UN-HABITAT – the case for reform of its Governance Structure


A. Foreword

In 2007 the Governing Council of UN-HABITAT requested, by its Resolution 21/2, that the Executive Director consult with the Committee of Permanent Representatives on the need to review the efficiency and effectiveness of the governance structure of UN-HABITAT. The Executive Director asked me to make a study and present recommendations in December 2008. She will then present her recommendations to the next Governing Council in April 2009.

The terms of reference for the present study say inter alia: “The credibility of the Executive Director’s report requires that it be informed by independent opinion based on a review of the existing governance structure, extensive consultations with representatives of member states and a comparative analysis of other relevant governance systems, conducted by an experienced diplomat or senior civil servant having a long track record in dealing with multilateral affairs and systems, and of the United Nations Secretariat in particular.

This study has been carried out on a part-time basis between September and December 2008. I have been given the opportunity to consult with a large number of persons involved with UN-HABITAT; members of the Governing Council and the UN as a whole, staff members and other interested partners. It has included representatives of other parts of the UN family. I have carried out interviews in Nairobi, Seville, Nanjing and New York. I want to thank you all for information, for advice and for taking your time.

I hope that those who read this report will agree with me that there is a strong case for reforming the governance structure of UN-HABITAT. If the Governing Council so decides a
process will be initiated to make this happen. It will take place in New York as well as in Nairobi and will have to be carried out by interested UN members.

B. The original vision of UN HABITAT

36 years have gone by since the idea of a UN organization dealing with human settlements was launched. At the UN Conference on the Environment in Stockholm a decision was taken to create UNEP to deal with the natural environment whereas UN-Habitat came into being somewhat later after an important conference in Vancouver 1976. The conference in Stockholm did not represent a broad breakthrough for environmental issues around the world, but recognized their trans-boundary character. It represented a first and important entry of environmental issues into the agenda of the UN. Dr. Maurice Strong played a key role in these achievements. His vision, shared with other stakeholders, was to create a UN body that would work with challenges related to human settlements and thereby provide a meeting place for national governments as well as for representatives of the local and regional levels of government plus other interested and concerned partners. The reason for this was that decision-making on many environmental challenges related to human settlements to a considerable extent rest with local authorities. Dealing with them would require active participation by all authorities concerned, that is national as well as local governments. Translating this vision into the new UN Body HABITAT therefore implicated an organizational novelty in the UN system and, given the organizational traditions of the UN, was to make governance of UN-HABITAT more complicated than in many other UN bodies. Its implication was meant to be a substantial role for the local level of member countries, including a role in decision making. In most other UN bodies members are represented by national government representatives. ILO is an exception given its tripartite governance structure (see appendix 3).

C. What happened to the vision?

Today we can note that the original vision was somewhat premature. Its time was to come much later. The general approach by governments to promoting development in the 1970ies was to try and focus on rural development. The World Bank under President Robert McNamara changed the focus of the World Bank from Infrastructure to rural development. In the aftermath of the oil crisis of the 1970ies IFAD was created with the task of supporting rural development. FAO with its mandate of food and agriculture was already there since after World War II. These are just some examples. Urban issues never came into real focus
on the international agenda in those days. The idea must have been to make rural life more attractive and thereby retard the growth of cities — instead of approaching urban issues on their own merits at the international level. Cities were there, they were not supposed to grow quickly and whatever problems that may arise could be solved by technical innovations. There were other more urgent issues to address within the UN.

But reality soon proved different. Urbanization accelerated in a rapid and previously unexpected way. Nairobi, the home of UN-HABITAT, I can remember, was a quiet city of about 300,000 people around 1970. Today it has a population of several million inhabitants. Nobody can give exact numbers. Its infrastructure has not been able to match this increase, to express it in a diplomatic way. It is but one of many examples of present trends on all continents.

Dramatic increases of urban population growth have been recorded all around the world in recent years. And at present there seems to be nothing to stop this general trend. The various flagship publications of UN-HABITAT give ample proof of the fact that dramatic changes are underway in most parts of the world. From the present year a majority of the world’s population live in urban areas. 373 million people in Africa live in urban areas in 2008. The forecast is that by the year 2030 this figure will be 759 million — more than a 100% increase in 20 years.

Moving to urban areas represents a hope for millions of people to improve their living conditions. 30 years ago there was a greater hope, at least among decision-makers that living conditions in rural areas would bring better promises for the future and thereby retard the growth of cities.

30 years ago there was not a broad acceptance of the threats to the environment caused by human beings and their lifestyles. Over the years new and gradually more alarming reports have been published about the threats to our common survival caused by our own actions. The Brundtland Commission report “Our common future” was presented in 1987. The Intergovernmental Panel on Climate Change has published a number of alarming reports. A high level summit of the UN General Assembly last year in the presence of most Presidents and Prime Ministers was devoted to these issues with a call to the UN to act. More examples could be mentioned. The dangers of climate change are still not quite recognized by everybody concerned but they are about to become one of the major challenges for the present generation of mankind. Many of these threats relate to urban human settlement issues: water, waste management, transport, energy, building materials and last, but not least, slums. Climate change is caused by several of these factors.

