



UN HABITAT Executive Board
of the United Nations
Human Settlements
Programme

Distr.: General
8 September 2022
Original: English

Executive Board of the United Nations

Human Settlements Programme

Second session of 2022

Nairobi, 21–23 November 2022

Item 4 of the provisional agenda*

**Financial, budgetary and administrative matters,
including the implementation of the resource
mobilization strategy in accordance with the strategic
plan for the period 2020–2023 and action by
UN-Habitat to address geographical and gender
imbalances in the composition of its staff**

**Financial status of the United Nations Human Settlements
Programme as at 30 June 2022**

Report of the Executive Director

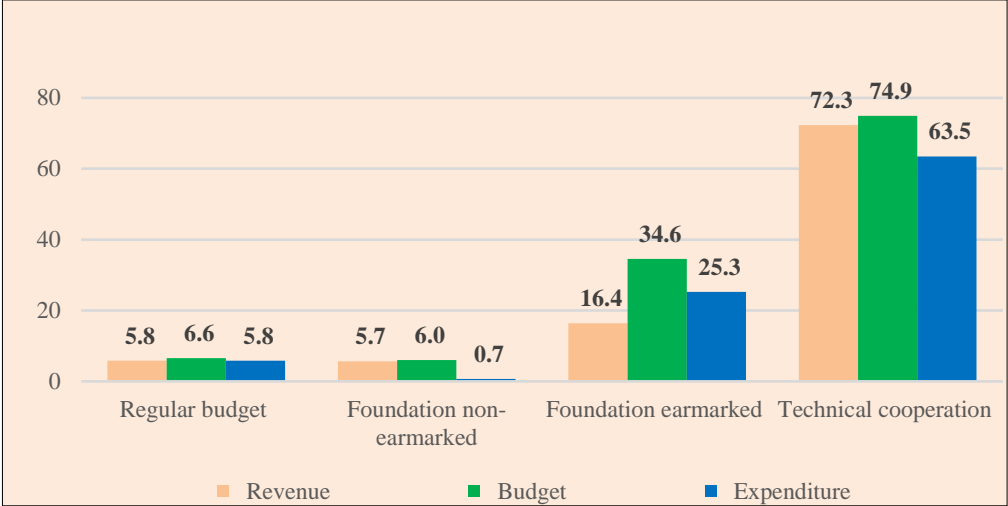
I. Introduction

1. The present report provides an overview of the interim financial position of the United Nations Human Settlements Programme (UN-Habitat) as at 30 June 2022 and describes the performance of the main funding segments of UN-Habitat, namely the United Nations regular-budget appropriations provided to UN-Habitat and the Foundation non-earmarked, programme support, Foundation earmarked and technical cooperation funds, during the period ended 30 June 2022.

2. Figure 1 (on p. 2) provides an overview of funding for 2022, showing revenue (or contributions) and expenditure for all the major UN-Habitat funding segments alongside the budgets from the approved work programme for 2022. More detailed information is set out in the annexes to the present report.

* HSP/EB.2022/14.

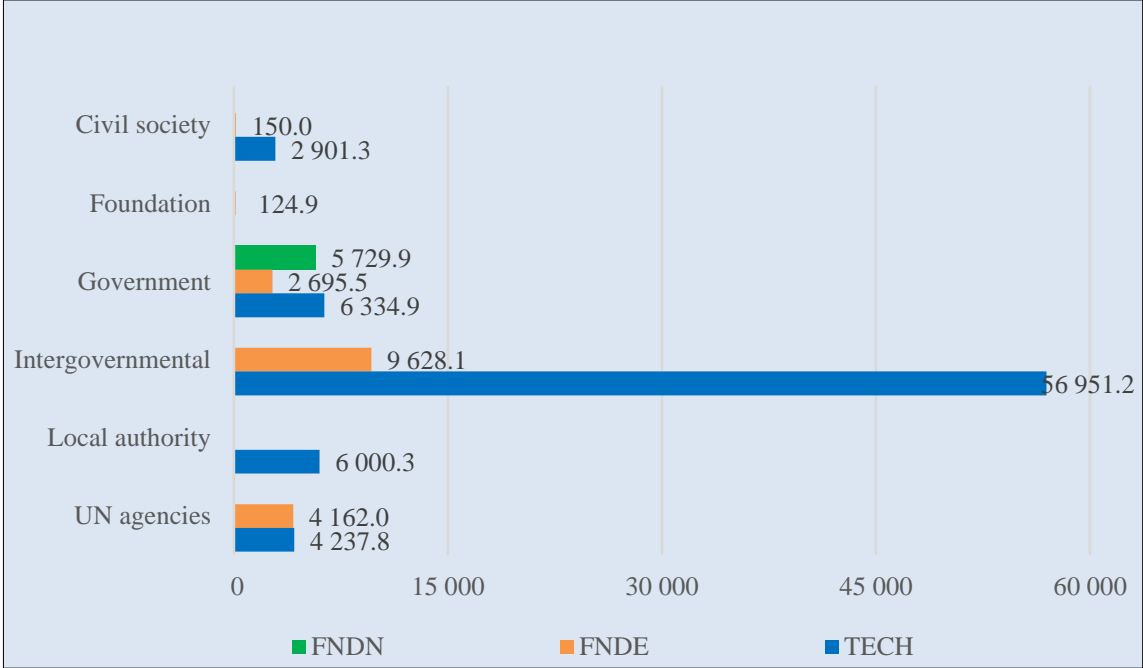
Figure 1
Status of the revenue, budget and expenditure of the UN-Habitat main funds as at 30 June 2022^a
 (Millions of United States dollars)



