Agenda Item 2:

Adoption of the Draft Minutes of the 43rd Regular Session of the Committee of Permanent Representatives (CPR), which was held on 15 December 2011 (HSP/CPR/44/2).
Draft minutes of the forty-third regular meeting of the Committee of Permanent Representatives to the United Nations Human Settlements Programme, held on 15 December 2011

Opening of the meeting

1. The meeting was opened at 9.45 a.m. on Thursday, 15 December 2011, by Ms. Yvonne Khamati-Kilonzo, Deputy Permanent Representative of Kenya to the United Nations Human Settlements Programme (UN-Habitat) and Chair of the Committee of Permanent Representatives.

2. The meeting was attended by 80 participants from 57 countries and 1 observer mission.

3. The Chair welcomed the following new permanent representatives to the Committee: Mr. Ferdinand Montcho (Benin), Mr. Raul Rodriguez Ramos (Cuba), Ms. Sofie From-Emmesberger (Finland), Mr. Gil Haskel (Israel) and Mr. Joost Reintjes (Netherlands). She bade farewell to the following permanent representatives who had departed the Nairobi duty station, thanking them for their contribution to the Committee’s work, which had greatly assisted the Committee in discharging its mandate: Mr. Masroor A. Junejo (Pakistan), Mr. George William Kayonga (Rwanda), Mr. Milan Zachar (Slovakia) and Mr. Kosit Chatpaiboon (Thailand).

Item 1: Adoption of the agenda

4. The agenda was adopted, as orally amended, on the basis of the provisional agenda set forth in documents HSP/CPR/43/1/Rev.1 and Add.1.

Item 2: Adoption of the draft minutes of the forty-second regular meeting of the Committee of Permanent Representatives, held on 7 September 2011

5. The minutes of the forty-second meeting were adopted on the basis of the draft minutes set out in document HSP/CPR/43/2.

Item 3: Adoption of the work schedule for the Committee of Permanent Representatives for 2012

6. Following an introduction to the item by the representative of the secretariat, a number of representatives expressed the wish to convene, before 22 August 2012, an extraordinary session of the Committee so that it could receive a progress report on the preparations for the sixth session of the World Urban Forum, to be held in Naples, Italy, from 1 to 7 September 2012. One representative, supported by another, proposed that the first draft of the governance review process should be made available before the Committee’s forty-fifth regular session, to be held in June 2012.

7. The work schedule was adopted on the basis of the amended draft work schedule set forth in document HSP/CPR/43/3.
Item 4: Election of the Bureau of the Committee of the Permanent
Representatives for the biennium 2012–2013

8. The following members were elected to the Bureau for the biennium 2012–2013:
   
   Chair:    Mr. Kim Chan-woo  (Republic of Korea)
   
   Vice-Chairs:  Ms. Yvonne Khamati-Kilonzo (Kenya)
               Mr. Sergey Trepelkov  (Russian Federation)
               Mr. Konrad Paulsen  (Chile)
   
   Rapporteur: Mr. Joe Murphy   (United States of America)

Item 5: Informational briefing by the Executive Director to the Committee

9. Before beginning his briefing, the Executive Director introduced Ms. Aisa Kirabo Kacyira, the
   new Deputy Executive Director of UN-Habitat.

10. After the Deputy Executive Director had outlined her past experiences and her vision for her
    new post, several representatives welcomed her, praising her accomplishments and wishing her well in
    her new role. A number expressed their willingness to work constructively with her in pursuance of
    the mandate of UN-Habitat.

11. The Executive Director summarized the progress of the missions that he was currently heading
    and gave a slide presentation on a field visit undertaken in November 2011 to the project sites of the
    Lake Victoria Water and Sanitation Initiative, on which he had accompanied the Committee members.

12. He then described relevant developments at the sixty-sixth session of the General Assembly.
    He informed the Committee that the draft resolution on the implementation of the outcome of the
    United Nations Conference on Human Settlements (Habitat II) and strengthening the United Nations
    Human Settlements Programme (UN-Habitat) had been approved by the Second Committee without a
    vote on 6 December and forwarded to the General Assembly. According to that draft resolution, the
    General Assembly would decide to convene, in 2016, a third United Nations conference on housing
    and sustainable urban development to reinvigorate the global commitment to sustainable urbanization
    that should focus on the implementation of a new urban agenda.

13. He summarized the progress made in the preparations for the sixth session of the World Urban
    Forum, which included the signing of the conference agreement between the Government of Italy and
    UN-Habitat, the dispatching of letters of invitation to member States and United Nations agencies and
    arrangements in relation to networking events.

14. With regard to the organizational review, he informed representatives that UN-Habitat was in
    the midst of a thoroughgoing reform process. It had adopted a new project-based approach, and a new
    category of staff, known as project directors, had been established to ensure the successful
    management of projects. The project portfolio had been reviewed and it contained 188 active projects,
    funding for which totalled approximately $600 million.

