



2022 SECOND SESSION OF THE EXECUTIVE BOARD, 21 – 23 November 2022



Summary of Plenary Discussions and Outcomes

Third Daily Journal (Draft)

DAY 3 – Wednesday, 23
November 2022

Agenda Item 10 –
Preparations for the
second session of
the United Nations
Habitat Assembly of
the United Nations
Human Settlements
Programme

The Executive Director informed Member States that substantive preparations for the second session of the UN-Habitat Assembly had begun with discussions on the special theme by the Joint Bureaux on 18 October 2022. The originally proposed title of the theme for the second session of the Assembly which was "Inclusive, transformative and effective multilateralism for a better urban future: Achieving the SDGs in times of global crises" has undergone three silence procedures and has been broken three times by the submission of proposed languages by different members of the Joint Bureaux of the Governing Bodies of UN-Habitat. In this regard, the President of the UN-Habitat Assembly has recommended that the Chair of the Committee of Permanent Representatives (CPR) convey informal consultations of the CPR that is opened to all Members States and Observers to UN-Habitat to discuss the theme with the view of reaching a consensus by the end of December 2022 to allow adequate preparations by UN-Habitat.

The special theme is expected to build on the outcomes of the High-Level Meeting of the General Assembly to assess progress on the implementation of the New Urban Agenda and the Eleventh Session of the World Urban Forum. Additionally, the theme would offer an opportunity to the UN-Habitat Assembly to make a contribution to the 'Summit of the

Future: Multilateral Solutions for a Better Tomorrow' which will be held in New York in September 2024. Furthermore, the theme will take into account the lessons learned through the COVID-19 pandemic and the current global crises. The special theme is further expected to foster a UN-Habitat Dialogue and a possible Ministerial Declaration, that may feed into proposed resolutions that may be approved at the UN-Habitat Assembly.

The various additional proposals to the theme originally recommended by the Executive Director include the following:

1. **Inclusive, transformative and effective multilateralism for a better urban future:** Achieving the SDGs in times of global crises.
2. **Inclusive, reinvigorated and effective multilateralism for a just and sustainable urban future:** Achieving the SDGs in times of global crises.
3. **Inclusive, reinvigorated and effective multilateralism for a prosperous, just and sustainable urban future:** Achieving the SDGs in times of global crises.
4. **Inclusive, transformative and effective multilateralism for a sustainable urban future:** Achieving the SDGs in times of global crises.

The Secretariat outlined that General Assembly Resolution 73/239 replaced the Governing Council with the UN-Habitat Assembly and decided that the Executive Board should meet for its first session in Nairobi for three days after the election of its members by the UN-Habitat Assembly, noting that rule 22 of rules of procedure of the UN-Habitat Assembly describes the Executive Board and the Committee of Permanent Representatives as the two permanent intersessional organs of the UN-Habitat Assembly.

In the same resolution 73/239, the General Assembly endorsed the recommendation by the Open-ended Working Group established by the Chair pursuant General Assembly 72/226. Part of the recommendations contained in Document 73/726, requires that the Committee of the Permanent Representatives would convene in Nairobi, in an open-ended manner, twice every four years: a. for a high-level mid-term review and b. prior to the UN-Habitat Assembly to prepare for that session. The open-ended meeting of the CPR will be held from 29 May to 2 June 2023.

The second session of the UN-Habitat Assembly will be held from 5 to 9 June 2023 with the mandate to identify key issues and areas of focus for the normative and policy work of UN-Habitat, review major trends

related to human settlements and urbanization, examine global norms and standards in human settlements and sustainable urbanization among other functions derived from Rule 2 of the rules of Procedure.

It is expected that the second session of the UN-Habitat Assembly may review outcomes related to the following:

- Thematic areas of the work of UN-Habitat towards the implementation of the Sustainable Development Goals and the New Urban Agenda, as was the case during the first session.
- A decision on the extension of the current strategic plan until 2025 to align with the Quadrennial Comprehensive Policy Review (QCPR).
- A decision on the stakeholder engagement policy depending on the advancement of the discussion by the ad hoc working group of the Executive Board on the matter.
- Resolutions related to the report of the Joint Inspection Unit on administrative and management review of UN-Habitat, especially as related to governance.
- Election of 36 new Members of the Executive Board for a new term
- A decision on the date and the provisional Agenda for the next session of the United

Nations Habitat Assembly.

