Africa of on which UN-Habitat was assisting the African Union Commission in developing. The proposed harmonized regional framework aligned the NUA, Agenda 2063 entitled

'The Africa We Want' and Sustainable Development Goal 11. In addition, the draft proposed six transformative outcomes as policy priorities for Africa namely: i) ending all forms of poverty and leaving no one behind, ii) fostering peace and security, iii) consolidating sustainable and inclusive urban prosperity, iv) accelerating structural transformation, v) fostering environmental sustainability and enhancing resilience and risk reduction, and vi) promoting regional integration. The second was UN-Habitat presence at the country level which was crucial for maintaining long term impact and effective coordination with the UN system. Due to financial constraints of the Organization, having Habitat Program Managers in developing countries became unsustainable. As a result, UN-Habitat presence in African countries was mostly supported by project work. Nonetheless, Angola presented a promising new model by providing financial support as well as other resources that enabled UN-Habitat to operate in the Country.

UN-Habitat engagement in Angola focused on housing and urbanization issues with 70% of the country being already urbanized. Almost half of the Country's urban population (8-9 million people) lived in Luanda - the capital city. In comparison, 80% of the citizens lived in informal settlements. A Memorandum of Understanding (MoU) was signed between UN-Habitat and the Government of Angola in 2011. On that basis, a financial contribution of USD 683,000 USD was made by the Ministry of Urban Development and Housing to UN-Habitat in September 2014 to support the development of a National Urban Policy (NUP), among other technical advisory activities. The Secretariat noted that UN-Habitat was the only UN Agency in Angola funded by the Government of Angola.

On Ethiopia, Member States were informed that UN-Habitat had re-established its presence in the Country since 2013 and signed a 3-years cooperation framework MoU with the Ministry of Urban Development and Housing (MUDHo) that same year. The MoU had been renewed for the period 2016-2021. As a rapidly urbanizing country, Ethiopia had embarked on large investment programme to construct 7 industrial parks in strategic locations. One of the significant outputs of UN-Habitat engagement was the publication of the State of Addis Ababa report co-funded by the Government of Sweden.

On Mozambique, the secretariat stated that the country was similarly, rapidly urbanizing but was yet to have a clearly defined urban agenda. UN-Habitat had established its presence in Mozambique since 2002 and had developed a growing portfolio on risk reduction and resilience, considering the high exposure of the Country to several types of natural hazards such as cyclones, floods, drought and earthquakes.

On Rwanda, The Secretariat further informed that the country had placed sustainable urbanization high on its development agenda, as a means to reach the middle-income status by 2025. In 2012, an MoU between the Ministry of Infrastructure and UN-Habitat was signed to collaborate in the implementation of the global programme 'Achieving Sustainable Urban Development' which aligned well with the programme's pillars of urban legislation, urban economy and urban planning.

In the follow up discussions, Members expressed their appreciation on UN-Habitat's activities in the African region. Members inquired on the role of UN-Habitat in the implementation of National Urban Policies and whether the Organization had a role in slum regeneration. In response, the Secretariat informed Member States that UN-Habitat engaged with countries in capacity development and strived to ensure that as countries developed their national plans, such plans adhered to human rights regulations. The secretariat noted that countries had the prerogative to implement their national urban policies independently with technical expertise and support from UN-Habitat.

4. Sixth meeting of the Subcommittee on Policy and Programme of Work on the Quadrennial Report - draft Annotated Outline - 28 March 2018

The Secretariat in its briefing to the Subcommittee, recognized the massive transformative power of urbanization since the adoption of the New Urban Agenda (NUA). Accordingly, the quadrennial report offered an opportunity to: i). engage with Member States and stakeholders in forging a clear roadmap by assessing the impact of the implementation of the NUA and ii).by looking at the data collected to analyze global trends in sustainable urbanization. The Expert Group Meeting in Spain, with the objective to receive inputs and strengthen alliances between partners for the implementation of the NUA, was a consultative success generating 80% of the text of the report, producing a comprehensive draft annotated outline. The report underscored the indivisibility and universality of the international frameworks and the convergence with other development agendas. As the first report on the New Urban Agenda, the draft outline set the foundation and presented the strategy, structure and timeframe that would assist in monitoring and reporting of the implementation of the NUA.

