



2023 FIRST SESSION OF THE EXECUTIVE BOARD, 28 – 29 March 2023



Summary of Plenary Discussions and Outcomes

First Daily Journal (Draft)

DAY 1- Tuesday, 28 March 2023

The first session of the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) for 2023 began in a hybrid format on Tuesday, 28 March 2023, with delegates participating in person at the UN-Habitat headquarters in Nairobi and online from across the globe.

Agenda item 1: Opening of the session

The Chair of the Executive Board, H.E. Mr.
Silvio Albuquerque, Permanent Representative

of the Federative Republic of Brazil to UN-Habitat, opened the session and welcomed all participants and delegates. He emphasized the values of the United Nations and the critical role of UN-Habitat in helping Member States achieve sustainable urban development and adequate living conditions for all.

Ms. Zainab Hawa Bangura, Director-General of the United Nations Office at Nairobi (UNON), commended the leadership of the Executive Board Chair. She stated that UNON is committed to making the complex a safe haven to enable Member States to meet and deliberate while the conference facilities are being upgraded, including enhanced digital capabilities and carbon neutrality.

In her opening statement, **Ms. Martha Delgado, President of the UN-Habitat Assembly**, stated that the Second session of the United Nations Habitat Assembly would be a key moment to set policy direction for sustainable urban development. She reiterated the importance of UN-Habitat's mandate and congratulated UN-Habitat's Executive Director and her team for succeeding in achieving a surplus in the core budget. She thanked Member States for their support and advocacy in elevating urbanization in the global agenda and emphasized the importance of multilateral action.

Hon. Zacharia Mwangi Njeru, Cabinet Secretary for the Ministry of Lands, Public Works, Housing and Urban Development and Head of the Delegation of the Republic of Kenya, congratulated the Executive Director for her leadership and achieving a financial surplus. He stressed that Kenya stands ready to welcome delegations as the host country of the upcoming United Nations Habitat Assembly, which will be an excellent opportunity to review the agency's work since its restructuring and strengthen its accountability and transparency. He emphasized that Kenya is committed to paying its annual voluntary contributions to UN-Habitat and encouraged other Member States to provide greater non-earmarked contributions.

In her welcoming remarks, Ms. Maimunah Mohd Sharif, UN-Habitat's Executive Director, thanked Member States for approving the conversion of seven posts to regular budget at the General Assembly, a first in twenty years. In addition, she highlighted that UN-Habitat achieved a surplus in the non-earmarked foundation fund for the first time in twelve years.

She underlined that the organization is currently preparing the progress report on the implementation of SDG 11 to be presented at the High-Level Political Forum in New York in

July. In addition, the Executive Director encouraged members of the Executive Board to conduct field visits to observe the impact on the ground. She also presented the Executive Director's 2022 Report.

Furthermore, she acknowledged the presence of H.E. Ambassador Michal Mlynar, the Permanent Representative of the Slovak Republic to the United Nations in New York and the incoming Deputy Executive Director.



Agenda item 2: Organizational

matters

The Executive Board:

- Adopted the agenda and work plan of its 2023 first session.
- Agreed upon the organization of the informal consultations on the draft decisions.
- Took note of the report on the work of its 2022 second session.

Interventions by Member States

The **USA** noted the organization's more stable financial footing and acknowledged the Executive Board's role in exercising its oversight responsibilities. Recent and current crises make it difficult to achieve the Programme's mandate. They encouraged Member States to contribute to the organization's core budget and welcomed the theme of the upcoming Assembly. Finally, the USA thanked UN-Habitat's commitment to work with the Executive Board to strengthen accountability, including preventing sexual exploitation and abuse.

Agenda Item 3: Reports by the chairs of the Ad-hoc working groups

The Chair of the Ad-hoc working group on stakeholder engagement policy, Mr. Patrick Egloff, Deputy Permanent Representative of Switzerland to UN-Habitat, briefed the Executive Board about the progress made. Since the last session of the Executive Board, the ad-hoc working group met 11 times to consider proposed options for a stakeholder engagement mechanism. A decision by the Executive Board is needed on the way forward until June 2023.

