BACKGROUND ON THE UN-HABITAT GOVERNANCE PROCESS

In December 2017, the General Assembly adopted resolution A/RES/72/226 which requests;
‘the Chair of the Committee of Permanent Representatives to establish an open-ended Working Group in Nairobi to examine, taking into account relevant work, including of mechanisms under the auspices of UN-Habitat, different options for strengthening Member States’ oversight of UN-Habitat, including, but not limited to, those presented in the New Urban Agenda, or a focused Executive Board, or a universal Urban Assembly, as well as appropriate combinations thereof, and decides that the mandate of this Working Group shall also include consideration of the appropriateness of financial rules and regulations and of personnel, procurement and budgetary matters, and requests the Chair of the Committee of Permanent Representatives to make available to Member States findings and recommendations of the Working Group, including any necessary adjustments to UN-Habitat’s existing governance and administration arising from the options presented, as soon as possible, but no later than 30 June 2018, for the consideration and appropriate action of the General Assembly during the seventy-third session’

Historically, the subject of strengthening of UN-Habitat has crossed the path of the Committee of Permanent Representatives before and some of the related historical activities are shared below in this note. It began in 2004 when the Office of Internal Oversight Services, based upon an in-depth evaluation of UN-Habitat, called for the sharpening of the Organization’s programmatic focus. UN-Habitat responded to the evaluation by preparing a Medium-Term Strategic and Institutional Plan (MTSIP). The Governing Council at its twenty-first session in April 2007 approved the MTSIP as a strategic plan for the period 2007-2013 and in its resolution 21/2 of 20th April 2007, requested the Executive Director to consult the Committee of Permanent Representatives on the need to review the efficiency and effectiveness of the governance structure.

In 2009, during the twenty-second session of the Governing Council, the Executive Director in response to resolution 21/2 submitted a note on the effectiveness and efficiency of the governance structure of UN-Habitat, contained in document HSP/GC/22/2.Add.3.

The Governing Council responded to the submission of the Executive Director by adopting resolution 22/5, initiating the governance review. That resolution required the Executive Director and the Committee of Permanent Representatives to undertake jointly, an examination of the governance of UN-Habitat with a view to identifying and implementing ways to improve accountability, effectiveness and efficiency of the functions of the existing governance structure and identify potential or any relevant changes for consideration during the twenty-third session.
The terms of reference to guide the activities undertaken pursuant to resolution 22/5 were jointly formulated by a geographically balanced cross section of members drawn from the Committee of Permanent Representatives and the secretariat.

At its twenty-third session, in 2011, based upon the report of the Executive Director contained in Document HSP/GC/23/2.Add.1 and the Note by the secretariat contained in document HSP/GC/23/INF/7, the Governing Council adopted resolution 23/13 requesting the Committee of Permanent Representatives and the secretariat of UN-Habitat to jointly engage in a governance review process to:

• To further examine the options for reform and to develop a preferred option,
• Develop a procedure for the examination phase,
• Seek consensus on the identified option and
• Develop an action plan and present it to the general assembly at its 67th session if applicable.

To accomplish that task, a consultant was hired, with the following three main outputs:

• A comparative analysis of different governance models based on presentation made to the Open Ended Consultative Group by representatives of various UN organizations whose governance structures UN-Habitat can learn lessons from.
• An examination of the governance options as identified in the Note by the Secretariat to the Governing Council contained in document HSP/GC/23/INF/7 amongst others.
• An Action Plan that suggests specific recommendations, explains steps that must be taken and clarifies financial, legal and procedural implications.

The Consultant’s report, contained in document HSP/GC/24/INF/6, was availed to the Governing Council at its twenty-fourth session in 2013. The Governing Council at its twenty-fourth session did not adopt any resolution on the governance review process due to lack of consensus.

In December 2013, the General Assembly of the United Nations through resolution A/RES/68/239 took note of the governance review process of UN-Habitat and encouraged consensus on how to proceed with the governance review.

From June 2014 to April 2015, UN-Habitat’s Committee of Permanent Representatives created the governance working group, facilitated by the Permanent Representatives of Nigeria and the United States of America, which resulted in the draft resolution on governance review presented to the Governing Council at its twenty-fifth session.

In April 2015, the Governing Council at its twenty-fifth session adopted resolution 25/7 on UN-Habitat governance reform in which it decided to strengthen the oversight role of the Governing Council and the Committee of Permanent Representatives by requesting the Committee to establish a Working Group on Programme and Budget. The Committee of Permanent Representatives established the Working Group on Programme and Budget at its fifty-seventh regular meeting held on 12 June 2015.

In May 2017, during the twenty-sixth session of the Governing Council held from 8 to 12 May 2017, the Governing Council adopted resolution 26/1 on “The governance...”
reform and the extension of the mandate of the Working Group on Programme and Budget”, ensuring that the Working Group would continue its work for at least until the next session of the council in 2019.