A decisive meeting on Climate Change towards the end of the year will take place in Copenhagen. The various United Nations bodies will hopefully play a major role in dealing with its outcome and this threat to our common survival. There is a growing awareness of the problems but a slower recognition of the need to act, at local, regional, national and
international levels. How cities deal with the threats related to urbanization will have a
decisive impact for coming generations.

Summing it up: The idea and the vision of UN-HABITAT at its inception were more or less
overtaken by other concerns. Today the situation is radically different. Accelerating
urbanization causing environmental problems could and should present bigger tasks for UN -
HABITAT than what we see today. Its mandate, combining normative as well as operational
work, is highly relevant as one part of the combined challenges facing the whole UN family
of organizations: water, sanitation, waste, building material, transport, slums etc.

D. What happened to the organization UN-HABITAT?

As we can see from appendix 1, which in brief gives some snapshots of the history of UN
HABITAT, its organizational structures and its governance, UN HABITAT has had to go
through a number of changes in character and in organization. This has mainly reflected an
ambivalence on the part of members as well as within the UN leadership about the role of
UN-HABITAT, the value of its mandate and its linkages to other UN bodies. At the root of this
must have been to what extent urban issues should take a prominent place within the family
of UN bodies, as has been described above. An example of this has been a more or less
constant discussion and, subsequently, various decisions on the relationship between UNEP
and UN HABITAT for the last 35 years.

The consequences of these two developments – the issues and the organization – have been
to make UN HABITAT a comparatively small organization, particularly taking into account its
global mandate. There is a great variety of expectations amongst individual members of the
Governing Council as to where UN-HABITAT should focus its work. Some see the normative
agenda as more important whereas others judge the performance in terms of projects in
the field more favourably. The organization has been struggling with issues of different
characters demanding varied types of knowledge and skills. It has not yet been able to build
a critical mass of knowledge in several of its work areas. Up until now UN HABITAT has
mainly been an agency for aid financed projects in developing countries dealing with a fairly
broad agenda of issues related to urbanization. The budget has gradually increased over the
present decade, but this increase has mainly consisted of ear-marked project and program
funding. The call for more work in the normative field has not quite been matched by
financing.

E. What about the present governance structure?

Part of the explanation for this rests with the structure of the organization, its ways of
financing and its governance structure. Briefly this can be explained in a few points:
The original vision and the early expectations about its work have not yet been met. Its potential global mandate is not matched by capacity and resources. Moreover, its organizational structure has been subject to regular changes reflecting ambiguity among its partners over the years.

The governance structure is very complicated. UN-HABITAT is actually subject to dual governance mechanisms. On the one hand it has a Governing Council which meets only every two years. In between there is the Committee of Permanent Representatives in Nairobi, which "shall serve as the Governing Council's permanent intersessional subsidiary organ". The Governing Council directs the work program by adopting resolutions, which is not the usual practice of decision-making in organizations conducting substantial operational work. There is confusion among some CPR members about its mandate and what is expected from them. Most CPR members conduct their assignments aside from their primary functions as embassies, often covering several countries in Eastern Africa. They circulate quite frequently resulting in lack of continuity. In most cases they have limited experience of issues related to urbanization. Priority is often given to more urgent issues related to Eastern Africa.

On the other hand UN HABITAT is formally part of the UN secretariat, whose headquarters are in New York. Attachment 1 (Governance structure of UN-HABITAT) gives a brief description of the parallel steps the Secretariat has to go through in various committees in New York in preparation of its work program and budget. In legal terms the Governing Council of UN-HABITAT therefore is a subsidiary organ to the decision makers in New York. In New York the knowledge and the awareness of the work of UN-HABITAT is very limited.

When you add to this complexity the various committees and working groups established in Nairobi on a permanent or ad hoc basis you will find a governance structure which very few people understand. Many CPR members cannot even find the time to learn and, in some cases, ask themselves whether it is useful or necessary to learn and understand how UN HABITAT is supposed to be governed. Naturally this situation creates many questions and quite a bit of confusion, not to talk about the amount of work this demands from the secretariat of a small UN body.

Appendix 2 (The present funding of UN-HABITAT) gives a brief overview of the different components making up the budget. Just 7% comes from the regular budget of the UN, whereas non-earmarked voluntary contributions represent 18% of the budget. 75% of the budget consists of special purpose ear-marked contributions from individual donors. The Governing Council, which meets every second year, in 2007 established 7 different ambitious priority areas through a resolution but without a secured budget. Most of the resources required had to be found in the donor market.
This combination of a complicated and cumbersome governance structure with an uncertain availability of finance raises a number of serious questions. Who actually decides what? Accountability is a key word more often used these days. The demand for results-based budgeting is an expression of this. With the present financing and governance structures one can easily ask the question who is accountable to whom? Blurred responsibility unfortunately produces blurred accountability. What balance does the present structure create between rights and responsibilities? And what about transparency when so few people understand under what conditions UN-HABITAT operates? The ultimate aim regarding the functioning of UN-HABITAT, like in any organization, must be to build trust. Governance structures can help building trust but they can also make it more difficult.