Interventions by Member States

Nigeria, France, Cameroon, Kenya, Portugal, the USA, Morocco, China, and Argentina thanked the chair of the ad-hoc working group for his leadership. It commended the significant progress made in the development of the policy. Furthermore, they supported the extension of the mandate of the working group

to complete this important exercise that will help UN-Habitat achieve its mandate.

Russia requested the legal office to provide legal advice on the modalities of continuing chairmanship of the ad hoc working group when the current chair cannot continue performing his functions.

The Chair of the Executive Board indicated that there would be informal discussions in the afternoon to present recommendations at the plenary session on the second day. The Board will make a decision later on the chairmanship of the ad-hoc working group on stakeholders engagement.

H.E Ms. Saqlain Syedah, the Permanent Representative of Pakistan to UN-Habitat and Chair of the Ad-Hoc working group on Programmatic Budgetary and Administrative matters, provided updates on the discussions and recommendations of the ad hoc working group since the last session of the Executive Board.

Regarding the **programme budget implications**, the working group requested the Secretariat to adjust and update the technical note and share further options for the budget implications of the implementation of paragraph 17 of

Decision 2022/6 (update on programmes and initiatives on the implementation of the New Urban Agenda). The Secretariat shared options.

Regarding the **draft work programme and draft budget for 2024**, the working group discussed the budget recommended by the Executive Director for the United Nations Habitat and Human Settlements Foundation's non-earmarked budget for 2024 of four million USD and expressed no objection. However, the group also requested the Secretariat to present the direction of the scaling-up process for the draft budget for 2024, specifically on what the organization could not do at present.

Regarding the **financial status**, the working group appreciated the progress in returning the organization to solvency and acknowledged the approved increase of regular budget posts. However, the group urged Member States to continue adopting realistic budgets for the non-earmarked fund and recommended strengthening regional offices.

On **resource mobilization**, the group requested information on how soft-earmarked funding sources are monitored as they are outside the purview of the Executive Board.

Regarding **normative and operational activities**, the working group discussed the possible benefits of the Sustainable Development Goals Cities certification. It requested clarification on the certification procedure and linkages with the voluntary local reviews, other UN-Habitat platforms, and the Local 2030 Coalition.

The Chair of the ad-hoc working group noted that the draft decisions are contained in document HSP/EB.2022/CRP.2, namely, “**Draft Decisions of the Executive Board at its 2023 first session**” as follows:

1. Draft decision 2023/[A]: Financial status of the United Nations Human Settlements Programme, update on the financial reserve, updated scalability model for the non-earmarked budget of the Habitat and Human Settlements Foundation, analysis of the risks related to the Sustainable Human Settlements Foundation and overview of earmarked private sector contribution agreements.
2. Draft decision 2023/[B]: Normative and operational activities of the United Nations Human Settlements Programme, including reporting on the programmatic activities of the Programme and the implementation of subprogrammes, flagship programmes, and technical cooperation activities.

3. Draft decision 2023/[C]: Methods of work of the Executive Board and the work plan of the Executive Board for 2023.

Interventions of Member States

France confirmed its support for the focus on the New Urban Agenda but recommended that the Secretariat assess modalities demanding fewer resources. France supports option 3 of the draft supplementary budget for 2023.

Angola took note of the report and renewed its commitment to work with UN-Habitat in the areas of housing and spatial development. In addition, Angola reiterated its commitment to provide financial contributions to the organization.



Agenda Item 4: Financial, budgetary, and administrative matters

The Executive Director noted that with the guidance and support of the Executive, Board UN-Habitat is finally emerging from austerity. She said that the organization started 2022 in the negative but ended the year with a surplus attributing this to austerity measures and fundraising efforts. UN-Habitat had paid its loan and funded the reserve as directed by the Executive Board. She disclosed that the organization had raised US dollars 540 million to achieve this, including QXB.

