2022 SECOND SESSION OF THE EXECUTIVE BOARD, 21 – 23 November 2022
Summary of Plenary Discussions and Outcomes

DAY 1 – Monday, 21 November 2022

The second session of the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) for the year 2022 commenced in a hybrid format on Monday, 21st November 2022, with delegates participating in-person at the UN-Habitat headquarters in Nairobi and online from across the globe.

Agenda Item 1 - Opening of the session
The session was opened by the Chair of the Executive Board, H.E. Mr. Silvio Albuquerque, Permanent Representative of the Federative Republic of Brazil to UN-Habitat, who welcomed participants and delegates. He emphasized that the world has surpassed 8 billion inhabitants with rising urbanization and further underscored the responsibility of UN-Habitat and all Member States to strive for sustainable urban development.

In her opening statement, Ms. Zainab Hawa Bangura, Director-General of the United Nations Office at Nairobi (UNON), welcomed participants to the UNON Complex and further highlighted UNON’s efforts to ensure the conference facilities were up to standard as other UN Headquarters. She further informed the delegates of the precautionary measures UNON was taking against COVID-19 during meetings and noted the arrangements for digital connectivity for delegates participating remotely. She underlined that the facilities of the UNON compound is being upgraded to meet increasing demands for hosting intergovernmental meetings. The upgrade would integrate principles of carbon neutrality and disability inclusion enabling an improved environment to host the second session of the United Nations-Habitat Assembly to be held from 5 to 9 June 2023.
In her video statement, Hon. Martha Delgado, Undersecretary of Multilateral Affairs and Human Rights of Foreign Relations of Mexico and President of the UN-Habitat Assembly, encouraged all Member States to continue supporting UN-Habitat to deliver its mandate. In the aftermath of the COVID-19 pandemic, she called for resuming commitments made to global agreements. She underlined the need to activate new communication and innovation mechanisms to increase and enable practical visualization of UN-Habitat’s impact and ensure that no one and no place is left behind. She also highlighted the efforts made by the Government of Mexico to achieve sustainable urban development and wished all participants fruitful deliberations.

Hon. Zacharia Mwangi Njeru, Cabinet Secretary for the Ministry of Lands, Public Works, Housing and Urban Development and Head of Delegation of the Republic of Kenya, echoed the recent statement by H.E. Mr. William Ruto, President of the Republic of Kenya at the United Nations General Assembly by reiterating Kenya’s support to multilateralism and strengthening UN-Habitat. He urged Member States to provide additional voluntary contributions to fund the Foundation non-earmarked to enable the Organization to deliver on its normative work. He noted that recent international events demonstrated the importance of fast-tracking commitments to
response to urbanization in all human settlements. He also highlighted the Government of Kenya's efforts with regard to affordable housing and sustainable urban development. Finally, he thanked UN-Habitat for all interventions and projects in the Country, and announced that the new 2023-2026 Kenya Habitat Country Programme will be launched fairly soon.

UN-Habitat's Executive Director, Ms. Maimunah Mohd Sharif in the delivery of her welcoming remarks, thanked all partners for the success of recent events held this year, including the High-Level Meeting on the Implementation of the New Urban Agenda, the eleventh session of the World Urban Forum, World Habitat Day, World Cities Day, and the
opening of the Local 2030 Coalition Secretariat.

The Executive Director emphasized that the world is facing an ever-increasing urbanization and multiple man made and natural crises. She highlighted that a Ministerial Meeting on Urbanization and Climate Change, hosted by the Government of the Arab Republic of Egypt and supported by UN-Habitat recently concluded at COP27. She noted that the importance of UN-Habitat’s mandate was featured in platforms such as the G7 and the Commonwealth of Nations. She recalled the need for enhanced multilateral cooperation in these times of global crises.

In addition, the Executive Director indicated that UN-Habitat will continue its work to scale up the transformative power of cities, as a boost towards the preparation to support Member States on the road second session of the United Nations Habitat Assembly in June 2023. She noted that the Executive Board session will provide the opportunity to review UN-Habitat’s achievements and challenges.

