



2021 SECOND SESSION OF THE EXECUTIVE BOARD, 15 - 16 NOVEMBER 2021

SUMMARY OF PLENARY DISCUSSION AND OUTCOMES

MONDAY, 15 NOVEMBER 2021

First Daily Journal (Draft)

On Monday, 15 November 2021, the second session of the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) for the year 2021 commenced in a hybrid format with delegates participating in-person at the UN-Habitat headquarters in Nairobi and on-line from across the globe.

Agenda Item 1: Opening of the session

The meeting started with the Chair of the Executive Board H.E. Mr. Marek Rohr-Garztecki, Permanent Representative of the Republic of Poland to UN-Habitat, welcoming participants and delegates.

In her opening statement, Ms. Zainab Hawa Bangura, Director-General of the United Nations Office at Nairobi (UNON), recalled the efforts made by UNON to continue

to provide services and facilitate important meetings in a safe manner during the on-going global COVID-19 pandemic. She congratulated UN-Habitat for achieving its targets set out in its 2021 work programme. She also commended the capacity of UN-Habitat to adapt despite financial constraints and the COVID-19 pandemic.



Ms. Zainab Hawa Bangura further recalled the recent conclusion of COP 26 held in Glasgow, United Kingdom, and stressed that the fight against global warming is the world's greatest urgency. She underlined the key role of UN-Habitat along with UNEP in climate mitigation and adaptation.

Ms. Martha Delgado, President of the UN-Habitat Assembly, noted that the urgency to improve living conditions in cities has grown with the COVID-19

pandemic. She underlined the need to revitalize cities and mobilize communities to tackle future crises. She welcomed the recalibration of UN-Habitat's strategic plan to make the agency fitter for new challenges and demands in cities. She thanked all Member States for their financial contribution and their support to realize the Programme's restructuring. She stated that UN-Habitat requires greater support to reduce poverty and inequalities in cities and welcomed the resource mobilization strategy put in place by the Programme.

Hon. Charles Hinga, Principal Secretary of the State Department for Housing and Urban Development and Head of the Delegation of the Republic of Kenya reaffirmed the important role and relevance of UN-Habitat in a rapidly urbanizing world. He stressed the need for more predictable funding to allow the Programme to achieve its mandate and called for further support from Member States to harness the potential gains of urbanization. He further commended the progress made by UN-Habitat towards the implementation of the resolutions adopted by the UN-Habitat Assembly at its first session in 2019 and called upon UN-Habitat to consider scaling up its country operations as part of its COVID-19 response plan to build back better. Finally, he reaffirmed the commitment of the Government of Kenya in the implementation of the New Urban Agenda and noted that Kenya will host the Africities Summit in Kisumu in May 2022.

UN-Habitat's Executive Director Ms. Maimunah Mohd Sharif delivered her welcoming remarks. She expressed her gratitude to local governments, professional groups, the private sector, and community leaders for their

support in the implementation of the New Urban Agenda. She noted the importance of UN-Habitat to help Member States meet the climate challenge and stated that 65 per cent of the Sustainable Development Goals are attributable to sustainable urbanization.



In addition, she recalled the invitation of the President of the General Assembly to the High-Level Meeting on the Implementation of the New Urban Agenda scheduled for 28 April 2022, stating that it is a major recognition by the General Assembly of the importance of the New Urban Agenda. In this regard she called on Member States to submit their New Urban Agenda report and reminded participants of UN-Habitat's readiness to support Member States in the implementation of the New Urban Agenda. She further underlined the unprecedented roles given by the Secretary-General to UN-Habitat, which includes being the penholder of the United Nations COVID-19 recovery plan, co-chairing the

Local 2030 Coalition, and leading the Task Force on the Future of Cities.

The Executive Director thanked the Chair and the members of the ad-hoc working group on the programmatic, budgetary and administrative matters for their guidance on the continued implementation of the 2020-2023 strategic plan. She also thanked Member States and donors for their earmarked and soft-earmarked support. She underlined the achievements made in governance reforms, organization restructuring, repositioning of the Programme through active advocacy and communication, as well as strengthened normative role and improved field presence.