She said UN-Habitat had enhanced its support to the most vulnerable of the community and that five key areas of the Strategic Plan needed to be better resourced. The Executive Director said that at COP27 UN-Habitat spearheaded the role of cities in leading the SDGs, adequate affordable housing, climate mitigation and adaptation, better urban crisis response, localizing SDGs, and financing of urban solutions.

She gave an account of her encounter with the impact of natural disasters, from her visit to Turkiye after the recent earthquake, and commiserated with the victims of Syria, cyclones in Mozambique, and Malawi, floods in Pakistan, and fires in Canada. Despite limited resources, she emphasized that UN-Habitat continued to provide expertise to Member States to support improved access to basic services. Member States have requested that the UN Habitat Assembly be the premier global legislative meeting on sustainable urban development. The ED sought the EB's support in positioning UN-Habitat as the premier global Agency for shelter and housing.

Director of Management, Advisory, and Compliance service, Stephen Slawsky, appreciated the valiant leadership of the chair of the ADWG PBA. At the beginning of 2022, he said, UN-Habitat presented to the EB meeting using such terms as insolvency; however, now the vocabulary has changed to surplus balance, but the posture remains confident and cautious. UN-Habitat presented a budget of USD 12 million against the Foundation's non-earmarked account but had an internal decision to spend no more than USD 3 million. Through rigorous measures, USD 1.6 million was spent on the Foundation account at the end of the year. Similarly, USD 7.5 million was spent against the programme

support cost fund, against a budget of USD 11.2 million.

Slawsky said 2022 was a significant year for UN-Habitat. For the first time since 2014, revenue surpassed expenditure, and the agency could also show the lowest expenditure on the non-earmarked account at USD 1.6 million. The surplus of USD 5 million on this Foundation's non-earmarked account was spent to fully fund the reserve as mandated by the Executive Board and make the first instalment to repay the loan from the Programme Support Cost.

As per the resolutions of the EB HSP/EB.2022/22, the minimum level of the reserve is USD 3 million or 20% of the approved budget for the following financial period, whichever is higher. The Executive Director can tap into the financial reserve to compensate for short-term requirements and liquidity due to uneven cash flows by the approved work programme and budget. Long-term requirements would be covered by the budget process.

Following item 17 of HSP/EB.2022/22, which requested the Executive Director provide an update on programmes and initiatives on the implementation of the New Urban Agenda, including the submission of national reports at each session of the Executive Board, the

Secretariat prepared an estimate for the guidance of the ACABQ and was asked to update it to the current 2023 costs. Three options are presented for the review of this meeting:

1. Four staff, two substantive reports per year, national reporting helpdesk at a prorated cost of USD 303,600 in 2023
2. Three staff, one short report per year, national reporting helpdesk at a prorated cost of USD 241,650 in 2023;
3. Two staff, one summary report per year at a prorated cost of USD 144,400 in 2023.

The scalability model would focus on carefully managing growth, and the principles will be based on strategic objectives. The process will be managed through the budget process in which positions will be established, converted, reclassified, reorganized, upgraded, downgraded, or abolished. In addition, there will be a continued rationalization to ensure the proper use of each source of funding concerning the functions of each position.

Intervention by Member States

USA, on behalf of **Canada, EU Member States, Japan, Norway, USA, and the United Kingdom**, noted that it was a critical moment to ensure

the UN system of governance and oversight functions are strong transparent, effective, and based on international best practices. It said that increased funding demands robust oversight mechanisms, and oversight must be an ongoing 2-way conversation between UN-Habitat and its governing bodies. It added that it appreciated recent efforts to improve transparency and now expected UN-Habitat to support the Executive Board in making appropriate further adjustments.

On behalf of **Africa Group, Eritrea** noted the positive trend in the non-earmarked Foundation contributions by Member states. It expressed hope that this EB meeting would make decisions to enhance the organization's work in our region and provide it with adequate resources to deliver its mandate. It was also keen on strengthening the Regional Office for Africa and enhancing its capacity.

