

UN HABITAT

FOR A BETTER URBAN FUTURE

**63rd REGULAR MEETING OF THE COMMITTEE OF PERMANENT
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Agenda Item 4:

Executive Director's Briefing (HSP/CPR/63/4)

63rd Regular Meeting of the CPR

Agenda Item 4: Executive Director's Briefing to the CPR

1. Introduction

The period since the last CPR has seen a number of important developments, key amongst them the adoption of the New Urban Agenda at the United Nations Conference on Housing and Sustainable Urban Development, held in Quito, Ecuador from 17-20 October. In this briefing, I would like to focus on this and some related issues. I will also provide an update on recent missions by me and the Deputy Executive Director:

- Habitat III activities in September and October and the Conference itself.
- UN-Habitat and the implementation of the New Urban Agenda
- UN-Habitat's request for bridging finance for 2016 and 2017
- Recent missions.

2. Habitat III

2.1. Introduction

September and October were dedicated to the final preparations for Habitat III and the Conference itself. While the month of September was fully devoted to mobilizing member states and stakeholders around the globe, October was focused on the last preparations for Habitat III and the Conference itself as well as post-Habitat activities. More details on these activities and other substantively notable milestones are described below.

2.2. Informal Intergovernmental Meetings from 9 to 10 September 2016 in New York, US

Following the decision made at the third session of the Preparatory Committee in July 2016 in Surabaya to hold Informal Intergovernmental Meetings in New York before the Habitat III Conference, the co-facilitators identified 7-9 September as the dates for negotiations. Co-facilitators as well as member states were determined to conclude the negotiations in New York. The agreement on the New Urban Agenda was reached on the evening of 10 September after 40 hours of continuous negotiations. The agreed New Urban Agenda has been translated into six official UN languages.

2.3. Urban Breakfast Series

Urban Breakfasts Series are held by the Habitat III secretariat in collaboration with various esteemed partners every month all over the world. The main goal of the Urban Breakfasts is to create a platform for knowledge-sharing and to encourage an informal discussion on the challenges of sustainable urban development as well as key priorities to take into account in the New Urban Agenda. During the months of September and October the following Urban Breakfast were held:

- 1 September 2016: Habitat III: Towards a New Urban Agenda for Cities in collaboration with Ford Foundation, Nairobi, Kenya;
- 5 September 2016: Colaboración Público Privada para la Implementación de la Nueva Agenda Urbana con la colaboración del UNITAR, ASUR y de la Universidad Autónoma de Yucatán, Mérida, México;
- 8 September 2016: Including Refugees in the New Urban Agenda con la colaboración del UNHCR ACNUR, Quito, Ecuador
- 13 September 2016: Presentation of the Habitat III Regional Report for the UNECE Region in collaboration with UNECE and UN-Habitat, Geneva, Switzerland;
- 13 September 2016: Technology, innovation and integrated urban solutions in the New Urban Agenda in collaboration with Future Cities Catapult, London, UK;
- 15 September 2016: Peacebuilding in the cities in collaboration with UNESCO, Quito, Ecuador;
- 16 September 2016: The Habitat III Conference in Quito and the New Urban Agenda in collaboration with the City of Madrid and UN-Habitat, Madrid, Spain;
- 19 September 2016: Habitat III: The Road towards The New Urban Agenda in collaboration with the Ministry of Economy and Sustainable Development of Georgia., Tbilisi, Georgia;
- 20 September 2016: Movilidad y Transporte Sostenible con la colaboración del UNITAR, MOPC, ADN, y CODIA., Santo Domingo, Dominican Republic;
- 22 September 2016: La Escuela de Barrio in collaboration with UNICEF, Quito, Ecuador;
- 23 September 2016: Desafios para o Rio de Janeiro na negociação e implementação da Nova Agenda Urbana in collaboration with Prefeitura do Rio de Janeiro, Frente Nacional de Prefeitos e ONU-Habitat, Rio de Janeiro, Brazil;
- 26 September 2016: Movilidad, transporte sostenible y seguridad vial con la colaboración del UNITAR, CIFAL Argentina y la Federación Argentina de Municipios (FAM), Buenos Aires, Argentina;
- 27 September 2016: Urban Breakfast at Scottish Parliament, Edinburgh, UK;
- 28 September 2016: Uruguay y la Nueva Agenda Urbana con la colaboración del Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente y el Ministerio de Relaciones Exteriores de Uruguay., Montevideo, Uruguay;
- 28 September 2016: The Social Dimension of Sustainable Urban Development in collaboration with the Global Utmaning, Stockholm, Sweden;
- 29 September 2016: Hacia la Implementación de la Nueva Agenda Urbana con la

colaboración del UNITAR, CCVAH, SISCA, SICA, y el Gobierno de El Salvador, San Salvador, El Salvador;