In the discussion that followed, Member States expressed their appreciation for the draft outline which offered the structure and timelines for the quadrennial report. Members inquired about the convergence of the various reports with the quadrennial report and sought further details on the linkage to the High Level Political Forum

(HLPF). Members urged that the incremental approach should not only look at the quadrennial reports but rather the annual meetings of the HLPF.

Members also questioned the wisdom of using the World Urban Forum and the online Quito fora, in their non-legislative nature, as platforms for engagement and the production of reports. They emphasized that UN-Habitat had been taxed to a. focus its attention on formulating a clear layout and guiding methodologies to simplify the production of future reports and b. to prepare a national reporting guideline tool that would create ownership and gain expertise from national statistical offices.

In response, the Secretariat explained that that the quadrennial report would emanate from the office of the Secretary-General and submitted through the United Nations Economic and Social Council (ECOSOC) to the General Assembly for the inputs of Member States and stakeholders. Therefore, it was the prerogative of the Secretary-General to make a synthesis of the report based on the key messages, findings and recommendation proposed by UN-Habitat. Nevertheless, UN-Habitat would strive to create a convergence of the various reports as well as maintain an incremental approach in reporting to the annual meetings of the HLPF. While engagement with Member States and partners was welcomed for the collection of data as supported by paragraph 167 of the NUA, the Secretariat emphasized that the World Urban Forum and online Quito platforms be viewed as technical tools used to capture information and collect input of various groups. The Secretariat reiterated that due to the short timeframe of the first report, the quadrennial report provided summaries of the implementation of the NUA at country level by providing interlinkages and their effect to other goals, by combing data sources such as the voluntary country reports, the City Prosperity Index as well as the Global Sample of Cities. To conclude, the Secretariat reassured Member States that in the future there would be greater engagement and participation in a consultative process.

5. Seventh meeting of the Subcommittee on Policy and Programme of Work on the Annual Progress Report - 23 April 2018

The Secretariat in its briefing to the Subcommittee indicated that it was the fourth Annual Progress Report since the inception of the implementation of the Strategic Plan 2014-2019. The report took into account suggested changes by Member States in order to improve the reporting outcomes. With an improved structure, the report utilized 18 countries as case studies to provide a narrative that demonstrated UN-Habitat's work in an integrated and transformative manner. The report was validated by various

evaluations such as the Multilateral Organization Performance Assessment Network (MOPAN), the Mid-Term Evaluation and the Office of Internal Oversight Services (OIOS). The report highlights the normative, operational and financial aspects. For instance, on the normative side, there were now 400 cities implementing the City Prosperity Initiative and over 50 national statistical offices producing urban data and indicators to support the reporting on the implementation of the Sustainable Development Goals and the New Urban Agenda. On the operational side, statistics indicated that 2 million people had benefitted from improved access to water and sanitation whilst 4 million slum dwellers had been impacted by the Participatory Slum Upgrading Programme. Financially, UN-Habitat managed to raise \$4.3 Million to which \$2.6 Million was from non-earmarked voluntary contributions.

In the discussion that ensued, Member States urged the Secretariat to refrain from using the MOPAN evaluation as a source of reference because the Network had yet to be endorsed by many countries. In addition, Members also emphasized the need for clarity of language in future documents. In response, the Secretariat took note of the suggestions made.

6. Seventh meeting of the Subcommittee on Policy and Programme of Work on UN-Habitat's Financial Statement - 25 April 2018

The Secretariat in its briefing to the Subcommittee provided a summary UN-Habitat provisional financial statements as of 31st December 2017. The Secretariat noted that while the Organization was healthy there was still a great challenge in mobilizing resources for the core budget.

Based on the background information provided to members prior to the Subcommittee, the Secretariat explained various statements related to the financial status of UN-Habitat outlined as follows;

- Statement I - provided information on the extent to which resources were available for continued delivery of services in the future. In addition, it reported on the overall value of assets and liabilities of UN-Habitat.
- Statement II - measured the net surplus or deficit as the difference between revenues and the corresponding expenses incurred. It also indicated whether the Organization achieved its self-financing objective for the period.

