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**Twenty-fourth session**

Nairobi, 15–19 April 2013

Item 5 of the provisional agenda\*

**Activities of the United Nations Human Settlements  
Programme, including coordination matters**

**Activities of the United Nations Human Settlements Programme**

**Addendum**

**Review of the governance structure of the United Nations Human  
Settlements Programme**

**Report of the Executive Director**

1. Governing Council resolution 23/13, on governance of the United Nations Human Settlement Programme, requests the Executive Director, jointly with the Committee of Permanent Representatives, to further examine the range of options presented in the preliminary review of the governance structure carried out before January 2011. The resolution specifically requests the Executive Director to do the following:

- (a) Further examine the options for reform and develop a preferred option;
- (b) Develop a procedure for the examination phase;
- (c) Seek consensus on the identified option by member States of the Governing Council;
- (d) Develop an action plan and present it to the General Assembly at its sixty-seventh session, if possible.

2. The first step towards the implementation of resolution 23/13 was the establishment of an Open-ended Consultative Group on Governance Review to oversee the process and the adoption of the terms of reference at the forty-third regular session of the Committee of Permanent Representatives, held on 15 December 2011, to guide the third phase of the governance review process. In short, the terms of reference stipulate the following:

- (a) Establishing four task force teams to analyze each of the four governance challenges identified by the Consultative Group on the basis of the report entitled “Review of the governance structure of the United Nations Human Settlements Programme, phase III” (HSP/GC/23/INF/7) and to provide proposals for action and recommendations on options to tackle those challenges;
- (b) Conducting a comparative analysis of different governance models;
- (c) Elaborating an Action Plan to identify options on the basis of the report mentioned above and the findings of the work done by the Consultative Group;
- (d) Presenting the Action Plan to the sixty-seventh session of the General Assembly, if possible.

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\* HSP/GC/24/1.

3. During the first quarter of 2012, all four task force teams completed their work and submitted their findings and proposals to the Committee of Permanent Representatives, at its forty-fourth regular session, held on 3 April 2012. Based on the work of those teams, a further comparative exercise, with other governance models, was conducted as stipulated in the terms of reference.
4. The Open-ended Consultative Group decided that UN-Habitat should recruit a consultant to compile the comparative analysis report and a report on governance options. The assignment was carried out in consultation with members of the Consultative Group. The consultant later presented the work to the Group.
5. The comparative analysis report considered, among other things, options to strengthen the role of UN-Habitat governing bodies in decision-making processes compared with other governance models. Issues of representation and efficiency were also considered.
6. Based on the comparative analysis report, the Consultative Group moved onto the next step of the process in October 2012, namely the elaboration of a report on governance reform options based on the findings of the four task force teams regarding governance challenges and the comparative analysis.
7. The report on governance reform options was submitted to the Committee of Permanent Representatives, on 19 December 2012, for comments and amendments. Following assessments and comments by member States, a new version of the report on examination of governance reform options was prepared and presented to the Open-ended Consultative Group at its first meeting, held on 11 February 2013.
8. The aim of the governance review is to overcome limitations and inefficiencies in the current governance structure to ensure that institutional arrangements contribute to improved delivery of the UN-Habitat mandate.
9. The report presents the following four governance reform options:
  - (a) The “managerial/incremental reform option” includes proposals such as increasing the frequency of Governing Council meetings, expanding membership of the Governing Council, enhancing the role of other stakeholders and increasing oversight.
  - (b) The “universal membership option” proposes establishing universal membership in the Governing Council, granting global representation and making the Governing Council the superior institutional decision-making body. The Committee of Permanent Representatives would remain an inter-sessional body with a strengthened mandate.
  - (c) The “executive board option” would establish an Executive Board to replace the Governing Council. The Executive Board, which would remain a subsidiary body of the General Assembly, would provide enhanced oversight on normative and operational activities, would meet once a year and might establish a subsidiary body, if deemed necessary.
  - (d) The “combined hybrid option” has largely the same characteristics as the “executive board option”, but adds a broad and high-level council or commission as a highly representative policy-making body.
10. Each option is described together with its advantages and disadvantages and is scored against the four performance criteria of transparency, efficiency, effectiveness and accountability, as well as voice and representation. The report also states that decision-making should be inspired by the search for institutional arrangements that best serve the nature of the UN-Habitat mandate.
11. The process of moving forward based on the options presented above did not receive the necessary degree of support among member States. It was therefore agreed to establish a group of facilitators.
12. The Chair of the Open-ended Consultative Group, at a meeting held on 11 February 2013, proposed two or three facilitators, also members of the Committee of Permanent Representatives, to work together in identifying potential areas of agreement that could serve as a basis for an agreed position to submit to the Governing Council at its twenty-fourth session.
13. The facilitation process was unable to identify areas of agreement in time for the twenty-fourth session of the Governing Council. The Executive Director, through the present report, fulfils his obligation to report to the Governing Council and expects the Governing Council to agree on a way forward on this critical issue.

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## Annex

### Timeline of the governance review process

**April 2011:** the Governing Council, at its twenty-third session, approved resolution 23/13 on governance of the United Nations Human Settlements Programme.

**August 2011:** the Committee of Permanent Representatives and the UN-Habitat Secretariat set up the Open-ended Consultative Group on Governance Review Process that proposed terms of reference to guide the process, on the basis of resolution 23/13.

**December 2011:** the Committee of Permanent Representatives approved the terms of reference at its forty-third regular session.

**January to March 2012:** further to the approved terms of reference, four task force teams, composed of members of the Committee of Permanent Representatives and UN-Habitat staff, analyzed governance challenges and put together potential recommendations regarding the functions to be enhanced in weak areas, such as composition and frequency of meetings of the Governing Council.

**March to June 2012:** the Open-ended Consultative Group carried out a comparative analysis with other governance models in other United Nations programmes and organizations from which UN-Habitat could learn.

**July 2012:** further to the terms of reference, a consultant was hired to assist in the compilation of reports on possible reform options for UN-Habitat.

**September 2012:** A final report on comparative analysis with other governance models was made available.

**October to December 2012:** The Open-ended Consultative Group and the consultant worked on the compilation of a report on examination of governance options. A draft version of the report was submitted to the Committee of Permanent Representatives in its forty-seventh session, held on 21 December 2012.

**December 2012 to February 2013:** the report was amended and a final version submitted to the Committee of Permanent Representatives at its forty-eighth regular session, held on 20 March 2013.

**February to April 2013:** a process of dialogue and negotiations among members of the Committee of Permanent Representatives and regional groups took place through the leadership of facilitators and the Chair of the Open-ended Consultative Group. The process attempted to identify elements to build consensus on possible options and possible functions that need to be enhanced.

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