

# Toward an Institutional Mechanism for Stakeholder Engagement in the New UN Habitat Governance

## *Executive Summary*

As an accompaniment to its adoption of the New Urban Agenda,<sup>1</sup> the UN General Assembly has resolved that UN Habitat, the agency specialized in developing human settlements, revise its governance and stakeholder-engagement structures. By this resolution, the Assembly contributed to the UN's system-wide sustainable-development strategy by generating evidence-based and practical guidance for implementation of the New Urban Agenda and the related dimensions of the 2030 Agenda for Sustainable Development<sup>2</sup> in close consultation with Member States, local authorities, relevant stakeholders and experts.<sup>3</sup>

By reviewing and, ultimately, revising the mechanisms for UN Habitat stakeholder engagement, the resulting deliberative and advisory processes would not only lead to a higher quality of documents and outcomes, but a more-inclusive process could engender the commitment and support from those same stakeholders, including through new joint initiatives to implement them. This is seen as indispensable to fulfilling the need to greatly enhance the agency's impacts and the probability of success. A more inclusive process and working relationship would enable stakeholders to restart their engagement on a better footing that build trust and mutual respect. Research on human organization and governance has shown that the greater the level of participation, the greater the dignity of all parties involved.<sup>4</sup>

This follows lessons that other agencies already have learnt and put in practice. However, because of its peculiar history and relatively small size, UN Habitat's impacts and success are especially dependent on the outreach of partnership networks to carry out its ambitious mandate, and even more so than most UN organizations with major normative and operational responsibilities.

While the task may be daunting and call for fresh thinking, developing the mechanisms and functions of any new UN Habitat governance structure must recognize and reflect the work and outcomes of stakeholder-engagement history in and around UN Habitat, as well as the progressive stakeholder-engagement trends across the wider United Nations System. The unfolding perspective suggests much room for innovation beyond the strict verbatim re-confirmation of the Rules of Procedure, as adopted by the UN Habitat Assembly in May 2019. In these changing times, to do less than evolve to—or beyond—the current standards of good practice would be a lost opportunity to achieve solemnly stated goals.

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<sup>1</sup> New Urban Agenda (NUA), A/RES/71/256, 17 January 2017, at: <https://undocs.org/en/A/RES/71/256>.

<sup>2</sup> Transforming our world: The 2030 Agenda for Sustainable Development (2030 Agenda), A/RES/70/1, 21 October 2015, <https://undocs.org/A/RES/70/1>.

<sup>3</sup> Implementation of the outcomes of the United Nations Conferences on Human Settlements and on Housing and Sustainable Urban Development and strengthening of the United Nations Human Settlements Programme (UN-Habitat) A/RES/72/226, 25 January 2018, para. 5, at: <https://undocs.org/A/RES/72/226>.

<sup>4</sup> Sherry Arnstein, "A Ladder of Citizen Participation," *Journal of the American Planning Association*, Vol. 35, No. 4 (July 1969), pp. 216–24, at: [http://www.participatorymethods.org/sites/participatorymethods.org/files/Arnstein\\_ladder\\_1969.pdf](http://www.participatorymethods.org/sites/participatorymethods.org/files/Arnstein_ladder_1969.pdf).

### *Reviewing UN Habitat Stakeholder Engagement over Time*

UN Habitat's stakeholder engagement to date forms a patchwork of cumulative bodies created at various points over time since its 1976 inception. The tableau of current stakeholder mechanisms in and around UN Habitat is dizzyingly complex and often duplicative or overlapping, and needs to be rationalized. Such is an underlying premise of the General Assembly's call for UN Habitat's fundamental restructuring and a new Stakeholder Engagement Policy (SEP).

The present proposal for a new fit-for-purpose institutional mechanism for UN Habitat stakeholder engagement reviews the history and constellation of UN stakeholder-engagement mechanisms inside and outside the realm of UN Habitat.<sup>5</sup> Independent of how these mechanisms are presently structured in each case, the long absence of a UN Habitat SEP since 2017 has left the future existence, roles and functions of stakeholders in doubt, or at least ambiguous.

