Draft minutes of the forty-fifth regular meeting of the Committee of Permanent Representatives to the United Nations Human Settlements Programme, held on 28 June 2012

1. The meeting was opened at 9.45 a.m. on Thursday, 28 June 2012, by Mr. Chan-woo Kim, Chair of the Committee of Permanent Representatives to the United Nations Human Settlement Programme (UN-Habitat).

2. The meeting was attended by 58 participants from 48 countries and 1 observer mission.

3. The Chair welcomed the following new permanent representative to the Committee: Ms. Batilda S. Burian (United Republic of Tanzania). 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: Ms. Maria Victoria Diaz de Suarez (Colombia), Ms. Diamballa Maimouna (Niger) and Ms. Anna Grupinska (Poland).

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/45/1 and Add.1.

Item 2: Adoption of the draft minutes of the forty-fourth meeting of the Committee of Permanent Representatives, held on 3 April 2012

5. The minutes of the forty-fourth regular meeting were adopted on the basis of the draft minutes set out in document HSP/CPR/45/2.

Item 3: Informational briefing by the Executive Director to the Committee

6. In his briefing, the Executive Director, Dr. Juan Clos, provided an update on the progress made in the organizational reform and in preparations for the sixth session of the World Urban Forum and outlined the highlights and outcomes of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, as contained in document HSP/CPR/45/3. Dr. Clos drew attention to the work of the Global Water Operators’ Partnerships Alliance (GWOPA) and to a call for expressions of interest in hosting the Alliance Secretariat that had been issued by UN-Habitat in January 2012.

7. A representative of the GWOPA Secretariat gave a presentation on the process of evaluating the proposals for the hosting of the Secretariat. Three proposals had been received by the April 2012 deadline, from the city of Barcelona, Spain; the Turkish Water Institute, Istanbul; and the Institute for Water Education of the United Nations Educational, Scientific and Cultural Organization (UNESCO-IHE), Delft, Netherlands. Explaining the characteristics of each proposal and the
evaluation criteria, the GWOPA representative said that the evaluation team had recommended accepting the proposal of the city of Barcelona, which had compared positively with the other proposals in terms of offering significantly more than the basic financial requirements as well as many opportunities for substantial benefits and financial synergies in the future.

8. In the ensuing discussion, most representatives thanked the Executive Director for his report. One representative, speaking on behalf of a group of countries, also expressed appreciation for the organization by the secretariat of regular briefings on the substance of the work of UN-Habitat under the new focus areas of the organization.

9. Many representatives expressed appreciation for the contribution of UN-Habitat to the Conference on Sustainable Development and congratulated the Government of Brazil on the successful hosting of the event. One representative welcomed the opportunity presented at the Conference to discuss issues of particular interest to his country, such as the green economy, including green cities, and the institutional framework for sustainable development; another appreciated the emergence of the issue of sustainable cities as a major topic of the Conference. One representative sought clarification as to how the outcomes of the Conference would be incorporated in the future work of UN-Habitat and whether changes to the strategic plan would be needed.

10. The representative of Brazil thanked the Executive Director and representatives for their comments regarding the Conference. She said that the outcome document contained significant sections on sustainable cities and human settlements, as highlighted by the Executive Director in his report, which would inspire and inform the future activities of UN-Habitat, and she called for the implementation of the outcomes that fell under the organization’s mandate.

11. Referring to the sixth session of the World Urban Forum, a number of representatives welcomed the report of the Executive Director thereon and one asked that the Committee be kept informed of preparations so that Governments could be fully briefed. Another thanked the Governments of the United States of America and France for providing support for the participation of the least developed countries.

12. A few representatives requested that copies of the presentation on the Global Water Operators’ Partnerships Alliance be made available to the Committee. One representative sought clarification as to why UN-Habitat was not continuing to host the Alliance; another asked why the matter had not appeared previously on the agenda of the Committee of Permanent Representatives with supporting documentation and whether the Committee should have endorsed the change in the hosting arrangement.

13. Responding to the comments made, the Executive Director clarified that, although the decision on the hosting of the Global Water Operators’ Partnerships Alliance Secretariat fell within the purview of the Secretariat as directed by the Alliance, the briefing on the subject had been intended for the information of the Committee as part of its exercise on transparency. External hosting was mandated by the Alliance to ensure the sustainability of the financial resources available to the Secretariat, which he likened to other partnerships with the private sector, such as the funding of some regional offices, and was a means of administering existing staff more effectively. Similar competitive bids would be sought in the future for the hosting of the World Urban Forum.

