

**2023 First Session of the Executive Board
of the United Nations Human Settlements Programme
28 – 29 March 2023**

Agenda item 3: Reports of the Chairs of the ad hoc working group of the
Executive Board

Statement by

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Chair of the ad hoc working group on programmatic budgetary and administrative
matters and Vice Chair of the Executive Board

Excellencies,

Distinguished delegates,

It is my pleasure to brief the Executive Board on the work of the ad hoc working group on programmatic, budgetary and administrative matters since the last session of the Executive Board which was held from 21 to 23 November 2022.

The ad hoc working group on Programmatic, Budgetary and Administrative matters has met six (6) times namely, on 6 February 2023, 1 March 2023, 7 March 2023, 8 March 2023, 15 March 2023 and 27 March 2023.

At its meetings, the working group discussed the following topics:

1. The programme budget implications of draft Decision 2022/6 by the Executive Board on the work programme and budget of the United Nations Habitat and Human Settlements Foundation for 2023;
2. The draft work programme and draft budget for 2024 ;
3. The financial status of UN-Habitat ;
4. The ressource mobilization;
5. The normative and operational activities of UN-Habitat, specifically the need for and possible benefits of the development of the Sustainable Development Goals Cities certification; and

6. The draft outcomes to be considered by the Executive Board at its first session for the year 2023.

Recommendations of the ad hoc working group on programmatic, budgetary and administrative matters:

Mr. Chairman
Excellencies,

I will now give a quick overview of the outcomes of the discussions of the working group in the intersessional period since November 2022 as follows:

1. On the programme budget implications of draft Decision 2022/6 by the Executive Board on the work programme and budget of the United Nations Habitat and Human Settlements Foundation for 2023, the Secretariat recalled that during the 2022 second session of the Executive Board, it had provided a technical note on the programme budget implication of paragraph 17 of Decision 2022/6 which “requests the Executive Director to provide an update on programmes and initiatives on the implementation of the New Urban Agenda, including with regard to the submission of national reports, at each session of the Executive Board”. The programme budget implications or “PBI” was issued in line with rule 12.5 of the Rules of Procedure of the Executive Board which provides that ‘the secretariat shall provide the Board with a written estimate of the cost of implementing the proposal’. In addition, rule 203.6 of the Supplement to the Financial Regulations and Rule of the United Nations states that ‘the Executive Director is responsible for preparing and presenting to the Governing Council [now United Nations Habitat Assembly, as delegated to the Executive Board] a statement of Foundation programme budget implications. The Secretariat further updated the ad hoc working group that it transmitted the technical note including the PBI of paragraph 17 of Decision 2022/6 to the ACABQ in February 2023, and that the ACABQ released its report with adjustments to the draft supplementary budget to reflect the standard posts cost for 2023. Therefore, the ACABQ recommended a draft supplementary budget level

for the Foundation non-earmarked of \$303,600 for the year 2023 and \$607,200 for the year 2024, which would bring the total foundation non-earmarked budget of UN-Habitat for the year 2023 to \$3,304,600 million. The Secretariat indicated that this new budget level includes additional four posts to support the implementation of paragraph 17 of Decision 2022/6 which, if approved, is expected to be implemented from mid-year 2023.

- In this respect, the ad hoc working group: requested the Secretariat to adjust and update the technical note and share further options for the budget implication for the implementation of paragraph 17 of Decision 2022/6 to facilitate consultations of the Executive Board on draft decisions for its first session of 2023. The options were shared by the Secretariat with all Member States on 24 March 2023.

Excellencies, I hope the discussion on the Supplementary budget may be formalised during this session of the Executive Board.

2. On the draft work programme and draft budget for 2024, the Bureau at its meeting on 9 December 2022, it recommended that the draft work programme and budget of UN-Habitat for 2024 be considered at the 2023 third session of the Executive Board. The ad hoc working group however held preliminary discussion on this topic to allow for the preparatory work on the 2024 work programme to proceed. In this regard the working group;

- a) Discussed the draft budget and draft work programme for UN-Habitat for 2024, based upon the Executive Director's recommended budget for the United Nations Habitat and Human Settlements Foundation non-earmarked budget for 2024 of USD 4 million.
- b) Highlighted that it had no objection to the proposed foundation non-earmarked budget for 2024 of an amount USD 4 Million, subject to the outcome of the discussions related to the proposed supplementary budget on the programme budget implication of paragraph 17 of Decision 2022/6
- c) Requested the Secretariat to elaborate and present the direction of the scaling up process for the draft budget for 2024. Specifically, how the lack of core

resources had so far adversely impacted UN-Habitat's operations., The working group specifically recommended that the scalability model should indicate what UN-Habitat was not able to do at present and what more the Organization could achieve with the provision of more resources.

Mr. Chairman,

I believe this recommendation of the ad hoc working group will enable the Executive Director to finalize a draft work programme and budget for 2024 in due time for finalization and presentation of the Executive Board at its 2023 third session.

