Draft minutes of the twenty-seventh regular meeting of the Committee of Permanent Representatives to the United Nations Human Settlements Programme, held on 6 December 2007

Opening of the meeting

1. The meeting was opened at 10 a.m. on Thursday, 6 December 2007 by Ms. Elisabeth Jacobsen, Permanent Representative of Norway to the United Nations Human Settlements Programme (UN-Habitat) and Chair of the Committee of Permanent Representatives.

2. The meeting was attended by 80 representatives from 55 countries and one observer mission from the Holy See.

3. The Chair welcomed the following new members of the Committee: Mr. Salih Omer Abdu, Ambassador and Permanent Representative of Eritrea, Mr. Jacob Keidar, Ambassador and Permanent Representative of Israel and Ms. Christina Msadabwe, High Commissioner and Permanent Representative of Zambia. She said that she looked forward to their engagement and contribution to the work of UN-Habitat.

Item 1: Adoption of the agenda

4. The Committee adopted the provisional agenda for the meeting, as set out in document HSP/CPR/27/1 and Add.1

Item 2: Adoption of the draft minutes of the meeting of the Committee of Permanent Representatives which was held on 27 September 2007

5. The Committee approved and adopted the draft minutes of its twenty-sixth regular meeting, held on 27 September 2007, as contained in document HSP/CPR/27/2.

Item 3: Election of the Bureau of the Committee of Permanent Representatives for the 2008–2009 biennium

6. The following new members of the Bureau of the Committee of Permanent Representatives for the 2008–2009 biennium were elected by acclamation, after nominations by the regional groups whose turn it was in the customary rotation of nominations:
7. The Chair paid tribute to the outgoing Bureau for their spirit of cooperation and work, which had given a great deal of impetus to the work of UN-Habitat over the period of its mandate, which had covered the holding of the session of the World Urban Forum in Canada and the preparation of the Medium-term Strategic and Institutional Plan and the Experimental Reimbursable Seeding Operations. She congratulated the new Bureau members on their election and wished them well, and said that she looked forward to a joint meeting of the outgoing and incoming Bureaus in the second half of January 2008. She also thanked the secretariat for the cooperation it had shown at all times.

**Item 4: Consideration of the report of the working group of the Committee of Permanent Representatives on the draft action plan for the Medium-term Strategic and Institutional Action Plan (MTSIP), including the Experimental Reimbursable Seeding Operations (ERSO)**

8. Introducing the item, the Chair, in her capacity as co-chair of the working group on policy, budgetary and administrative matters, said that three documents were before the Committee for endorsement, as a result of the sessions of the working group, entitled, respectively, the Action Plan for the Medium-term Strategic and Institutional Plan (MTSIP), the Strategic Policy on Human Settlements and Crisis and the Strategic Framework of the UN-Habitat Work Programme for 2010–2011. She briefly outlined the process and outcome of the sessions she had chaired on 10 September, 22 October and on 12, 19 and 26 November 2007. She thanked the members of the working group and the secretariat for their diligence and commitment to the process of preparation of those documents.

9. Mr. Daniel Chuburu (Argentina), the other co-chair of the same working group, presented a report on the work of the group on its review of the implementation of Governing Council resolution 21/10 with regard to the introduction of Experimental Reimbursable Seeding Operations (ERSO). On that topic, the working group had held two meetings, on 31 October and on 23 November 2007. The group had reviewed and discussed an initial draft of the Operations Procedure and the Operations Manual, together with a synopsis of the comments received from the group of outside experts on the ERSO implementation process. He noted that the road map on the way forward for that process was attached as part of Annex IV of the MTSIP Action Plan for 2008–2013, currently before the Committee.

10. Several representatives took the floor to express their appreciation of the work done by the secretariat and their support for the MTSIP Action Plan, the Strategic Policy on Human Settlements and Crisis, and the Strategic Framework of the UN-Habitat Work Programme for 2010–2011, while stressing that financial resources for their implementation should be sought.

11. The representative of Japan expressed his country’s reservation with regard to paragraphs 46 and 47 of the MTSIP Action Plan document. His country had a question with regard to the “revision” or “alignment”. The second sentence of paragraph 47 read “the Action Plan target is that 80 per cent of the Action Plan will be aligned with the work programme and budget by 2010–2011”. His country’s view was that the work programme and budget for the biennium 2010–2011 must be approved by the following Governing Council, while the sentence shown above seems to mean some sort of alignment in the inter-sessional period, after the approval by the Governing Council in 2009; Japan did not see that that was feasible. He also would like to have clarification as to why 80 per cent would be “aligned”, but not the other 20 per cent. The Executive Director said that she would be happy to respond to Japan’s concern and reservation if the representative could present it in written form for the sake of clarity. Having responded to other remarks, however, she informed the representative of Japan that she had understood his initial question.