On behalf of **GRULAC, Costa Rica** noted the need for strong participation of stakeholders during the UN-Habitat Assembly, the Executive Board, and the CPR as they bring valuable research and advocacy functions to the table. They also supported the extension of the Ad hoc Working Groups mandate on developing a stakeholder engagement policy to finalize a solid document that provides clear guidelines on stakeholder engagement.

Pakistan, on behalf of **G77 + China**, hoped that at the end of the EB Meeting, an agreement on the supplementary budget recommended by the ACBQ on 17th February 2023 would have been reached, adding that the moment was ripe for the EB to consider enhancing the normative work of the Programme while maintaining a responsible approach on budgetary and administrative matters.

Nigeria commended the leadership of the ED for organizational transparency and encouraged consistent supervision by the EB.

Kenya complimented the ED for the great strides made in improving the financial position of the organization and a return to solvency.

Germany expressed concern that financial contributions remained below what was needed for proper work of UN-Habitat.

Egypt supported adopting the supplementary budget that would allow for further capacity building and technical support for developing countries within the implementation of the New Urban Agenda.

The USA urged UN-Habitat to remain cautious regarding spending while continuing to solidify

its financial status, grow voluntary contributions, and engage in responsible fiscal stewardship. **Japan** said the ROAP contributes to UN-Habitat activities by disseminating various technologies possessed by various companies and universities in Japan to the Asia Pacific region and beyond.

Argentina expressed the hope that the EB meeting would enable the delegates to move forward to implementing the scalability model and identifying priorities based on the available funds.

On the scalability model, **Brazil** said it expected the presentation of a fully costed updated model for the non-earmarked foundation budget subject to various funding levels up to USD 12 million.

Portugal said the surplus on the foundation's non-earmarked funds gives Member States the confidence to continue supporting the agency's work.

France welcomed the austerity measures adopted by UN-Habitat and a realist budget, which have jointly allowed for the restoration of the non-earmarked fund.

Morocco said the surplus in non-earmarked foundation demonstrated how UN-Habitat managed its non-earmarked resources efficiently. Such efficiency has the merit to be replicated in the management of other funds to allow the organization to achieve its mandate in a larger way.

Malaysia announced it would make annual non-earmarked foundation contributions starting from 2023 instead of one-off payments. It encouraged other member states to take the same steps and consistently contribute to UN-Habitat.

Agenda item 5 – Briefing on the second session of the United Nations Habitat Assembly

The Executive Director informed Member States that the upcoming session of the Assembly would exercise its role in reviewing major trends and examining global norms and standards toward advancing global policy

directions relating to human settlements and urbanization.

The special theme was finalized as: “A sustainable urban future through inclusive and effective multilateralism: achieving the Sustainable Development Goals in times of global crises” with the support and guidance of the Bureau of the UN-Habitat Assembly and Member States.

Statement to the Board

The Secretariat outlined that the goal of the Assembly was to assert its role as the prime legislative platform for global urban policymaking. It further recalled that the Executive Director circulated the notification for the meeting in all official languages on 30 December 2022. The notification contains the provisional Agenda for the session and confirms the session dates, 5 to 9 June 2023.

The Executive Director’s report on the dialogue on the special theme outlines the global context with cascading crises and being off track in achieving most of the SDGs, necessitating renewed multilateral responses.

The Secretariat outlined the key timelines in the roadmap to the UN-Habitat Assembly and disclosed that an advance structure of the second session had been made available as a block programme on the website. This would include high-level segments and regional group consultations in Nairobi.

Interventions by Member States

Kenya welcomed the report of the first session of the United Nations Habitat Assembly and appreciated the preparations for the second session. Kenya looks forward to hosting the second session and the successful deliberations that enhance multilateralism.

France shared that they would present a resolution on Smart Cities for consideration at the Assembly. The resolution hopes to promote the development of global guidelines for smart and inclusive cities focused on people-centered approaches. France indicated that a group of friends to the drafting of the resolution is open to all Member States.

Ethiopia echoed the sentiments made on behalf of the Africa Group and the **G77 + China** Group. Ethiopia reiterated the opportunity for the Assembly to highlight the effects of climate

change among other priority areas. They emphasized the importance of continuous support for capacity building and reporting of the New Urban Agenda and SDG 11.

