70th REGULAR MEETING OF THE COMMITTEE OF PERMANENT REPRESENTATIVES TO UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

20 SEPTEMBER 2018

Agenda Item 3:

Executive Director’s Briefing to the Committee of Permanent Representatives (HSP/CPR/70/3)
Introduction

In addition to our regular programmatic work and key portfolio developments, since the last meeting of the Committee of Permanent Representatives (CPR) on 21 June 2018, UN-Habitat continues to adapt and change, to be more responsive to Member States’ demand for the increased transparency, agility and relevance of UN-Habitat.

This briefing will cover the following:

1. Update on our vision, mission, priorities (change process)
2. Update on financial situation and initial austerity measures
3. Update on resource mobilization, administration and management
4. Update on Strategic Planning process
5. Work programme and budget: a new format and timeframe
6. Implications of the UN Development System Reform for UN-Habitat’s
7. Key portfolio developments
8. Recent missions undertaken by myself and the Deputy Executive Director
9. Any other business

1. Update on my vision, mission and priorities

Since my arrival, I have sought to brief Member States regularly, on the work of UN-Habitat to embark on a change exercise whose objective is to make the Programme fit-for-purpose. In doing so, UN-Habitat seeks to maximize its added value to UN System-wide efforts and effective support to Member States, local governments and other stakeholders as they face the challenges of sustainable urbanization and human settlements development. Key recent achievements in this area include: the selection and training of 40 change agents, whose responsibility will be to cascade communication from senior leadership to their peers and colleagues and serve as ‘change role models’; training senior managers in change management; and launching a revamped urbanization and human settlements database. On the administrative front, to continue improving efficiency, we have launched a financial and management audit, or diagnostic review, of UN-Habitat; decentralized the release budget function; prepared a policy for harmonizing the hiring of consultants; and prepared a compact for hiring and supervising interns. We have finalized our resource mobilization strategy and are actively working on the organization of strategic funding dialogues in Asia, the Middle East and Africa. The objective of these dialogues is to improve voluntary contributions to UN-Habitat member States, both non-earmarked and earmarked. I would like to take this opportunity to thank the Governments of Norway and Sweden, who have contributed financially to the change process.

The next three months are crucial to the future of UN-Habitat. Further to the report and recommendations of the Open-Ended Working Group, submitted by the Chair of the CPR in May this year, the General Assembly is expected to discuss this report, in the context of the upcoming resolution on UN-Habitat. This seventieth CPR session is therefore the last before Member State representatives in New York begin negotiating the UN-Habitat resolution in the Second Committee. This is a key resolution, as it will also determine the governance model for UN-Habitat. I would like to urge members of the CPR, in close coordination with their
counterparts in the permanent Missions in New York, to continue supporting resolution discussions in New York, particularly to address the concerns expressed by some Member States during the deliberations in the Open-Ended Working Group.

2. Update on financial situation and initial austerity measures

Financial situation

For management purposes, UN-Habitat has in recent years considered the Foundation General Purpose, Programme Support and the Regular Budget as constituent elements of its “core budget”. Based on current contribution and expenditure trends, as articulated in the table below, UN-Habitat expects an operational deficit against the core budget by approximately USD $5.5 million, of which of $4.4 million relates to projected over expenditure against the Foundation General Purpose and $1.1 million relates to projected over-expenditure against Programme Support.

Most of this over-expenditure relates to staff costs (e.g. 86 per cent in the case of Foundation General Purpose) and most non-staff expenditure against these accounts relates to operating costs incurred across the entire UN-Habitat portfolio of activities.

<table>
<thead>
<tr>
<th>Thousands of United States Dollars</th>
<th>2018 Budget</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Foundation</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>-327</td>
</tr>
<tr>
<td>Revenue</td>
<td>-1,589</td>
</tr>
<tr>
<td>Salaries, allowances, and benefits</td>
<td>-7,646</td>
</tr>
<tr>
<td>Operating reserves</td>
<td>1,036</td>
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<tr>
<td>Total expenses</td>
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<tr>
<td>Operational Deficit</td>
<td>-4,638</td>
</tr>
<tr>
<td>Closing net asset</td>
<td>-200</td>
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</tbody>
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Initial Austerity Measures

Given the current financial situation summarised above, on 26 July, I undertook a set of initial austerity measures to focus on generating savings on non-staff expenditure:

Human Resources measures:
- Recruitment freeze on UN-Habitat and Human Settlements Foundation (40 HFU) and Programme Support Accounts.
- Placement of appropriately qualified staff from 40HFU onto suitable Regular Budget (RB) vacant posts.
- No new Special Post Allowance (SPA), SPA extensions or post reclassifications to higher grades approved against core funds.
- No new temporary contracts issued against 40HFU or Programme Support Accounts. Contracts issued against RB to be given only to staff currently financed from 40HFU and Programme Support Accounts.
• No extensions on existing contracts of consultants/international contractors financed from 40HFU and Programme Support Accounts and no new contracts against those same sources of funding to be approved.
• Overtime costs across all sources of funding to be curtailed. Compensatory Time Off (CTO) to be granted in lieu of payment when overtime is essential.