Agenda item 2: Organizational matters

The Executive Board adopted the agenda for the session as set out in document HSP/EB.2021/12 and adopted the report on the work of its 2021 first session as reflected in document HSP/EB.2021/10.

The Executive Board also adopted its workplan for the two-day session.

Agenda item 3 - Reports by the chairs of the Ad- hoc working groups

H.E. Ms. Saqlain Syedah, 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 of the Executive Board, reported on the substantial work carried out by the working group in preparation for the session which included discussions on:

- The draft work programme and budget of UN-Habitat for the year 2022
- The alignment of the UN-Habitat planning cycles with the Quadrennial Comprehensive Policy Review
- The normative and operational activities of UN-Habitat
- The draft outcomes to be considered by the Executive Board at its second session for the year 2022.



The discussions on the above topics have contributed to the discussions and potential outcomes of the on-going session. Specifically, regarding the draft decisions, the ad-hoc working group forwarded the following draft decisions to the Executive Board as contained in the document HSP/EB.2021/CRP.5 for its further consideration:

- Draft Decision 2021/6 on the work programme and draft budget, implementation of the strategic plan for the period 2020–2023, and alignment of the planning cycles of the Programme with the quadrennial comprehensive policy review process
- Draft Decision 2021/7 on the implementation of normative and operational activities of the United Nations Human Settlements Programme, reporting on the programmatic activities of the Programme in 2021, implementation of sub-programmes, flagship

programmes and technical cooperation activities and the High-Level Meeting of the General Assembly on the implementation of the New Urban Agenda

- Draft Decision 2021/8 on the methods of work of the Executive Board and the workplan of the Executive Board for 2022.

In her contribution to the discussions under Agenda item 3, the Executive Director briefed the Executive Board on the alignment of the strategic planning cycles of UN-Habitat with the QCPR process. She welcomed the consensus reached by Member States on the need to align the UN-Habitat planning cycles with the QCPR process, noting however that further discussions were needed to determine the best way forward for such an alignment. She requested the Executive Board to provide a recommendation to the UN-Habitat Assembly on how the Secretariat should prepare for the second session of the UN-Habitat Assembly, specifically on the guidance on whether to prepare for a two-year extension of the current strategic plan or an interim strategic plan for the period 2024-2025.

The Executive Director recalled that both the President of the UN-Habitat Assembly and herself would prefer to opt for Scenario 3, which proposes to extend the current strategic plan for another two years covering the period 2024 to 2025. This is because the four domains of change remain relevant and in line with the current QCPR 2021-2024. In addition, she stressed that it will be important for Member States to incorporate the impact of COVID-19 in the extended strategic plan, in

addition to the renewed focus on climate action, and the outcome of the High-Level Meeting of the General Assembly on the Implementation of the New Urban Agenda in April 2022.

Interventions by Member States

On behalf of GRULAC, **Brazil** expressed appreciation to UN-Habitat and UNON for the practical arrangements of the second session of the Executive Board for the year 2021 and reiterated its firm support to the work of UN-Habitat in enhancing sustainable urbanization, implementing the New Urban Agenda, and achieving SDG11 during this Decade of Action. In addition, the Group underlined the unique role of UN-Habitat and stated that the urban perspective was essential for addressing global challenges, such as climate change and COVID-19. The Group further noted that discussions related to the draft budget for 2022 were central to this session and stated that a realistic budget should mean sufficient resources for UN-Habitat to be able to deliver its important mandate. Finally, the Group expressed confidence that the High-Level Meeting on the Implementation of the New Urban Agenda in 2022 would be a good opportunity to raise political awareness on sustainable urbanization.

Egypt thanked the Executive Director and the Secretariat for their efforts in preparing this hybrid session and appreciated the work of the ad-hoc working group on programmatic, budgetary and administrative matters. It reiterated its support to the Secretariat's

proposal to align UN-Habitat planning cycles with the QCPR and expressed flexibility regarding the proposed scenarios, with a preference for Scenario 3 which is to extend the current strategic plan until 2025 as preferred by the Executive Director. In addition, Egypt noted with concerns the attempts to introduce amendments to the current governance structure of UN-Habitat and reaffirmed its commitment to the agreed Resolution 73/239 of 2018 and called for Member States to respect the roles of the three governing bodies of UN-Habitat.