- Statement III - reported all changes in the value of assets and liabilities, in addition to including fair value adjustment on available-for-sale financial instruments.
- Statement IV - reflected the changes in the cash position of UN-Habitat by reporting the net movement of cash. It showed the ability of UN-Habitat to generate cash liquidity which was an important aspect in assessing financial resilience.
- Statement V - compared the actual operational results with the main budget previously approved by the Governing Council and the General Assembly. Main comparison was between the final budget and the actual expenditures.

Some of the issues highlighted for 2017 period were as follows ;

- There was revenue decrease mainly due to drop in voluntary contributions
- There was also a slight drop in regular budget revenue
- There was expenditure increase mainly due to increase in transfers to implementing partners and other operating expenses
- Net Assets reduced, and Cash flow reduced
- Deficit amounted to \$26.8 million in the year
- There was a funding gap of 39.6 million on post-retirement benefits

The secretariat stated that overall the Financial statement reflects a reasonably healthy situation for the organization in the income and delivery of earmarked projects. It was also stated that a great challenge was in the resources and expenditure around the core budget. UN-Habitat continued to record significant deficits and had been financing on reserves for past years, and this needed to change.

In the discussion that followed, Members inquired whether the structural change to a grant modality structure would have any implications on existing operating system. Similarly, other Members questioned whether the issues of concern to UN-Habitat with regards to its operational efficiency could not be addressed by the delegation of authority.

While some Members requested clarity on the issues of liabilities, others considered the Regular Budget as a predictable means of financing the organization according to scientific assessments of Member State capacities to contribute. Lastly, Member States requested for a condensed document of the financial statement.

The Secretariat responded by stating that the move to a grant modality would provide for more flexibility in the allocation and distribution of funds and resources but would

not increase the income of UN-Habitat. Additionally, the Secretariat informed that that Regular Budget liabilities were managed within the Regular Budget responsibilities while liabilities from extra-budgetary resources were not.

7. Ninth meeting of the Subcommittee on Policy and Programme of Work on the draft Stakeholder Engagement Policy – 25 April 2018

The Secretariat in its briefing to the Subcommittee informed Members that the updated document on the Stakeholder Engagement Policy had taken into consideration all the comments and inputs provided by Member States from the previous meeting held on 20 March 2018. The revised policy had built upon critical issues such as the continuous accreditation process, review and reporting process, the accreditation criteria, the enhanced coherence in stakeholder engagement and influence, stakeholder's influence in governance and decision-making processes as well as the key role of the Secretariat in ensuring that the policy was executed.

To ensure the engagement of stakeholders, the Secretariat proposed an inclusive multi-stakeholder meeting to be held prior to Governing Council sessions and formulation of structured dialogues between stakeholder representatives and the Bureau of the Governing Council. The Secretariat would process all applications for accreditation and renewal, mobilize strategic partners in collaboration with other UN agencies and the formulation of participation plans for the enhanced stakeholder engagement in UN-Habitat's work.

In the discussion that followed, some Members were apprehensive of the change in the accreditation process that gave the CPR mandate to approve stakeholders since the change was made without prior consultation with CPR Members. They requested that the accreditation process be reverted back to its original text. On the same note, other Members requested for a comparative analysis of how the accreditation process was conducted in other UN entities as a guiding tool.

On the criteria that all organizations be legally registered, some Members recommended an alternative that organizations be 'legally established' in order to ensure that such organizations could participate in UN-Habitat processes (. Some Members suggested that the policy be considered a working document for the purposes of language and specific comments while others did not support opening the document a for detailed negotiation yet. Lastly, Member States required clarification on the vetting process for partners. .

In response, the Secretariat informed Members that the change in the accreditation process was due to interventions made during the previous meetings. The Secretariat stated willingness to share mapping documents of different stakeholder policies from various other UN entities for comparative purpose. At the same time, the Secretariat explained that the requirements for the accreditation process followed standard operating procedures that cut across the UN system. Moreover, in terms of vetting, UN-Habitat followed a detailed policy for implementing partners that included a due process for vetting the partners for example before drawing agreements of cooperation between UN-Habitat and the partners. Lastly, the Secretariat took note of the suggestion to formulate a structure for legally established organizations.