- 30 September 2016: Ciudades Sustentables y Resilientes in collaboration with SEDATU, Mexico D.F., Mexico;
- 3 October 2016: Together towards the Implementation of the New Urban Agenda in collaboration with United Nations Institute for Training and Research, Geneva, Switzerland;
- 3 October 2016: Financing Urban Development in the context of the New Urban Agenda in collaboration with Government of Malawi and UNDP, Lilongwe, Malawi;
- 5 October 2016: Criando Cidades Prósperas na Nova Agenda Urbana in collaboration with Prefeitura de Belo Horizonte, Belo Horizonte, Brazil;
- 5 October 2016: Cities for the People - Urban Mobility in collaboration with EtheKwini Municipality, Durban, South Africa;
- 6 October 2016: The Habitat III Conference and the New Urban Agenda in collaboration with City of Brussels, Brussels, Belgium;
- 7 October 2016: Towards a New Urban Agenda - Inclusive Housing Solutions in collaboration with Government of Botswana, Gaborone, Botswana.

2.4. World Habitat Day on 3 October 2016

On World Habitat Day the Habitat III Secretariat hosted a number of events, including two Urban Breakfasts (mentioned above) as well as an informal media briefing in Brussels, Belgium in cooperation with United Nations Regional Information Centre and an Urban Journalism Academy held in Madrid, Spain. The global observance was held in N'Djamena, Chad, attended by the Executive Director.

2.5. Urban Journalism Academies

The Urban Journalism Academy is a pioneering and innovative initiative which aims to train journalists and media professionals who are already interested or involved in urban development with reference to social and economic issues facing cities in the 21st Century. A number of Urban Journalism Academies were organized by the Habitat III Secretariat in collaboration with various partners all over the world. In September an Urban Journalism Academy took place on World Habitat Day in Madrid, Spain organized in collaboration with UN-Habitat. Another UJA took place during the World Summit of Local and Regional Leaders, Bogota, Colombia on 12 October 2016.

2.6. Habitat III Conference from 15-20 October 2016 in Quito, Ecuador

The Habitat III Conference took place in Quito, Ecuador from 15 to 20 October. The Conference was a resounding success with the 30,000 participants accredited, including over 10,000

international participants from 167 countries. Over the span of four days nearly 1,000 events took place, including 8 Plenary sessions, 6 High-Level Roundtable sessions, 4 Assemblies, 16 Stakeholders Roundtables, 10 Policy Dialogues, 22 Special Sessions, 3 Urban Talks, an Urban Journalism Academy, 59 United Nations events, 157 Exhibition booths, 44 Village projects and over 460 side, networking, training and parallel events were organized by various stakeholders. The Conference concluded with the adoption of the New Urban Agenda by participating states, with no reservations. It is worth noting that the New Urban Agenda is one of the few UN documents adopted without reservations in recent years.

2.7. World Cities Day on 31 October 2016

World Cities Day was the last event celebrating Urban October, held under the theme “Inclusive Cities, Shared Development”, and one of the first events following the adoption of the New Urban Agenda. Events for World Cities Day were organized in Quito, Ecuador in collaboration with the Municipality of Shanghai; an Urban Breakfast was held in New York, US, with the participation of permanent representatives and the UN; a discussion took place in Brussels, Belgium; and an Urban Walk was conducted in Geneva, Switzerland.

3. UN-Habitat and the implementation of the New Urban Agenda

The New Urban Agenda strongly resonates with the 2030 Agenda, whose Sustainable Development Goals (SDGs), particularly SDG-11, contain indicators against which the NUA can be measured. The NUA itself broadly outlines the means of implementation for cities, critical for the achievement of SDG-11 and beyond. By creating an action-oriented roadmap for implementation, the New Urban Agenda complements and contributes to the goals of the Paris Climate Change Agreement, the Sendai Framework for Disaster Risk Reduction, the Addis Ababa Plan of Action for Financing Sustainable Development, the World Humanitarian Summit and the Summit for Refugees and Migrants. A key element in the implementation of the New Urban Agenda is the recognition by member states of the role and expertise of UN-Habitat as a focal point for sustainable urbanization and human settlements.

