

**Summary of the fourth meeting of the Ad-Hoc Working Group on programmatic,
budgetary, and administrative matters of the Executive Board
held on Wednesday 11 March 2020 at UNON**

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

Agenda of the working group meeting

The meeting considered the following agenda items:

1. Discussions on the draft work programme and budget of UN- Habitat for the year 2021 and on the alternative scenarios on the draft budget prepared by the Secretariat
2. Presentation of the 2019 Annual Progress Report on the implementation of the Strategic Plan 2014- 2019.

Introductory remarks by the Chair

At the beginning of the meeting, the Chair stated two key points for the secretariat to take note of as follows:

- i. All background documentation for the ad hoc working group should be sent ten days in advance of each meeting to allow member states have a substantive dialogue and give meaningful recommendations to the Organization
- ii. For any topic discussed in the working group, UN-Habitat should avail substantive officers to offer pragmatic information to the working group.

Discussions on the draft work programme and budget of UN- Habitat for the year 2021 and on the alternative scenarios on the draft budget prepared by the Secretariat

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

- i. Four additional scenarios in addition to the full draft 2021 proposed work programme and budget as follows:
 - a) A plan to deliver 80% of the proposed 2021 mandated deliverables;
 - b) A plan to deliver 60% of the proposed 2021 mandated deliverables;
 - c) A plan based on current staffing levels, including the Chief of Staff (currently under recruitment), which is equivalent to a 27% staffing level;
 - d) A plan that is at a resource level of \$5.2 million, which is equivalent to a 14% staffing level
- ii. In each of the four scenarios above the Secretariat narrated the implications for staffing levels and possible deliverables under each its four subprogrammes in the strategic plan 2020-2023

- iii. In the lowest set Scenario for USD 5.2 million for the year 2021, the Secretariat gave an example in which it recommended that the Executive Board to meet twice per year as it is the only way to go down to 5.2 Million budgets. The Secretariat explained that the Budget for the meetings of the Executive Board is spread out to different budget sources as follows; one third from Regular budget, one third from Foundation general purpose and one third from Programme Support costs.
- iv. Secretariat also informed Member States that the International Civil Service Commission (ICSC) had increased the cost of living standards in Kenya by 7.6% for international staff which translates to USD 800,000 in total which was a substantive cost to be considered and that such costs by the ICSC had affected also staff costs in other regions such as Japan and US as well.
- v. Approved budget in 2019 was 18.9 Million dollars for 2020 by the Executive Board. The Secretariat is preparing a financial impact cash flow analysis to be shared with Member States on 15th March.

In the discussions, the following issues were raised:

- i. Given the current state of Voluntary contributions, the longer the Secretariat goes into the calendar year with few financial contributions the more it should be trending to alternative scenarios. Hence, the need to work with the current base of at least USD 5.2 Million.
- ii. Reducing the number of Executive Board meeting is the kind of considerations that need to be made and Member States may need to consider priorities between programmatic work and the Executive Board.
- iii. The suggestion to combine Executive Board meeting with CPR mid-term review in 2021 could be considered.
- iv. There is a need to send a clear message to New York with the scenarios as it considers the 2021 work programme and budget as hard choices may need to be made going by the trend.
- v. There is need to understand the next steps for approval of the work programme and budget as it aligns with the sessions of the Executive Board in order to give guidance and in this regard the Secretariat should guide Member States on what they can do to help to meet its needs.
- vi. A more summarized version of the scenarios would help Member States in giving guidance to the Secretariat. and help with streamlining the work of the Executive Board.
- vii. Before forwarding the work programme and budget to the ACABQ which was to be done by 24 March 2020, the Executive Board would need to make recommendations including possibly to the foundation earmarked budget for 2021 be reduced.
- viii. The decisions on the work programme and budget is the most important foundation on the work of the Executive Board. The Executive Board should take a decision towards the ACABQ and Secretariat could check if the given deadline flexible so that the Executive Board at its 2020 first session that was to be held from 31 march to 2 April could make recommendations.