Agenda Item 2: Organizational
The Executive Board:

- Adopted the agenda and workplan of its 2022 second session, including two additional items suggested by the Western Europe and Others Regional Group (WEOG) for this specific session, as follows: new Agenda item 15 - Report of the Board of Auditors for the year 2021 and new Agenda item 16 - Sustainable Human Settlements Foundation.
- Agreed upon the schedule of the informal consultations on the draft decisions.
- Took note of the report on the work of its 2022 first session.

Agenda Item 3 - Reports by the chairs of the ad hoc working groups

H.E. Ms. Saqlain Syedah, the Permanent Representative of the Islamic Republic of
Pakistan to UN-Habitat and Chair of the ad hoc working group on programmatic budgetary and administrative matters provided updates on the discussions and recommendations of that working group since the last session of the Executive Board.

She informed that the following items were discussed by the working group:


3. Financial status of UN-Habitat.

4. Status of the draft work programme and draft budget for 2023, including scalability model for the Foundation non-earmarked budget.

5. Activities which implementations are affected due to lack of adequate Foundation non-earmarked funding.

6. Normative and operational activities of UN-Habitat, specifically;
a. the five flagship programmes under the Strategic Plan of UN-Habitat for the period 2020-2023.

b. UN-Habitat engagement in countries, territories and areas affected by conflicts and disasters.

7. The status of the restructuring of UN-Habitat.

8. UN-Habitat staffing report, including gender and geographical balance.

9. The draft outcomes to be considered by the Executive Board at its second session for the year 2022.

Regarding the Annual Report for 2021, she noted that the working group welcomed the strengthened focus on the Executive Director's three priority areas, namely housing, climate action and localizing the SDGs. With respect to the WUF11, it made recommendations related to the format of future ministerial roundtables, geographical representation, the involvement of Nairobi-based Permanent Representatives and the need for the Forum to remain thematic rather than political.
On the financial status of UN-Habitat, the working group took note that UN-Habitat had nearly achieved the USD 3 million budget target for the Foundation non-earmarked. The working group indicated the need to elaborate on the direction of the scalability model, and to indicate what more could be achieved with additional resources. The working group was briefed on the activities that are affected due to the lack of adequate Foundation non-earmarked funding. In addition, it recommended that the Executive Board should provide additional guidance on the conditions to utilize reserve funds.

The chair of the ad-hoc working group noted that following recommendation from the Bureau, it discussed draft decisions to be considered by the Board and which are contained in document HSP/EB.2022/CRP.5

The Chair of the ad hoc working group on stakeholder engagement policy, Mr. Patrick Egloff, Deputy Permanent Representative of Switzerland to UN-Habitat, briefed the Executive Board on the progress made so far.

He noted that the Secretariat briefed the working group on the modalities for stakeholder engagement in intergovernmental processes within the UN system and shed light on UN-Habitat's current practice. The working
group reviewed and agreed on a proposed structure for the policy and tasked the Secretariat to develop the content for each of the nine chapters.

The working group later reviewed chapters 1 to 9 of the Zero Draft of the Stakeholder Engagement Policy prepared by the Secretariat and incorporated inputs from internal and external consultations. A revised Draft 1.0 was then developed based on feedback from Member States.

Moving forward, the working group will focus on the accreditation procedure and will consider a stakeholder engagement mechanism as an annex to the policy. The aim would be to present the final draft of the policy for consideration by the Executive Board at its first session in 2023.

Both Chairs expressed their gratitude to the members of the Working Groups and thanked them for their cooperation and participation.

The Executive Board took note of the reports by the Chairs of the ad hoc working groups.
Nigeria reaffirmed its support for the work of the two ad hoc working groups. It enquired about the measures in place to ensure that UN-Habitat focuses on the needs from Member States. Nigeria suggested that the ad hoc working group on programmatic, budgetary and administrative matters considers enhancing its effectiveness. In addition, Nigeria recommended to ensure that the work on the Stakeholder Engagement Policy is well resourced.

Interventions
Agenda Item 4 - Financial, budgetary and administrative matters, including the implementation of the resource mobilization strategy in accordance with the strategic plan and Actions to strengthen protection against sexual and any other types of exploitation and abuse and
The Executive Director expressed her gratitude to Member States and donors who increased their contributions to the UN-Habitat Foundation non-earmarked fund, which to date has reached USD 6.3 million, more than doubled compared to 2021. UN-Habitat remains committed to the austerity measures to keep its expenses from the Foundation non-earmarked fund to a realistic level. The Executive Director recognised that earmarked funding remains a stable and important mechanism to inform UN-Habitat’s normative work.