The **United States of America (USA)** noted that the ad-hoc working group on programmatic, budgetary and administrative matters was not able to reach consensus on the way to align the UN-Habitat planning cycles with the QCPR and expressed concern regarding the cost implication of holding two sessions of the UN-Habitat Assembly in 2023 and in 2025. They also suggested the possibility of a hybrid UN-Habitat Assembly in 2025 to save resources emphasizing that options were to be discussed again during the informal consultations on the draft decisions scheduled on the first day of the session.

Germany expressed its support to the alignment of the planning cycles with the QCPR and to extending the current strategic plan since the latter would have only been partially implemented by 2023. Germany also supported the possibility to have a shorter UN-Habitat Assembly in 2025 and suggested that the Executive Board should present all options as discussed by the ad hoc working group to the UN-Habitat Assembly for consideration.

Turkey underlined that the Country gives great importance to sustainable and equitable housing for all and further took note of the Executive Director's recent successful visit to Turkey that exemplified the strong partnership with UN-Habitat. Turkey further referred to the Waste-Wise Cities Award recently received by the First Lady of Turkey. Turkey indicated that it had made a voluntary contribution of USD 200,000 USD in September 2021 and was working towards the creation of a UN-Habitat country office in Istanbul to facilitate the work of UN-Habitat in the country.

Switzerland referred to the successful 2021 Urban October celebrations and thanked the Executive Director for her recent visit to Switzerland. Switzerland expressed its support to the alignment of the UN-Habitat planning cycles with the QCPR and was hopeful that a decision on the different options would be reached by the next session of the UN-Habitat Assembly. It expressed a preference for the Executive Director's proposal to extend the current strategic plan until 2025 and supported the option to have a shortened session of the UN-Habitat Assembly in 2025 in lieu of the CPR meeting expected that year.

The Executive Board elected Switzerland as Chair of the ad-hoc working group on the development of a stakeholder engagement policy and encouraged the ad-hoc working group to resume its work as soon as practical.

Agenda item: 4

Financial, budgetary and administrative matters including the implementation of the resource mobilization strategy in accordance with the strategic plan

The Executive Director provided an update on the events which took place during Urban October 2021 as well as the contribution of UN-Habitat to the recently concluded COP 26. She recalled that the 2015 Paris Agreement and the 2016 Quito Declaration that gave birth to the New Urban Agenda are inter-related, and that UN-Habitat is committed to help Member States submit their New Urban Agenda reports, which can be complemented with Voluntary Local Reviews. She explained that 84 per cent of the new set of Nationally Determined Commitments have a strong or moderated urban component, which represents an increase of 69 per cent compared to 2016.

The Executive Director stated that UN-Habitat is committed to increasing the impact of sustainable urbanization towards climate targets and will ensure that an integrated approach is taken at the High-Level Meeting on the implementation of the New Urban Agenda and at WUF11, both to be held in 2022.

The Executive Director expressed her appreciation to the President of the UN-Habitat Assembly who reiterated that UN-Habitat deserves to be funded as the Programme is crucial to help humanity adapt to the challenges of climate change. The Executive Director thanked the President for dedicating resources to help fundraise in support of the Foundation non-earmarked foundation.

Financial Status

The Secretariat provided an update on the financial and administrative situation of UN-Habitat. As of 31 October 2021, UN-Habitat had received USD 143.8 million, which represents 74.8 per cent of the prorated revenues, considering that the approved revenues for 2021 amount to USD 230.7 million. For the same period, expenditures reached USD 146.9 million. The Secretariat highlighted that UN-Habitat received more donations in 2021 than in 2020, which is a sign of the strong commitment of UN-Habitat donors.

Staffing

The Secretariat shared an update on the Executive Director's efforts to ensure a geographically and gender diverse workforce. UN-Habitat's gender representation stands at 160 females (51.8 per cent) and 149 males (48.2 per cent) across all funding segments as of July 2021. However, at the professional level, including National Officers, female staff represent 48.2 per cent and male staff represent 51.8 per cent.