F. Imperatives for a reformed governance structure

Having noted these shortcomings of the present governance structures we now come to formulating some imperatives for a reformed such structure. They can be expressed under 3 different headings:

1. **An understandable governance structure:** The mandate of UN-HABITAT is to combine normative and operational work, where the two types will reinforce each other. A dual system of governance, as is the situation at present, should be avoided. Coordination of the work of UN-HABITAT with other UN organizations should mainly take place through the regular channels of coordination used by other organizations in the UN family; for members through ECOSOC and the General Assembly and for the Secretariat through the Chief Executive Board and its subsidiary organs. This is how most other UN programs operate today and they see no reason to change that.

2. **A relevant governance structure:** Governance shall primarily be conducted by those in member countries who have a direct stake in the work of UN-HABITAT and have a self-interest in developing its agenda. In this report I have described an early ambivalence of the usefulness of some of the work conducted and to what extent its agenda deserved priority. Today this situation is about to change dramatically. Accelerating urbanization presents challenges of a magnitude never seen in the history of mankind. Its linkage to the overall environment problems and the threats of climate change will gradually create unprecedented demands on the capacity of the whole United Nations. An understanding and an acceptance of our global interdependence, of how environmental hazards in Nairobi or New York will affect the environment in Delhi or Stockholm is about to take place. This is a task for many UN organizations. The expectations are that in the next few years we will see a new global environmental agenda develop. A new governance structure should facilitate
and make it possible for UN-HABITAT to play its role in this struggle for a decent survival.

Those concerned should be centrally placed in a reformed governance structure. This means representatives of national governments as well as those of local government combined with those who can provide the means to subsidize activities in developing countries. Today local government representatives take part in the work of UN-HABITAT in various advisory capacities and, to some extent, as members of individual delegations at Governing Council meetings once every second year. The great interest shown by governments at both national and local level in the World Urban Forum activities should be seen as one sign of their growing interest in really taking part and not just observe and advise. I was told that about 7000 people took part in the World Urban Forum 2008. The World Urban Forum can be seen as a concrete positive example of one of the visions of UN-HABITAT, namely to provide a meeting-place for all those interested in and concerned with issues of urbanization. The linkages between the World Urban Forum and the rest of the agenda of UN-HABITAT can be further strengthened. My recommendations are in line with this idea of further inclusion.

3. An accountable and transparent governance structure: it must be easy to identify who is responsible for what decisions. This is necessary in order to be able to draw the line between responsibilities between the governors and the managers. Moreover, operational work cannot easily be carried out supported by a governance structure primarily based on resolutions. Programs and projects must be properly formulated, budgeted, implemented and evaluated. This requires periodic work by both governors and managers. The governance structure should facilitate accountability and transparency.

G. Recommendations

Based on the findings in this report my advice will be the following:

1. The governance structure of UN-HABITAT should be reformed. The Governing Council meeting in 2009 is advised to make a decision to start a process leading to a new governance structure.

2. UN-HABITAT conducts normative as well as operational work. It should be better served by the introduction of an Executive Board. An Executive Board would provide a more comprehensive approach and take the full responsibility of its agenda. This does not preclude establishing working groups, expert committees etc. as the Board and/or the Secretariat will find appropriate. The Board should meet regularly, maybe 3 times/year, once in combination with an Annual meeting with all members.
Members of the Board are to be appointed by ECOSOC. Appendix 3 (Overview of Governance mechanisms of some entities within the UN Family) shows that several other UN bodies which combine normative and operational work are served by Executive Boards. Interviews with government as well as staff representatives involved in some of these organizations show that an Executive Board serves these organizations well. The same should apply to UN-HABITAT.

3. An Executive Board should of course have members from different regions as is the case in the present Governing Council. But it should also have representatives of government at national as well as local level. This combination would better serve the unique mandate of UN-HABITAT. There are several ways of achieving this. Local government can be part of the national delegation making up the membership of the Executive Board. Local government representatives could also be given a certain number of seats to be nominated by their own representatives. The tri-partite structure of ILO shows that the UN can operate with governance structures made up of different categories of stakeholders. The governance structure of some UN organs are based on constituencies, where a certain number of countries share a seat. This idea can also be considered.

On this point I have refrained from giving one specific recommendation. Further discussions among members will have to show what could be most appropriate for UN-HABITAT. My recommendation, whatever model is preferred, is that the Executive Board shall consist of members who are directly concerned with the issues listed above and have a self-interest in them combined with an acceptance of our global interdependence. This is to create an Executive Board of improved relevance and commitment. This can also provide an opportunity to broaden the funding base to include national as well as local governments.

4. In order to improve accountability and responsibility and to make governance more efficient my recommendation is that UN-Habitat will be governed by the Executive Board. The dual mechanisms prevailing today should be ceased. Informal discussions with representatives of the UN secretariat in New York have shown an understanding of the arguments and the reasons for this reform. In reality the procedures that UN-HABITAT has to go through in New York add very little to the substance of its agenda. Coordination mechanisms for governments as well as for organizations exist already in other forms as described above. A resulting loss of 7% of the funding base could and should be compensated by a broader and stronger commitment by those involved in the Executive Board, thereby making a stronger case for funding the budget.
Appendix 1  Governance Structure of UN-Habitat

1. **INTRODUCTION**

The purpose of this paper is to provide a synopsis of the current governance structure of UN-Habitat. It describes the various instances and structures of decision making. It is accompanied by a brief historical overview on highlights in the evolution of the governance structure of UN-Habitat.