14. On the United Nations Conference on Sustainable Development, he said that the UN-Habitat strategic plan was fully aligned with the outcome of the Conference. UN-Habitat was now seen very much as a strategic partner in urban development, with urban planning and urban legislation recognized as a source of development. The UN-Habitat reform process was on track to meet the increasing demands on the organization by mobilizing more resources and working in cooperation with other institutions and consultants. He expressed the view that the 2012 Conference had been more pragmatic than hitherto, which was a good starting point for the development of the post-2015 sustainable development goals.

Item 4: Quarterly report on the financial status of UN-Habitat

15. Introducing the item, the Executive Director provided an overview of the financial status of UN-Habitat as set out in document HSP/CPR/45/4. He highlighted the continuing impact of the global financial crisis as reflected in the decreasing income to the United Nations Habitat and Human Settlements Foundation, stressing the need to explore innovative new ways of mobilizing resources. Cost and management controls had been implemented to bring expenditures in line with expected income levels. Many United Nations entities that relied on voluntary contributors were in a similar difficult financial position. The United Nations Secretariat contribution represented only around 5 per cent of the Programme’s total budget, and non-earmarked contributions had declined significantly, requiring robust efforts to be directed to fundraising activities and containing costs.
Budget management was particularly difficult owing to the impossibility of predicting the evolution of financial trends. A cautionary approach was required to avoid overspending in the face of such financial uncertainty. On a positive note, field projects were protected by virtue of an increase in earmarked contributions.

16. The secretariat was working with the United Nations Secretariat and other United Nations entities to consider the elaboration of a common strategy to respond to the global economic situation. If the financial instability endured, adequate responses would be vital. More comprehensive management reform within the United Nations was being considered by the Secretariat and the General Assembly. Project-based management similar to that foreseen in the UN-Habitat strategic plan would likely have to be introduced across the United Nations system. In closing, he expressed his gratitude to the Governments of Argentina, Norway, Pakistan, Tunisia and Israel for paying their annual non-earmarked contributions since the previous Committee meeting and to the Governments that had financed Junior Programme Officers, which represented an indirect but important means of assistance, namely, Finland, France, Germany, Italy, Japan, Norway and Spain.

17. One representative, expressing his deep concern regarding the financial situation, highlighted the importance of balancing the core and project funding of UN-Habitat. He sought clarification from the Executive Director on ways of rebalancing the budget over time.

18. The Executive Director said that while field activities represented an important source of knowledge and income, significant efforts were being directed at encouraging member States to increase their contributions to the core budget. Notwithstanding the significant negative impact of the financial crisis, some member States had expressed a commitment to increasing such funding in the near future in response to UN-Habitat reform. Highlighting the fact that the Programme’s overheads were greater than the core budget allocation from the United Nations Secretariat, he stressed the importance of efficiency in field activities and compliance with project overheads. In response to attempts by certain countries and institutions to negotiate a reduction in project overheads or administration costs, the United Nations Secretariat had emphasized the importance of complying with system-wide agreed overhead costs.

19. A new wave of United Nations reform would be launched in the coming months; the United Nations Secretariat had proposed over 80 points for reform some three months earlier. A new management team had been established, comprising the Under-Secretary-General for Management, the Secretary-General’s Chief of Cabinet and the United Nations Comptroller, to present the proposed reform process, including financial reform, to the General Assembly. He pledged that in the meantime the UN-Habitat secretariat would endeavour to deliver on its mandate to the best of its ability. He appealed to member States to support the Foundation, following the example of the Governments of Norway and Sweden, which had signed midterm agreements for a fixed number of years.

**Item 5: Progress report on the governance review process**

20. Introducing the item, the Chair of the Open-ended Consultative Group on the governance review provided a progress report on the governance review process as contained in document HSP/CPR/45/5.

21. In the ensuing discussion, one representative, speaking on behalf of a group of countries, expressed her appreciation for the inclusive, transparent and participatory process that had characterized the governance review, as requested by the Governing Council, and looked forward to the current pace and thorough approach being sustained. She sought clarification on the way forward in that regard.