The Secretariat clarified that ACABQ assists the Executive Board and will meet in June only that deadline of 24 March is the Secretary General's report deadline for submission of the work programme and budget for processing towards the June meeting of the ACABQ. The

Secretariat further made the following remarks:

- i. UN-Habitat had received 3 voluntary contributions from Member States in 2020. Two of those contributions were for 2019 budget and one was for the 2020 budget from a cash flow point of view.
- ii. UN-Habitat has an operational reserve of USD 1.3 million for purposes of cash flow which will not go very far.
- iii. Austerity measures will be included in the cash flow and there would be no reserve if there is a need to terminate staff members. An alternative was to devote staff members currently under foundation to projects without normative work if their skills match project requirements.

REQUIRED ACTION:

In conclusion of the discussion under the agenda item on the draft 2021 work programme and budget, the Chair directed as follows;

- i. The Secretariat to have a discussion with Secretary General's office to request an extension of the deadline of 24 March to allow the Executive Board make recommendations to the Work Programme and Budget. The Secretariat to get back to the Ad hoc working group with the decision from the discussion by 18 March 2020 latest.
- ii. Based on the decision from the discussion with the Secretary General's office on New York, the Ad- hoc working group will schedule another meeting and discuss further options.

3. Presentation of the 2019 Annual Progress Report on the implementation of the Strategic Plan 2014- 2019.

The Secretariat provided a briefing for the Annual Progress Report on the implementation of the Strategic Plan 2014- 2019.

The briefing highlighted the following:

- i. The report was the sixth and final progress report on implementation of the strategic plan (2014-2019) and was in response to the Executive Board decision 2019/1.
- ii. The 2019 results have been achieved by UN Habitat and its partners on the ground.
- iii. The 2019 Annual report was structured in four sections as follows
 - Section 1: Executive Directors message and 2. Executive summary on Institutional highlights, Financial highlights, Key subprogramme results, Mainstreaming highlights and Challenges and lessons
 - Section2: Global and Country-level results for the 7 subprogrammes and Normative tools and knowledge products
 - Section 3: Regional Highlights for Africa Region; Asia and Pacific Region; Arab States Region; Latin America and the Caribbean Region; and,

Countries of the Commonwealth of Independent States, other Countries and Territories in Europe.

- Section 4: Mainstreaming Cross-cutting Issues; Partnerships and communication; audit and evaluation; Finance, Audit and Evaluation; and Project Portfolio Development
- iv. Normative tools that were developed in 2019 as well as key knowledge products highlighting what was achieved in 2019 under each subprogramme.
 - v. Key institutional highlights with 3 broadly highlighted areas; UN Habitat Assembly, two Executive Board meetings and Reorganization structure finalized and is under implementation. In addition, it has highlighted overall UN sustainable urbanization agenda and the coherence of how UN sister organizations are working towards it.
 - vi. Key broad normative tools achieved globally; role of land in conflict resolution, international guidelines on safer cities approved in the first UNHA, agency's contributions on the global framework of monitoring Sustainable Development Goals with an example of National Urban Policy that is now recognized globally.
 - vii. Narrative highlighting results achieved under each sub programme work in different countries. The new normative tools and how they contribute to setting new norms in different thematic areas.
 - viii. Financial highlights in terms of the planned budget, the detailed income secured and the expenditure.
 - ix. Highlights of some of the impact stories in terms of UN Habitat's work; New Strategic Plan that has commenced in 2020-2023, the new organizational structure that is under implementation and the resource mobilization strategy that is being implemented.
 - x. Full cycle report 2014-2019 which will be presented in the second session of EB in September 2020.

In the discussions, there were no issues raised.

REQUIRED ACTION:

No action required.

4. **Any Other Matters and Schedule of meetings of the Ad- hoc working group**

- a) The Chair reminded the Ad- hoc working group that, the Secretariat wishes to remind that some key documents towards the Executive Board first session had been shared electronically and feedback received from Kenya and Turkey only. The Chair requested Member States still considering commenting on the documents, to send their recommendations to the Secretariat.
- b) It was also noted by a concerned Member State that members of staff are reluctant to interact with the Member States. The Member State requested the current Administration to encourage members of staff to interact freely with the Member States.
- c) The following tentative schedule of meetings was agreed upon:

- i. **25 March 2020:** Discussions on draft results framework, draft impact communication strategy, draft partnerships strategy and resource mobilizations strategy on the wait of what happens with the budget.
- d) The Chair finally encouraged Secretariat to consider the deadlines for documents transmission and have clear deadlines for the budget.