Given that the UN-Habitat Assembly is expected to discuss key issues related to human settlements and urbanization, it is anticipated that Member States will attach great significance to the need for high-level representation at the Ministerial level for the 193 Member States of the United Nations, and for substantive representation at the Assembly. The format will be continuously reviewed by the Bureaux to ensure efficiency.

The notification by the Executive Director for the second session of the UN-Habitat Assembly will be transmitted without delay in line with Rule 9 of the rules of procedure of the UN-Habitat Assembly on 31 December 2022. The special theme for the second session will be included in the notification only when informal consultations open to all Member States and Observers to UN-Habitat are able to reach an agreement before the set deadline.

Regarding the submission of resolutions to be considered by the UN-Habitat Assembly at its second session, it is the prerogative of Member States. A Member State or group of Member States may submit a resolution any time before or during the session, preferably at least two days before the end of the session for consideration.

Interventions

Argentina highlighted the importance of having a clear and predictable roadmap for preparations, prior consultations, as well as working and negotiation modalities in an inclusive and transparent manner, allowing delegations to adequately prepare and participate at stages, as well as during the Assembly.

Kenya looks forward to hosting the second session and successful deliberations in the five key priority areas namely: 1) universal access to adequate housing, 2) urban climate action and environmental protection, 3) urban crisis recovery, 4) localization of the SDGs and multi-level governance, 5) prosperity and finance.

Mexico supported the comments made by Argentina and sought clarity on the role and responsibilities of the CPR and its bureau as a universal body. He stressed the importance of transparency and clarity in the process of the informal consultations and the importance of inclusivity.

Uruguay echoed the sentiments of Argentina and acknowledged the important political role of the CPR in defining guidelines for

sustainable development. He informed that Uruguay has aligned its national development plan with the guidelines of the New Urban Agenda on inclusive dwelling for a balance and fair means of serving its population. He further indicated that the Country intends to set its national objectives and strategies based on concrete mechanisms for urban planning and the management of cities.

Germany shared the sentiments expressed by Argentina and underlined the need to have an attractive special theme to garner the attention of high-level politicians and decision makers. The representative underscored the Assembly as a great opportunity for UN-Habitat to push forward global urban policies. The representative further noted that although WUF 11 was a success, the uncertainties and inconsistencies presented considerable challenges for preparations and requested UN-Habitat to provide pre-session documents in a timely manner. The representative underlined that the Assembly coincides with the so-called 'SDG Super Year' therefore providing UN-Habitat with the opportunity to leverage its position as the UN Agency responsible for the work on SDG 11 and increase its visibility. The importance of linking the Assembly to the High-Level Political Forum on the progress of the implementation of the SDG 11 was also stressed.

Germany, although supporting the alignment of UN-Habitat Strategic Plan with the Quadrennial Comprehensive Policy Review (QCPR) of the UN system, expressed concern on the timing of the planning cycle and whether the adoption of the new Strategic Plan would remain efficient and cost-effective. The representative requested the Secretariat to share its initial thoughts on how the link could best be established and how to ensure an efficient and cost-effective transition of the strategic plan.

Costa Rica underlined that the implementation of the New Urban Agenda (NUA) has demonstrated how it can benefit from the convergence of two critical aspects namely, the consolidation of a national framework that can provide coherence and support to action at the local level and the dedicated work at local level combining good planning and design, with a focus on the most vulnerable territories and catalytic public funding around urban interventions. Costa Rica highlighted its collaboration with Colombia on the BiodiverCities project. She expressed the willingness of the Country to accelerate the implementation of the NUA using this approach to complement existing efforts and provide new opportunities for innovative financing.