15. He noted that UN-Habitat was the fourth United Nations body to adopt a project accrual and
    accountability system to provide information on the various aspects of its work. It was also the
    twenty-seventh body to sign a memorandum of understanding with the International Aid Transparency
    Initiative, aimed at ensuring greater transparency and accountability in urban governance, a process in
    which the Government of Sweden had assisted.

16. The management objectives for broadening the portfolio of UN-Habitat had been set out, and
    focused on existing and new areas of competence, including urban legislation, urban planning and
    design, economy and municipal finance, transportation, mobility and the provision of energy in urban
    areas. A new organizational structure would be launched on 1 January 2012; a transition period was
    planned because of the complexity of the process. The regional offices would have an extended role to
    play from 2012 and would report directly to the Deputy Executive Director. They would no longer be
    simply management projects in the field, but would represent UN-Habitat in the regions in a bid to
    increase efficiency.

17. The budget deficit at the end of 2010 had stood at $6.2 million. As at the end of 2011,
    however, the budget had been balanced as a result of sound financial planning, the restructuring of
    budget lines and a hiring freeze when posts became vacant, with regard to which UN-Habitat staff
    members had been understanding and supportive.
18. In the ensuing discussion, the representative of Spain said that his Government had pledged 6 million euros to UN-Habitat, the economic downturn notwithstanding, to demonstrate its support for the programme’s work. He also emphasized the impact of the United Nations Conference on Sustainable Development on the UN-Habitat work programme.

19. The representative of Italy reiterated his Government’s commitment to ensuring the success of the sixth session of the World Urban Forum.

20. Many representatives said that the sixth session of the World Urban Forum and the United Nations Conference on Sustainable Development afforded a valuable opportunity to discuss urban development constructively and to make UN-Habitat a more important stakeholder in that field internationally. One called for UN-Habitat to set viable objectives for the gatherings to ensure specific and effective results. Another said that they should be seen as opportunities to exchange experiences and ideas, not as venues for negotiation, so as to ensure innovative solutions to the challenges that UN-Habitat faced. The Forum’s six overarching themes constituted the correct approach and should therefore not be reduced.

21. Several representatives expressed thanks to the Executive Director for the organizational review process and for his commitment to results-based management, which had made UN-Habitat more efficient and transparent. The review was noted as positive and innovative, and representatives expressed their confidence in the Executive Director’s leadership and efforts. Many also welcomed the preparatory process for the strategic plan for 2014–2019, which was open, inclusive and transparent.

22. One representative said that the Executive Director had been appointed with a mandate to improve the secretariat’s efficiency. As a result, tangible progress had been achieved in the areas of environmental management, young people, sanitation and land management. To maintain that success, professional output must be upheld and strengthened, which required committed staff. UN-Habitat should consult other organizations that had undergone a reform process, building on their experience.

23. One, speaking on behalf of a group of countries, said that a third United Nations conference on housing and sustainable urban development, to be held in 2016, would strengthen the programmes of UN-Habitat and ensure that it played a leading role in sustainable urban development.

24. Responding to the comments made, the Executive Director thanked the Committee for its support and encouragement. He said that, financial difficulties notwithstanding, UN-Habitat had become more efficient thanks to its tireless and faithful employees. He also expressed thanks to all donors for their contributions and requested additional funds so that the least developed countries could participate in the sixth session of the World Urban Forum.

**Item 6: Preparations for the strategic plan for 2014–2019**

25. Introducing the item, Mr. Joe Murphy, chair of the open-ended contact group on the preparation of the strategic plan for 2014–2019, provided an update on progress in the group’s work, as described in document HSP/CPR/43/5/C. He drew attention to the overview of the draft results framework for the strategic plan 2014–2019, which, he said, would serve as the basis for the strategic framework for 2014–2015, to be submitted by UN-Habitat to the Office of the Secretary-General by 17 February 2012 for consideration by the Committee for Programme and Coordination. He requested the Committee of Permanent Representatives to empower the open-ended contact group to continue its work and to complete, on the Committee’s behalf, by early February 2012, its consideration of the overview and of the UN-Habitat strategic framework submission, which would be derived from it.

26. One representative commented on the lengthy process of preparing the strategic plan in accordance with United Nations procedures, given that it would not take effect until 2014. With regard to the content of the proposed plan, he called for a greater focus on equity in both the normative work of UN-Habitat and the implementation of its activities and on the importance of equal access to services, employment and housing in urban areas.