Excellencies,

3. In its discussions on the financial status of UN-Habitat:

- a) the working group appreciated the progress made in returning the Organization to solvency.
- b) the working group also acknowledged the approved increase of the regular budget in 2023 by the General Assembly, as well as the surplus achieved by UN-Habitat for the Foundation non-earmarked which has enabled the funding of the financial reserve and a payment of the first instalment of repaying the \$ 3 million loan from Programme Support Cost.
- c) The working group acknowledged that such achievements reflected the efficient role of the Executive Board as an oversight body.
- d) The ad hoc working group encouraged UN-Habitat to continue on the positive trend that will build the trust between UN-Habitat and its donors while urging Member States to continue to adopt realistic budgets for the non-earmarked fund.

- e) The ad hoc working group underlined the need to strengthen UN-Habitat's regional offices that face challenges in the delivery of UN-Habitat's mandate.

Mr. Chairman, I take note that agenda item 4 of our ongoing session of the Board will cover this topic on financial status of UN-Habitat in detail.

Mr. Chairman,

4. On the resource mobilization

- a) the working group noted the increasing trend in the use of soft-earmarked funding as a pathway to building trust between Member States.
- b) the working group requested further information on how soft-earmarked funding sources were monitored considering that the funding source is outside the oversight purview of the Executive Board.
- c) The ad hoc working group further sought clarification on which programmatic activities the soft-earmarked funding supported between the normative and operational work. The Secretariat indicated that all funding sources – earmarked or non-earmarked – are aligned with the approved work programme of UN-Habitat which then informs the Strategic Plan and in turn reflects the hybrid mandate of UN-Habitat which is both normative and operational.

5. On the normative and operational activities of UN-Habitat, specifically the need for and possible benefits of the development of the Sustainable Development Goals Cities certification, the ad hoc working group had vibrant discussions on this topic and made a number of inquiries that would help with yielding more information that would support the Executive Board in further considering the potential of an SDG Cities certification.

In this regard, Excellencies, the working group:

- a) Sought clarification on what would be the procedure a city would need to follow to engage with UN-Habitat to get certified particularly as a new initiative that not many cities know of, particularly would there be a criterion for the selection of cities such as population or city size.
- b) Noted that some countries have already advanced in developing national urban indicators and in tracking the implementation of the SDGs.
- c) Sought clarification of the linkages between the voluntary local reviews and the SDG Cities Certification, in terms of merit and added value.
- d) Underlined that there are still many cities that are not aware of the SDGs and emphasized that hence there would be need for UN-Habitat to assess a city's understanding of sustainability before engaging in the Certification process.
- e) Enquired whether the Certification process proposed had been vetted against other Certification procedures of other entities to avoid the adoption of rigours and complex Certification processes.
- f) Sought clarification on the relations between the SDG Cities Certification and other UN-Habitat platforms and forums.
- g) Raised concerns regarding the security of data and the financial implications of the initiative for the foreseeable future.
- h) Enquired whether the UN-Habitat headquarters would facilitate the implementation and coordination of the SDG Cities or if another body such as the local 2030 Coalition secretariat or a new division within UN-Habitat would take up such responsibilities.

Mr. Chairman, I take note that agenda item 8 of our ongoing session of the Board will cover this topic in detail.

6.I therefore now move to the final topic discussed by the ad hoc working group on programmatic, budgetary and administrative matters which was **“draft decisions to be adopted by the Executive Board at its 2023 first session”**.

Mr. Chairman,
Excellencies,
Distinguished delegates,

As recommended by the Bureau, the ad hoc working group on programmatic budgetary and administrative matters considered the draft outcomes to be considered by the Executive Board at this session.

The ad hoc working group met three times and considered the draft decisions. Although we have made considerable progress there still remain areas to be ironed out.

After the final meeting on 27 March 2023, I formally communicated the draft decisions as at that date to the Chair of the Executive Board on 27 March 2023 for further consideration by the Board at this session.

The draft decisions, in English only as agreed, is contained in document HSP/EB.2022/CRP.2, namely, “Draft Decisions of the Executive Board at its 2023 first session” as follows:

1. **Draft decision 2023/[A]:** Financial status of the United Nations Human Settlements Programme, update on the financial reserve, updated scalability model for the non-earmarked budget of the Habitat and Human Settlements Foundation, analysis of the risks related to the Sustainable Human Settlements Foundation and overview of earmarked private sector contribution agreements
2. **Draft decision 2023/[B]:** Normative and operational activities of the United Nations Human Settlements Programme, including reporting on the programmatic activities of the Programme and the implementation of

subprogrammes, flagship programmes and technical cooperation activities

3. **Draft decision 2023/[C]:** Methods of work of the Executive Board and the workplan of the Executive Board for 2023

Mr. Chairman,

Excellencies,

Allow me to take this opportunity to sincerely thank Member States for their active participation and constructive engagement in the work of the ad-hoc working group on programmatic, budgetary and administrative matters.

Thank you, Excellencies.

Thank you very much Chairman.