2. **BRIEF HISTORICAL OVERVIEW**


1977: Establishment of the United Nations Centre for Human Settlements – UNCHS (Habitat) GA resolution 32/162. This resolution designated the Commission on Human Settlements, a functional commission of ECOSOC, as the governing body.

1978: First meeting of the Commission on Human Settlements (CHS) comprised of 58 member States rotating on a three year basis reporting to the General Assembly through ECOSOC.

1978-1989: CHS meets every year for 10 working days to approve the Work Programme and Budget and to decide on the focus of theme papers to be prepared by the Secretariat for the following year. CHS decides in 1989 to meet on a biennial basis to provide more inter-sessional time for the Secretariat to produce substantive outputs. Most meetings hosted outside Nairobi.

1991-1999: CHS gradually reduces duration of its sessions to 5 working days. Space for dialogue and debate on human settlements issues drastically reduced. All meetings held in Nairobi.

1996: Habitat II Conference: new normative mandate for UNCHS to support and monitor the implementation of the Habitat Agenda adopted at the Conference and approved by the GA

2001: Istanbul+5, Special Session of the GA on implementing the Habitat Agenda leads to decision by the GA to elevate UNCHS to programme status, transform the CHS into a Governing Council and the Committee of Permanent Representatives in Nairobi as the formal inter-sessional body of the GC. Other important decisions in GA Resolutions 56/2005 and 56/2006 include strengthening the normative role of UN-Habitat, designating UN-Habitat as the focal point within the UN system for human settlements, establishing the World Urban Forum to foster dialogue and debate on human settlements issues.

2003: New rules of procedure for GC adopted, a non-voting seat is allocated to local authorities.

3. **DECISION MAKING AND ADVISORY STRUCTURES FOR THE BIENNIAL WORK PROGRAMME AND BUDGET**

For ease of understanding, the decision making and advisory structures of UN-Habitat are presented here in the order of business required for the approval of the biennial work programme and budget – the primary responsibility of the Governing Council of UN-Habitat. 1

* Step 1: Two years before the biennial work programme is presented to the Governing Council for its approval, the Secretariat prepares a Strategic Framework for two years. This Strategic Framework is discussed with the Committee of Permanent Representatives (CPR) and is
submitted by the Secretariat to the inter-governmental Committee for Programme Coordination (CPC) for its approval.

- **Step 2:** One year before the work programme is presented to the GC for its approval, the Secretariat prepares a biennial work programme and budget based on the approved Strategic Framework. This document is presented to and discussed with the CPR and is submitted approximately 5 months before the Governing Council to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) through the UN Budget Office for its advice, and to the CPC for its review.

- **Step 3:** Based on feedback received from the ACABQ, the Secretariat prepares the Work Programme and Budget for submission to and approval by the Governing Council. While the budget is comprehensive, the GC has authority over the non-earmarked extra-budgetary resources, representing approximately 10% of the total budget.

- **Step 4:** The Secretariat submits the approved Work Programme and Budget to the CPC and the Budget Office. Both are incorporated into the work programme and budget for the entire United Nations and submitted to the General Assembly for approval. The 5th Committee of the GA looks at and approves the regular budget component of the budget, which represents approximately 9.5% of the total budget of UN-Habitat.

- **Step 5:** The Secretariat submits periodic progress reports on the implementation of the Work Programme and Budget to the Committee of Permanent Representatives.

- **Step 6:** The earmarked extra-budgetary resources which represent approximately 80% of the total budget are subject to oversight by the Office of the Controller, the Budget Division of the United Nations, and the Board of Auditors.

4. **OTHER GOVERNANCE STRUCTURES AND REPORTING OBLIGATIONS**

The Executive Director and the Deputy Executive Director enter into a yearly Compact with the Secretary General of the United Nations. This compact focuses on the commitment of the Executive Director to uphold the core values and principles of the United Nations and to fulfill key outputs and achievements. While these key outputs and achievements include the approved Work Programme, they also commit the ED and the DED to contribute to the attainment of internationally agreed development goals and strategic objectives resulting from Summits, global conferences and other inter-governmental fora.

An annual Secretary General’s Report on the Coordinated Implementation of the Habitat Agenda is submitted to ECOSOC which coordinates follow-up to all the major UN Conferences and Summits.

An annual Secretary General’s Report on Follow-up to the Habitat II Conference and the Strengthening of UN-Habitat is submitted to the GA as a follow-up to GA Resolutions 55/205 and 55/206 which elevated UN-Habitat to programme status.

Regarding auditing, there are typically two routine internal audits per year, periodic external audits that are consolidated into a report to the GA every two years, regular evaluations of the work programme through IMDIS, and periodic in-depth programmatic evaluations conducted by OIOS and/or the Department of Management.