The Executive Director reaffirmed her commitment towards enhanced gender parity and a more inclusive workplace at UN-Habitat, reiterating her commitment to widen opportunities to hire from unrepresented countries. She also updated the Executive Board on the status of the recruitment of the Deputy Executive Director. The interviews were completed, and the panel’s recommendations have been submitted to the Secretary General.
She noted that 2022 has been an active year for UN-Habitat, as several events took place, such as the High-Level Meeting on the implementation of the New Urban Agenda, the World Urban Forum 11, the Commonwealth Heads of Government Meeting, the World Economic Forum, Stockholm@50, the G7 and COP27 among others. Such events have been key to promoting the mandate of UN-Habitat. In 2022, the Executive Director engaged in 204 bilateral meetings spread over 23 missions.

Financial status

The Secretariat informed the Executive Board, that, the total portfolio of UN-Habitat reached approximately USD 200 million in the first three quarters of 2022.

As of 15 November 2022, the expenses from Foundation non-earmarked fund stands at USD 1.42 million, which is projected to be USD 1.66 million by the end of 2022 due to the austerity measures and realistic budget controls.

The Foundation non-earmarked fund has received USD 6.27 million, which leads to a surplus of USD 4.6 million that will be used to cover the deficit of USD 1.2 million, pay the first instalment for the three-million USD loan
taken by the previous Executive Director in 2017 and create a reserve of USD 3 million.

Staffing status – Gender and geographical distribution

The Secretariat noted that UN-Habitat's female staff represents 53% across all levels, but there is an opportunity to improve gender parity at the P5 level and above. In terms of geographical distribution, there is a need to give due consideration to unrepresented and underrepresented nationalities when making selection decisions in order to improve regional representation.

Protection against sexual exploitation and abuse and sexual harassment (PESA/H) in the workplace

The Secretariat updated that UN-Habitat is taking action to strengthen PSEA/H in the workplace through advocacy, the establishment of a focal point system, monitoring and reporting, incorporating PSEA/H into the Capacity Development and Training Unit's portfolio with the design of a
mandatory PSEA/H training for all UN-Habitat staff, participation in global PSEA/H coordination mechanisms, internal communication, victim-centred approach and sanctions for non-compliance. The Secretariat of UN-Habitat will continue to prioritise PSEA/H and further collaborate with other UN agencies on this issue.

Restructuring

The Secretariat highlighted that the efforts to enforce the 2020 organisational structure remains limited in its implementation due to limited non-earmarked funding. The Secretariat recalled that except for positions in New York to support intergovernmental functions with the General Assembly, the majority of positions funded by the regular budget and Foundation non-earmarked funds are currently primarily located in Nairobi. Following the proposition from the Secretary General, seven positions, currently funded by Foundation non-earmarked funds have been prioritized by the Secretary General to be funded by the regular budget. Six of the seven posts proposed are based in Nairobi, and one in New York. Here, UN-Habitat could use the support of Member States in supporting the Secretary General’s priorities. UN-Habitat has not established any new posts under Foundation non-earmarked funds and Programme Support Costs (PSC).
PSC funded positions will perform project support functions.

Soft earmarked funds amounting to USD 5 million has supported UN-Habitat’s core normative work to develop normative guidance and technical expertise. The Secretariat expressed its gratitude to the Member States who increased their soft earmarked contributions and to those who are collaborating with UN-Habitat on new projects to support sustainable urbanization.

In 2022, a new business plan was initiated where UN-Habitat country offices would be required to be to be self-sufficient. UN-Habitat has been developing new UN-Habitat Country Programmes together with the Resident Coordinators and UN Country Teams to support the One-UN approach. UN-Habitat has also started implementing multi-country offices as part of the Secretary General’s reforms to better serve the communities.

The Secretariat underlined the key challenge faced by UN-Habitat to support the Resident Coordinator system due to its limited capacities, within the USD 3 million allotment of the Foundation non-earmarked fund.