Travel:
• Restricted travel against core funds of the organisation and all travel on economy class, including for myself.

Office space:
• Consolidation and re-organisation of existing office space to fully utilise space available on each floor.

Further supplementary savings measures are being developed and will focus on reducing staff costs.

3. Update on resource mobilization, administration and management

Excellencies, allow me to express my deep appreciation to the Governments of India, Norway, Pakistan, Philippines, Republic of Korea, Slovak Republic, Sri Lanka, and Tanzania for their voluntary non-earmarked contributions received in the second quarter. However, with the total contributions to the Foundation Non-Earmarked account standing at only US$ 1.1 million, I appeal strongly to other Member States to provide their voluntary non-earmarked contributions for 2018 to allow UN-Habitat to implement the programme of work that you have approved.

I am also grateful for contribution agreements signed with governments and other donors in the second quarter amounting to USD 67.8 million. I would like to extend my appreciation, in particular, to the Governments of Australia, China, Colombia, Egypt, European Union, Japan, Kenya, Mexico, Mongolia, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and the United States of America for new agreements since April 2018. Information on contributions will be updated, as necessary, at the CPR.

Distinguished delegates, I am happy to report that UN-Habitat has finalised its mobilization strategy for 2018-2019 which is aligned to the biennial work programme and budget. It takes on recommendations from the survey of all major donors carried out in 2017 and from the 2017 audit of resource mobilization by the Office of Internal Oversight Services, as well as inputs from all UN-Habitat managers. It highlights strategic relations with donors, delivering and communicating impact, efficient delivery, and transparent reporting, as important areas for action. I would welcome an opportunity to share the strategy with you for your comments and inputs.

I am also pleased to inform you that UN-Habitat intends to organise strategic funding dialogues in Asia, Africa and the Arab States in view of strengthening our financial viability. I also hope to visit your capitals in the upcoming months, to discuss UN-Habitat’s strategic focus and I would welcome your support in this regard.
4. Update on Strategic Planning process

The Strategic Plan is an investment plan for UN-Habitat for the next six years, and it reflects the mandate of the agency. The formulation of the Strategic Plan 2020-2025 is underway. Extensive consultations within the agency have been carried out, including with the regional offices. This very important exercise integrates lessons learned in the implementation of the current Plan. It also considers, within the mandate of UN-Habitat, the 2030 Agenda and its Sustainable Development Goals, the New Urban Agenda as well other major global frameworks.

In addition to reflecting our commitment to “do less, better” and “think, do, partner, share”, the next Strategic Plan will refocus the strategic direction of the agency while laying out, in a robust way, UN-Habitat’s contribution to the implementation of the SDGs and the New Urban Agenda.

The roadmap for preparing the Strategic Plan include the following key steps:

- [Completed] Collective review of work from all groups (second week of August)
- [Completed] Drafting Plan (second, third and fourth weeks of August)
- SMB review (mid-September)
- Engaging member states, UN entities and other stakeholders (September & October)
- Final draft endorsed by SMB (second week of November)
- Final draft endorsed by CPR (December 2018)

The ongoing work has already resulted in a clearer vision and mission for UN-Habitat:

- Our vision is “A better quality of life for all in an urbanizing world”; and
- Our mission is: To promote transformative change in cities and human settlements through knowledge, policy advice, technical assistance and collaborative action to leave no one and no place behind.

Important next steps in the formulation of the Plan includes: (i) engaging Member States, sister United Nations agencies and other stakeholders in September, October and November 2018 in order to gather feedback and inputs; and (ii) an endorsement of the final draft of the Strategic Plan by the Committee of Permanent Representatives in December 2018.

5. Work programme and budget: a new format and timeframe

In parallel with the development of the 2020-2025 Strategic Plan, UN-Habitat is preparing the work programme and budget for 2020 which will be aligned to the Strategic Plan. The work programme and budget document will be developed in line with the new format of the UN Secretariat, and in line with the General Assembly resolution A/RES/72/266 of 24 December 2017 on *Shifting the management paradigm in the United Nations*.