1 The GC is a subsidiary body of the General Assembly made up of 58 member States rotating on a three-year basis. It sets UN-Habitat’s policies, oversees its working relations with partners, and approves its biennial work programme and budget. The CPR is the inter-session body to the GC and monitors the implementation of the work programme and progress in carrying out the resolutions adopted by the GC.
Appendix 2

The present funding of UN-HABITAT

Introduction

The work programme and budget of the United Nations Habitat and Human Settlements Programme (UN-HABITAT), which includes the programme priorities, is approved by the Member States during the Governing Council every two years. The programme budget is prepared based on the income projections from the various sources of funding.

UN-HABITAT derives the majority of its income from voluntary contributions received from governments and inter-governmental donors. The organization also receives contributions from other partners such as local authorities, the private sector, multi-lateral organizations and other United Nations system organizations.

The three main sources of funding are:

A. Regular Budget allocations which are approved by the General Assembly against the assessed contributions of Member States (core funding);

B. General Purpose contributions towards the United Nations Habitat and Human Settlements Foundation (Foundation). These are the non-earmarked voluntary contributions from Governments for which the budget allocations are approved by the UN-HABITAT Governing Council and are allocated as per the agreed priorities (core funding);

C. Special Purpose contributions which are earmarked voluntary contributions from Governments and other donors for the implementation of specific activities (based on the agreements with the bilateral donors) included in the approved work programme (non-core funding). These contributions fall into two major categories:

- Contributions towards the Foundation;

- Contributions for direct project execution at the country level i.e. Technical Cooperation contributions.
Trend in the voluntary contributions

The non-earmarked (core) voluntary contributions to the United Nations Habitat and Human Settlements Foundation have over the past ten years grown from an annual average of US$4.5 million to approximately US$17.5 million in 2007. There is also a dramatic increase in technical cooperation programmes from US$26 million in 2003 to approximately US$74 million in 2007. During the same period, the earmarked voluntary contributions have grown significantly from an annual average of US$23 million to US$156 million in 2007 reflecting a marked donor preference for this type of funding. Increase in the total voluntary contribution received by UN-HABITAT has had positive impact on the overall programme delivery, and provided a competitive boost to efficiency through increased economies of scale.
Although the earmarked contributions are a welcome complement to the non-earmarked contributions, the continued rising imbalance between the earmarked and non-earmarked contributions remains a major challenge. This is primarily because these resources in many instances carry stringent conditionalities e.g. specific country implementation in donor supported regions, implementing partners and amount to be paid to the partners, and funding period all of which limit their flexibility for use by the organization.

This imbalance in funding has created difficulties in ensuring effective and balanced implementation of the approved work programme with some programmes over funded and others only partially funded. Further the earmarked funds have not always been aligned with the agreed work programme and priorities set. The impact is a distortion of the programme priorities.

Although the non-earmarked (core) and earmarked contributions contribute towards meeting the overall objectives of the programme, the core-resources are fundamental in ensuring the fulfilment of the institutions mandate as they provide the basic operating infrastructure of the organisation and enable the organisation to implement core normative activities.

It is worth noting that the management of earmarked (non-core) resources requires substantial administrative support, incurring costs. The United Nations system organizations recognize that there is some level of subsidization of these support costs whether implicit or explicit by regular/core resources. This in some instances may lead to diversion of resources from programmes, projects or activities mandated by the legislative organs to those with a narrower, bilateral focus (i.e. earmarked activities).

Despite the increase in the total financial resources to the organisation, UN-HABITAT continues to experience a budgetary shortfall (core funding) between its conservative biannual budgets approved by the Governing Council and the actual funds received. This shortfall has presented various challenges to the organization which have led to a fragmented approach in the implementation of the approved work programme and hindered the organization from fully addressing the established priorities.

Recent Trends in the Contributions Received by UN-HABITAT from the Top Ten Donors

The donor base for voluntary contributions continues to remain narrow with approximately 60% of the total contributions and over 90% of the non-earmarked (core) voluntary contributions being received from the top ten donors.

This has made the organization vulnerable especially with regard to the non-earmarked (core) funding and may have an adverse impact on the programme delivery in the event that a major donor sharply reduces their funding or withdraws it altogether.
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</tr>
<tr>
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</tr>
<tr>
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<td>52%</td>
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### Total Contributions

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<th>Country</th>
<th>2002</th>
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<th>2004</th>
<th>2005</th>
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<th>2007</th>
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<td>9%</td>
<td>11%</td>
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</tr>
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</tr>
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<td>Japan</td>
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### Top Ten Donors of UN-HABITAT 2002-2007 (as at 31 December 2007)

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<th>Country</th>
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<tr>
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<td>Afghanistan</td>
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<td>Germany</td>
<td>8%</td>
</tr>
<tr>
<td>France</td>
<td>7%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6%</td>
</tr>
<tr>
<td>Norway</td>
<td>5%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>3%</td>
</tr>
</tbody>
</table>
Status of the Global Trust Funds and Facilities

UN-HABITAT recently embarked on an aggressive fund raising campaign to capitalize the "Water and Sanitation Trust Fund", "Special Human Settlements Programme for the Palestine People" and the "Slum Upgrading Facility". These funds have been supported by several donor countries as a sign of their commitment to the Millennium Declaration Goals on improving access to drinking water and sanitation as well as improving the lives of slum dwellers.