The European Union supported the comments made by Argentina and emphasized the need to have light but transparent structures in preparation for the UN-Habitat Assembly. In addition, the representative suggested the usefulness of informal consultations to discuss draft resolutions with a view to facilitating the adoption of decisions effectively during the Assembly. She similarly requested the Secretariat to provide technical input such as financial implications of a resolution and to identify the linkages of proposed resolutions with UN-Habitat's Strategic Plan.

Malaysia congratulated the Executive Director on her leadership during one of the most challenging times facing the world. In support of the work of UN-Habitat, Malaysia made a non-earmarked contribution of 1 million USD for the year 2022. The representative stressed that due to the rapid growth of world's urban population, sustainable urbanization has become more urgent now than ever before. She underscored that sustainability is and must be a collective effort and requires a collaborative approach to address pressing and urgent issues. In addition, she highlighted the development of its SDG Cities programme aligned to UN-Habitat's Flagship Programme. Malaysia noted that the second session of the UN-Habitat Assembly will be a great opportunity to dive deep into these pressing issues towards achieving the SDGs.

Indonesia expressed support for an inclusive discussion on the special theme for the Assembly and requested the Secretariat to circulate draft resolutions and preliminary information as soon as possible to allow for the review and sharing with its capital.



Agenda Item 11 – Annual report of the Office of Internal Oversight Services

(OIOS) to the Executive Board

The Executive Director provided an update on the status of the Office of Internal Oversight Services (OIOS) audit recommendations. The update included four audit reports, two of which were joint audit reports for UNON, UNEP and UN-Habitat while the other two were specific to UN-Habitat. She noted the forty pending audit recommendations and UN-Habitat's efforts to implement the audit recommendations.

The Executive Director highlighted that the two joint audit reports covered COVID-19 response and the accounts receivables and payables, while the other two audit reports specific to UN-Habitat were on UN-Habitat's Land, Housing and Shelter Section and Somalia Programme.

With regard to the Land, Housing and Shelter Section audit reports, the Executive Director informed Member States that the audit assessed the adequacy and effectiveness of governance risk management and control processes and assessed the effectiveness of UN-Habitat's implementation of the land,

housing and shelter activities between 2020 and August 2021. The audit report concludes that some of the risk-result based components of the work of Land, Housing and Shelter Section needed to be strengthened. The audit report covered strategic and operational planning, implementation and monitoring performance, management and evaluation and issued five recommendations.

The Somalia Programme audit report assessed the adequacy and effectiveness of governance, risk management and control processes in ensuring effective implementation of projects. The audit covered the period between January 2018 and August 2021. It covered the areas of change management, operations management and finance and procurement. The audit results showed that internal controls in the area of strategic management, operations, finance and procurement needed to be strengthened.

UN-Habitat assured the Member States that it continues to make efforts to implement the audit recommendations.

Interventions:

USA requested for an update from UN-Habitat on the implementation of the OIOS recommendations on the Audit of the Land,

Housing and Shelter Section, Somalia's Office and the actions taken regarding case number 0116/21 on medical insurance fraud.

Sweden noted that the implementation of audit recommendations has not been prioritized or has been difficult due to lack of human resources within UN-Habitat. The representative emphasized the need for implementation of audit recommendations particularly to donors and Member States and requested for an update on the timelines for implementing the recommendations.

The Executive Director underscored the importance of the implementation of the audit reports and the efforts that UN-Habitat has made and is making, despite its limited resources.

The Executive Board took note of the Report of the Office of Internal Oversight Services to the Executive Board.

Agenda Item 12 – Annual report of the

Ethics Office to the Executive Board

The Executive Director provided an update on the Report of the Ethics Office to the Executive Board. The update included the role of the Ethics Office and its link to the OIOS, and UN-Habitat, milestones, and activities undertaken by UN-Habitat with the Support of Member States from 2021 to 2022 including the trainings conducted by UN-Habitat.

Additionally, the update included a summary of recent cases concerning UN-Habitat personnel, including their status and recent developments on the Executive Director's delegation of authority to conduct investigations and issue defined disciplinary measures.