In terms of geographical distribution, UN-Habitat staff members represent 63 Member States, among which 34 per cent are under-represented or within range. Various actions are underway to improve geographical diversity among UN-Habitat staff members, including improved advocacy and outreach to expand the candidate pool, training for hiring managers, and participating in job fairs to attract wider pools of candidates.

Resource mobilization strategy

The Secretariat gave a presentation on the Resource mobilization strategy, stating that the goal of the strategy is to improve predictable, flexible, and long-term funding for UN-Habitat to implement its strategic plan, focusing more specifically on the existing shortfalls between the approved budget and the actual funds received. In addition, the strategy highlights the commitment of UN-Habitat to ensure that sustainable urbanization is better positioned in national development strategies, following the principles of the UN Funding Compact agreed between the Secretary-General and Member States in 2019. The strategy aims

at diversifying the number and types of donors to minimize risk and secure broad ownership of the Programme's mandate.

The Secretariat indicated that in 2021, the Executive Director increased her efforts to consult with Member States and the Regional Groups regarding the funding for the organization. As a result, the level of earmarked funds for 2021 is projected to be slightly higher than in 2020. UN-Habitat expressed its appreciation to those Member States who renewed their contributions, submitted exceptional soft-earmarked contributions, and came back or joined the core funding of UN-Habitat. To date, UN-Habitat has received 26 per cent of the Foundation non-earmarked funds against an approved budget of USD 10 million.

The Secretariat highlighted that 6 out of the top 20 donors of UN-Habitat are foundations, intergovernmental organizations, the private sector, civil society, or UN agencies. As a result of the work of UN-Habitat to diversify its donor base and to find innovative funding mechanisms, the Foundations and Philanthropy Platform committed to establishing a Feasibility Fund as part of the City Investment Facility. Crowdfunding mechanisms are now operational, and the Sustainable Human Settlements Foundation is now registered after review of the Office of the Legal Advisor of the UN.

UN-Habitat is further pursuing its efforts to improve communication on the impact of the Programme's work. In this regard, the Key Performance Indicators for resource mobilization have now been finalized.

To support ongoing efforts towards an improved mobilization of resources, the Secretariat called on Member States to help amplify the role and mandate of UN-Habitat and further called for support to UN-Habitat through non-earmarked and soft-earmarked contributions and increased engagement with the private sector.

Ongoing restructuring

The Secretariat recalled that in February 2021, an internal policy paper on the Guiding Principles to Realign and Enhance the Agency's Regional Architecture was presented to the UN-Habitat Executive Committee and endorsed by the Executive Director. The paper provides guidance on the establishment and management of all UN-Habitat presence away from headquarters, including project, country, sub-regional and regional offices. The aim of the restructuring is to ensure optimal deployment of policy and operational assets to help countries deliver on the 2030 Agenda, in line with the reform of the United Nations development system reform.

The Secretariat provided an update on the ongoing restructuring strategy in Europe and Central Asia, and in Latin America and the Caribbean. The Secretariat indicated that the restructuring strategies for the Arab States, Asia-Pacific, and African Regions are currently being refined. It further drew the attention of the Executive Board to the fact that the lack of unearmarked funding reduces the capacity of UN-Habitat to

implement the recommendations from the regional strategies.

Cost recovery policies and methodologies

The Secretariat provided an update on the application of the United Nations Secretariat cost recovery methodology through the application of programme support costs charges to voluntary funded earmarked projects. The Secretariat indicated that the projected revenue of USD 10.6 million in 2021 does not cover the expenditure being incurred to maintain staff members encumbering “frozen” posts within the Foundation non-earmarked fund. The Secretariat stressed that this situation would not be sustainable in 2022.

Interventions by Member States

Brazil took note of the persistent imbalance regarding the proportion of staff members from Latin America within UN-Habitat. It suggested the Secretariat to provide the Executive Board with additional information in future presentations to enhance transparency and monitoring of measures taken.