Although of significant importance, global trust funds should not be viewed as an alternative/substitute of the core/non-earmarked resources but as complementary funds.

UN-HABITAT has continued to receive a significant level of contributions from other UN Agencies underscoring its comparative advantage in the area of human settlements and in line with the UN Reforms which calls on the United Nations system to work more coherently and effectively at the global level in the areas of development, humanitarian assistance and environment. Further UN-HABITAT has continued to actively engage and develop partnerships with various private and public stakeholders.

Analysis of the Contributions Received by UN-HABITAT by Donor Type

![Graph showing growth in contributions to UN-HABITAT by donor type from 2002 to 2007](image-url)
Appendix 3

Overview of Governance Mechanisms of some Entities within the UN Family

1. Overview

This document provides a brief summary of some of the governance structures and mechanisms used by a range of entities within the UN family. It covers the following:

UNDP, UNICEF, UNHCR, OHCHR and the Human Rights Council, IFAD, WFP, ILO and WHO.

2. UNDP

The United Nations Development Programme (UNDP) is a programme established by the General Assembly (GA) and governed by the Economic and Social Council (ECOSOC).

The Executive Board is made up of representatives from 36 countries around the world who serve on a rotating basis. It was created by GA resolution 48/162 of 20 December 1993. The Executive Board superseded the 48-member Governing Council on 1 January 1994.

The ECOSOC elects members of the Executive Board in May each year. Members are elected for three-year terms, with the exception of the Western European and other States group, which determine their own internal rotation policy. The following geographic breakdown of membership was legislated by GA resolution 48/162: 8 from African States, 7 from Asian and Pacific States, 4 from Eastern European States; 5 from Latin America and the Caribbean States; and 12 from Western European and other States.

The Bureau of the Executive Board is comprised of one President and four Vice Presidents, elected from the members at the first regular session, taking into account the need for equity in geographic representation. The Bureau provides inter-governmental support to and supervision of the activities of UNDP. Its primary functions are to prepare and organize Board meetings, facilitate transparent decision-making, and promote dialogue in decision-making. The Bureau also agrees on the composition of the teams participating in Executive Board field visits.

The Executive Board Secretariat facilitates the work of the Board and the Bureau by providing support services to their members. In particular, the Secretariat makes all logistical arrangements for meetings, prepares documents for submission to the Board and the Bureau, and reports on their sessions.
The Executive Board holds two regular sessions and one annual session per year. Annual work plans are adopted by the Board at the first regular session.

3. UNICEF

Like UNDP, the United Nations Children’s Fund (UNICEF) is also a programme established by the GA and governed by an Executive Board.

The Executive Board is responsible for providing inter-governmental support to and supervision of the activities of UNICEF, in accordance with the overall policy guidance of the GA and the ECOSOC. The Board meets three times each year, in a first regular (January), annual (June) and second regular session (September).

The Board, like the governing bodies of other United Nations funds and programmes (UNDP, UNFPA and WFP), is subject to the authority of the Council.

The Board has 36 members, elected for a three-year term with the following regional allocation of seats: 8 African States, 7 Asian States, 4 Eastern European States, 5 Latin American and Caribbean States and 12 Western European and Other States (including Japan). The officers of the Board, constituting the Bureau, are elected by the Board at its first regular session of each calendar year from among Board members. There are five officers—the President and four Vice-Presidents—representing the five regional groups at the UN. Officers of the Board are elected for a one-year term.

The ECOSOC elects states to sit on the UNICEF Executive Board from Member States of the United Nations or of the specialized agencies or of the International Atomic Energy Agency.

The Office of the Secretary of the Executive Board (OSEB) is responsible for maintaining effective relationship between the Board and the UNICEF secretariat. Under the guidance of the President and the Bureau and through regular contacts with them, it organizes the business of and services all Board sessions. The office has similar responsibilities in relation to the wide range of informal consultations, briefings and Bureau meetings.

In addition, OSEB provides editorial and technical services for all documentation submitted to, or resulting from, meetings of the Board, working closely with the UN Secretariat, which translates and produces most documents in the required official languages. The office maintains a permanent record of all deliberations and decisions of the Board. In close collaboration with the Programme Division and the concerned UNICEF field offices, OSEB organizes and arranges field visits by Board members and the President of the Board.

UNICEF’s draft programme of work is based on the Executive Board’s decisions and on suggestions by the Secretariat. It is prepared in consultation with the Bureau of the Board, and is
presented to the Board for discussion and approval. Once adopted, it serves as a framework for setting the agenda for 2009 Board sessions.

4. UNHCR

The Office of the UN High Commissioner for Refugees (UNHCR) reports to the GA and is governed by an Executive Committee, currently made up of 76 member States. The Executive Committee meets in Geneva annually to review and approve UNHCR’s programmes and budget, advise on international protection and discuss a wide range of other issues with UNHCR and its intergovernmental and non-governmental partners.

The Executive Committee’s Standing Committee meets several times each year to carry on its work between plenary sessions. At its forty-sixth session in October 1995, the Executive Committee established the Standing Committee to replace two previously existing sub-committees of the whole on international protection and on administrative and financial matters. The chairing of the Standing Committee is shared by the Executive Committee Chairman and the Vice-Chairman.

