Agenda Item 6:

During the last regular session of the CPR held on October 23 2012, the Chair of the Open ended Consultative Group delivered a statement on progress done so far in the governance review process, focusing particularly on the work done towards the completion of the comparative analysis with other governance models and on the way forward. In this context, he also referred to the joint fact finding mission to New York carried out by the Secretariat, himself as the Chair of the Open Ended Consultative Group and the Consultant hired to assist in the elaboration of the different reports that took place between October 15 to 18, 2012. He underlined that the mission has served the double purpose of gathering information on the functioning of other UN Funds and programmes as necessary inputs towards the completion of the comparative analysis and to establish contact with member states and the UN Secretariat and gather their inputs for the way forward, from a broader perspective of current reform trends in the UN system.

During the last two months, the Open Ended Consultative Group has moved forward towards the next step in the process, namely, the elaboration of a report on Governance Reform Options based on the findings of the four Task force Teams on governance challenges and the Comparative Analysis. A first draft of the report with three governance reform options was presented to the consultative group by the Consultant and the Secretariat as a basis for a joint analysis in November. The group held a broad and fruitful discussion on the document and on the options it presented and it provided many inputs for amendments and additional information deemed necessary in order to provide a better understanding of the implications of the different proposals for reform. A revised version of the report was again discussed by the Open ended Consultative Group on Governance end of November and the overall conclusion was that the revised report provided a good basis for decision making and that some additional information should be added to the proposed reform options, particularly on cost effectiveness. The current version of the report, as circulated to CPR members has already taken those concerns into consideration.

In short, the report on governance reform options has three chapters and concluding remarks. The first and second chapters are devoted to the background and justification for reform in the context of MTSIP, the organizational review and the current reform trends in the UN, particularly under the Deliver as One Initiative. Linked to the organizational review in its aim to enhance efficiency, transparency, accountability and efficacy, governance review pursues the objective to overcome and reduce limitations and inefficiencies in the current governance structure, to rebuild the image, relevance and credibility of UN-Habitat and to prepare the ground for a better positioning of the Programme in accordance to the relevance of its mandate.

In its third chapter, the report presents three governance reform options:

1. The Managerial/Incremental Reform Option: It entails proposals such as increased frequency of Governing Council Meetings, Expanded membership of Governing Council and enhanced role of other stakeholders, empowered CPR, revised Financial regulations and Rules for extra budgetary resources.
2. The Executive Board Option: it entails the establishment of a Board to replace the Governing Council, the Executive Board remains a subsidiary body to the GA, provides enhanced oversight on normative and operational activities, meets once a year, may establish a subsidiary body...
3. The combined Hybrid Option: Has most of the same characteristics as the Executive Board but it adds to it a broad and high level Council or Commission as a highly representative policy making body.

Each option is described together with advantages and disadvantages and it is scored against the four performance criteria of transparency, efficiency, effectiveness and accountability, as well as voice and representation. It is also stated that no model provides a perfect solution and that decision making should be inspired by the search of institutional arrangements that serve best the nature of UN-Habitat’s Mandate and requirements for its effective delivery. The report tries to address challenges in each of the three options such as the need to balance efficiency and representation.

The fourth chapter contains a series of concluding remarks stressing the fact that the report does not draw conclusions or give recommendations on one model as superior to the other but rather explains different options with their strengths and weaknesses.

As per the terms of reference approved to guide the third phase of the governance review process, next steps will be to use the report on the examination of governance options as a main input to inform a joint decision making process towards a preferred option that would then be the basis for the elaboration of the Action Plan to be submitted to the Governing Council in April 2013. The open ended Consultative Group concluded in its meeting of November 30, that a process of consultations with the headquarters could be started on the basis of the current report in order to seek their guidance on the presented and potentially other reform options, with a view to discussing the way forward in the 47th Regular Session of the CPR.