The Executive Director reiterated that UN-Habitat has zero tolerance for unethical conduct. She reminded Member States that the ethics function is performed by the Ethics Office and that the Ethics Office is an independent office that reports directly to the General Assembly. She clarified that investigation of unethical conduct is conducted by the OIOS, while the Ethics Office provides advice, among other functions.

Interventions

USA thanked UN-Habitat for the complete report on ethics and stressed that the Country strongly supports strengthening the independence of the Ethics Office, which is the key to a fit-for-purpose Ethics Policy. The representative further stressed that the USA discourages all forms of misconduct and called for transparency and accountability, and for the protection of whistleblowers from retaliation. USA sought confirmation on whether UN-Habitat had a focal point for ethics, and if so, whether UN-Habitat personnel were aware of the same.

The Executive Board took note of the Report of the Secretary-General on the Activities of the Ethics Office.



Agenda Item 13 –
Working methods of
the Executive Board,
including a review of
the results of the
survey conducted by
the secretariat
following the first

Executive Board session of 2022

The Executive Director recalled the functions of the Executive Board as set out in Rule 5 of the Rules of Procedure and include overseeing the normative and operational activities of UN-Habitat and ensuring the accountability, transparency, efficiency, and effectiveness of the Programme. In line with this and following the second session of 2021, UN-Habitat facilitated the preparation of the survey with the aim to evaluate the effectiveness of that session and explore ways to further improve both the process and outcome of future sessions. The Executive Director reaffirmed her commitment to support the Governing Bodies in executing their duties.

The survey was conducted to evaluate the effectiveness of the first session of 2022 of the Executive Board of UN-Habitat, with a view to further improve the process and outcome of future sessions of the Board. A total of 7 respondents completed the online survey which brought the response rate to 6.7 per cent (7 of 103 potential respondents, there being 103 permanent missions accredited to UN-Habitat).

The survey was conducted upon the request of Executive Board and focused on six structured sections, namely:

- The alignment of the functions and competence of the Executive Board with the provisional agenda of the sessions of the Board
- Quality and usefulness of the pre-session documents
- Pre-session briefing by the Executive Director
- The number of sessions per year for the Executive Board
- Preparations and implementation of the 2021 second session of the Executive Board
- Other items

The results of the survey showed that overall, the functions and competence of the Executive Board are viewed as being aligned with the provisional agenda of the sessions of the Board, guided by its Bureau. The Secretariat is considered to be adhering strongly to the rules of procedure that guide the provision of pre-session documents, a key factor in ensuring active participation by delegations, resulting in informed decision-making that supports programme delivery by UN-Habitat.

Briefings by the Executive Director were viewed as informative, yet it was suggested that the presentation should be shared prior to the briefing to allow the Executive Director to focus on key challenges to be addressed at the upcoming Executive Board. Similarly, it was suggested that the Executive Director's pre-session briefing should be held earlier than two weeks prior to the session of the Executive Board.

With regard to the number of sessions that the Executive Board should hold each year, an equal number of respondents have suggested two sessions per annum and three sessions per annum to cover the necessary agenda items and other relevant matters for discussion. However, one respondent mentioned that the number of days, either two or three, depends on the length of the agenda items. It should be for the Bureau to decide and the Member States to agree through silence procedure or regional group consultation.

On the overview of feedback on the hybrid format, 57 percent of the respondents agreed to some extent that the hybrid format produced a successful outcome to the first session of 2022. However, it is important to note that, 86 percent agreed that the hybrid format put remote participants at a disadvantage, as some struggled to have their

voices heard or experienced technical issues. Additionally, some Members felt having missed seeing the body language and facial reactions of the participants who were connected remotely, and that the hybrid format was a less conducive format for complex discussions, such as those involving negotiating and making decisions on resolutions.

Going forward, Member States suggested the quality of documents should be enhanced and making them more succinct would better support Member States' engagement in the sessions of the Executive Board. Consultations between the Secretariat and the Regional Groups was also suggested as a way to support Member States' engagement.