Resource Mobilisation
The Secretariat recalled the Resource Mobilization Strategy 2020-2023 adopted by the Executive Board in 2020. As of 15 November 2022, UN-Habitat has achieved 49% of the total target, raising approximately USD 512.2 million, which is on-track when compared to the timeframe. The acquisition of regular budget, Foundation earmarked budget and technical cooperation are on track while efforts are needed to increase the Foundation non-earmarked fund.

For 2022, UN-Habitat has acquired USD 128.3 million in total as of 15 November. The acquisition of Foundation non-earmarked funds has reached USD 6.3 million, and 21 Member States have made contributions to the core fund, which includes four new contributing member states. An additional seven countries have made one-time pledges that have not yet materialized.

In terms of earmarked funds for 2022, UN-Habitat has been able to diversify funding sources, as 9 out of the top 15 donors are foundations, intergovernmental organisations, private sector, civil society, local authorities or UN agencies besides Member States.

The Secretariat highlighted the geographical repartition of the implementation of activities, all income considered: the Arab States office is
implementing activities funded by 39% of all income generated, Asia Pacific 35%, Latin America 7%, Africa 6%, Europe 1% and Global Programmes 12% respectively.

Interventions

Morocco, the Regional Group of Latin America and the Caribbean (GRULAC, represented by Mexico), the Africa Group (represented by Kenya), the Asia Pacific Group (represented by Pakistan), Japan, France, Cameroon, Argentina, Egypt, Kenya, the G77 and China (represented by Algeria) and Uruguay acknowledged the positive results on the financial status of the Secretariat, which was achieved through the implementation of the austerity plan and resource mobilization efforts introduced by the current Executive Director. Germany requested for more clarification on the austerity measures.

Morocco, GRULAC, Nigeria, the Africa Group, the Asia Pacific Group, Sweden, Germany, Egypt, the G77 and China (represented by Algeria) reiterated the importance of ensuring adequate funding for the delivery of the programme's mandate and its Strategic Plan and called for more countries to make core contributions to UN-Habitat. GRULAC highlighted that it is encouraging to see many developing countries contributing to the more
resources, as well as stressing the importance and value of the of the Informal Contact Group on resource mobilization matters. GRULAC and Germany welcomed the increase in soft earmarked contributions and emphasized its importance. Morocco, GRULAC, France and Kenya commended the efforts made to diversify the donor base of UN-Habitat and encourages the Secretariat to continue explore and implement strategic partnerships and innovative approaches for fund raising. Sweden stressed the need to have more predictable funding and encouraged the Executive Director to continue stress this need through funding dialogues with donors. Germany questioned the drop in funding for the Africa region.

The USA and the League of Arab States reiterated its commitment to sustainable urban development and the implementation of the New Urban Agenda. Nigeria USA, Egypt, G77 and China (represented by Algeria) and the EU underscored the role and added value of UN-Habitat in sustainable urban development and in particular thematic areas, including climate change adaptation. The Africa Group stressed that UN-Habitat should adopt an approach that is inclusive and equitable to all and does not focus on a single region or situation.

Morocco, USA, the Asia-Pacific Group, France, Cameroon, Argentina, Egypt and Uruguay encouraged the Secretariat to continue to
ensure the gender parity and balanced geographic distribution in terms of staffing and highlighted the need to improve gender balance at the P5 level and above. Germany requested clarification on why some female candidates who were offered positions at the P5 level and above turned down the offers and what actions could be taken to make the positions more attractive to female candidates. Morocco observed that the staff hired within the Africa region were mostly General Staff rather than Professional Staff, and that there would be an imbalance among the subregions. Portugal requested further details on how UN-Habitat is implementing the recommendations made by the Board of Auditors regarding non-staff personnel.

USA, Argentina and Uruguay, stressed the importance to continue the oversight on the protection against sexual exploitation and abuse and sexual harassment. USA requested more information on the “survivor-centred approach”, the reporting mechanism and the provision of assistance to the survivors.

The Russian Federation indicated that LGBT related issues should not be singled out from all other social groups and information on this matter should not necessarily be provided by the Secretariat.
USA welcomed the ongoing restructuring of UN-Habitat. The Asia-Pacific group recognized the ongoing efforts of the Executive Director to put more emphasis on post-conflict and post-disaster urban regeneration. Japan highlighted the importance of the regional offices for the Asia-Pacific region and urged the Secretariat to fill in the vacancy of the Regional Representative of the region. Cameroon requested for the list of the countries where the Common Country Analysis has been conducted and the criteria for selecting these countries.

