



**Summary of the forty-sixth meeting of the ad-hoc working group on programmatic, budgetary, and administrative matters of the Executive Board**

**Wednesday, 24 January 2024 – 10:00– 13:00 East Africa Time**

**Chair:** H.E. Mr. Pedro Leon Cortes Ruiz

Permanent Representative of the Republic of Colombia to UN-Habitat

**MEETING SUMMARY**

**1. Adoption of the Agenda**

The forty-sixth meeting of the ad hoc working group on programmatic, budgetary, and administrative matters of the Executive Board was called to order at 10:05 EAT. The working group adopted the provisional Agenda for its meeting without any change as follows:

1. Adoption of the provisional Agenda.
2. Discussions on the proposed draft work programme and Budget for 2025
3. Any other matters.

After the adoption of the agenda, the meeting considered Agenda item 2, namely discussions on the proposed draft work programme and Budget for 2025.

**Agenda item 2 – Discussions on the proposed draft work programme**

**Under this item, the Chair gave the following background:**

1. The Chair recalled that during the 2023 third session of the Executive Board, the Board in paragraph 8 of its Decision 2023/4 requested the Executive Director to update the Board at its first session of 2024 on the status of the draft work programme and the draft budget for 2025, taking into account the recommendations of the ad hoc working group on programmatic, budgetary and administrative matters.
2. The Chair noted that the ad hoc working group is expected to consider the draft work programme and budget for 2025 and make any recommendations to the Executive Board and hence the purpose of the meeting was to hold preliminary discussions on the priority areas for the proposed draft programme of work for 2025, consider the proposed budget for 2025 and possibly provide guidance to the Secretariat for further development of both the draft work programme and the budget for the year 2025.

Following the above background information by the Chair, the Secretariat provided a briefing on the proposed draft work programme and Budget for 2025. The full presentation can be accessed [here](#) and the background document can be accessed [here](#).

**a. Presentation on the proposed work programme for 2025.**

**The briefing by the Secretariat highlighted the following:**

- i. In 2025, UN-Habitat would continue to promote urbanization as a positive transformative force for people and communities reducing inequality, discrimination and poverty, and strengthening



climate action. UN-Habitat would also recognize inclusive and effective multilateralism as a key for realizing adequate housing and sustainable future.

- ii. Resolutions adopted at the adjourned second session of the United Nations Habitat Assembly (UN-Habitat Assembly) would be referenced across its subprogrammes. UN-Habitat would aim to strengthen the transformative nature of its work and contribute to an enhanced multi-level governance.
- iii. The strategy of the work programme for 2025 would continue to be driven by the Strategic Plan 2020 -2025. The current planning exercise would be the last one in the current Strategic Plan because UN-Habitat is expected to transition to a new strategic plan 2026-2029.
- iv. New elements in the 2025 work programme would include: a) the integration between normative and operational work particularly in the flagship programs, b) UN-Habitat would ensure the implementation of the resolutions approved during the adjourned second session of the UN-Habitat Assembly, c) UN-Habitat would operationalize framework for stronger collaboration with universities and centers of knowledge and research, and d) the regional focus would continue to be articulated through regional development cooperation platforms and issue based coalitions in line with the commitment to collaborate with the UN development system to improve the integration of urban issues and territorial approaches through the Common Country Assessment (CCA).
- v. Assumptions for the work programme are mainly related to the availability of adequate resources or continued commitment of countries to Agenda 2030 and the New Urban Agenda.
- vi. The 2025 draft work programme is detailed through four subprograms as follows:
  - a. Subprogramme 1: further increase the focus on access to adequate housing to overcome inequalities and facilitate social inclusion.
  - b. Subprogramme 2: strengthen the focus on municipal finance and socio-economic recovery.
  - c. Subprogramme 3: increase the synergies between programming focusing on climate change and urban environment.
  - d. Subprogramme 4: focus on urban recovery as a key instrument for effective action in the humanitarian, development and peace and security nexus.