27. Several representatives welcomed the transparent process of the open-ended contact group on the preparation of the strategic plan for 2014–2019, and one, speaking on behalf of a group of countries, confirmed her group’s commitment to the process. While expressing appreciation for the fruitful cooperation, another voiced concern that the reference to the guidelines on decentralization and access to basic services had been eliminated from priorities 1 and 4 in the plan and requested their inclusion, at least in the indicators. He drew attention to the importance of citizen participation in urban planning and of taking into account the needs of local populations, especially the urban poor. He therefore sought the inclusion in priority 2 of a reference to such a participatory process in new urban planning.
28. One representative drew attention to the costs associated with new expertise and called for realistic and achievable goals in the strategic plan, especially in view of the uncertain global financial situation.

29. The Executive Director noted that decentralization and local government empowerment were fundamental to providing support and enhancing the efficiency of local governments and establishing new urban policies. Participatory planning represented a trademark of UN-Habitat interventions in slum upgrading, as did realistic and affordable objectives.

30. The Committee endorsed the continuation of the work of the open-ended contact group, and empowered it to conclude, on the Committee’s behalf, consideration of the strategic framework submission and those parts of the strategic plan on which the strategic framework was based, in particular the plan’s results framework overview.

Item 7: Quarterly report on the financial status of UN-Habitat

31. Introducing the item, the Executive Director drew attention to the quarterly report on the financial status of UN-Habitat, as set out in document HSP/CPR/43/6. He stressed that, compared with 2010, the programme was financially stable, and that the income and expenditure of UN-Habitat were being closely monitored to ensure its financial health. New administrative tools would contribute to a more accurate quarterly statement in the future, providing greater clarity on the evolution of accounts, which were being maintained in accordance with the basic principles of accrual accounting. He expressed his gratitude to donors, staff members and the Programme Support Division, in particular, for their sustained efforts to stabilize the financial status of UN-Habitat and to launch new areas of activity related to urban planning and design, municipal economy and finance and urban legislation.

32. One representative expressed confidence in the ability of the leadership of UN-Habitat to overcome difficulties associated with the current financial situation, suggesting that UN-Habitat should better adapt to the increasing trend of earmarked funding.

33. The Executive Director expressed thanks to donors of earmarked funds, in particular Japan, the single largest contributor of such resources, and the European Union, the United States and the United Kingdom of Great Britain and Northern Ireland. He said that information describing the evolution of earmarked funding by donors would be distributed to the Committee at a future meeting. He stressed that, while earmarked contributions were extremely important, non-earmarked funding was crucial to the normative work of UN-Habitat, including policy development. He thanked the main contributors of non-earmarked funding, namely, Norway, Spain, Sweden and the United States, among others. It was to be hoped that the list of donors would be increased in the light of the implementation of the medium-term strategic and institutional plan and other recent reforms.

Item 8: Progress report on the governance review process

34. The co-chair of the open-ended consultative group on the governance review process provided a progress report on its work as set out in document HSP/CPR/43/7. Since the Committee’s previous meeting, the group’s work had focused on the preparation of draft terms of reference for the third phase of the review, which he presented for the Committee’s consideration. In the light of comments made at the current meeting, due consideration would be given, he said, to advancing the time frame for the governance review.

35. One representative, speaking on behalf of a group of countries, thanked the open-ended consultative group for its efforts and looked forward to the outcome thereof. She proposed approving the terms of reference. Speaking on behalf of her Government, she urged caution with regard to the time frame for the process, stressing the importance of ensuring a thorough review by the group of the recommendations of its four task forces and adequate consideration by the Committee thereafter. In addition, the outcome of discussions on governance for sustainable development at the United Nations Conference on Sustainable Development, to be held in June 2012, would be important for the structure of and the action plan for UN-Habitat.

36. Another representative requested that particular attention should be paid to an evaluation of the Governing Council of UN-Habitat and asked whether its replacement by a leaner body might enhance the efficiency and effectiveness of UN-Habitat.

37. One representative expressed particular appreciation for the secretariat’s eagerness to cooperate with the Committee.

38. The co-chair of the open-ended consultative group said that the timing of the United Nations Conference on Sustainable Development had been a primary consideration in developing the time frame for the review. While acknowledging the importance of proceeding speedily, he stressed that
there was a need to avoid compromising the necessity for full consultation with Governments regarding the weighty matters under review.

39. The Committee endorsed the draft terms of reference for phase III of the governance review.

**Item 9: Other matters**

40. The Executive Director bade farewell and expressed thanks to Mr. Paul Taylor, Chief of Staff and Chief of the Office of the Executive Director, and Mr. Antoine King, Director, Programme Support Division, both of whom were leaving UN-Habitat, having contributed significantly to its advancement.

41. Mr. Taylor and Mr. King bade farewell to the Committee.

**Item 10: Closure of the meeting**

42. The Chair declared the meeting closed at 12.20 p.m. on Thursday, 15 December 2011.