The **Republic of Korea** welcomed the proposed resource mobilization strategy, recalled their consistent contribution to the non-earmarked budget of the Programme, and encouraged the Secretariat to pursue

their efforts towards better gender and geographical balance.

Recalling the report of the Board of Auditors (BOA), the USA expressed concerns regarding the lack of capacity of UN-Habitat to provide the documentation requested by the BOA in a timely manner. The USA also expressed concern regarding what they feel is a continuous unrealistic budget and urged the Programme to propose a more realistic budget. The USA thanked the Executive Director for providing the report on cost recovery and requested that the provision of the report becomes standard practice.

Germany welcomed the efforts made to address the financial challenges of UN-Habitat. Germany expressed concerns regarding the financial situation of the Programme and asked the Executive Director if the deficit in non-earmarked funding would affect the capacity to implement the strategic plan in the long term. Germany stressed that an increase in transparency and trust towards Member States is critical in this situation. Germany asked whether the Foundations and Philanthropy Platform as well as the crowdfunding mechanism have led to any additional contribution and requested more details on the impact of the reduction of staff on the implementation of the strategic plan.

Japan expressed their gratitude to the Executive Director and the Secretariat for organizing this session. Japan highlighted the important role of the UN-Habitat Regional Office for Asia and Pacific based in Fukuoka. Japan recognized that effective measures are required

for successfully implementing the strategic plan, recognizing the effort of UN-Habitat to diversify fundings. Japan noted that the gap between set goals and achievements made is still important and encouraged the Executive Board to set budget ceilings for 2023. Japan further indicated that they support UN-Habitat's efforts towards a more balanced staff gender distribution.

Argentina congratulated the Chair and the Bureau for organizing the session as well as the Secretariat for the presentations given. Argentina seconded the statement of Brazil on behalf of GRULAC as well as their comments on geographical distribution. Argentina expressed the hope that the financial situation of UN-Habitat will soon be resolved considering the important role the Programme plays in achieving the SDGs. Argentina called for a renewed effort by Member States to increase their voluntary contributions and thanked the Secretariat for its efforts on the resource mobilization.

France welcomed UN-Habitat's proposal towards a better alignment with the QCPR. France agreed that the issue of a better geographical alignment is critical. To improve the financial situation of UN-Habitat, France reiterated its support to mobilize new partners and suggested the mobilization of intra-national private sector entities as well as development banks. France finally enquired about ongoing reflections on the implementation of the strategic plan in offices away from headquarters.

Sweden shared its appreciation for the presentations and expressed concerns regarding the financial situation of UN-Habitat. Sweden took note that the Programme was still generating income in the context of the global pandemic. Sweden recognized the critical contribution of UN-Habitat in helping mitigate climate change and supporting vulnerable communities to adapt to the consequences of climate change, reiterating its strong support to Sub-programme 3: Strengthened climate change and improve urban environment. Sweden called on Member States to further contribute to non-earmarked funds, which are needed to implement the strategic plan. Sweden stated its full support for UN-Habitat to complete the ongoing reorganization, as well as the efforts made towards a better gender and geographical balance.

Egypt stated its appreciation for the presentation by the Secretariat on the financial, budgetary and administrative matters and urged the Secretariat to continue its efforts. Egypt indicated its full support for UN-Habitat to develop the Programme's role as an international centre of excellence, and as a leading agency on SDG11, towards inclusive, safe, and sustainable cities.

Switzerland stated that their contribution for 2021 had increased, with their first soft-earmarked contribution of USD 3.3 million in support of the implementation of the New Urban Agenda in Latin America. Switzerland invited other Member States to consider soft earmarking as an innovative way of contributing. Switzerland expressed concerns that the UN-Habitat Foundation non-earmarked funds might be in deficit by the end of the

year 2021. Switzerland invited the Secretariat to elaborate on the possible impact of this deficit on its programme of work.