Interventions

Germany appreciated the efforts of Secretariat in continually working towards improving the oversight of its working methods and on the provision of concise pre-session documents. It expressed concerns with the low response rate to the survey, in comparison to the efforts and resources used to evaluate the effectiveness of the working methods.

Switzerland echoed the concerns of Germany on the cost-effectiveness of hiring an external

consultant for the survey against the low rate of responses. The representative suggested that the Secretariat conduct the survey internally. He further encouraged Member State to contribute to the survey and urged the Secretariat to circulate the survey soon after the last session of the Executive Board.

Belgium expressed similar sentiments as Germany and Switzerland and noted the possibility of exploring alternative means of gathering feedback on the effectiveness of UN-Habitat's working methods. The Representative proposed the introduction of an agenda item on the work of the Governing Bodies would provide the useful information required to improve the working methods of the Executive Board.

Agenda Item 14 – Briefing by the Joint Inspection Unit on the findings of its management and administration

review of UN- Habitat

Inspectors Jean Wesley Cazeau and Tesfa Alem Seyoum, from the Joint Inspection Unit (JIU), presented key findings and recommendations from the management and administration review in UN-Habitat. They reminded the Executive Board about the role and the working goals of the JIU. They presented the review approach and methodology used for the report, which includes 4 main chapters, in addition to the conclusions and way forward.

8 formal recommendations and 24 informal recommendations were provided to improve the overall effectiveness and viability of UN-Habitat. Among the formal recommendations, one is related to governance reform, two to financial management, two to organizational restructuring and management, one to oversight and evaluation, and two recommendations were related to the way forward.

In terms of governance reform, the new three-tier governance structure is viewed as a positive change, but there is a need to clarify

the roles and responsibilities of each of the governing bodies.

Regarding financial management, the report highlighted that contributions to the Foundation non-earmarked fund have fallen short of the budgets approved by the Executive Board, which has resulted in many core functions of normative work being severely underfunded and understaffed. As such, the JIU recommended to UN-Habitat to broaden the base of contributions by Member States and enhance predictability in financing. In addition, it was recommended to the Executive Board to approve a realistic budget for the Foundation non-earmarked fund and establish a voluntary indicative scale of contributions.

In terms of organizational restructuring and management, the Executive Director was recommended to implement activities within existing resources and avoid considering new activities until adequate contributions are received. In addition, the JIU recommended the development of a corporate risk register.

In terms of oversight and evaluation, the Executive Director was urged to implement the main outstanding audit recommendations, taking into account the current constraints faced by the organization.

On the way forward, the Executive Director was encouraged to discuss current financial and human resources issues with the Secretary-General and request substantive support and special arrangements at no costs to UN-Habitat. Finally, the Secretary-General was encouraged to explore ways to make UN-Habitat more viable and sustainable.

The Executive Director thanked the inspectors for a constructive report. She indicated that UN-Habitat accepted all recommendations, and underlined her commitment to implement the recommendations, particularly those falling within her delegated authority.

The Secretariat presented a detailed management response to the recommendations addressed to the Executive Director. Regarding Recommendation 4 (implement activities supported by adequate funding), she proposed a realistic work plan and budget amounting to USD 3 million, which will be treated as a spending plan for 2023. She committed to a USD 10 million envelope for programme support costs. She also committed not to over-spend on the core budget and recommended that new mandates requested by Member States should be accompanied by additional resources.

In relation to Recommendation 5 (corporate risk register), she has established the Project Review Committee and ensured risks assessments are part of all projects. In terms of financial risks, she established the Budget Steering Committee to ensure that budgets are treated as spending plans. In addition, she is committed to strengthening the corporate risk register relating to management, oversight and evaluation.

Regarding Recommendation 6 (implement outstanding audit recommendations), she has established a task team to compile and track all recommendations from the different audit bodies. Some of the recommendations are UN system-wide and cannot be implemented by UN-Habitat alone. Out of the 797 unclosed grants in 2019, less than 10 grants are remaining.