22. Another representative said that the governance review should focus on modifying ill-adapted policies, especially those related to the distribution of staff, and take into account the important role of personnel in the implementation of programmes. Furthermore, in the interests of efficiency, the employment of personnel who had failed to perform satisfactorily should be terminated. The consideration by the Open-ended Consultative Group of examples set by other United Nations entities that had undergone a reform process had revealed that good leadership was essential and would contribute to a more transparent and effective Programme. He suggested that the use of an external consultant to assist in the completion of the third phase of the process could lead to an inconclusive outcome owing to a possible lack of familiarity with the Programme.

23. One representative commended members of the Open-ended Consultative Group for their efforts.
24. Responding to comments, the Executive Director highlighted the difficulties associated with institutional change against the backdrop of the vast and complex bureaucracy of the United Nations. Performance-based management was desirable but problematic in the face of existing regulations. Performance evaluation systems, while extremely sound assessment means, were insufficiently flexible. The organization needed more flexibility and clearer responsibility. At present, for example, there were significant reporting demands but limited responsibility for such reporting. He urged members to discuss the matter with their Governments’ delegations in the General Assembly, emphasizing the need for a strong mandate on the matter from the Assembly. As a small entity within the United Nations, UN-Habitat could provide a model for wider reform following consideration of problematic areas for the organization and the scope for reform within existing regulations and processes. It was regrettable that despite the will to bring about change, the current system stood in the way of such change. With proper management and the revision of regulations governing the allocation of duties and responsibilities, staff members who were currently under-performing could be encouraged to discharge their duties more effectively. He proposed that a working group might be established for interested members of the Committee to consider the matter further.

25. A representative of the secretariat said that in accordance with General Assembly resolution 23/13 on governance of the United Nations Human Settlements Programme, the outcome of the governance review process would be submitted to the General Assembly, possibly at its sixty-seventh session.

**Item 6: Endorsement of the draft strategic plan of UN-Habitat 2014–2019**

26. Introducing the item, the chair of the open-ended contact group on the preparation of the strategic plan drew attention to a document entitled “Draft strategic plan of UN-Habitat for 2014-2019” as revised on 19 June 2012. He provided an overview of the document and highlighted the spirit of trust, goodwill and cooperation that had characterized the collaboration between the secretariat and the Committee members in elaborating the document. He requested an extension of the mandate of the group to allow for one additional meeting to resolve an outstanding issue on the treatment of human rights in the text. He thanked members for their hard work in developing the plan.

27. All the representatives who spoke expressed their gratitude to the chair of the Open-ended Contact Group for his patience, tireless efforts and excellent leadership.

28. There was some discussion regarding the inclusion of a reference to the “Delivering as one” initiative. Several representatives said that members of the Open-ended Contact Group had agreed to its inclusion as a guiding principle rather than a cross-cutting issue in the plan. The representative of the secretariat indicated that reference to the initiative had been included under the section on “catalytic role and partnerships” in the document.

29. Another representative welcomed progress made in the preparation of the draft strategic plan and, in particular, the development of key focus areas, which would help member States to achieve sustainable urban development. Much remained to be done in the elaboration of the work programme and budget, including the adequate reflection of those focus areas to ensure proper implementation of the plan.

30. One representative said that the strategic plan was a document that boded well for UN-Habitat future support to urban governance, planning and economy with an emphasis on the organization’s catalytic role in improving basic urban services. Another said that the plan, which he welcomed, was more inclusive, but the portfolio of some topics should be broadened requiring additional resources. The implementation of the plan would ensure that UN-Habitat was in a better position to respond to the urban population’s social, economic and cultural rights, including to adequate housing and space.

31. Several representatives expressed their appreciation for the inclusion of text in the plan related to such issues as results-based management, gender and youth, human rights and basic urban services. A number of representatives looked forward to participating in forthcoming discussions to resolve issues related to the inclusion in the text of appropriate wording on human rights. One representative expressed strong support for the inclusion of such wording in the guiding principles for UN-Habitat. Another representative stressed that while human rights could be included in the strategic plan as a cross-cutting issue, it should be in the context of UN-Habitat goals and mandate as they related to adequate housing and basic services.

32. The Committee endorsed the draft strategic plan 2014–2019 on the understanding that it would be formally approved at the extraordinary meeting of the Committee to be held on 22 August 2012, once the outstanding issue had been resolved in the interim period by the Open-ended Contact Group.
Item 7: Any other matters
33. There were no other matters

Item 8: Closure of the meeting
34. Following the customary exchange of courtesies, the meeting rose at 12.30 p.m. on Thursday, 28 June 2012.