Kenya expressed gratitude for the clear presentations and thanked UN-Habitat for the support provided through the Kenya country office, the Nairobi River Regeneration Project, and the Go Blue project. Kenya stressed that the financial position of UN-Habitat is concerning, especially the Foundation non-earmarked funds. Kenya indicated that it remains committed to its pledges and urged Member States to consistently make voluntary contributions to allow UN-Habitat to deliver its mandate. Kenya recognized that the resource mobilization strategy is a critical instrument in addressing the financing gap. Kenya took note of efforts made by the Executive Director in mobilizing resources and encouraged this initiative, asking the Secretariat to regularly provide Member States with updates on fundraising efforts.

Nigeria expressed concern regarding the resources which are still needed for UN-Habitat to achieve the activities and targets of the current strategic plan. In this regard, Nigeria asked the Secretariat to share an update on the pledges made during the inaugural session of the UN-Habitat Assembly in 2019. Nigeria also invited UN-Habitat to further engage in face-to-face meetings and interactions with countries at the highest political level to strengthen the resource mobilization efforts. Finally, Nigeria asked the Secretariat to provide an update on the proposed Multi-Country Offices (MCOs) of UN-Habitat including how many countries have indicated interest so far, especially in the African region. Nigeria

also requested for an update about the Flagship Programmes launched at WUF 10 in 2020.

Agenda item 5: Discussion and possible approval of the draft work programme of UN- Habitat and the draft budget of the United Nations Habitat and Human Settlements Foundation for 2022

Draft Work Programme for the year 2022

The Executive Director recalled that the Committee of Permanent Representatives (CPR), at its first meeting for a high-level midterm review in June 2021, noted that the UN-Habitat Strategic Plan 2020-2023, with its 4 domains of change and 12 outcomes, has proven to be

robust and relevant to help Member States build back better, greener and in a more inclusive manner.

The Secretariat presented the draft annual work programme for the year 2022, recalling that it had been developed through internal and external consultations, expert group meetings, and deliberations by the ad-hoc working group on programmatic, budgetary, and administrative matters to ensure that UN-Habitat provides support to Member States in 2022 through the four sub-programmes.

The Secretariat indicated that the integration of UN-Habitat's normative and operational work will be fast-tracked through the following flagship programmes, which will be mainstreamed across the four sub-programmes:

- SDG Cities (Sustainable Development Goal Cities)
- Resilient settlements for the urban poor
- Inclusive cities: enhancing the positive impacts of urban migration

Draft Budget for the year 2022

UN-Habitat presented the draft budget for the year 2022 and the four sub-packages of the draft budget as requested by Member States and based on the Executive Director's prioritization of the programme of work.

The Secretariat further provided an overview of the four sub-packages of the foundation non-earmarked draft budget for the year 2022 as follows:

- Sub Package A: USD 4.5 million
- Sub Package B: USD 3.1 million
- Sub Package C: USD 2.7 million
- Sub Package D: USD 1.9 million

The Secretariat concluded that the overall resource requirements for UN-Habitat for the year 2022 are projected at USD 255.5 million, reflecting an increase of 12.0 per cent over the USD 228.2 million estimated for the year 2021. This projection represents continued demand for normative activities and other activities within the technical cooperation budget, in the areas of UN-Habitat advisory services, and support for capacity-building and operational activities at the local, subnational, and national levels.

Interventions by Member States

USA supported the approval of the draft annual work programme and budget for the year 2022 as presented by the Executive Director with the Foundation non-earmarked budget of an amount of USD 12 million and commended the Secretariat for the helpful presentations on the sub-packages. USA suggested that the Executive Board hold six days of meeting per year to allow adequate time for deliberations. USA further called for a reduction of the meetings of the CPR to allow the

Executive Board to fulfill its oversight role. USA also encouraged the Secretariat to present concise pre-session documentation at the next sessions of the Executive Board.

The **European Union (EU)** expressed its appreciation to the Bureau, the Executive Director, and the Secretariat for the preparations of the hybrid session of the Executive Board. The EU shared an update on its progress in the implementation of the New Urban Agenda including through delivered actions and adoption of a cohesion policy. The EU indicated that it supports active stakeholder engagement in the work of UN-Habitat and expected the resumption of the work of the ad hoc working group on the development of a stakeholder engagement policy.