This section briefly introduces how UN-Habitat intends to execute its focal point role in implementation of the NUA enshrined in the Quito Declaration paragraphs 128-129, 165, 167-168 and 171 to strengthen coherence as an agency in mobilizing the UN System and other partners to support Member States in implementation of the NUA. This is premised on UN-Habitat’s leadership in substance and knowledge on cities and human settlements, mobilization of multi stakeholders, UN interagency coordination, capacity building and advocacy. This document is based on the current needs and opportunities perceived, without in any way prejudging the outcome of the evidence-based and independent assessment of UN-Habitat as specified in the follow up and review section of the New Urban Agenda.

Governments in the Quito Declaration underline the importance of UN-Habitat’s role within the UN system as focal point on sustainable urbanization and human settlements including in the implementation, follow-up, and review of the New Urban Agenda, in collaboration with other UN entities. Governments call upon UN-Habitat, other UN agencies, all relevant stakeholders to generate evidence-based and practical guidance for the implementation of the NUA and the

urban dimension of SDGs. UN-Habitat is urged to continue its work to develop normative knowledge and to provide capacity development tools. The agency will also coordinate the preparation of the four-year reports in close collaboration with other UN entities, ensuring an inclusive UN System-wide coordination process with inputs from all relevant actors.

The UN-Habitat Work Programme and Budget for 2016-2017 is already closely aligned with relevant SDGs and resonates very well with the NUA. The revision of the UN-Habitat Strategic Plan 2014-2019 and the development of the Strategic Framework and Work Programme and Budget for 2018-19 will offer additional opportunities to further strengthen alignment with the New Urban Agenda and recent global agreements.

The implementation of the New Urban Agenda requires a wide range of approaches including provision of guidelines and frameworks for implementation, monitoring and reporting, advocacy, capacity building, and research and knowledge generation. Guidelines for implementation and a framework for monitoring and reporting by governments and other partners need to be developed and rolled-out. Awareness-raising to popularize the NUA and increase support for sustainable urban development, and capacity building for citizens, policy-makers and others need to be carried out. Multiple stakeholders, the UN System, and governments must mobilize to support all these processes, particularly as tight deadlines have been set, especially to deliver the first report to the General Assembly at its 72nd Session in 2017, and feed into the report to the High Level Political Forum on review of SDG 11 due in 2018.

The following main tasks may be proposed in UN-Habitat's focal point role: (1) Development and implementation of Guidelines to support countries through an Action Framework for Implementation of the New Urban Agenda (AFINUA); (2) Monitoring of the implementation of the New Urban Agenda including the preparation of the Global Progress Reports; (3) UN System-wide coordination in the implementation of the NUA; (4) Advocacy, awareness creation and engagement of stakeholders in implementation, monitoring and reporting on the NUA. Member states have furthermore requested the UN Secretary-General to conduct an evidence-based and independent assessment of UN-Habitat during the seventy-first session of the General Assembly, in light of the New Urban Agenda and with a view to enhancing its effectiveness.

4. UN-Habitat's request for bridging finance in 2016 and 2017

4.1. Introduction

UN-Habitat has in recent months and years taken extraordinary steps to position itself with remarkable increases in productivity and effectiveness across its business areas. As outlined on several occasions, we are strategically positioned to meet the increasing challenges of sustainable urbanization and human settlements. There is a high demand for our services, which we anticipate will grow alongside the implementation of the New Urban Agenda. Unfortunately, however, portfolio acquisition is significantly hampered by a service delivery model that is not fit for purpose, and by an inflexible budget model.

In the New Urban Agenda, member states have decided to take a close and constructive look at UN-Habitat with a view to a strengthening and enhancement of its capabilities. The current

financial situation, however, risks presenting a *fait accompli* to the Secretary-General and member states. It is counterproductive to allow the current challenges in the core budget to dictate the outcome of a process decided by member states.

If the process chosen by member states is to succeed, and legislated in GA 72, it is vital that UN-Habitat's deficit be closed in 2016 and 2017, without exhausting the foundation reserves, and above all without losing the core capacity at the normative and operational levels needed to move forward.