Regarding Recommendation 7 (discuss financial and human resources issues with the Secretary-General), the Executive Director has already reached out to the Secretary-General. It was proposed to convert 7 Foundation non-earmarked positions to regular budget. The Secretary-General also assigned a senior official to assist UN-Habitat with financial and human resources issues.

In addition, the Secretariat took note of the 24 informal recommendations of the JIU and is committed to take them in consideration.

Interventions

USA thanked the JIU for the report and the Executive Director for her commitment to implement the recommendations. The representative underlined their particular support to Recommendations 1, 2 and 5. As for Recommendation 3 on the voluntary scale of contributions, USA indicated that it might not be beneficial and expressed that the Country does not wish to be included in such a scale.

Kenya took note of the JIU report and expressed the Country's support to the three-tier governance approach and emphasized that it would be too early to consider a review of the governance structure. Kenya urged the establishment of a voluntary scale of contributions, similar to UNEP. The Executive Director was encouraged to reach out to the Secretary-General for support.

Switzerland congratulated the JIU and the Executive Director for the constructive recommendations and invited the Secretariat to present the results of these responses

during future Executive Board sessions. He further enquired about recommendations to improve the quality of services from UNON.

Brazil recalled that the Executive Director inherited a financial and administrative crisis when she took office in 2018. The representative noted that the Executive Director accepted the challenges and undertook reform processes within a short time. Brazil also underlined the efficiency, professionalism and diversity brought by the Executive Director.

Germany thanked the JIU for a comprehensive and solid report which includes constructive recommendations to improve UN-Habitat. The representative commended the Executive Director for implementing an improved governance structure and noted that there is still room for improvement. The Secretariat was encouraged to continue actively engaging in the reforms.

The State of Palestine stressed the issue of UN-Habitat's lack of resources and the need for reinforcement given the importance of its mandate related to housing and human settlements. The representative thanked the Secretariat for its work on reforms and for using innovative methods to raise funds and

further underlined the wise leadership of UN-Habitat.

Agenda Item 15 – Report of the UN Board of Auditors for 2021

Ms. Wang Wenyu, the Team Leader of the auditors that conducted the remote interim audit in October 2021 and travelled to Nairobi for the final audit in April 2022, highlighted the deficit of revenue over expenditure and negative net assets status in the Foundation non-earmarked fund. The auditors recommended that UN-Habitat prioritize resource mobilization efforts. They proposed regular reports to Member States underlining the performance of core fund accounts for increased transparency. They also suggested a survey to Member States to find out their expectations and views on the use of the Foundation non-earmarked fund.

The auditors noted that the high turnover of professional staff impedes delivery of UN-Habitat. They further observed inadequate

control on the management of non-staff personnel, who constitute at least 85% of the workforce of UN-Habitat. They recommended a policy on engagement of non-staff personnel and clarity/uniformity on the entitlements paid to this category of colleagues.

On review of the IPMR, it was noted that the migrated projects have incomplete data, and that UN-Habitat should improve on the monitoring and updating of data as is required through the lifecycle of the grants. It was also noted that donors are influencing the selection of implementing partners, posing risk to the fairness, integrity and transparency of the competitive process prescribed by Financial Regulations and Rules.

The Executive Director thanked the auditors and reiterated that she values the work of the Board of Auditors (BOA) as a partner in the implementation of the UN-Habitat Mandate.

Interventions

USA highlighted that the BOA report of 2021 noted low implementation of BOA recommendations and requested that reporting on this issue be made a stand-alone item at the second session of the Executive Board each year. It conveyed concerns on the reported

influence of donors over the selection of implementing partners, as is the status of projects in IPMR and the inadequate control over 85% of UN-Habitat's workforce.

Agenda Item 16 – The Sustainable Human Settlements Foundation

The Sustainable Human Settlements Foundation (SHSF) is a result of a wider organizational resource mobilization strategy to find innovative ways to achieve a more diversified donor base for UN-Habitat. The Foundation employs a capital preservation endowment model that will generate stable and consistent returns to supplement the funding needs of UN-Habitat, especially with regard to its foundation non-earmarked fund, which continues to be under-funded.