**Following the presentation by the Secretariat, the discussions highlighted the following:**

- i. One Member State observed that the sub-programmes on the new draft work programme would maintain the titles until 2027 and requested clarification, taking into account the fact that there would be a new programme of work in 2026. The Member State referred to paragraph 15.8 of the background document on the draft work programme and enquired about how the Organization would operationalize a framework with stronger collaboration with universities and centers of knowledge and research. In addition, the Member State referred to paragraph 15.16 of the background document which is on development of a new youth strategy for enhanced engagement with the Youth Advisory Board and enquired about the process and whether Member States would be consulted.
- ii. Another Member State requested the Secretariat to provide regional focus of subprogramme 1 and subprogramme 4. That Member State also expressed support for the increased focus on SDG localization in subprogramme 2. In the new outcome proposed for subprogramme 3 on urban content for Nationally Determined Contributions (NDCs), the Member State cautioned



against UN-Habitat introducing content in NDCs due to the planning process of countries that is linked to obligations under a particular convention and sovereign exercise and recommended UN-Habitat to phrase it more openly.

- iii. One Member State noted that the proposed programme of work outlined the ambitions, plans and priorities that UN-Habitat intended to pursue in the coming year and expressed that it was pleased with the emphasis on reducing inequality, discrimination and poverty while strengthening environmental and climate actions, because it aligned with the Members' State's national priorities and global commitments. The Member State expressed that it placed significant importance on the implementation of the [resolution 2/4](#) of the second session of the UN-Habitat Assembly on biodiverse and resilient cities and welcomed the implementation of the resolutions adopted at the second session of the UN-Habitat Assembly as a key element of the work programme in 2025. In addition, the Member State welcomed the results from the previous work programme particularly on strengthened capacity of local water and sanitation operators to provide better services to more people. The Member State requested clarification on how UN-Habitat planned to collaborate with regional and subregional organizations to ensure more effective implementation of the proposed work programme and budget for 2025. The Member State also enquired about how UN-Habitat would strengthen multilevel governance on countries that value decentralized governance and how it could support countries in enhancing governance structures at various levels.
- iv. Another Member State enquired about how UN-Habitat would bridge the gaps in digitalization of tools and virtual e-learning considering the digital gaps that exists between regions. The Member State welcomed the focus on adequate housing in subprogramme 1 noting that it is one of the main challenges in Africa.
- v. A Member State reaffirmed its commitment and support to the development of concrete efficient strategies that would be operational and adaptable to each region.
- vi. A Member State appreciated the prioritization of housing, localization of SDGs and capacity building in the proposed work programme.
- vii. Another Member State appreciated UN-Habitat for its commitment to strengthen the transformative nature of its work and for contributing to enhanced multi-level governance and the whole of government approach in implementing global agreements. The Member State enquired about how UN-Habitat would foster collaboration and coordination among different levels of Government to achieve intended objectives. The Member State further requested UN-Habitat to provide specific examples of how it plans to implement a whole of government approach in line with the global agreements.
- viii. A Member State welcomed the new results that had been added in the draft work programme and especially result three of subprogram 1 on adequate housing as well as result three in subprogram 2 on smart cities.
- ix. A Member State requested the Secretariat to provide feedback to Member States on the synchronization of cycles of the work programme with New York processes.