Egypt thanked UN-Habitat for the work done in the development of the draft annual work programme and budget for the year 2022 and supported its adoption with the Foundation non-earmarked budget of an amount of USD 12 million.

Korea commended the Executive Director for the inclusive approach in preparing the draft work programme and budget for the year 2022. Korea applauded UN-Habitat for its support to Member States in the implementation of the New Urban Agenda over the last six years. Korea also provided an update to the Executive Board regarding its partnership with UN-Habitat on the development of National Urban Policy Programmes (NUPP).

Germany welcomed the draft programme and budget for the year 2022 and appreciated the inclusion of the challenges related to the COVID-19 pandemic in the draft. It supported the proposed ceiling of USD 12 million for the Foundation non-earmarked budget. Germany invited the Executive Director to brief the Executive Board regularly on the funding situation of the Programme. Germany also requested UN-Habitat to ensure forthcoming events such as the High-Level Meeting on the implementation of the New Urban Agenda and the eleventh session of the World Urban Forum in 2022 be interlinked to elevate the role and mandate of UN-Habitat in sustainable urban development.

France indicated its support to the draft work programme and budget for the year 2022 and welcomed UN-Habitat's strategy for raising resources.

Kenya stated its support to the draft work programme and budget for the year 2022 with the Foundation non-earmarked budget of an amount of USD 12 million, noting that the importance of the mandate and role of UN-Habitat had increased over time. Kenya also called upon the Secretariat to fill all reported vacant positions.

Argentina supported the approval of the draft work programme and budget for the year 2022 as presented by the Secretariat.

Morocco commended the briefing by the Secretariat on the draft work programme and budget for the year 2022 and encouraged the Executive Director to further update the Executive Board on the implementation of the draft annual work programme for the year 2022 given the current revenue levels.

Sweden noted that UN-Habitat was an important member of the UN family. Sweden encouraged the Executive Director to continue mobilizing adequate resources. Sweden also called upon UN-Habitat to check examples from other UN entities that recovered from financial shortfalls as a best practice to be followed.

Mexico welcomed the proposal by UN-Habitat on the draft work programme and budget for the year 2022. It further recognized the leadership and hard work carried out by the Executive Director, which Mexico considers transparent, including on administrative matters.

Angola aligned itself with other Member States who supported the proposal by the Executive Director.

Agenda item 6: Implementation of the strategic plan for the period 2020–2023

6 (a) Annual report for 2020 on the strategic plan for the period 2020–2023

Under this item, the Executive Director brought three documents to the consideration of the Executive Board:

- **The 2020 annual report on the implementation of the 2020-2023 Strategic Plan:** The annual report demonstrates the need for an even more integrated way of working across the four domains of change and the strengthening of linkages between operational and normative activities. The full roll-out of the results framework with 64 core indicators will enhance the capacity to strategically steer the implementation of activities for the remaining period of the strategic plan 2020-2023 and beyond.
- **The recalibration of the strategic plan for the period 2020-2023:** UN-Habitat proposed using three lenses to guide the recalibration of the Strategic Plan, which will allow for the Programme's support to Member States to be adjusted and strengthened. The recalibration of the strategic plan will help UN-Habitat rebalance investments and establish a better connection to knowledge, assets, and capacities.
- **Analysis of linkages between UN-Habitat's operational and normative activities:** The analysis of linkages between UN-Habitat's operational and normative activities presents a new approach to

increasing impact in support of sustainable and inclusive recovery by integrating programming across thematic areas at the country and headquarter levels, and by ensuring cross-cutting achievements in climate action.

Member States welcomed the recalibration of the strategic plan 2020-2023 as presented by the Secretariat but cautioned on the reduction of its outcome areas and highlighted the need to ensure the cross-cutting integration of gender and climate dimensions in all activities. Several Member States requested more information on the recalibration of programming and its implications on the implementation of the draft work programme and budget for the year 2021.

6 (b) Actual annual income and expenditure in support of the draft financial plan

The Executive Director stressed that earmarked fundings remained stable while non-earmarked contributions had stagnated. She indicated that despite four years of governance reform, restructuring of the Programme, and better positioning of the mandate, the non-earmarked contributions had failed to improve.