With this in mind, UN-Habitat has requested member states to consider providing bridging financing in 2016 and 2017 to enable it to maintain basic capacity and to continue to support member states, ahead of the decisions on the future of UN-Habitat.

The request for bridging finance is a means to an end and not a 'bailout' or 'rescue' package; it is support to achieve a strengthened, reformed, better UN-Habitat. Bridging financing will enable UN-Habitat to continue delivering its mandated tasks and functions while the assessment is being conducted and until a final determination on how to strengthen UN-Habitat financially and operationally is made and implemented.

4.2. Priority areas

UN-Habitat has shared documentation with member states that elaborates a number of scenarios to illustrate its different options for 2017 and 2018. At the root of these documents and the scenarios is the desire to immediately start focusing further on the five priority areas of the New Urban Agenda. It is our wish to do this with no less than the current core capacity, pending the outcome of the assessment for increased functionalities. There are a number of key functions and products that need to be in place for the accomplishment of UN-Habitat's functions. Examples of these are:

- a) The Global Urban Observatory; the unit of research on the evolution of global urbanization
- b) Urban Lex: UN-Habitat's Global Legal urban database that reports on general patterns of urban legislation
- c) Urban Planning and Design Lab: the unit that collects information on the global patterns of urban planning and design
- d) Global urban finance database: the unit that collects and analyzes the evolution of urban finance worldwide
- e) The Global Land Tool Network: the network that shares the global trends of land legislation

Information and data coming from these and other UN-Habitat instruments and services have been crucial in the preparatory process of Habitat III, in the preparation of the successive UN-Habitat reports and is the basis of the knowledge of UN-Habitat. These instruments must now be strengthened in order to fulfill the requirement for global urban monitoring for member states, for the new quadrennial report. It also will contribute to the fact-finding and research for the

2030 Agenda for Sustainable Development (Goal 11 and the urban components of other goals) and the New Urban Agenda.

The request for bridging financing aims to keep the fundamental instruments of UN-Habitat in adequate shape, to allow it to continue to deliver highly professional reporting, monitoring and evaluation of the evolution of urbanization, until the final architecture and financing of UN-Habitat is agreed by Member States. UN-Habitat has suffered financially due to the continued diminishing of un-earmarked voluntary contributions, as well as the reduced rate of delivery of technical cooperation (mainly due to challenges in the implementation of UMOJA and IPSAS). This is compounded by the fact that UN-Habitat is governed by UN Secretariat rules and regulations even for its field operations, unlike many other UN Funds and Programmes. This has negatively impacted core income coming from overheads to an unforeseen extent.

4.3. Steps towards raising bridging finance

UN-Habitat has had regular dialogues with member states in its outreach on donor relations and resource mobilization.

- a) Dedicated donor relations capacity established in 2013, and a new resource mobilization strategy.
- b) Updated Donor relations strategy discussed with member states in 2015, and endorsed by Working Group on Programme and Budget in 2016.
- c) Annual, often multi-day consultations held in the last year with traditional donors, including Germany, EU, USA, Norway, Sweden, Japan.
- d) Diversification of portfolio, with major new funding provided by Middle Income Countries to date.

In the meantime, UN-Habitat is developing its budget and allocations for 2017. If no new income is received, UN-Habitat will have to reduce its expenditure in a responsible manner, based on the budget options that reflect the best knowledge it has of the financial picture for 2016, and the expected income for 2017, focusing primarily on the five priority areas outlined in the Strategic Plan, prioritising our responsibilities on SDG 11, and the linkages of the New Urban Agenda with the Paris climate agreement.

4.4. Financial reporting

UN-Habitat has regularly informed and updated member states on its financial position through regular discussions in the CPR, and quarterly and annual financial reports to the CPR and the Governing Council. The difficulties of reporting in 2016 as a result of challenges in the implementation of Umoja and the revised timeline for reporting were recognized by member states in the relevant General Assembly Committees which agreed on finalization of financial statement preparation for all Secretariat entities on 30 June and was presented to auditors who then concluded their work within the following 8 weeks. The financial statements were transmitted therefore to member states on 19 September 2016. UN-Habitat reached out to member states through the following meetings and bilateral encounters:

- a) Meeting with the EU on 9 September, where all information available at the time was shared.
- b) Meeting of the Working Group on Programme and Budget on 12 September. Detailed information provided, ahead of release of Financial Statements.
- c) Meeting of the CPR on 14 September, where the need for bridging financing was first raised.