^a Revenue is stated net of adjustments.

- Total revenue for the Foundation non-earmarked fund in the reporting period, including voluntary contributions, amounted to \$5.7 million, more than the total expenditure of \$0.7 million, resulting in a surplus of \$5.0 million. This revenue includes \$3.0 million not yet received.
- Figure 2 shows the composition of all voluntary contributions received during the period, by contributor type.

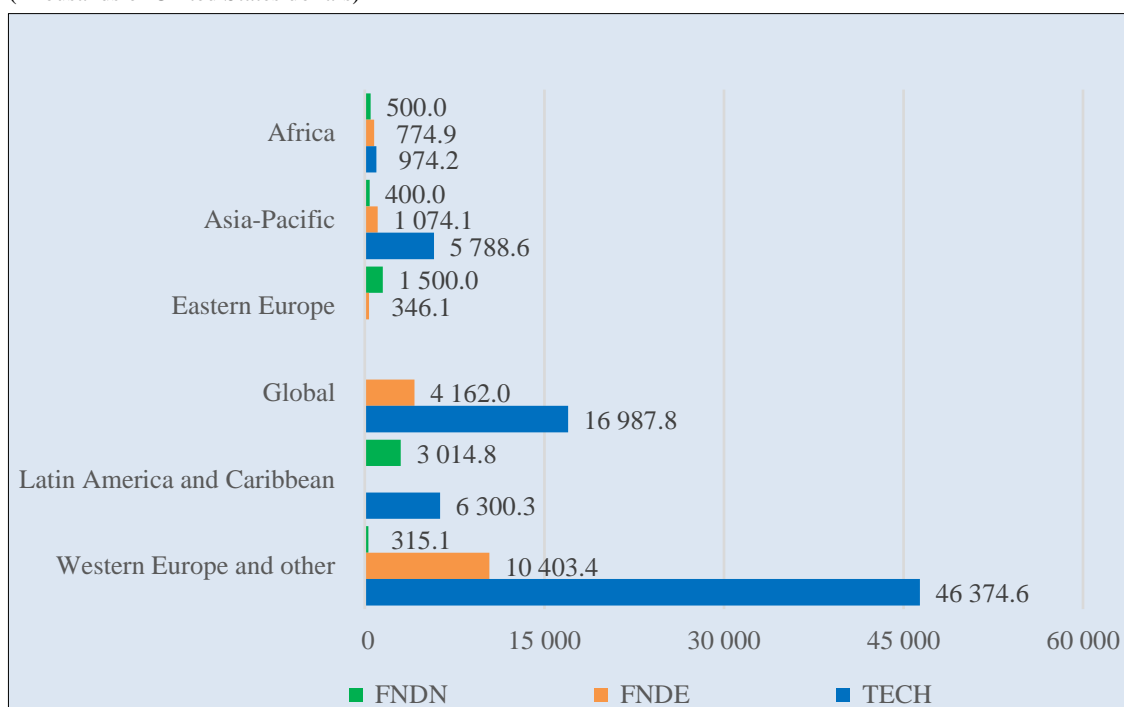
Figure 2
Voluntary contributions by contributor type
 (Thousands of United States dollars)



Abbreviations: FNDE – Foundation earmarked; FNDN – Foundation non-earmarked; TECH – technical cooperation.

