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GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE UNITED NATIONS  
HABITAT AND HUMAN SETTLEMENTS FOUNDATION

Note by the Executive Director

1. The plan and programme of operations of the United Nations Habitat and Human Settlements Foundation endorsed by the Governing Council in decision 38 (III) provide, inter alia, that the Executive Director, for administering the Foundation, will hold the financial resources available to the Foundation in a separate account to be governed by regulations, rules and procedures applicable to those funds to be proposed by the Executive Director and approved by the Governing Council.
2. The Executive Director submits herewith, for consideration by the Governing Council, a draft of general procedures governing the operations of the United Nations Habitat and Human Settlements Foundation. This draft has been the object of appropriate consultations with the services concerned at United Nations Headquarters.
3. The Executive Director is also presenting for the information of the Governing Council document GC/66/Add. 1, "Administrative arrangements regarding the United Nations Habitat and Human Settlements Foundation".

Suggested action by the Governing Council

4. The Governing Council may wish to approve the general procedures governing the operations of the United Nations Habitat and Human Settlements Foundation.

DRAFT GENERAL PROCEDURES GOVERNING THE OPERATIONS OF THE  
UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

General Procedures

ARTICLE I - DEFINITIONS

Section I. Definitions

For the purposes of these general procedures, the following definitions shall apply:

- (a) "UNEP" means the United Nations Environment Programme;
- (b) "Foundation" means the United Nations Habitat and Human Settlements Foundation;



- (c) "Governing Council" means the Governing Council of UNEP;
- (d) "Government" means the Government of any State that is eligible for membership in the Governing Council;
- (e) "Executive Director" means the Executive Director of UNEP;
- (f) "Administrator" means the Administrator of the Foundation;
- (g) "Project" means an activity separately identified within the programme of activities to be carried out for a specific purpose and a definite period of time;
- (h) "Programme of activities" means a plan of activities including areas for projects in which the Foundation is to be involved, whether financed partially or wholly by the Foundation, and including pre-programme activities;
- (i) "Programme support costs" means the costs of administration and management of the programme of activities, covering programme development and evaluation, and technical and administrative support of projects.

## ARTICLE II - OBJECTIVES

### Section 2. Primary operative objectives

The primary operative objective of the Foundation shall be to assist in strengthening national environmental programmes relating to human settlements, particularly in the developing countries, through the provision of seed capital and the extension of the necessary technical and financial assistance to permit an effective mobilization of domestic resources for human habitat and environmental design and improvement of human settlements, including:

(I) Stimulating innovative approaches to pre-investment, pre-project and financing strategies of human settlements activities, while drawing on the accumulated practical experience of both the public and private sectors for mobilization of financial resources for human habitat and human settlements projects;

(II) Organizing technical assistance services in human settlements and human habitat management, including training facilities and human habitat projects;

(III) Promoting the adaptation and transfer of appropriate scientific and technical knowledge on human settlements projects.

## ARTICLE III - ORGANS OF THE FOUNDATION

### Section 3. Governing Council and Executive Director

Under the authority and guidance of the Governing Council, the Executive Director shall be responsible for the general direction of the Foundation and for providing the necessary technical and financial services related to the Foundation. He shall be responsible to the Council for all phases and aspects of the operations and the financial resources of the Foundation.



#### Section 4. The Administrator

- (a) The Executive Director shall appoint the Administrator of the Foundation who shall have the rank of Assistant Secretary-General;
- (b) The Administrator shall be responsible to the Executive Director for the operation and management of the Foundation and its resources.

#### Section 5. The Advisory Board

- (a) The Executive Director shall appoint an Advisory Board of about fifteen members who will serve in their personal capacity and will be chosen on a broad geographical basis. The Board shall meet under the chairmanship of the Executive Director. Members of the Board shall be appointed for a period of two years and will be subject to reappointment;
- (b) The Board shall advise the Executive Director and the Administrator on the operations of the Foundation.