In line with this resolution, the work programme and budget document will change from a biennial to an annual budget and shall consist of 3 main parts: (i) long-term organizational priorities (ii) programme plan and the performance information and (iii) resource requirements
The new result-based framework will include reporting of deliverables (products and services for our beneficiaries) instead of outputs, and reporting on Sustainable Development Goals in the results chain. The work programme and budget will also include the organizational structure. The time frame for completing the work programme and budget is:

- UN-Habitat Senior Management Board (SMB) review (October 2018)
- Engaging the CPR (November 2018)
- Final draft endorsed by the SMB (November 2018)
- Final draft endorsed by the CPR (December 2018)
- Submission of the 2020 work programme and budget for consideration by the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination of the General Assembly (January 2019)

In addition to development of the 2020 work programme and budget, UN-Habitat is required to align the current 2018-2019 work programme and budget to the new format. This will cover programme performance reporting for 2018 and preparation of the annual plan for 2019. The revised format for 2018-2019, will be shared with the CPR before submission to the two committees of the General Assembly in January 2019.

6. Implications of the UN Development System Reform for UN-Habitat

As a follow-up to General Assembly resolution 72/279, UN-Habitat has developed a roadmap to guide its engagement with the reform of the United Nations Development System at the global, regional and country levels. This roadmap includes specific actions to respond to the following areas of repositioning: a new generation of United Nations Country Teams; reinvigorating the role of the Resident Coordinator system; revamping the regional approach; strategic direction, oversight and accountability for system-wide results; and funding the United Nations Development System. The implementation of this roadmap will require agency-wide engagement and is closely linked to the ongoing work on the United Nations System-wide strategy for the implementation of the New Urban Agenda and the related dimensions of the 2030 Agenda.

7. Key portfolio developments

Grants amounting USD $ 25.5 million have been opened between end-May and end-August 2018. Total project acquisition for the period January to June 2018 stands at USD$ 118.5 million. Of the acquisitions, 58 per cent have been in Asia & the Pacific, 17 per cent in Arab States, 12 per cent in Africa, 1 per cent in Latin America and the Caribbean and 12 per cent at the global level. The acquisitions primarily include projects that integrate normative and operational work.

Meanwhile, several new projects were approved by the Programme Advisory Group, covering all regions and contributing to the implementation of the New Urban Agenda and the urban dimensions of the SDGs. A selection of these projects includes the following:
• “Inventory, Earthquake and Multi-Hazard Performance Evaluation of Selected Hospitals and Health Facilities in the Islamic Republic of Iran with a total value of USD $700,000 funded by the Japanese Government;

• “Preservation of historic buildings in Lebanese old cities towns occupied by displaced population” with a total value of £ 1,857,467 and funded by the British Council;

• “MADAD-Strengthening the Long-Term Resilience of Subnational Authorities in countries affected by the Syrian and Iraqi Crises” with a total value of EUR 24,971,363 support by the European Commission;

• “Support to the Implementation of the UN-Habitat Country Programme for Ethiopia” with a value of USD $1,806,530, supported by the Swedish Embassy in Addis Ababa;

• “Improved Resilience of Coastal Communities in Cote d’Ivoire and Ghana”, with a value of USD $14 million was endorsed by the Adaptation Fund and a project preparation grant has been received;

• “Guinea sustainable cities program” with a total value of EUR 4,150,000 funded by the European Commission;

• “Strengthening of urban control as a tool to prevent and mitigate emerging conflicts in cities and human settlements of Colombia” with a total value of USD $450,000 and supported by Government of Colombia;

• “Strategic Development Phase for the Global Future Cities Programme”, a global programme with a value of USD $3,194,000 and supported by the UK Prosperity Fund, with activities in Brazil, South Africa; Nigeria, Turkey, Myanmar, Thailand, Vietnam, Malaysia, the Philippines and Indonesia.

• “Establishment of the World Urban Youth Councils Network (WUYCN), a global initiative with a total value of USD $250,000 funded by the Istanbul Metropolitan Municipality.

8. Recent missions by the Executive Director and the Deputy Executive Director

Missions by the Executive Director:

Vietnam: GEF Assembly; Country Programme

Following an invitation to address the high-level roundtable on cities, another one on gender, and a side event organised by the World Bank/Global Platform for Sustainable Cities, I travelled to Da Nang, Vietnam, at the end of June to participate in the Sixth GEF Assembly, which takes place every four years. On that occasion, I signed a Memorandum of Understanding with the World Bank/Global Platform for Sustainable Cities, and also held several notable bilateral meetings with CEOs of leading organisations in the climate space, among others: the Green Climate Fund, the Global Environment Facility, World Resources Institute, and C40 Cities. The value of the normative work of UN-Habitat and its thought leadership was well-recognized and noted by all these organisations. I also used this occasion to signal UN-Habitat’s interest to support partners with knowledge, tools and capacities. Finally, I also met with the Ministers of Environment and of Construction, both of whom agreed to sign Memorandums of
Understanding with UN-Habitat. I was able to visit a project site in Hanoi, and met with partners and beneficiaries there, as well.