Following further discussions and briefings in Quito from 17-20 October 2016, and on 20 October 2016, donors agreed to move forward with urgency on a coordinated approach to the bridging financing question.

Two additional meetings have since been conducted by the CPR chair. An additional two donor teleconferences and discussions on regional initiatives have taken place.

5. Recent Missions

- On 15 and 16 September, the Executive Director visited Madrid, Spain, where he attended an international seminar organized by the City of Madrid titled “A New Justice for a New Urban Agenda”. During the visit, the Executive Director also met with senior government officials, including the acting Minister of Foreign Affairs and the acting Minister of Development, in order to brief them on the preparations for Habitat III. The City of Madrid and the Habitat III Secretariat also hosted an Urban Breakfast during the visit.
- On 18 September, the Executive Director participated at the ‘Policy Dialogue on Financing Cities: Implementing the New Urban Agenda (NUA) and SDG 11’, organized jointly by UN-Habitat and OECD, represented by Secretary-General, Mr. Angel Guria. The event served to launch the Policy Dialogue on Financing Cities, a new joint initiative by the OECD Development Centre and UN-Habitat, which will provide a platform for policy makers, investors, donors, and recipients to coordinate the financing of urban development initiatives at all levels. The Deputy Executive Director moderated the opening session of the event.
- On 26 September, the DED represented UN-Habitat at the second International Civil Aviation Organization (ICAO) World Aviation Forum in Montreal. During the visit, she initialed the Memorandum of Understanding between UN-Habitat and ICAO, which was later signed at Habitat III in Quito by the Executive Director and ICAO’s Secretary General, Dr. Fang Liu. The MoU is aimed at enhancing airports' contributions to sustainable urban development.
- On 3 and 4 October, the Executive Director visited N’Djamena, Chad, at the invitation of the Government, convening the global observance of the 2016 World Habitat Day. During the visit, the Executive Director met with His Excellency President Idriss Déby,

also Chairman of the African Union and briefed him about the preparations of Habitat III and UN-Habitat's partnership with the Government of Chad and the African Union. The Executive Director also met with H.E. Mr. David Houdeingar, Minister of Spatial Planning, Habitat Development and Urbanism, and Mr. Sing-Yabe Barnaba, Deputy Minister of Economy and Development Planning, with a view to support the government in achieving sustainable urban development, including through programmes such as the Lake Chad Initiative.

- On 6 and 7 October, the DED attended the inaugural high-level meeting of the Founders' Committee of the Global Covenant of Mayors for Climate and Energy in Brussels. This new initiative constitutes a merger between the EU Covenant of Mayors and the Compact of Mayors, creating the largest global coalition of cities committed to climate leadership. This platform will enhance the strategic implementation of the NUA in addressing the challenges of climate change.
- Just before Habitat III from 12 to 15 October, United Cities and Local Governments (UCLG) convened the 5th UCLG Congress and World Summit of Local and Regional Leaders in Bogota, Colombia, attended by the Executive Director who spoke during the Opening Ceremony. The Summit demonstrated the close relationship that UN-Habitat enjoys with UCLG as a leading local government association, with numerous events and joint engagements between the two organizations. The DED attended UCLG City of Bogota Peace Prize on 14 October 2016 where she represented the jury together with Prof. Grasa and Ms. Vlietstra.
- Taking advantage of the visit to Bogota, the Executive Director met with senior officials of the Government of Colombia, including Minister of Housing and Minister Post-conflict and number mayors with view to explore further cooperation between UN-Habitat and the Colombia, in particular the implementation of the New Urban Agenda and a post-conflict city programme supported by UN-Habitat.
- On 31 October, the DED participated in World Cities Day China national celebrations in Xiamen and met with Mr. Yi Jun, Vice Minister of Housing and Urban-Rural Development of China, as well as Mr. Qi Ji, Vice President of China Mayors Association and the Vice Mayor of Xiamen, and also had a brief city visit.
- On 13 and 14 November, the Executive Director participated in the Global Future Councils Annual Meeting of the World Economic Forum, which provided a good opportunity to engage with the private sector and other stakeholders to discuss their contribution to the implementation of the New Urban Agenda.