The Secretariat provided an update on its progress to date and noted that origins of the Foundation was in adherence to the call by the Executive Board during its Second Session of 2019 for the Executive Director to find new ways to finance UN-Habitat's mandate. Thus far, a Letter of Intent and Memorandum of Understanding have been signed with SHSF following a due diligence exercise conducted with the help of the UN Global Compact and

Office of Legal Affairs (OLA) in New York. A draft contribution agreement is currently being prepared for signing off the first contribution to UN-Habitat.

Mr. Grant Rogan, Principal of Blenheim Capital Partners Limited (BCPL), which is the guardian entity of SHSF, presented the business management structure, goals, and objectives of SHSF. He underlined its main goal which is to provide perpetual financial support to UN-Habitat's 'unfunded and under-funded programmes'.

He proceeded to provide an update on the progress of its fundraising efforts. He outlined the targets that have been set out to raise the funds using a non-traditional donor model. For Phase I (2022/3) it is targeting USD 15 million, Phase II (2023) USD 50 million and Phase III (2026/8), USD 1 billion. In partnership with Lloyds Bank, a 10-year USD 1 billion hybrid bond will be issued.

While noting that expenditures to date have been minimal, he underscored that BCPL is responsible for the ongoing day-to-day management of the SHSF, as well as all fundraising.

With regard to oversight and governance, he noted that SHSF welcomes the importance Member States being part the Foundation's Advisory Board and Investment Subcommittee of the Board of Trustees and offered to provide further documentation including:

- Anti-money laundering policies, operating and compliance handbooks from SHSF and its principals (Blenheim and Fiduchi).
- A descriptive on fund flows of donor monies to SHSF and onwards to the fund manager i.e., Lloyds/Cazenove.
- A descriptive of fund flows from Lloyds/Cazenove to beneficiaries from dividends realized from the donated sums investment.

Interventions

USA requested for clarification on the beneficiaries of the SHSF and recommended that UN-Habitat conduct a reputational risk assessment before the initiative is approved by the Executive Board. It requested more information on the mission statement and oversight measures in place for this initiative, as well as the projected timeline for putting together the Foundation Council and the Advisory Committee. It also requested for clarification on the distinction between

investors seeking a return and those giving voluntary contributions. The USA put forth that it is ready to approve this initiative subject to oversight from the Executive Board and requested that the Secretariat submit a semi-annual report on the finances and operations of the SHSF.

The European Union supported the statement of the USA and requested the justification for the expected yield of 6% per annum on the bond and further clarification on the motivations of the donors to contribute to the Foundation.

France requested for further information on the measures are in place to mitigate risks on money laundering.

The Netherlands requested clarification on whether the contributions of SHSF will be utilized as core funding.

The Executive Board took note of the report without further comment or reservation.

Agenda Item 17 – Consideration and

adoption of the outcomes of the session including the provisional Agenda for the next session of the Executive Board

The Executive Board has decided that the 2023 sessions of the Executive Board will be held as follows: the first session of 2023 will be held from 28 to 29 March 2023, the second session of 2023 for the election of the Bureau will be held back-to-back to the second session of the UN-Habitat Assembly in June 2023 and the third session to be held in November 2023, subject to review by the Bureau. The Executive Board also decides that the provisional agenda for the first session of 2023 shall be reviewed by the Bureau and shared in due course.

The following decisions were adopted:

i. **Draft decision 2022/[A]:** Implementation of the strategic plan for the period 2020 - 2023, financial, budgetary and administrative matters of the United Nations Human Settlements Programme, report of the Joint Inspection Unit on the findings of its review of the management and administration of UN-Habitat and draft work programme and budget for 2023.

ii. **Draft decision 2022/[B]:** Implementation of the normative and operational activities of the United Nations Human Settlements Programme, reporting on the programmatic activities of the Programme in 2022, implementation of subprogrammes, Flagship Programmes and technical cooperation activities.

iii. **Draft decision 2022/[C]:** Methods of work of the Executive Board and the workplan of the Executive Board for 2022.