Sweden raised the point that UN-Habitat should be more fit-for-purpose and be focused on the essential functions that need to be carried out. The EU also stressed the importance of following up the implementation of the recommendation from the Joint Inspection Unit (JIU) report, especially with regards to prioritising a limited number of areas of work where the expertise of UN-Habitat in sustainable urban development and implementation of the New Urban Agenda can best be utilized. The EU requested for more information regarding the actions taken to implement the JIU recommendations.

GRULAC, the Africa Group, the G77 and China (represented by Algeria) advocated for the new three-tier governance structure of UN-Habitat.
Mexico on behalf of GRULAC highlighted that the Committee of Permanent Representatives (CPR) allows all Member States to provide inputs. The G77 and China (represented by Algeria) calls for more informal CPR meetings before the open-ended meeting of the CPR in preparation for the second UN-Habitat Assembly. Japan and the EU also highlighted the importance of the preparation process for the second session of the UN-Habitat Assembly. The Africa Group stated that it is too early for the JIU to conduct a review on the new governance structure of UN-Habitat that was just established in 2019.

GRULAC and the G77 and China (represented by Algeria) commended the invitation to the local authorities to this Executive Board session.

Agenda Item 5 - Discussion and possible approval of the draft work Programme and
The Executive Director recalled the important shift that the Executive Board requested at its first session of 2022, to proceed with a proposed budget of USD 3 million in the Foundation non-earmarked. This request also aligned with the recommendations from the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Board of Auditors and the Joint Inspection Unit in their recent reports.

The Secretariat highlighted that the ACABQ did not express any objections to the proposed draft work programme and budget for 2023, as presented to the Executive Board at its first session of 2022. The draft work programme and budget is currently being considered by the General Assembly of the United Nations for final approval. However, the Secretariat noted that the ACABQ formulated recommendations to UN-Habitat, including tracking closely on the progress made in the implementation of the 2020-2025 Strategic Plan; strengthening resource mobilization and outreach efforts for non-earmarked contributions, including to the private sector; exploring further soft-earmarked funding; pursuing the cooperation
with the Resident Coordinator system to leverage shared expertise.

Scalability model

The Secretariat presented the guiding principles for a scalability model for UN-Habitat Foundation non-earmarked fund, considering that prior to any upscale, the fund should first return to solvency, the current loan is would eventually be repaid and a reserve is established. The Secretariat highlighted, that scaling-up, be it expansively or functionally, should be implemented in line with established strategic objectives, paying a budget process and reviewing how other UN organizations proceeded in similar efforts. Scaling up decisions should also result from a rationalization analysis of all existing positions across the programme, to ensure proper use of each source of funding.

The Secretariat updated that it is confident, that such an approach would maximise the capacity of UN-Habitat to accomplish even more in the future.

Interventions
USA welcomed the realistic draft budget submitted by UN-Habitat for 2023. It requested UN-Habitat to avail documents supporting the meetings of the ad hoc working group on the website of the session of the Executive Board. USA indicated it supports the proposed scalability model prepared by the Secretariat, provided the Executive Board is informed of any changes made to the budget. USA requested the Secretariat to provide more details regarding the P4 regular position in New York. USA indicated it supports UN-Habitat appeal to increase its budget through continued outreach, requesting more focus on the governance structure. USA expressed concerns that UN-Habitat has not yet received all the contributions due for 2022.

Pakistan, on behalf of the Asia-Pacific Group, requested more details on the implementation of the Flagship Programme focusing on people-centered smart cities. It requested UN-Habitat to make strong efforts in resource mobilisation, to increase non-earmarked funding from the private sector. Pakistan took note of the scalability model presented and requested UN-Habitat to rebuild the reserve fund to better face unplanned expenditures.

Brazil commended the Secretariat for the positive development in the management of the annual budget. It emphasized the
importance of the mandate of UN-Habitat given the context of increased urbanization. Brazil requested the Secretariat to clarify the next steps with regards to the increase in the Regular budget, as well as the role and limitations of soft earmarked funding in the scalability model. Brazil requested the Secretariat to update the Executive Board on these matters at its next session in 2023.

