Agenda Item 2:

Adoption of the Draft Minutes of the 44th regular meeting of the Committee of Permanent Representatives (CPR), which was held on 3 April 2012 (HSP/CPR/45/2).
Draft minutes of the forty-fourth regular meeting of the Committee of Permanent Representatives to the United Nations Human Settlements Programme, held on 3 April 2012

Opening of the meeting

1. The meeting was opened at 9.55 a.m. on Tuesday, 3 April 2012, by Mr. Chan-woo Kim, Chair of the Committee of Permanent Representatives to the United Nations Human Settlements Programme (UN-Habitat).

2. The meeting was attended by 72 participants from 50 countries and 1 observer mission.

3. The Chair welcomed the following new permanent representatives to the Committee: Mr. Michal Mlynár (Slovakia) and Mr. Eleftherios Kouvaritakis (Greece). He 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: Mrs. Christina Msadabwe Lambart (Zambia), Mr. Alexandre M. L. Vassalo (Portugal) and Mr. Dimitri Loundras (Greece).

Item 1: Adoption of the agenda

4. The agenda was adopted, as orally amended, on the basis of the provisional agenda set out in documents HSP/CPR/44/1/1 and Add.1.

Item 2: Election of officers

5. Following the departure of Ms. Yvonne Khamati-Kilonzo, the members of the African group nominated Mr. George Owuor, Ambassador and Permanent Representative of Kenya, for the office of Vice-Chair of the Committee of Permanent Representatives.

6. Mr. Owuor was elected Vice-Chair of the Committee by acclamation.

Item 3: Adoption of the draft minutes of the forty-third regular meeting of the Committee of Permanent Representatives, held on 15 December 2011

7. The minutes of the forty-third regular meeting were adopted on the basis of the draft minutes set out in document HSP/CPR/44/2.

Item 4: Informational briefing by the Executive Director to the Committee

8. Before beginning his briefing, the Executive Director congratulated Mr. Owuor on his election and thanked the African group for the great success of the fourth session of the African Ministerial Conference on Housing and Urban Development, held in Nairobi from 20 to 23 March 2012.
9. He recalled that preparations for the third United Nations Conference on Housing and Sustainable Urban Development were under way and that the modalities of the conference would be set out in a draft resolution to be submitted to the General Assembly at its sixty-seventh session. Representatives should therefore submit any suggestions or proposals regarding modalities to the secretariat of UN-Habitat.

10. The Executive Director briefed the Committee in a statement outlining progress made in the organizational review and the preparations for the sixth session of the World Urban Forum.

11. In the ensuing discussion, several representatives said that the fourth session of the African Ministerial Conference on Housing and Urban Development had been a great success. They stressed the need to focus on the provision of basic services, which remained a major issue in African countries and were vital for the achievement of the Millennium Development Goals and should therefore be a top priority for UN-Habitat.

12. Many representatives said that they were pleased with the progress of the governance review process and congratulated the Executive Director on his efforts to make the Programme more transparent and efficient, financial difficulties notwithstanding. They stressed that the review should take into account the preparations for and outcomes of the United Nations Conference on Sustainable Development and the World Urban Forum, since they provided a platform for debate on how sustainable urban services could be provided.

13. They praised the work carried out by task force teams 1 to 4 of the governance review process and insisted that the Committee should adopt a cautious approach that encouraged discussion on all reform issues, especially financial reform, to ensure that UN-Habitat became the main point of reference for all urban sustainable development issues. More resources were required to ensure the implementation of policies and projects, and the credibility and mandate of the Programme needed to be consolidated at the Conference on Sustainable Development with a view to ensuring the development of more sustainable cities in the future.

14. A few representatives said that they were concerned that the budget for the World Urban Forum did not provide for the participation of the least developed countries, which made the process unrepresentative. They called on Governments to provide assistance to such countries so that they could be represented at the Forum.

15. One representative said that it was crucial to collaborate with other United Nations agencies to deliver results as one.

16. Responding to the comments made, the Executive Director said that the deep-rooted urban planning problems that cities were facing could be tackled only through political processes at the local, national, regional and international levels. One of the major topics to be discussed at the Conference on Sustainable Development was national urban policy, and it was essential to highlight the importance of that subject at the Conference so as to ensure that urban issues would be properly addressed in the future.