12. Regarding ERSO, many representatives took the floor to express their views. The representative of Finland stressed that the focus at the current stage should be mainly on project preparation (developing business plans) rather than on generic documents such as the operational procedures and manuals. After projects had been carried out, monitored and evaluated, then the development of generic documents could be undertaken, preferably during the latter part of the four-year experimental operations in 2010–2011. Such generic documents should be the possible end
result of experimental operations rather than the starting point. The twenty-first session of the Governing Council had implied that experimental operations on housing finance should be carried out before decisions were made on the feasibility of reimbursable seeding operations. The representative of Finland added that the existing approach, through the ERSO Trust Fund and its draft documents, did not include the development of other innovative financial mechanisms, which needed to be investigated and supported with a project document and road map. The Executive Director said in response to these points that ERSO was an experiment on which UN-Habitat had to move, and she agreed that the current draft of the operations manual would not be a final draft.

13. Speaking on behalf of the Group of 77 and China, the representative of Indonesia said that his Group welcomed the consultative process, especially in involving donors and partners, and highlighted its importance. On behalf of his country, Indonesia, he thanked all the donors who had helped in the reconstruction work after the tsunami and commended UN-Habitat for its work in the humanitarian sector. His view was endorsed by the representatives of the United Republic of Tanzania and Nigeria.

14. The representative of Nigeria said that ERSO would be a demonstration of commitment to give hope to millions in developing countries, and he hoped that early operations could begin soon.

15. The representative of Spain said that his country believed that ERSO was within the mandate of UN-Habitat and would strengthen the capacity of people at the grassroots level; while steps could be taken to assess its success in 2011, it should be started with confidence. To that end, his Government, through its Council of Ministers, would donate €2 million to the project as seed capital funds and to help strengthen the technical capacity of the administrative group of ERSO. ERSO would dignify life and give a voice to those who did not have a voice.

16. The Executive Director expressed her thanks to the Government of Spain for its generous donation and said that she appreciated the recognition that UN-Habitat needed to move on with the ERSO project. She added that those who contributed to ERSO should become members of the steering committee, and she appealed to other countries to come forward with help for ERSO, not only for seeding capital, but also with human resources. She stressed the need for suitable candidates for membership of the steering committee. Inclusion in the steering committee would be through the Committee of Permanent Representatives, which would exercise political oversight over it, but she recommended that donors and contributors should be recognized. If successful, ERSO should have an Executive Board, and she would be happy to hand over its control to such a Board.

17. The representative of the Netherlands stated that ERSO was a flagship experiment by UN-HABITAT and that it was therefore essential to ensure a successful outcome of the pilot phase by 2011. Success would enhance the reputation of the organization, while failure to deliver would jeopardize it. The foundation of ERSO should be solid and well-designed operational procedures. It was therefore essential to agree beforehand on the indicators for assessing success in order to enable a proper evaluation in 2011. That was particularly important as some ERSO projects might have 15-year repayment schedules with grace periods of five years, meaning that ERSO would not necessarily have substantial experience with repayments at the end of the pilot phase in 2011. The representative from the Netherlands further stated that, since ERSO was an experiment, the scope should be limited and only one or two approaches and models should be field-tested. Lastly, the governance structure of ERSO should be transparent and accountable. The experimental character and the risks to institutional reputation required a formal role for the Committee of Permanent Representatives in the governance structure, in addition to the Steering and Monitoring Committee, which should be independent and able to provide binding recommendations to the Executive Director. The representatives of the United Kingdom of Great Britain and Northern Ireland and the United States expressed support for the governance concerns raised by the representative of the Netherlands. The representative of the United Kingdom stressed that governance arrangements must be developed and that the Steering and Monitoring Committee should be further discussed. He also suggested discussing the role of the Committee of Permanent Representatives with regard to monitoring progress within a Working Group beginning in 2008. The representative added that Resolution GC21/10 mentioned a Steering Committee that comprised “representatives of governments” and not “representatives of governments who are funding”. The representative of Sweden supported the comments of the representative of the United Kingdom. The representative of the United States joined the representatives of the United Kingdom and the Netherlands in calling for further consideration of issues surrounding the governance of the ERSO Steering and Monitoring Committee. He concurred with their view that the operational procedures and the Operational Manual, required further work, which was understood to be in progress. The representative of the United States stressed that if the ERSO structure was not well planned and established, the project would crumble. The representative of the United States further
underscored that, in the spirit of MTSIP, critical success factors should be defined, so that monitoring and evaluating were transparent and programme operations fully accountable.