Interestingly, the trend toward civic engagement in UN processes had its genesis in the first UN Conference on Human Settlements (Vancouver, 1976) and the negotiation process toward the Habitat Agenda, with a Plan of Action that explicitly recognized the role of local governments and civil society partner groupings and others in its implementation. However, for UN Habitat, the experience of civil society and local government/authority engagement peaked in the negotiation of the (since neglected) Habitat Agenda. The Habitat II process saw unprecedented "rights of participation" by local governments and non-governmental organizations in its deliberation, but also as needs of the Agenda's execution. However, that experience was not institutionalized and has not yet risen to the level of policy in UN Habitat, which has flat-lined with the new UN Habitat.<sup>6</sup>

Nonetheless, these formed instructive moments in an accelerating movement within the UN System parallel to, and perhaps as a consequence of the UN's attempt to mobilize the world community in broad partnerships around common development objectives in a systematic way. This picked up later through the period of the Millennium Development Goals and now the Sustainable Development Goals of the 2030 Agenda. These global policy commitments are now understood to be country driven, leading to the recognition of what were then unprecedented rights of "participation" by local governments and non-governmental organizations in their deliberations and execution, and decision-making processes of Habitat II.

### *Stakeholder-engagement Mechanisms for the UN's Executive Boards*

The original Rules of Procedure of the Executive Board of UNDP, UNFPA and UNOPS, the template for other Executive Boards to follow, date from 1993, a time preceding the Second UN Conference on Human Settlements, when the issue of civil society and other stakeholder participation and partnership in the workings and deliberations of UN organizations and their

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<sup>5</sup> This survey does not review the temporary arrangements set up for the two UN Conferences on Human Settlements: The Habitat Forum at Vancouver (1976), or the self-organized Joint Steering Committee, channeling civil society inputs into the Habitat II process (1994–96). Nor does it review the General Assembly of Partners (GAP), which the former executive director of UN-Habitat set up and guided through the Habitat III process. Nonetheless, these temporary structures they also yield important lessons for their specific time and purpose.

<sup>6</sup> As observed in Habitat International Coalition (HIC), "Charting UN Habitat-Stakeholder Engagement," May 2019, at: <http://www.hic-gs.org/content/Media/PDF/HIC%20Milestones.pdf>.

governing bodies, as well as in UN conferences, was still its infancy. Stakeholder engagement did not gain traction until three years later at UN Habitat II. It is now considered only natural that the voices of relevant stakeholders such as civil society, in its broadest meaning, local spheres of government and the private sector also be heard and taken into account within UN organizations and their respective governing bodies. Bringing them together also would enhance mutual understanding and enable synergy.<sup>7</sup>

Nevertheless, over the years, even in the case of earlier Executive Boards, the Rules allow for all stakeholders to “participate as observers.” However, this imprecise formulation is also contradictory and obsolete, since actual participation, by social science definition,<sup>8</sup> refers to relations of partnership, delegation and democratic control never yet achieved or tried within UN Habitat.<sup>9</sup> For these reasons, the controversial Stakeholder Advisory Group (now named Stakeholder Advisory Group Enterprise), a panel of 18 individuals appointed by the UN-Habitat Executive Director, does not count among the legitimate good-practice models, as is also the case with other handpicked designations.

Partnership of non-governmental organizations in sessions of the UN entities’ executive structures has been habitual elsewhere, most notably in the Rome-based agencies—notably the Food and Agriculture Organisation of the UN (FAO) and the UN Committee on World Food Security (CFS)—to allow for structured interaction with representatives of civil society, the private sector and others that go beyond those reserved for mere mute observers. Rather, greater participation not only ensures greater dignity of all parties concerned, it enables stakeholders to flourish as valuable—and valued—contributors to the work of those boards. The stakeholder-engagement mechanisms present the nearest examples of “partnership” and, thus, inform this review on the possible.

As seen from the evidence, the level and form of civil society and other stakeholder engagement of those UN entities governed by executive boards vary widely, despite all boards sharing the same basic Rules of Procedure. Flexibility and innovation are required, in line with each organization’s history, needs, style, method of work and mandate.

### *Proposing a “Stakeholder Advisory Board”*

The repertoire of stakeholder-engagement experience across the UN System now provides sufficient precedents to justify and argue for stakeholder engagement not only with UN Habitat management, but also institutionalized for stakeholders’ effective participation in the quadrennial sessions of the UN Habitat Assembly for its purposes. Such meaningful cooperation

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<sup>7</sup> Synergy: The benefit derived from an interaction or cooperation of two or more sources, organizations, substances, or other agents to produce a combined effect distinct from and greater than the sum of their separate parts or effects. See *HICtionary of Key Habitat Terms A to Z* (Cairo: Habitat International Coalition, 2020), at: <http://www.hlrn.org/img/documents/HICtionary.pdf>.