**In light of the views expressed by Member States, the Secretariat responded as follows:**

- i. Regarding how to adjust the new results in the proposed 2025 work programme until 2027, the Secretariat informed that it would have a meeting with Programme Planning and Budget Division (PPBD) in New York to ensure the best way to align the results on the monitoring of the annual programmes that are aligned with the new Strategic Plan. The Secretariat committed to provide more details on the matter at a future meeting.
- ii. Regarding engagement with centres of knowledge, the Secretariat noted that its engagement with universities was fragmented and there was a need to create a framework to improve coherence in engagement across universities. The Secretariat noted that the strengthening was important in expanding partnerships with such stakeholders.
- iii. The Secretariat took note of the phrasing of the urban content on NDCs and noted that the phrasing was based on the requests of the governments that approached UN-Habitat for related support, noting that there exists a strategic partnership between UN-Habitat and UNDP that supports the climate action through strengthening of NDCs as part of the partnership.
- iv. Regarding collaboration with regional and subregional bodies, the Secretariat noted that there were two levels including: a) mechanisms of the regional ministerial meetings which UN-Habitat would continue to use as an important engagement, and b) strong collaboration with regional economic commissions that would be strengthened going forward.
- v. The Secretariat noted that multilevel governance was emerging as an important topic in different settings including its application in the localization of SDGs through voluntary local reviews by facilitating dialogue both locally and nationally. In addition, the Secretariat noted that in subprogramme 3 on climate action, COP28 ministerial meeting provided the language enabling a local climate action anchored in a multilevel governance approach. The Secretariat noted that going forward it would work strongly on this governance approach.
- vi. The Secretariat expressed that it looked forward to being able to work with Member States on capacity gap assessments, if required, related to the implementation of the New Urban Agenda and localizations of the SDGs and including the extent to which e-learning would be used in relation to any digital gaps.
- vii. Regarding the synchronization of the cycles of the work programme, the Secretariat noted it was still resolving the scenarios as 2026 would be a transitional year between Strategic Plans. The Secretariat noted that the next Strategic Plan would likely not be used on official basis for the work programme of 2026. It was however noted that depending on the progress in the preparation in the formulation of the next Strategic Plan within 2024, emerging consensus on certain ideas could be integrated into the work programme for 2026, subject to the consensus among delegates.

**b. Presentation on the proposed Budget for 2025**

**Upon invitation by the Chair, the Secretariat provided a briefing which highlighted the following:**



## UN-HABITAT

- i. UN-Habitat total expenses for 2023 were \$177.5 million with a breakdown as follows: Technical Cooperation 61.6%, Foundation earmarked -17.0%, Other earmarked – 7.2%, Programme support costs – 4.4%, Regular budget—8.2% and Foundation earmarked – 1.6%. It was noted that the provided expense mix was still an estimate because the year would close in March 2024 and the final numbers would be ready by the first session of the Executive Board in May 2024.
- ii. It was estimated that UN-Habitat would close 2023 with total net assets of \$ 5.8 million after a revenue of approximately \$4.3 million in 2023. The 2023 budget level of \$3 million was fully spent and \$500,000 had been approved by the Executive Director for payment of the loan from the Programme Support Cost fund, thereby reducing the liability of the loan to \$2 million.
- iii. UN-Habitat’s opening balance in 2024 was \$5.8 million and in that balance was a reserve of \$3 million which meant that the 2024 opening working capital was \$2.8 million. The 2024 projected indicative revenue of \$ 4 million was in line with the approved 2024 budget of \$ 4 million and there is a subsequent projected loan payment of \$ 500, 000. For planning purposes, it was projected that the opening working capital in 2025 would be \$2.3 million and the projected revenue at \$5 million thus the total spending capacity for 2025 was expected to be \$7.3 million on top of the \$ 3 million reserve.
- iv. In reference to the scalability model approved by the Executive Board in 2023, package one value is approximately \$ 1million and when added to the baseline of approved 2024 budget of \$ 4 million, the 2025 budget level is forecasted at approximately \$ 5million. Package one which was endorsed by the Executive Board consists of four new positions including: a) D-2 – Director Program Management (External Relations, Strategy, Knowledge and Innovative Division), b) D-2- Director, Programme Management (Regional Programme Division), c) D-1- Chief of Branch, Programme Management (Programme Development Branch) and d) P-3 – Human Settlements Officer (Housing).
- v. The proposed budget level for 2025 would therefore be \$ 5 million for the non-earmarked foundation taking into account the fact that the Organization is projected to have the spending capacity for that budget level and taking advantage of integrating the first package of the endorsed scalability model into the budget for 2025.

### **Following the presentation by the Secretariat, the discussions highlighted the following:**

- i. One Member State requested clarification on why the 2025 proposed budget was \$ 5 million. The Member State further enquired if the new proposed budget would take into account the resolutions adopted at the adjourned second session of the UN-Habitat Assembly.
- ii. A Member State reiterated its support to subprogramme 1 on housing and further emphasized the importance of approving realistic budgets.
- iii. Several Member States requested further clarification of the proposed senior management posts and their order of priority.
- iv. A Member State recommended that the use of the reserve should be the last resort.
- v. Several Member States enquired why the UN-Habitat proposed budget for the year 2025 exceeded contributions received in 2023.
- vi. A Member State appreciated the presentation by the Secretariat and welcomed the positive 2024 opening balance and further requested more insights on how the proposed budget would



allocate resources to support the development of local capacities and institutions in countries where urbanization challenges vary significantly from one region to another.