**Germany** renewed its appreciation for the proposed 2023 work programme and budget and aligned with the recommendation of the ACABQ to provide more information on programme and activities, as well as revenues and expenditures. Germany expressed concern that the budget for the non-earmarked Foundation fund set at USD 3 million, might prevent UN-Habitat from fulfilling its core mandate. Hence, Germany recommended UN-Habitat to use the revenues of 2022 (USD 6 million) as the baseline of revenues for 2023, which would be both realistic and ambitious. Germany requested the Secretariat to clarify the strategy foreseen for the repayment of the loan and the return to solvency. Germany called Member States to increase their contribution, as Germany did, to ensure predictable funding.

**Argentina** expressed its support to the work programme and budget for 2023 and commended the efforts of the Executive
Director to reach financial stability. Argentina stated that the scalability model is key to reach the entire scale and potential of UN-Habitat and expects that the UN General Assembly will approve the regular budget increase for 2023.

**Switzerland** commended the Secretariat for the presentation and welcomed the realistic budget, established in a transparent manner, supporting the recommendations from the ACABQ. Switzerland expressed concern regarding the under-representation of women in leading positions. With regards to the scalability model, Switzerland expressed its support, highlighting the need for reasonable reserves and the required diversification of sources of revenues through identified priority areas, such as Foundations. Switzerland sought clarification on UN-Habitat experience with crowdfunding. Lastly, Switzerland regretted that stakeholders are only invited to intervene at the very end of the plenaries of the intergovernmental meetings of UN-Habitat, while their interventions could be meaningful for the discussions of the member states, and hope that this issue can be addressed in the stakeholder engagement policy being developed.

Agenda Item 6 - Annual report for
The Executive Director provided an update on the progress made in the second year of the implementation of the Strategic Plan 2020-2023, highlighting its robustness and ability to adapt to current crises, such as COVID-19. Following the Secretary-General’s Common agenda, three areas were further prioritised: increasing access to adequate housing, adapting cities to address climate change, and localizing the Sustainable Development Goals. Urban crisis prevention and response was added as a fourth priority in 2022.

The Executive Director further underlined that the combination of the new strategic plan and restructuring continues to make UN-Habitat better prepared to advance its revised and expanded mandate and strengthens the synergies between UN-Habitat and other United-Nations entities within the framework of recent global agendas.

The Secretariat underscored the following:
The strategic plan remains a strong framework for recovery and a roadmap for achieving the SDGs. The implementation of the strategic plan has allowed for an increased visibly and collaboration within the UN system and in partnership with other sister agencies.

The COVID-19 pandemic caused a shift in priority areas of the implementation of the strategic plan navigating it towards crisis response.

In 2021, there was a significant increase in the evidence generated by UN-Habitat's frameworks and tools on urban data, enhancing the ability to monitor reporting on the NUA and the SDGs.

The impact stories presented show the results of the strategic plan.

UN-Habitat will indicated it will conduct an external midterm review of the strategic plan and its performance.

Interventions

The European Union sought clarification for the difference between two midterm evaluations, including the value of an additional evaluation for the same strategic plan.
Pakistan on behalf of the Asia and the Pacific Group, expressed appreciation for the three priorities set, and the capacity of UN-Habitat to overcome the impact of pandemic. Pakistan encouraged the use of innovative ICT approaches and suggested UN-Habitat better connect with other UN entities on climate change and waste management issues.

France noted that COVID-19, as well as financial constraints affected the strategic plan for 2021-23. France enquired about the lessons learned in the implementation of the strategic plan, the work on COVID-19 and the examples of UN-Habitat’s collaboration with other UN agencies.

Kenya affirmed that it would continue to support the three priorities for the SDGs. Kenya highlighted that they had prepared the 2021 NUA country report, with the guidelines provided by UN-Habitat.

Statements by Stakeholders

The World Blind Union (WBU) in a video statement, congratulated UN-Habitat and its partners on WUF 11 for its inclusivity among the blind people. The WBU asked for further mainstreaming of this inclusivity across its
work programme and through a joint venture with the WBU. It also asked that Member States continue to fulfil their obligations towards the Convention on the Rights of Persons with Disabilities, in particular Article 32, which includes ensuring adequate and sufficient core and soft earmarked funding.

Credits: UN-Habitat