The Secretariat provided an overview of the draft financial plan for implementation in 2020-2023. The Secretariat recalled that UN-Habitat provided a proposal

for a concept note on the proposed format, scope and content of the financial plan as contained in HSP/EB/2020/7 for consideration by the Executive Board as its second session in 2020. The Executive Board at its second session took note of the draft concept note and in its Decision 2020/3 further recommended including an explanation of actual annual income and expenditures. The Secretariat indicated it is presenting the draft financial plan for further consultations, for Member States to decide on the methodology and format of the plan, including the formal implementation date of the financial plan.

The Secretariat provided different scenarios for the financial plan based on hypotheses of achievement of 60 per cent, 80 per cent, 100 per cent and 120 per cent of the estimated overall cost of the strategic plan. The Secretariat indicated that this methodology was adopted to further stimulate discussion and support the identification of potential challenges, bearing in mind the levels of uncertainty in forecasting of future political, economic, and environmental factors.

The Secretariat explained that due to the COVID-19 pandemic and the impact on the global economy, the current revenue and expenditures of the Programme are below the requirements for a full implementation of the strategic plan. In 2020, actual expenditure was USD 206 million, 20 per cent below the approved expenditures; in September 2021, expenditures reached USD 135.7 million, while the approved expenditure for the year was USD 230.7 million.

The Secretariat informed the Executive Board that UN-Habitat will consult the United Nations Controller on the draft format and methodology of the proposed draft financial plan to ensure alignment with United Nations financial reporting and current reforms initiated by the Secretary-General. It suggested that the first UN-Habitat financial plan be presented in conjunction with the next UN-Habitat strategic plan.

The Executive Board approved the methodology and format of the draft financial plan as presented in the report of the Executive Director.

Interventions by Member States

Costa Rica congratulated the Executive Director and UN-Habitat on the work being carried out and fully supports the role of UN-Habitat in the UN system. Further, Costa Rica welcomed the recalibration of the strategic plan 2020-2023, noting a direct collaboration on this matter with a pilot project being developed to apply the three-lens approach in Costa Rica.

Germany expressed concerns that UN-Habitat will only partially deliver on the strategic plan 2020-2023, noting the issue of limited resources. Germany supported the extension of the timeline for the strategic plan until 2025 and promotes soft-earmarked contributions.

Pakistan highlighted its collaboration with UN-Habitat with the development of “green building practices” as well as more broadly with the creation of new national urban policies and the production of the “Clean Green Pakistan Index”. Pakistan also indicated seeking UN-Habitat’s continuous support in guiding and implementing the New Urban Agenda and the SDGs more widely.

USA commended UN-Habitat’s response plan to the COVID-19 pandemic and welcomed UN-Habitat’s efforts in building partnerships across the UN system. USA requested further explanations on the cost and benefits of the proposed recalibration of the strategic plan 2020-2023.

Indonesia also commended UN-Habitat’s COVID-19 response plan and welcomed the efforts by UN-Habitat in building partnerships across the UN system. It also highlighted the valuable nature of UN-Habitat’s publications, such as the 2020 Annual Report on the implementation of the strategic plan and the World Cities Report 2020, that help inform governments at the national and local level. Indonesia also called for further mainstreaming of South-South cooperation.

France welcomed increased linkages between UN-Habitat’s normative and operational work as well as the recalibration of the strategic plan 2020-2023 more broadly as long as it does not change the forecasted budgetary expenditures. France encouraged the Secretariat to further integrate the cross-cutting topics

such as climate change and gender in all activities of the organization.

Morocco highlighted the impact of the COVID-19 pandemic on the financial contributions to UN-Habitat and raised concerns over the serious obstacles this had created for UN-Habitat to carry out its mandate. Morocco commended UN-Habitat for being adaptable, especially considering the on-going COVID-19 pandemic.

Sweden acknowledged the resource constraints that UN-Habitat currently faces and commended the Programme for carrying out the implementation of the strategic plan 2020-2023. Sweden supports the recalibration of the strategic plan 2020-2023.



Credits:

UN-Habitat