5. Figure 3 shows voluntary contributions received during the period, by region.

Figure 3
Voluntary contributions by region
(Thousands of United States dollars)



Abbreviations: FNDE – Foundation earmarked; FNDN – Foundation non-earmarked; TECH – technical cooperation.

II. Performance of core funds

6. Foundation non-earmarked contributions and United Nations regular budget appropriations are the core resources of UN-Habitat.

A. Foundation non-earmarked fund

7. Foundation non-earmarked funds, otherwise known as the Foundation general purpose fund, are allocated against budget priorities approved by the UN-Habitat governing body, which until 2018 was the Governing Council of UN-Habitat, when, pursuant to General Assembly resolution 73/239, it was dissolved and replaced by the United Nations Habitat Assembly of the United Nations Human Settlements Programme.

8. Traditionally, the main source of Foundation non-earmarked revenue has been non-earmarked contributions from Member States. The Foundation non-earmarked fund constitutes the main source of funding for the implementation of the UN-Habitat strategic plan for mandated normative work, required executive direction and management, and a baseline level of programme support.

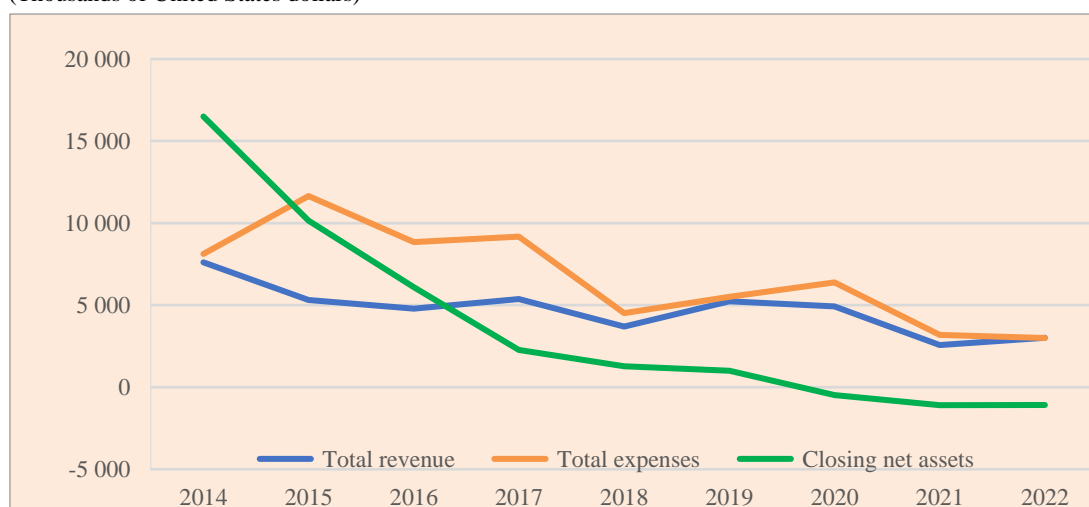
9. The approved budget for the year 2022 was \$12.0 million (prorated at \$6.0 million). Total revenue for the period amounted to \$5.7 million, including \$3.0 million not yet received. Expenditures for the period totalled \$0.7 million, consisting of \$0.6 million in post costs and \$0.1 million in operating expenditures, resulting in a net operational surplus of \$5.0 million. The statutory operational reserve of \$2.0 million, as currently authorized, represents 20 per cent of the \$10.0 million budget for 2021. The reserve, as approved by the Executive Board in November 2020 based on projected liquidity requirements, was not funded as at the end of June 2022. Revenue, expenses and closing net assets for the Foundation non-earmarked fund for the years 2014–2022 are shown in table 1.

Table 1
Revenue, expenses and closing net assets for the Foundation non-earmarked fund
 (Thousands of United States dollars)

<i>Description</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total revenue	7 610.0	5 307.0	4 785.0	5 373.0	3 699.0	5 239.0	4 916.0	2 570.0	3 011.5
Total expenses	8 134.0	11 651.0	8 851.0	9 182.0	4 519.0	5 518.0	6 396.0	3 185.0	3 001.0
Closing net assets	16 498.0	10 154.0	6 088.0	2 279.0	1 280.0	1 001.0	(479.0)	(1 094.0)	(1 083.5)

10. Figure 4 shows a steady long-term decline in revenue, meaning that, despite the implementation of the UN-Habitat 2021 financial austerity plan, current projected expenditures cannot be sustained.