Costa Rica supported the comments made by the Group of Latin America and the Caribbean and further emphasized the importance of the Assembly to strengthen multilateralism. Additionally, they encouraged funding to support all developing countries and not only the least developed countries.

The USA expressed that they look forward to a strong presence in the Second session of the UN-Habitat Assembly. They reiterated the need for Member States to adhere to the set timeline for the submission of resolutions to provide adequate time for deliberations. Additionally, they emphasized that technical notes should include the linkage to UN-Habitat's mandate and the cost or budgetary implication of proposed resolutions.

Argentina hoped the Assembly would be a relevant political event to discuss a sustainable, fair, and inclusive urban future. Furthermore, they expressed their commitment to raising the political level of the global urban agenda. Regionally, Argentina will chair the Conference of Ministers and High-Level Authorities of Housing and Urban Planning of Latin America

and the Caribbean (MINURVI), which will take place in Buenos Aires on the 10th and 11th of April to prepare the regions for the Assembly. Furthermore, Argentina appreciates the efforts to prepare a clear and predictable roadmap and encourages the early circulation and negotiation of draft resolutions.

Uruguay echoed the sentiments of Costa Rica and congratulated the Executive Director on the financial progress and transparency shown by the Organization.

Germany said they look forward to the second session of the UN-Habitat Assembly and welcome the preparations undertaken by UN-Habitat and the Bureau. The so-called SDG super year gives UN-Habitat an important opportunity to position itself and increase its visibility as a focal point for sustainable urban development in the UN system.

Tanzania echoed the sentiments made on behalf of the Africa Group and the **G77 + China** Group. They also welcomed the special theme of the Assembly and look forward to an impactful meeting that adds impetus to the reporting of the New Urban Agenda and SDG11. Tanzania further inquired whether formal ministerial regional groups would occur during the Assembly.

South Africa disclosed that accredited members of the SADC in Nairobi had met and identified national and subnational priorities during that Expert Group Meeting. It provided a common understanding and relevance of actions towards the acceleration of informal settlements, which make up part of the SDGs.

Finland extended their appreciation to the Secretariat for the preparatory work toward the second session of the Assembly. It outlined the value of hybrid meetings that enable greater engagement of Member States and stakeholders.

The Secretariat said it had taken note of all the interventions made by Member States. Furthermore, the Secretariat informed the Member States that a detailed roadmap toward the second session of the UN-Habitat Assembly was available online.

Agenda item 6 - Preparations for the twelfth session of

the World Urban Forum

The Secretariat thanked the Government of Egypt and the chair of the Executive Board and presented an update covering five key areas of the preparatory work towards the twelfth session of the World Urban Forum (WUF12), which included the agreement and preparations for the forum, the updates on the WUF programme; engagement during the second United Nations Habitat Assembly; updates from the WUF Alumni work, and lastly, opportunities for mobilization and the way forward.

During the scoping mission to Cairo in February 2023, the WUF coordination team and UN-Habitat Regional Office for the Arab States visited the Egypt International Exhibition Centre, the proposed venue for the WUF12.

Regarding the theme selection process, the secretariat highlighted that the government of Egypt and UN-Habitat had identified a main theme which shall be further developed and elaborated around “Localisation: concrete and tangible implementation of SDG and NUA.”

This shall be elaborated through EGMs and discussions with stakeholders.

The secretariat updated that UN-Habitat had begun developing a new programme document with refined objectives to cover the next three cycles of the World Urban Forum.

The secretariat highlighted that it had invited the Government of Egypt to jointly prepare an exhibition pavilion during the United Nations Habitat Assembly to promote the WUF12 among stakeholders, during the theme and webpage of the WUF12 shall be announced and launched respectively during the Assembly.

On WUF Legacy initiatives, the secretariat noted that they aimed at consolidating the WUF as a permanent advocacy, partnership, and knowledge platform. Highlighting their strategic objective, the Katowice Declared Actions were meant to support the implementation of the sustainable development agenda to the next World Urban Forum and beyond. The secretariat urged member states and stakeholders to log onto the New Urban Agenda platform and report on the status of proposed actions.

