**UN-Habitat Senior Management Board: Notes**

**3 July 2018**

**Attendees:** Aisa K.Kirabo**,** DED, Christine Musisi, Raf Tuts, Chris Kirkcaldy, Kazumi Ogawa, Atsushi Koresawa, Zena Ali Ahmad, Shipra Narang Suri, Andre Dzikus, Eduardo Moreno, Robert Lewis-Lettington, Saidou N’Dow, Jane Nyakairu, Paulius Kulikauskas, Haris Pajtic, Mathias Spaliviero. **Absent:** Naison Mutizwa-Mangiza, Elkin Velasquez, Marco Kamiya, Kerstin Sommer.

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|  | **Agenda item raised** | **Main issues & discussion** | **Action to be taken** | **By whom & when** |
| **0** | **Review of outstanding items from past SMBs** | **1.** e-Performance: Reminder to finalise 2017-2018 evaluations and 2018-2018 work-plans.  **2.** Reminder on mandatory training – SMB had committed to 100% compliance by end August 2018. | **1.** SMB to ensure compliance by respective divisions/branches/units.  **2.** SMB to comply. | **1.** Asap  **2.** End August 2018 |
| **1** | **UN-Habitat reform (DED)** | **1.** DED reiterated that the ED expected SMB to support her decision to ask the Secretary-General for help in stopping the declining financial situation, and to support Chris Kirkcaldy, who had been appointed by DM to manage the financial and related administrative situation. The ED counts on managers to communicate well with their teams. The ED had asked all staff to support the reform wholeheartedly, and as senior leaders, it is up to the SMB to project calm. The DED noted that Member States would shortly be informed, but it would not be a surprise, as they were aware of UNH’s financial situation. Austerity measures are only part of the overall reform.  **2.** A member stated he was here to support ED with “one piece” to the overall reform of UN-Habitat, starting with fact-finding. His job is to look forward, he intends to take a measured approach to close the gap, assess the situation and be transparent about is. He added he was anxious to avoid impeding the operations/business of UN-Habitat. At the same time, he noted he is not reassigned to this role, but that it was in addition to his other functions. He would therefore like to find a way to allow for work that does not fall under his task to continue.  **3.** DED reminded the SMB that the larger vision and “prosperity plan” (mentioned by some SMB members) is the responsibility of UN-Habitat. Austerity is a priority.  **4.** A member noted that changes in MOD are not “business as usual”. Finance teams of UNON and MOD will sit together to glean out the facts. The Foundation is at the heart of the business of UN-Habitat; while the PSC account has a balance, it cannot not carry all the costs of UN-Habitat  **5.** Several SMB members urged the ED to consider a town hall. | **1-5.** Share with SMB the messages already given to some member States.  **1-5.** Town hall to be suggested to ED. | **1.** immediately.  **2.** DED, asap. |
| **2** | **Cost Recovery** | **1.** Currently, several expenses are being charged to overhead. They need to be covered by cost recovery and cannot be borne by overhead. There is a need for systematic and consistent application of cost recovery in a transparent and auditable way. SMB members reviewed the proposal, which suggested what overhead costs could cover. An indicative figure of cost recovery is USD 4million, if all of it was adopted. Larger projects may have to be considered differently, because there is a limit to what can be cost recovered.  **2.** There was general agreement that cost recovery was an important income stream, and that a practical, immediate solution was needed. At the same time, regional offices felt that representational and other tasks not related to a project also needed to be included in the calculation. Raf stressed that whatever is proposed should be practical and realistic, especially implementation. Enforcement is critical. Zena suggested the development of a universal price that could be developed and published, to share with donors. Andre noted an urgency to this, because some projects are closing in June. Is there a pragmatic way of moving forward? | **1-2.** Finance and Budget unit to meet with each cost centre and complete a template for cost recovery. One last meeting to take place after that, finishing discussions with the core group on cost recovery. Implementation to follow, subject to guidance. | **1.** 10 July 2018 |
| **3** | **Resource mobilisation strategy** | **1.** Jane presented a draft donor strategy for 2018-19, which had been discussed with SMB members previously and updated considering their comments, areas for improvement suggested by donors, recommendations by OIOS, and feedback from UN-Habitat managers. The goals of the strategy included increasing funding, including softer earmarking; broadening the UN-Habitat donor base; and improving relations with donors. Jane suggested developing a focal point system at the branch level, for resource mobilization. Eduardo felt that that different partners require different strategies (foundations, private sector, government, etc.). Targets should be considered for each sector of resource mobilization, so that it can be properly monitored. Andre noted that multi-donor funds (SDG funds) and SG’s funding compact may be potential sources. **The SMB endorsed the strategy, which would be implemented regionally and reviewed.** | **1.** Draft focal point system proposal to be developed and shared by Jane; the goal is to improve coordination. | **1.** TBC |
| **4** | **AOB** | **1.** Unconscious bias training (10 July TBC). | **1.** Each Division to nominate three managers, plus one from OED to attend | **1.** ERD, MOD, PD & OED, 6 July 2018. |