In addition, there are usually a number of Informal Consultative Meetings of the Standing Committee as well as informal preparatory consultations for members of the Executive Committee to prepare conclusions on international protection and decisions for the Executive Committee’s plenary session. These meetings are chaired by the Executive Committee Rapporteur and are open to members only.

5. OHCHR & the Human Rights Council

The Office of the UN High Commissioner for Human Rights (OHCHR) is located within the UN Secretariat and headed by the UN High Commissioner for Human Rights, Ms Navanethem Pillay.

At the beginning of 2008, OHCHR underwent an organisational restructuring, upgrading its four main substantive branches to divisions, each of which is now headed by a division director. These four divisions are: the Human Rights Council and Treaties Division; the Special Procedures Division; the Field Operations and Technical Cooperation Division; and the Research and Right to Development Division. Core administrative, planning, coordination and outreach functions are handled separately by dedicated sections reporting directly to the Deputy High Commissioner.

The Human Rights Council (Council) is an inter-governmental body within the UN system with primary responsibility for strengthening the promotion and protection of human rights around the
globe. The Council was created by the GA on 15 March 2006, replacing the politically discredited Commission on Human Rights. The Council is a subsidiary body of the UN General Assembly, and reports to that body annually. It is made up of 47 member states and receives technical, substantive and secretariat support from OHCHR.

Members of the Council are elected directly and individually by secret ballot by the majority of the members of the GA. Membership is open to all member states of the UN and is based on equitable geographical distribution among regional groups, as follows: (a) Group of African States, 13; (b) Group of Asian States, 13; (c) Group of Eastern European States, 6; (d) Group of Latin American and Caribbean States, 8; and (e) Group of Western European and other States, 7. Members of the Council serve for a period of three years and are not eligible for immediate reelection after two consecutive terms. Terms of membership are staggered.

One of the new features of the Council that distinguishes it from its predecessor is the universal periodic review process (UPR). This requires that the human rights record of every UN Member State be reviewed every four years by a working group of the Council, made up of its 47 members. It is designed to ensure 'universality of coverage and equal treatment' of every State. Each State under review takes part in a three-hour interactive dialogue with the Council’s Working Group and later selects the recommendations from this process that it will undertake to implement over the next four years.

The Council meets at least three times per year for a total period of no less than 10 weeks. In practice, the Council meets much more frequently as special sessions are increasingly common. Its UPR Working Group also holds three sessions per year, each of two week's duration.

6. IFAD

The International Fund for Agricultural Development (IFAD) is a specialized agency located within ECOSOC.

The unique “three-partite” structure of IFAD (donor countries, OPEC countries and other developing countries) reflects the original expectations concerning a special funding role for OPEC.

The Governing Council, which meets annually, is IFAD’s highest decision-making body comprising all 164 member states. Formally all powers of the Fund are vested in the Governing Council. With a few — important — exceptions pertaining to the basis for the Fund’s operations, any of these powers may be delegated to the Executive Board. In practice, the Executive Board takes decisions on almost all aspects of IFAD’s activities, possibly with a subsequent formal endorsement by the Governing Council.

IFAD’s Executive Board is composed of 18 members and 18 alternate members and is responsible for the conduct of the general operations of the Fund, including approving IFAD’s
work programme and budget, deciding on overall policy issues as well as approving loans and grants. The Board meets three times a year.

The president of IFAD, who serves for a four-year term, functions as the Fund’s chief executive officer and chairperson of the Executive Board. The current President of IFAD, Mr. Lennart Båge (Sweden), took office on 1 April 2001. He was re-elected for a second term in 2005.

7. WFP

The World Food Programme (WFP) comes under the auspices of the GA. Its governance structure is comprised of two organs: an Executive Board and a Secretariat.

WFP’s Executive Board is made up of 36 member states: 18 elected by the Economic and Social Council of the UN (ECOSOC) and 18 elected by the Council of the Food and Agricultural Organisation (FAO). Membership is open to all UN member states and member nations of the Food and Agriculture Organisation (FAO).

Election to the Board is based on equitable geographical distribution among regional groups, as follows: eight members from List A; seven members from List B; five members from List C; twelve members from List D; three members from List E; and one rotating seat for a member from List A, B and C at FAO. Each member serves a three-year term and is eligible for re-election.

Normally ECOSOC holds elections for the Executive Board in May. Elections by the FAO Council are held in June, except in years when the FAO Conference meets, in which case the elections are held in November.

At its first session of each year, the Board elects one member from each electoral list of States: A, B, C, D and E and an alternate, to constitute the Bureau. The Bureau is composed of five people: a president, a vice-president and three other members. The Bureau’s functions are to facilitate the effective and efficient functioning of the Board, to give guidance to the Secretariat and perform other functions as it is directed by the Board.

The Board meets three times per year in Rome, Italy. Its functions include, coordinating short-term and long-term food aid policies; providing intergovernmental supervision and direction to WFP; and reviewing, modifying and approving its programmes, projects and activities.