### ARTICLE IV - RESOURCES

#### Section 6. Initial funding

The Foundation is to receive, over a four-year period from 1 January 1975, an allocation of \$4,000,000 from the Fund of the United Nations Environment Programme.

#### Section 7. Voluntary contributions

- (a) The resources of the Foundation shall be derived from voluntary contributions from Governments, from United Nations bodies and other International and regional Institutions, as well as from private sources;
- (b) Voluntary contributions may be pledged any time, either on an annual basis or, whenever possible, for a number of years;
- (c) The Executive Director shall, at the request of the Governing Council, and with the authority delegated to him by the Secretary-General of the United Nations, from time to time convene pledging conferences at which Governments may announce their contributions to the Foundation.

#### Section 8. Participation in the United Nations Development Programme

The Foundation may administer, as an executing agency, funds made available for projects by the United Nations Development Programme.

### ARTICLE V - PROGRAMME ACTIVITIES

#### Section 9. Preparation of the Programme

The Executive Director shall biennially prepare and submit to the Governing Council a programme of activities with estimates of resources and expenditures. This programme shall indicate in general terms the projects to be carried out during the period to which it relates.



Section 10. Approval of the Programme

The Governing Council shall consider and approve the programme of activities, and shall allocate from the estimated resources of the Foundation funds to cover the following main categories of expenditures:

- (a) Projects;
- (b) Programme support costs.

ARTICLE VI - PROJECTS

Section 11. Design of projects

(a) The Executive Director, upon request from and in collaboration with the Governments concerned, shall formulate projects within the primary operative objective of the Foundation, in accordance with policy directives issued by the Governing Council pursuant to Section 14. Projects may be of an operational or of a research, technical assistance, training or demonstrational character;

(b) Projects may be designed to be carried out entirely by the Foundation, or in collaboration with other international or national agencies. In selecting such agencies particular attention shall be given to the capacity available within the United Nations system.

Section 12. Project documents

(a) For each project, a project document shall be drawn up describing all financial, technical, managerial and other resources required for the successful implementation of the project, and stating clearly the responsibility for providing these resources from the Foundation, from participating Governments and from other agencies;

(b) The project document shall be agreed to by the Executive Director on behalf of the Foundation, and by the Governments and agencies concerned.

Section 13. Approval of projects

Each project shall be approved by the Executive Director, except that approval of the Governing Council shall be required for projects that:

- (i) The Governing Council has indicated it wishes to consider itself
- (ii) The Executive Director has submitted to the Council for consideration because of their policy implications or magnitude.

Section 14. General policies

(a) The Governing Council shall issue policy directives with a view to ensuring that the resources of the Foundation are utilized with maximum efficiency and effectiveness in pursuance of its primary operative objective;

(b) The Executive Director shall establish programmes, guidelines and directives in connexion with investments for the environmental design and improvement of the human habitat and settlements, in both urban and rural areas.



#### Section 15. The Administrator and the staff of the Foundation

(a) The staff of the Foundation shall be appointed for service specifically with the Foundation, by the Executive Director on the advice of the Appointment and Promotion Board of UNEP pending the establishment of the Appointment and Promotion Board of the Foundation itself;

(b) The appointment of the staff of the Foundation shall be subject to the provisions of the Staff regulations and the Staff Rules of the United Nations.

#### Section 16. Trust funds

The Executive Director may establish trust funds to carry out specific purposes consistent with the primary operative objective of the Foundation, which shall be administered in accordance with the Financial Rules of the Foundation.

#### Section 17. Reports

The Executive Director shall submit annual, and as appropriate, special reports to the Governing Council indicating:

- (i) The status of the resources of the Foundation;
- (ii) The execution of the programme of activities;
- (iii) The approval and execution of all projects.

#### Section 18. Co-operation with other agencies

The Foundation shall maintain close working contacts with other international and regional bodies within and outside the United Nations system, particularly with financial institutions, as well as with bilateral and other national, private and public organizations whose interests and operations relate to human settlements activities.

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