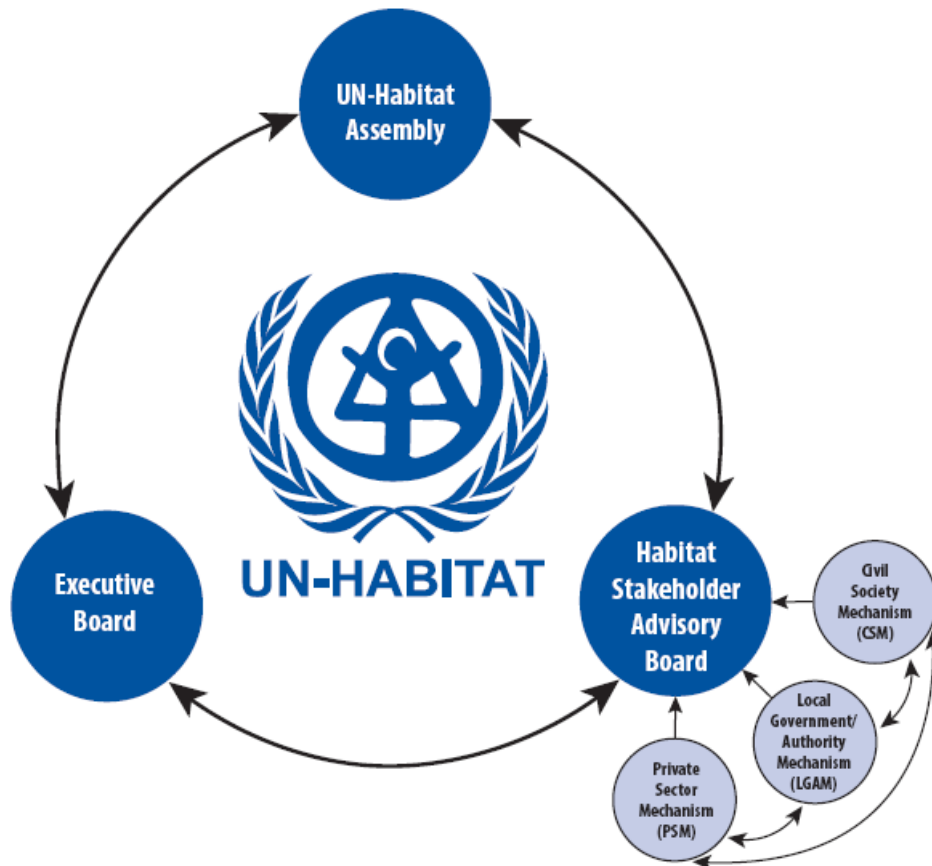
<sup>8</sup> Sherry Arnstein, “A Ladder of Citizen Participation,” *Journal of the American Planning Association*, Vol. 35, No. 4 (July 1969), pp. 216–24, at: [http://www.participatorymethods.org/sites/participatorymethods.org/files/Arnstein\\_ladder\\_1969.pdf](http://www.participatorymethods.org/sites/participatorymethods.org/files/Arnstein_ladder_1969.pdf).

<sup>9</sup> See HIC, “Charting UN Habitat-Stakeholder Engagement,” *op. cit.*; HIC, “Milestones in UN Habitat’s Cooperation with Stakeholders: Forward and Backward,” May 2019, at: [http://www.hlrn.org/img/documents/Milestones\\_in\\_UN\\_Habitat\\_Partnership.pdf](http://www.hlrn.org/img/documents/Milestones_in_UN_Habitat_Partnership.pdf); and HIC-HLRN, “People-centered Partnership” @ 1st UNHA,” report of side event “Visions of People-centered Partnership” at the first UN Habitat Assembly, Nairobi, 27 May 2019, at: <https://www.hlrn.org/news.php?id=p25rZQ==>.

is all the more urgent in its Executive Board (EB), with its preponderant governance and close supervisory role over UN Habitat’s normative and operational performance.