17. Basic services were lacking in several countries, a situation that required the attention of the international community because it effectively constituted a human rights violation. He said that he endorsed the prioritization of the issue, which was already included in the medium-term strategic and institutional plan. He stressed that, in order to move from words to action, obstacles would have to be identified and problems resolved, especially those linked to funding.

18. UN-Habitat had a tight schedule and a difficult agenda. It was conducting reform efforts on four tracks simultaneously, which placed a significant amount of pressure on staff, programmes and projects. Reorganization was a long-term process and reform had to be in line with United Nations rules and procedures. He was convinced, however, that the process would prove a success and that UN-Habitat would gain an important position in the world debate on urban issues.

**Item 5: Quarterly report on the financial status of UN-Habitat**

19. Introducing the item, the Executive Director gave a presentation on the financial status of UN-Habitat as set out in document HSP/CPR/44/4. He stressed that the Programme’s financial situation had greatly improved over the past year, given that the deficit had been reduced from $6 million to only $0.6 million, which was a great accomplishment and had been achieved mainly by freezing posts and reducing expenditure.

20. In the ensuing discussion, most representatives thanked the Executive Director for his report, which was widely described as comprehensive and coherent.
21. Several representatives expressed concern regarding the decrease in non-earmarked funding relative to earmarked funding. One representative highlighted the fact that while staff post costs had remained static, the decrease in general purpose funding in the biennium 2010–2011 meant that there had been an increase in the percentage of post costs compared with non-post costs. It was important to consider the reasons for the decrease, which might, he suggested, be linked to the organizational review and represent a reaction by donors to their lack of control over general purpose funding. A number of representatives expressed concern that the decrease in non-earmarked funding could compromise the mandate, strategic direction and priorities of UN-Habitat. One representative sought clarification regarding efforts under way to increase core funding. It was crucial, she said, to continue to focus on the important role of UN-Habitat in normative and intellectual leadership in urban policy matters. While it was important to ensure that funds were available for projects, that did not constitute a guiding principle. It would be regrettable if UN-Habitat were to be treated as an implementation mechanism rather than a multilateral response to global urban challenges. She urged member States to provide general purpose and flexible funding in addition to earmarked contributions.

22. The representative of Japan cautioned that, despite its commitment to the work of UN-Habitat, his Government was unlikely to be able to contribute as substantial an amount in the present biennium as it had previously, which would be likely to have a significant impact on the Programme’s post-conflict activities and projects in the Asia-Pacific region. He expressed his appreciation for the efforts of the Executive Director and the secretariat to increase the efficiency of UN-Habitat, in particular with regard to the reduction of the budget deficit.

23. One representative, emphasizing her strong support for the continuing reform process, expressed the hope that the Department of Management of the Secretariat would be able to provide sound advice to resolve a number of troublesome matters.

24. Responding to comments, the Executive Director thanked the Government of Japan for its contributions to UN-Habitat in the past and expressed solidarity with the country in the face of the considerable challenges that it had encountered recently. It was to be hoped that it would be in a position to continue its strong cooperation with UN-Habitat in the future. He noted that the accrual-based accounting system that had been introduced recently provided more specific and management-oriented information. There was little to be done about the increase in the percentage of staff costs as compared with non-staff costs, especially given that United Nations staff posts were relatively costly and that, even when a freeze was in place, allowances were subject to automatic changes beyond the agency’s control. He clarified that the United Nations Secretariat required the financial reserves of agencies to be increased in order to respond to increasing staff liabilities, especially those related to retirement. He further clarified that while core posts were currently frozen, project posts were not. He said that the secretariat would welcome a stronger governance mechanism, even though that would result in increased demands.

25. Turning to the matter of funding, he said that donors were in the best position to identify the reasons for the decrease in core funding, given that they provided 99 per cent of the funding for the Programme. He suggested that the decline was caused by a combination of factors, including the impact of the multilateral aid review by the Government of the United Kingdom of Great Britain and Northern Ireland and the financial crisis. He urged donors and the international community at large to take due note of the relevance of the urban agenda and the important policy work of UN-Habitat.