The Executive Director of WFP is appointed jointly by the UN Secretary General and the Director-General of the FAO for a fixed five-year terms. This position sits at the head of the Secretariat of WFP.
8. ILO

The International Labour Organisation (ILO) is a specialised agency falling under ECOSOC. Its governance structure is based around an executive body and a secretariat.

The Governing Body is the executive council of the International Labour Office (which is the secretariat of the ILO). It meets three times a year, in March, June and November. It takes decisions on ILO policy, decides the agenda of the International Labour Conference, adopts the draft programme and budget of the ILO for submission to the Conference, and elects the Director-General.

The Governing Body is composed of 56 titular members (28 governments, 14 employers and 14 workers) and 66 deputy members (28 governments, 19 employers and 19 workers).

Ten of the titular government seats are non-elected positions permanently held by states of chief industrial importance (Brazil, China, France, Germany, India, Italy, Japan, the Russian Federation, the United Kingdom and the United States). The remaining 18 government regular members, and the 28 deputy members, are appointed by the government electoral college every three years on the basis of geographical distribution.

The government electoral college consists of two government delegates from each member state, except those which have lost the right to vote, and the ten member states of chief industrial importance who hold non-elective titular seats.

The employers' and workers' electoral colleges consist of the employers' and workers' delegates to the Conference respectively, excluding the delegates from states that have lost the right to vote. Each group elects by name 14 persons as regular members and 19 persons as deputy members of the Governing Body. The employer and worker members are elected in their individual capacity.

The three electoral colleges – government, employers' and workers' – conduct their elections separately and by secret ballot.

The Governing Body meets twice a year for a full session (in March and November) and once a year for a one-day session (in June, after the International Labour Conference). With the exception of the June session, the plenary sessions of the Governing Body last up to three-and-a-half days.

Three officers are selected to direct the work of the Governing Body: a Chairperson and two Vice-Chairpersons. The Chairperson is usually chosen from among the government members, following a regional rotation. The Employer and Worker Vice-Chairpersons are chosen by their respective groups. They serve for a period of one year, but can be re-elected in subsequent years.

The responsibilities of the Governing Body include: electing the Director-General and directing the work of the Office and the Director-General; adopting the draft programme and budget for
submission to the Conference; determining the agenda of the Conference and ensuring adequate preparation for it; dealing with constitutional procedures for the application of ratified conventions; discharging all other responsibilities entrusted to it under the ILO Constitution.

9. WHO

The World Health Organisation (WHO) is a specialised agency falling under ECOSOC.

The World Health Assembly is the supreme decision-making body for WHO. It generally meets in Geneva in May each year, and is attended by delegations from all 193 Member States. Its main function is to determine the policies of the Organisation. The Health Assembly appoints the Director-General, supervises the financial policies of the Organisation, and reviews and approves the Proposed programme budget. It similarly considers reports of the Executive Board, which it instructs in regard to matters upon which further action, study, investigation or report may be required.

The Executive Board is composed of 34 members technically qualified in the field of health, each one designated by a member state that has been elected to serve by the World Health Assembly. Member states are elected for three-year terms. The main board meeting, at which the agenda for the forthcoming Health Assembly is agreed upon and resolutions for forwarding to the Health Assembly are adopted, is held in January, with a second shorter meeting in May, immediately after the Health Assembly, for more administrative matters. The main functions of the Board are to give effect to the decisions and policies of the Health Assembly, to advise it and generally to facilitate its work.

The Secretariat of WHO is staffed by some 8000 health and other experts and support staff.

The Organisation is headed by the Director-General, who is appointed by the Health Assembly on the nomination of the Executive Board.
<table>
<thead>
<tr>
<th>Entity</th>
<th>Location/reports to</th>
<th>Governing body/bodies</th>
<th>Membership</th>
<th>Length of term</th>
<th>Meets</th>
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<td>GA &amp; ECOSOC</td>
<td>Executive Board</td>
<td>36 member states</td>
<td>3 years (except for WEOS members)</td>
<td>2 x regular sessions per year&lt;br&gt;1 x annual session per year</td>
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<td>UNICEF</td>
<td>GA &amp; ECOSOC</td>
<td>Executive Board</td>
<td>36 member states</td>
<td>3 years</td>
<td>2 x regular sessions per year&lt;br&gt;1 x annual session per year</td>
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<td>GA</td>
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<td>Ongoing</td>
<td>Annually&lt;br&gt;Several times per year (between plenary sessions)</td>
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<td>Specialised agency within ECOSOC</td>
<td>Governing Council&lt;br&gt;Executive Board</td>
<td>164 member states</td>
<td>Ongoing</td>
<td>Annually&lt;br&gt;3 x per year</td>
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<td>3 year term (eligible for re-election)</td>
<td>3 x per year</td>
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<td></td>
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<td>Terms &amp; Frequency</td>
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<tr>
<td>ILO</td>
<td>56 titular members (governments, employers, workers)</td>
<td>3 years</td>
<td>2 x per year (full session) 1 x per year (shorter one day session)</td>
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<td>66 deputy members</td>
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<tr>
<td></td>
<td>193 member states</td>
<td>Ongoing</td>
<td>Annually</td>
<td>2 x per year (full session &amp; shorter session)</td>
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