**Malaysia**

From 1 to 8 July, I travelled to Malaysia to meet with key officials of the newly formed Government, including the Prime Minister, Deputy Prime Minister, Finance Minister, Minister of Housing & Local Government, Minister of Foreign Affairs as well as key government officials in the states of Johor and Penang. The objective of my visit was to enhance the profile of UN-Habitat and explore future funding opportunities from the Government of Malaysia.

**Singapore: World Cities Summit**

On 8 July 2019, I represented UN-Habitat at the World Cities Summit 2018 in Singapore. The Summit provided a platform to share UN-Habitat’s views on the challenges and opportunities of urbanization, notably on the issue of infrastructure development.

On 9 July, I met H.E. Desmond Lee, Minister for Social and Family Development and Second Minister for National Development, primarily to discuss the joint Singapore-UN-Habitat capacity building programme for African leaders (ministers, mayors, senior officials). In this context, we explored, among other things: (i) the need to measure the impact of the programme; (ii) the possibility to open the capacity building programme to other regions; and (iii) the possibility to involve Singapore’s private sector at the next session.

**New York: HLPF**

From 10 to 18 July I participated in the High-level Political Forum at United Nations Headquarters in New York. SDG 11 was one of five SDGs under review. The HLPF provided UN-Habitat a critical platform to successfully re-position and re-emphasise the central role that urbanisation, SDG 11 and the New Urban Agenda play in delivering on Agenda 2030 for Sustainable Development, and UN-Habitat’s leading role in achieving this.

UN-Habitat engaged in 72 events over the two-week Forum, working closely with over 10 entities, 10 governments and partners. I personally participated in 17 official events. UN-Habitat organised three key events: a dedicated Partners’ Forum, a High-Level event on the effective implementation, monitoring & financing of SDG 11 and a High-Level reception during which the Deputy Secretary-General, together with India’s Union Minister of State, Ministry of Housing and Urban Affairs, the Honourable Hardeep Singh Puri, supported our launch of the SDG 11 Synthesis Report. The Deputy Secretary-General emphasized the key role of urbanisation in achieving sustainable development and stressed the importance of a strong UN-Habitat that can catalyse

the UN system to adapt its work in urban environments and lead in all types of cities.

A key outcome of the HLPF was a clear demonstration that UN-Habitat has the full support of United Nations leadership. We must now deliver on this trust and support and demonstrate that UN-Habitat can lead the United Nations in the area of urbanisation.
Japan: Asian Pacific Cities Summit

From 1 to 3 August, I travelled to Japan to enhance relations between UN-Habitat and the Government. During this official visit, I participated in two key events: the launch of the Spatial Planning Platform, a key instrument to galvanize global planning expertise as a key instrument of the New Urban Agenda, and the Asian-Pacific City Summit – a crucial platform which promotes much needed city-to-city collaboration and learning of best practices in the region. I further engaged with key partners from the Government of Japan, including the Ministry of Foreign Affairs, Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Environment, Japan Parliamentarians on Habitat, Fukuoka Prefecture and Fukuoka City.

Missions by the Deputy Executive Director:

Singapore: World Cities Summit

From 8 to 12 July, the Deputy Executive Director participated in the World Cities Summit, where she attended the plenary session on creating inclusive communities through Master Planning. She took this opportunity to meet with government officials, international organisations and relevant partners. The meetings explored the importance of Fukuoka as a gateway to other Asian cities and how this can lead to further engagement with regional leaders. Her meeting with the Mayor of Bristol discussed inclusion, migration and safety. In a bilateral meeting with the Governor of Algiers, they focused on expanding our existing partnership. Her meeting with the Economic and Social Commission for Asia and the Pacific (ESCAP) revolved around closer collaboration to advance the implementation of urban-related SDGs and the NUA in the region.

On this, her last CPR as the Deputy Executive Director of UN-Habitat, I would like to take this opportunity to acknowledge with gratitude the immense contribution of Dr. Aisa Kacyira Kirabo to the cause of sustainable urbanization. Dr. Kacyira’s dedication and professionalism will be remembered as the model to follow, and I look forward to continuing to work with her, as the opportunity arises.

9. Any other business

Urban October

I would like to warmly invited CPR members to participate in celebrating Urban October. UN-Habitat is working to revitalize this initiative, which will focus the attention of the UN family, the diplomatic community, and local communities on issues surrounding urban sustainability. The Governing Council Secretariat has already circulated to Member States background documents on Urban October, World Habitat Day (1 October) and World Cities Day (31 October). Regional offices are organizing activities globally; these will be posted on our website.

I would like to further invite CPR members to join the Government of Kenya and UN-Habitat for World Habitat Day, which, at the request of the Government, will take place on
UNON premises. The theme this year is Municipal Solid Waste Management. World Habitat Day will kick off a sustained campaign through the month. Furthermore, there are a number of national (NEMA), county (Nairobi) and UN-Habitat clean-up campaigns taking place, and I would welcome participation and support by members of the diplomatic community.