This review concludes with a proposal to establish a “Stakeholder Advisory Board,” or EB+, meeting at least once a year as the EB and UN Habitat stakeholders. Such a Stakeholder Advisory Board is not envisioned as a body that replaces the EB or its members’ unique voting rights. Rather it would convene the stakeholder mechanism representatives with the EB once a year at least, with the outcome of that dialogue reflected in the decisions of the EB, as well as in the Assembly, and engendering continuous UN Habitat cooperation with stakeholders at all levels in the implementation of the New Urban Agenda.

The components of the stakeholder-engagement mechanism would rationalize current bodies within three distinct-but-complementary structures of (1) civil society, (2) local spheres of government and (3) the private sector. Each would be self-organizing, as promised, and would be responsible for its own management, including partial responsibility for resource mobilization and management. The affiliation of their respective constituent organizations would require an express commitment to the principles and purposes of the UN Charter, as well as the principles and commitments of the NUA, as should government counterparts.



*General overview of proposed UN Habitat governance structure with stakeholder-engagement mechanisms, meeting with the Executive Board as the Stakeholder Advisory Board on the governance and policy business of UN Habitat at least once each year, and with the UN Habitat Assembly every four years to evaluate NUA performance.*

Within these broad categories, the stakeholder-engagement mechanism's three component structures would coincide occasionally in joint actions, forums and initiatives, as appropriate, and all would form equal parts of the UN Habitat's Stakeholder Advisory Board for purposes of deliberation. Meanwhile, the right to vote and its corresponding responsibility and accountability lie in the exclusive domain of the EB Member States and their government-appointed delegations, as remains the standard.

The manner of selecting stakeholder members would proceed in consultation with stakeholders and the UN Habitat Executive Director, and its formation must not wait for the delay of a UN Habitat Assembly meeting, the first of which cycles again only in 2023. The stakeholder-engagement mechanism should be operational within the following 12 months. Adopting a participatory stakeholder-engagement mechanism for UN Habitat requires a measure of mutual trust and faith that should be well deserved after more than four decades of the UN human settlements agency and activity.

The observations shared here should not be used as arguments to relegate stakeholder engagement in the future governance structure of UN Habitat to the Habitat Assembly only, or into another, if not parallel and distant, track that renders the UN Habitat's EB governance role an exclusive domain of the Member States and their government delegations. Such a restrictive move, tried by foregone UN Habitat Governing Councils, would not only overlook needed insight and squander indispensable social capital, but also effectively alienate natural and qualified stakeholders and civil society once again from UN Habitat.

### *Next Steps*

As a contribution of the volunteer Institutional Mechanism Working Group of the May 2019 Global Stakeholder Engagement Forum, this paper should be disseminated and debated among UN Habitat stakeholders and other interested parties for comment. While its promised appearance at the 10<sup>th</sup> World Urban Forum is an important step, the WUF is presently no forum for decision making. In advance of the forthcoming EB meeting, representatives of stakeholder groupings on the subject of engagement (i.e., at a level of *stakeholder participation*<sup>10</sup>) in the new governance structure of UN Habitat should meet and otherwise discuss the proposals emerging from this and other sources. Representatives of UN Habitat, the EB and Committee of Permanent Representatives should be welcome to join such meetings as part of a consultation process, respecting the principle of stakeholder self-organization as pledged by UN Habitat leadership.

Following a reasonable period of deliberation, a committee of State, UN Habitat and stakeholders of good will should then draft a Policy Note on the establishment of a "UN Habitat Stakeholder Advisory Board." This would be circulated for review by UN Habitat senior management and members of the drafting committee for the UN Habitat governance bodies' rules of procedure. These steps foresee an operational Joint Advisor Board, with a stakeholder mechanism of three equal parts, by mid-2021.

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<sup>10</sup> See Arnstein, *op. cit.*

The full report “Toward an Institutional Mechanism for Stakeholder Engagement in the New UN-Habitat Governance” available at [http://bit.ly/UN-UNHabitat Stakeholder mechanism](http://bit.ly/UN-UNHabitat_Stakeholder_mechanism), develops the proposals summarized in this Executive Summary, with a last section including recommendations and suggestions for moving forward. The creation of an open, participatory and democratic participation mechanism requires much more input and committed effort from future participants, including UN Habitat and Member States. Herewith, the Institutional Mechanism Working Group has fulfilled its commitment to propose a stakeholder-engagement mechanism in time for World Urban Forum 10, but remains open to new participants interested in bringing support, ideas, suggestions and other feedback.

For more information and/or to make your contribution to this working paper **by 15 April 2020**, please contact:

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