18. Several other representatives also raised the question of repayment periods for credit, and the Executive Director said that amortization periods should be affordable; she believed that by 2011 all experiments should have been launched, but that mortgages would not have concluded.

19. The representative of Finland said that if the MTSIP Action Plan was endorsed by the Committee, her country wished to express a reservation concerning Annex IV and the timetable of the Plan. Representatives of Belgium and Mexico joined the representative of Finland, saying that they shared the reservation she had expressed.

20. The Chair said that work on ERSO would continue, noting that the operations manual was needed to start the project, even if it was not a final document. On her proposal, the Committee noted with appreciation and endorsed the MTSIP Action Plan, the Strategic Policy on Human Settlements and Crisis and the Strategic Framework of the UN-Habitat Work Programme for 2010–2011.

Item 5: Developments at the sixty-second session of the General Assembly and other developments at the international level relevant to the work of UN-Habitat

21. Introducing the item, the Executive Director informed the Committee that three reports had been presented before the Second Committee of the General Assembly: the report of the Governing Council at its twenty-first session, the report of the Secretary-General on the coordinated implementation of the Habitat Agenda and the report of the Secretary-General on follow-up to the Second United Nations Conference on Human Settlements and the strengthening of the United Nations Human Settlements Programme. She was pleased to say that those reports were well received by the Second Committee. She said that in her statement before the Second Committee on 30 October 2007, she had underscored three issues: the first was that the link between cities, urbanization and climate change could no longer be ignored, given that cities were the main contributors to greenhouse gas emissions; the second was the urgent need for adaptation; and, the third was that the urgent requirement for mitigation and adaptive measures provided an opportunity to address and redress the chaotic aspects of rapid urbanization. She concluded by informing the Committee that a draft resolution on the UN-Habitat agenda item had been put forward by the informals for further consideration a few days ago, and that the final text of the resolution would be distributed as soon as it had been adopted.

22. A representative speaking on behalf of the Group of 77 and China said that the documents mentioned had captured important points for the improvement of the lives of slum dwellers, and the Group encouraged UN-Habitat to maintain the momentum for their implementation.

23. One representative said that she suggested that UN-Habitat should prioritize issues connected to climate change, since cities were responsible for much of global greenhouse gas emissions.

24. The Committee noted with appreciation the report of the Executive Director.

Item 6: Preparations for the fourth session of the World Urban Forum

25. The Executive Director said that, with regard to the theme of the fourth session of the World Urban Forum, namely, “Harmonious Urbanization”, a subtitle had been added to provide greater clarity, namely, “the Challenge of Balanced Territorial Development”, and the six subthemes would each be the subject of a dialogue, and would be supported by a series of special plenaries, round tables and networking and training events. UN-Habitat had set up in-house teams for each dialogue and was currently building a roster of speakers for the dialogue sessions. The World Youth Forum would be held over three days prior to the World Urban Forum session. She said that travel information, including visa application procedures, would be posted on the website before the end of the year. She thanked the hosts, the Government of China, for approving the theme and the subthemes and for putting in place the counterpart secretariat to help prepare the event and noted that there was a commitment from the Government that the facility would be ready for use in August 2008. Inspection missions by UNON Conference Services and United Nations Security were planned for March and August 2008, respectively. Formal invitations to attend would be sent out in April 2008, and the final agenda would be discussed and reviewed by a working group of the Committee, to be established during the first quarter of 2008.
26. The representative of China said that with 11 months to go before the Forum session, very many activities had been carried out by his Government, including work on the theme and subtheme, as well as in preparation of the main venue. His Government invited friends from all countries to participate and he was sure that, with their help, the event would be a success.

27. One representative asked if the Committee could play a role in the networking and training events. The Executive Director replied saying that the working group on the World Urban Forum to be constituted in early 2008 would provide opportunities for contributions for those events.

28. The Committee noted with appreciation the report of the Executive Director.

Item 7: Quarterly report on the financial status of UN-Habitat

29. Representatives had before them a document entitled “Financial update: October 2007”.

30. The Executive Director said that the financial update document provided an overview of the current financial situation of UN-Habitat, regular budget allocations, the United Nations Habitat and Human Settlements Foundation allocations for general and special purposes (Annex A). The annual general-purpose income target was currently forecasted at $17.7 million, which represented an increase of 68 per cent over the previous year’s total. Special-purpose contributions earmarked for projects and programme activities had reached $104.3 million, which denoted good progress, especially for the work being carried out in Afghanistan and Iraq, and she thanked all the governments that had helped.

31. The Committee took note with appreciation of the report submitted by the Executive Director.

Item 8: Other matters

32. There were no other matters.

Closure of the meeting

33. The Chair declared the twenty-seventh regular meeting of the Committee of Permanent Representatives closed at 1 p.m. on Thursday, 6 December 2007.