Figure 4
Trends in the Foundation non-earmarked fund^a
 (Thousands of United States dollars)



^a The value shown for closing net assets is before the loan from the programme support account.

11. In 2017, UN-Habitat management approved a \$3.0 million loan from the programme support account to the Foundation non-earmarked fund. In 2021, UN-Habitat adopted an updated austerity plan to halt the decline in its net asset value; nevertheless, the loan was not repaid by 30 June 2022.

B. Regular budget fund

1. Section 15

12. An appropriation approved by the General Assembly is provided to UN-Habitat under section 15 (Human settlements) of the United Nations regular budget. In 2022, the appropriation amounted to \$13.3 million (prorated at \$6.6 million at the end of June 2022), in the form of an authorization to expend against specific items within a set budgetary allocation. Post costs accounted for 90.8 per cent of the \$5.8 million expenditure recorded by 30 June 2022.

2. Sections 23 and 35

13. UN-Habitat is also allocated United Nations regular budget resources under section 23 (Regular programme of technical cooperation) and section 35 (Development account). The 2022 appropriations were \$1.2 million under section 23, of which \$0.5 million had been spent by the end of the year, and \$2.5 million under section 35, of which \$0.4 million had been spent by the end of the year.

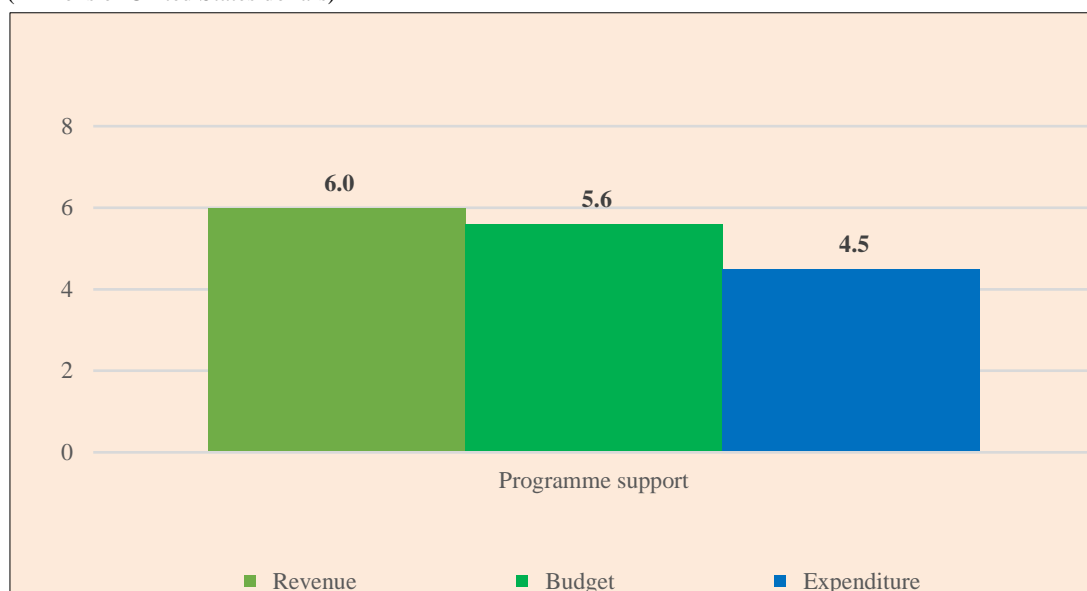
C. Programme support fund

14. The 2022 programme support budget approved by the Executive Director totalled \$11.2 million. Total programme support revenue for the period ended 30 June 2022 amounted to \$6.0 million. The total expenditure for the same period amounted to \$4.5 million. Post costs amounted to 48.5 per cent of the total cost. Figure 5 shows the status of the programme support fund as at 30 June 2022.

Figure 5

Status of the revenue, budget and expenditure of the UN-Habitat programme support fund as at 30 June 2022

(Millions of United States dollars)



* Revenue is stated net of adjustments.