Furthermore, it presented National Urban Forums, an integral part of the World Urban

Forum, as an inclusive, national, and regional-level platform that brings multiple stakeholders and encourages member states to explore a paradigm shift from policies into practice (forum – policy – practice).

Finally, the secretariat showed an overview of the opportunities that shall present specific niches for WUF 12 advocacy and pleaded to all to optimize these opportunities towards Cairo in 2024.

Interventions by Member States

USA supported the preparatory work of the WUF 12 and indicated its plan to ensure a strong presence in Egypt. Furthermore, it recommended that the hybrid format be adopted in all sessions to ensure that non-present participants benefit equally from the quality discussions. Furthermore, it requested clarity and timely communication on the timelines, which was unclear from the pre-session documents. Lastly, they enquired if there was a plan to have member states contribute to the theme.

Kenya appreciated the updates and looked forward to WUF12, as it is the second time an African state is hosting it. They availed themselves for consultation in line with WUF

alumni cities and expressed willingness to support with theme discussion.

France appreciated the briefing and noted that it had already started preparations before the theme announcement. However, it requested more details on preparations.

Brazil requested the ED to share details on how the WUF is organized historically. **Egypt** said its government was currently in consultations with the WUF Secretariat and was working to finalize the agreement. It was reiterated that the Government would ensure that the dates for the WUF12 are announced at least one year in advance.

Agenda Item 7: Findings of analyzing the reputational risks related to the Sustainable Human Settlements

Foundation and overview of earmarked private sector contribution agreements.

The Executive Director referred to the request by the Executive Board and the Member States for UN-Habitat to diversify its resources. The Secretariat has revisited and updated the Private Sector Engagement Guidelines, first published in 2011. It was noted that the private sector remains an untapped resource for UN-Habitat, contributing to less than five percent of the total revenue generated to support the implementation of the Strategic Plan.

The Executive Director also referred to the request by the Executive Board for UN-Habitat to share the risk assessment and mitigation measures related to the Sustainable Human Settlements Foundation.

In response to these requests, the Secretariat shared the updates on the risk assessment of

SHSF and the non-earmarked agreements with the private sector from 2020 to 2022.

Interventions by Member States

Costa Rica thanked the Secretariat for adopting innovative measures to improve the long-term financial sustainability of UN-Habitat by attracting and expanding finance from the private sector as part of the progress in implementing the UN-Habitat Resource Mobilization Strategy.

USA requested the Secretariat to share challenges faced while seeking solutions to obtaining a risk analysis of the SHSF within the UN System. The Secretariat clarified that the Office of Legal Affairs (OLA) reviewed and cleared the draft contribution agreement at the UN Headquarters in New York. UN-Habitat also noted consultations with sister UN agencies of UNHCR, UNICEF, and WFP. As this innovation is new across the UN system, these agencies did not have the expertise to conduct the risk analysis requested. The Secretariat noted that an independent risk analysis could be performed at a cost.

Kenya appreciated the risk mitigation measures taken regarding the engagement with SHSF and underlined the importance of making

public the annual report of its contributions to UN-Habitat.

France welcomed mitigation measures about engaging with SHSF and requested the Secretariat to share information regarding the membership of the Foundation Council.

The Secretariat responded that information regarding the entities involved with SHSF and the membership of its various had been included in the Agenda Item 7 report to the Executive Board. However, UN-Habitat welcomed further inquiries in case clarification is needed.

Nigeria commended the Secretariat's transparency, welcomed the assessments made on SHSF, and applauded UN-Habitat's engagement of the Private Sector in the execution of its mandate.

Malawi provided an update on the devastating impact of the recent cyclone, which resulted in a significant loss of life, displacement of half a million people, and extensive damage to infrastructure and livelihoods—urged for collective actions to address the impacts of climate change.

The chair closed the agenda item, and the report was adopted without further comment or reservation.