Meanwhile, in October 2016 during the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), the New Urban Agenda was adopted. Paragraph 172 of the New Urban Agenda requested the “Secretary-General to submit to the General Assembly during its seventy-first session an evidence-based and independent assessment of UN-Habitat”. The result of the assessment was to be “be a report containing recommendations to enhance the effectiveness, efficiency, accountability and oversight of UN-Habitat”.

Paragraph 173 of the New Urban Agenda called for “a two-day high-level meeting of the General Assembly, to be convened by the President of the General Assembly during the seventy-first session, to discuss the effective implementation of the New Urban Agenda and the positioning of UN-Habitat in this regard”.

The General Assembly, through resolution A/RES/71/256* endorsed the New Urban Agenda and with resolution A/RES/71/235 confirmed the role of UN-Habitat as a focal point for implementation of the New Urban Agenda and activated action on paragraphs 172 and 173 of the New Urban Agenda. With this, the Secretary General constituted the High Level Independent Assessment Panel which visited Nairobi in May 2017 and interacted with CPR members.

In September 2017, and in line with General Assembly resolution A/RES/ 71/235, the President of the General Assembly convened a two-day high-level meeting of the Assembly at the United Nations Headquarters to discuss the effective implementation of the New Urban Agenda and the positioning of the UN-Habitat in this regard. The report of the High-level Independent Panel to Assess and Enhance Effectiveness of UN-Habitat (A/71/1006) was the key background document to the meeting.

The High-Level Meeting highlighted the following messages;

- The centrality of Sustainable Urbanization for Agenda 2030, through the implementation of the New Urban Agenda.
- Focus on building a hybrid operational and normative mandate while strengthening UN-Habitat.
- Strong coordination need within the United Nations system centered on urban issues and led by UN-Habitat.
- Enhancing stakeholder engagements and partnerships.
- Call to stabilize UN-Habitat particularly in its financial structure.
- Need for time to examine appropriate Governing Structure for improved transparency, accountability and oversight of UN-Habitat.
Some of the issues of discussion during the two-day High Level meeting were:

- UN-Habitat’s mandate with regard to the balance between normative and operational work;
- Governance structure of UN-Habitat which, despite the recommendation of the Panel, solicited varied views from Members and required more time to evaluate;
- Financial capability of UN-Habitat, in respect of which calls for stable and predictable funding of UN-Habitat and to increase UN-Habitat’s core and regular budget funding were made, but with caution not to overburden the developing countries and the need for UN-Habitat to gain the increased confidence of Member States, for example.
- The proposal of a new entity and coordination mechanism, that is, UN Urban, in which most Member States were of the view that the creation of this body would impact on the mandate of and efforts to strengthen UN-Habitat.

The President of the General Assembly in his concluding remarks at the end of the High Level meeting noted that a number of the recommendations contained in the Panel’s report would require further discussion and consideration.

During the seventy second session of the General Assembly, the Second Committee discussed the draft resolution on strengthening UN-Habitat. This resulted in resolution A/RES/72/226 adopted on 20 December 2017. The resolution called upon the Chair of the Committee of Permanent Representatives to establish the Open-ended Working Group to look at options for strengthening Member States’ oversight of UN-Habitat. The resolution specifically mandated the Open-ended Working Group “…to examine, taking into account relevant work, including of mechanisms under the auspices of UN-Habitat, different options for strengthening Member States’ oversight of UN-Habitat, including but not limited to those presented in the New Urban Agenda, or a focused Executive Board, or a universal Urban Assembly, as well as appropriate combinations thereof…”, and decided “…that the mandate of this Working Group shall also include consideration of the appropriateness of financial rules and regulations and of personnel, procurement and budgetary matters”.

Key issues raised during the discussions on the draft resolution were:

- The importance of improved oversight that would enable stronger accountability, transparency, efficiency, effectiveness, and confidence, which could be achieved through a focused executive board, or a universal urban assembly, as well as appropriate combinations thereof.

The proposal by some member states for an overarching global forum (assembly) is to promote sustainable urban development and also act as an inclusive platform for policy dialogue, aligned with the timelines of the quadrennial report of the Secretary-General on the implementation of the New Urban Agenda.

The proposal by some member states for an executive board type body is to strengthen oversight, accountability and transparency with a more nimble, focused, smaller, representative executive board (similar to other UN agencies), which could meet more regularly and carry out the oversight function in more
detail. There was also debate of a combination of the two to achieve both objectives.

• In order to further enhance the efficiency and effectiveness of UN-Habitat, to appropriately review the financial rules and regulations, as well as personnel, procurement and budgetary matters in UN-Habitat’s operational mandate similar to other funds and programs and build the necessary confidence to enhance core funding. (Further details are provided in the paper on Finance)