**Item 6: Six-monthly progress report on the implementation of the medium-term strategic and institutional plan**

26. The representative of the secretariat introduced the six-monthly progress report on the implementation of the medium-term strategic and institutional plan as set out in document HSP/CPR/44/5, highlighting salient aspects and priorities for the future. He noted that the report covered the period from January to December 2011 and marked the end of the fourth year of implementation of the plan.

27. In the ensuing discussion, one representative drew attention to challenges related to human and financial resources and administrative issues and the need to obtain increased funding from donors. It was crucial for resources to be focused with a view to achieving a balance between the core mandate and other activities in keeping with the strategic plan for 2008–2013. Underscoring the importance of the “Delivering as one” initiative in improving efficiency, he sought clarification regarding its continued implementation, including its impact on activities on the ground.

28. A representative of the secretariat emphasized the secretariat’s commitment to “Delivering as one” and to partnerships both within and outside the United Nations system. Notwithstanding the increase in income associated with an enlarged project portfolio, UN-Habitat remained committed to
its normative mandate. In fact, increased income from field projects would enhance the Programme’s ability to undertake additional normative work. A balance between normative and operational work was sought in all projects.

29. Another representative of the secretariat stressed that considerable efforts had been focused on the integration of the normative and operational pillars in the medium-term strategic and institutional plan. Through the enhanced normative and operational framework, issues related to urbanization were being incorporated into United Nations Development Assistance Frameworks in cooperation with other United Nations entities in 44 countries. A thorough evaluation of UN-Habitat participation in Development Assistance Frameworks had been carried out the previous year; the Programme was achieving significant progress but was constrained by a lack of resources.

Item 7: Six-monthly country activities report

30. Introducing the item, the Executive Director presented the six-monthly country activities report set out in document HSP/CPR/44/6, highlighting a number of activities in various regions. He commended staff for their collaboration in strengthening regional offices and congratulated the Government of Kenya for having successfully hosted the fourth session of the African Ministerial Conference on Housing and Urban Development. He noted that the project portfolio represented a value of some $600 million at an execution rate of approximately $200 million per year.

31. One representative drew attention to peacebuilding activities in Afghanistan and Somalia supported by his Government; he called on the secretariat to continue its efforts to ensure the smooth and early implementation of the projects. Another representative thanked the secretariat for projects under way in her country; she expressed her Government’s commitment to strengthening its partnership with UN-Habitat and exploring further possibilities for cooperation with the Programme.

Item 8: Progress report on the governance review process

32. The chair of the open-ended consultative group on the governance review process provided a progress report on the group’s work pursuant to its terms of reference and as contained in document HSP/CPR/44/7, recalling the terms of reference guiding the third phase of the governance review process and highlighting the findings and recommendations of the four task force teams set up by the group in order to further examine identified governance challenges. He said that the group had agreed that the work of the task force teams would provide input for the comparative analysis of United Nations system governance models. Representatives of United Nations organizations would present an overview of their respective governance models to the group. The results of the comparative exercise would be presented to the Committee at its forty-fifth regular meeting.

Item 9: Progress report on the strategic plan for 2014–2019

33. The chair of the open-ended contact group on the strategic plan for 2014–2019 provided an update on the group’s work as set out in document HSP/CPR/44/8(a). He said that the group had met four times since January 2012, revising parts 1 and 2 of the strategic plan for 2014–2019 and the proposed strategic framework for the biennium 2014–2015. The latter had been submitted to the United Nations Controller on 17 February 2012. He described further work to be carried out on part 3 of the strategic plan and thanked members for their participation in the group.

34. A number of representatives thanked the Executive Director, the secretariat, the chair of the contact group and member States for acknowledging the importance of basic urban services and for ensuring their inclusion in the plan as a priority area.

Item 10: Any other matters

35. A representative of the secretariat informed members that, owing to a scheduling conflict, a request had been made that the dates of the forty-fifth and forty-sixth regular meetings of the Committee be changed from 27 June and 17 October 2012 to 28 June and 24 October 2012, respectively.

Closure of the meeting

36. The meeting was declared closed at 12.30 p.m. on Tuesday, 3 April 2012.