- vii. A Member State expressed support for packages in the scalability model if the revenue allowed, and further supported the new four positions proposed in the 2025 budget.
- viii. A Member State requested the Secretariat to provide further explanation on the link between the proposed budget and the proposed work programme.
- ix. A Member State recommended that the 2025 budget should be sustainable and realistic and recommended a budget level of \$ 4 million.
- x. A Member State took note of the need to fill the organizational structure of UN-Habitat and requested historical perspective of how the organization ended up with the current structure.

**In light of the views expressed by Member States, the Secretariat responded as follows:**

- i. The Secretariat highlighted that the budget was positioned as an enabler of the work programme and noted that the revenue in the Foundation needed to be the same as the annual expense from the Foundation as a sustainable model. The Secretariat added the following dynamics specific to the 2024 budget level and 2025 revenue; a) a new Executive Director would bring new uncertainties regarding the impact on revenue in the beginning of a term, b) the agreement with the Sustainable Cities and Communities Foundation (SCCF) previously the Sustainable Human Settlements Foundation (SHSF) approved by the Executive Board in 2023 provides the possibility of revenue from that private sector funding source. In that respect, the Secretariat noted that by the second session of the Executive Board, there would be more information to inform the decision on the proposed budget level for 2025.
- ii. The Secretariat noted that the proposed 2025 budget was a proposal by the Secretariat and the 2024 second session of the Executive Board would take a decision on the approved budget for 2025. The Secretariat noted that it will continue to consult Member States on the 2025 proposed budget level, taking account of the uncertainties and the implementation of the endorsed scalability model.
- iii. The Secretariat noted that for the Foundation to sustain a budget level of \$ 5 million, it would need to earn \$ 5 million on an annual basis to avoid an annual deficit.
- iv. Regarding the four new proposed posts, the Secretariat noted that the Organization currently has only one D-2 post despite the fact that there are multiple divisions and the four new posts would provide an opportunity to stabilize the senior management across the Secretariat. The P-3 Human Settlements Officer post was prioritized by the former Executive Director in package one of the scalability model given that housing was a priority at the adjourned second session of the UN-Habitat Assembly.
- v. The Secretariat noted the proposed four new posts could be advertised in 2024 without selecting anyone until the budget was approved by the Executive Board. Should the approved budget not include some or all the posts, the recruitment would be cancelled.
- vi. Regarding resources for localized requirements at national and regional levels, the Secretariat noted that such resources would be found in different segments of UN-Habitat's sources of funds. The future packages of the endorsed scalability model contain 16 positions that fortify the regional architecture from the Foundation budget. Additional centralized funding supports the regional architecture from other funding segments including programme support costs.





- vii. Regarding the linkage between the proposed budget and the proposed work programme for 2025, the Secretariat noted that core funding for UN-Habitat's normative mandate is in the regular budget from assessed contributions. The purpose of the Foundation budget is to augment the regular budget for normative work and core operations, such as regional representatives.
- viii. The Secretariat updated that there was no change in the proposed regular budget for UN-Habitat in 2025 and that the next opportunity for UN-Habitat to revisit any augmentation to the regular budget would be in 2026.
- ix. The Secretariat noted that the period from 2026 to 2027 presents an opportunity to propose strengthening the assessed contributions for the normative and core operations in line with the next strategic plan.

**Any other matters**

- i. Upon invitation by the Chair, the Secretariat updated the ad hoc working group on the preparations of the twelfth session of the World Urban Forum (WUF). The presentation by the Secretariat can be accessed [here](#).
- ii. Several Member States congratulated Colombia for being elected Chair of the ad-hoc working group on programmatic, budgetary, and administrative matters.

**The forty-sixth meeting of the ad-hoc working group on programmatic, budgetary, and administrative matters of the Executive Board for the year 2024 was adjourned at 12:15 hrs. East African Time (EAT).**