15. Programme support resources are generated through the charge levied as a percentage of direct earmarked expenditures, in accordance with administrative instruction ST/AI/286. The charge is intended to recover the incremental indirect costs associated with supporting earmarked activities and thus to ensure that the additional cost of supporting activities financed by earmarked contributions is not paid from the core funds intended for the implementation of the approved work programme. Revenue, expenses and closing net assets for the programme support fund for the years 2014–2022 are shown in table 2.

Table 2

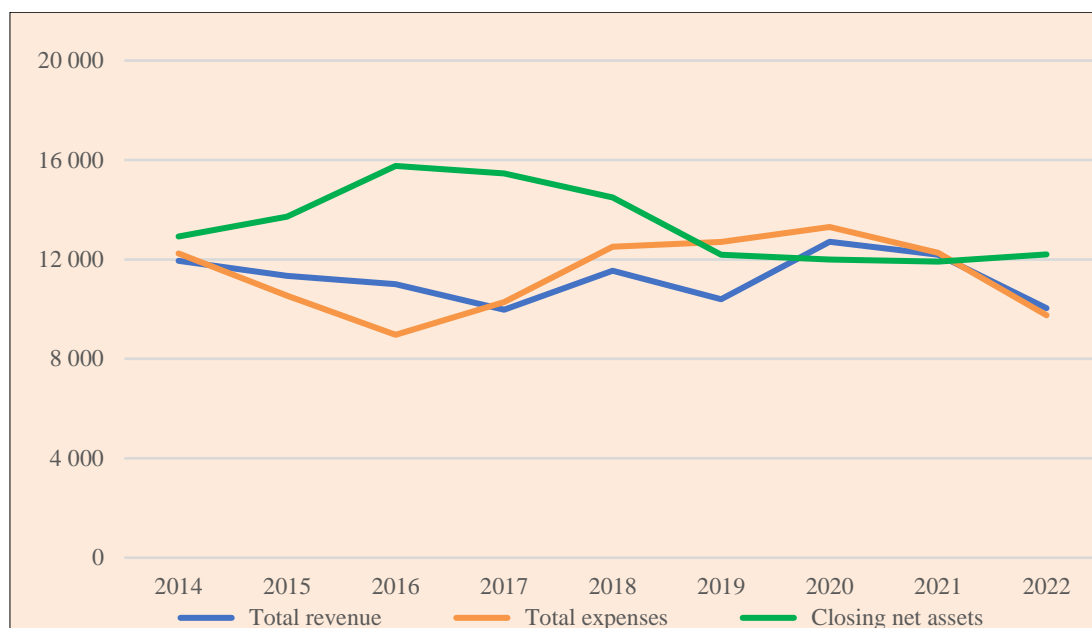
Revenue, expenses and closing net assets for the programme support fund

(Thousands of United States dollars)

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total revenue	11 942.0	11 341.0	11 000.0	9 975.0	11 543.0	10 400.0	12 709.0	12 189.0	10 039.9
Total expenses	12 241.0	10 536.0	8 966.0	10 277.0	12 514.0	12 700.0	13 304.0	12 270.0	9 749.2
Closing net assets	12 921.0	13 726.0	15 760.0	15 458.0	14 487.0	12 187.0	11 992.0	11 911.0	12 201.7

16. Figure 6 shows the programme support fund end balances by year, including projections for 2022.

Figure 6
Trends in the programme support fund^a
 (Thousands of United States dollars)



^a The value shown for closing net assets is before the loan to the Foundation non-earmarked fund.

17. As is mentioned above, \$3.0 million was loaned to the Foundation non-earmarked fund from the programme support account in 2017. That loan is not expected to be collectable in the near future, given the low level of contributions to the Foundation non-earmarked fund during the reporting period. The closing net asset value reflected in figure 6 may therefore need to be reduced by the amount of the loan.

III. Performance of earmarked funds

A. Foundation earmarked fund

18. Contributions from Member States and other donors to the Foundation earmarked fund are intended for the implementation of specific activities in the work programme that are consistent with the mandate of UN-Habitat. Such activities generally comprise global, thematic and multi-country projects.