The Chair congratulated all Member States for their hard work and inputs.

Agenda Item 18 – Other matters

Ukraine congratulated the Secretariat on the second session of the Executive Board and the adoption of its outcomes, particularly draft decision 2022/[B] sub-item b on UN-Habitat in urban crisis situations. Moreover, it called upon Member States and stakeholders to align them with the General Assembly.

Turkey recognizes UN-Habitat's critical role in the implementation of the New Urban Agenda and its role and guidance to Member States. The representative reiterated the Country's commitment to support UN-Habitat and recognizes the Organizations growing financial needs. He further highlighted the Zero Waste Initiative spearheaded by the First Lady of Türkiye at the national level and welcomed UN-Habitat and Member States to work together to learn and share expertise.

Russia stressed the need to focus on the mandate of UN-Habitat in addressing issues of sustainable urban development and responding to urban crisis in all regions affected by conflict and disaster.

Other Member States including the USA and the European Union made observations regarding the ongoing conflict in Ukraine.

Agenda Item 19 – Closure of the session

The Executive Director expressed her gratitude and utmost appreciation to H.E Mr. Silvio Albuquerque, Permanent Representative of the Federative Republic of Brazil to UN-Habitat and Chair of the Executive Board, the 2022-2023 bureau members, H.E. Ms. Saqlain Syedah, Permanent Representative of the Islamic Republic of Pakistan and Chair of the ad hoc working group on programmatic, budgetary, and administrative matters and Mr. Patrick Eloff, Deputy Permanent Representatives of the Swiss Confederation and Chair of the ad hoc working group on stakeholder engagement policy for their wisdom, leadership and invaluable contribution to UN-Habitat particularly during the challenging COVID-19 period.

The Executive Director further extended her appreciation to the members of the Executive Board who engaged to put attention on the mandate of UN-Habitat and provided their inputs related to the implementation of the New Urban Agenda towards the achievements of the SDGs. Similarly, she acknowledged the

presence of community leaders, civil society partners, academics, mayors, ministers and His Royal Highnesses the Crown Prince of Norway and Her Royal Highness the Crown Princess of Sweden who in a unique way, represented the range of people that UN-Habitat serves, as well as the range of partners who enable us to bring positive impact to the ground.

In addition, the Executive Director highlighted the following areas:

- The need for active participation from communities to scale up sustainable urban solutions. This includes city managers, women leaders, youth, the private sector and professional groups at the local level.
- The need for an integrated plan-led approach, informed decision-making based on data and evidence and translating policy into practice as a means for promoting a better urban future.
- The continuous appeal for Member States and stakeholders to invest in UN-Habitat's normative and operational work.

She further recognized UN-Habitat's role as Co-chair of the Secretary-General's Local 2030 Coalition, which will help localize the SDGs and recommitted to strengthen working partnerships with the Resident Coordinator system to deliver as One UN.

In an effort to translate to practice on the ground, she introduced the concept of declared actions. To date, only 38 countries have submitted their New Urban Agenda Implementation Report. Although some 150 countries have some form of National Urban Policy, there is need for the same multi-level support to ensure resources meet the needs on the ground. There is need for action plans that are accompanied with budget allocations. Hence, the City Investment Facility was established to help Member States and cities to carry out project preparations accompanied by financing packages.

The Executive Director highlighted her work with the COP27 Presidency to initiate the first ever Ministerial Meeting on Urbanization and Climate Change as requested by Member States. She further appealed to Member States and donors to invest in adaptation and mitigation. She reaffirmed her commitment to strengthen cooperation with sister UN agencies, not only in support of the Secretary-General's reforms but because UN-Habitat cannot ignore the symbiotic relationship between the natural and built environments.

Finally, the Chair in his closing remarks thanked Member States for their support during the session and commended the Executive Director's unwavering dedication to the

mandate and task at hand of accelerating the sustainable urban agenda.