19. The approved 2022 budget for Foundation earmarked resources was \$69.1 million. Total revenue from Foundation earmarked contributions before refunds to donors was \$17.0 million, which includes voluntary contributions of \$16.8 million from various donors, as listed in annex III to the present report. Net revenue after refunds to donors amounted to \$16.4 million. Total expenditure incurred in the period ended 30 June 2022 was \$25.3 million. As is reflected in annex I to the present report, the fund balance (gross project balances) at the end of the reporting period amounted to \$94.5 million, including a reserve of \$4.0 million. The reported deficit is notional, as it results from the implementation of part of the resources carried over from 2021.

B. Technical cooperation fund

20. Technical cooperation resources are earmarked voluntary contributions from Member States and other donors for the implementation of specific technical activities at the country and regional levels, consistent with the UN-Habitat mandate and work programme.

21. The approved 2022 budget for technical cooperation was \$149.8 million. As at 30 June 2022, total revenue before refunds to donors was \$77.4 million, mainly from voluntary contributions amounting to \$76.4 million. Net revenue after refunds to donors amounted to \$73.3 million, while expenditure was \$63.4 million. As is reflected in annex I to the present report, the fund balance at the

end of the reporting period amounted to \$304.9 million (gross project balances), including a reserve of \$11.4 million.

IV. Summary

22. Owing to the financial constraints that continue to affect the UN-Habitat Foundation non-earmarked fund, the regular budget allocations from assessed contributions remain the main source of core funding for the implementation of the annual work programme. During the reporting period, 53.9 per cent of revenue came from the regular budget, while 46.1 per cent of revenue came from Foundation non-earmarked funds. The 2022 projected Foundation non-earmarked revenue of \$3.0 million represents 25 per cent of the \$12.0 million budget approved by the Executive Board.

23. As at 30 June 2022, the programme support account had an operational surplus of \$1.5 million. The prevailing administrative instructions are for programme support resources to be used to finance the indirect support provided to the activities of programme support, programme development and project management.

24. With regard to earmarked funds, as at 30 June 2022 the Foundation earmarked fund posted a deficit of \$8.9 million and the technical cooperation fund posted a surplus of \$8.8 million. Both the deficit and the surplus resulted from timing differences on multi-year projects.

25. A statement of financial performance showing the revenue, expenses, fund balances and reserves for each funding segment is set out in annex I to the present report, while the status of Foundation non-earmarked contributions between 31 December 2017 and 30 June 2022 is set out in annex II. Annex III shows the status of earmarked contributions as at 30 June 2022.

Annex I

Statement of financial performance for the period ended 30 June 2022 (by segment)

(Thousands of United States dollars)

Category	Sources of funds/funding segments										Total	Intersegment elimination	Grand total
	REGB	FNDN	FNDE	TECH	PRGS	Subtotal	RPTC	DEVT	EOSB	Subtotal			
R01. Assessed contributions	5 842.2	–	–	–	–	5 842.2	490.2	383.2	–	873.4	6 715.6	–	6 715.6
R02. Voluntary contributions	–	5 729.9	12 598.5	72 187.7	–	90 516.1	–	–	–	–	90 516.1	–	90 516.1
R03. Other transfers and allocations	–	–	4 162.0	4 237.8	–	8 399.8	–	–	–	–	8 399.8	–	8 399.8
R04. Refunds to donors	–	–	(676.4)	(5 050.3)	–	(5 726.7)	–	–	–	–	(5 726.7)	–	(5 726.7)
R05. Programme support revenue	–	–	–	–	5 994.9	5 994.9	–	–	–	–	5 994.9	5 994.9	–
R06. Investment revenue	–	7.4	259.5	630.6	39.9	937.4	–	–	–	–	937.4	–	937.4
R07. Other revenue	–	3.1	10.4	332.3	–	345.8	–	–	–	–	345.8	–	345.8
Total revenue	5 842.2	5 740.4	16 354.0	72 338.1	6 034.8	106 309.5	490.2	383.2	–	873.4	107 182.9	5 994.9	101 188.0
E01. Post costs	5 304.8	611.7	1 013.9	3 978.5	2 153.3	13 062.2	–	–	–	–	13 062.2	–	13 062.2
E02. Other staff costs	50.3	58.5	5 787.3	4 706.5	518.6	11 121.2	383.9	–	–	383.9	11 505.1	–	11 505.1
E03. Hospitality	–	–	3.7	39.8	–	43.5	–	–	–	–	43.5	–	43.5
E04. Consultants and experts	64.5	–	5 344.8	9 046.7	170.9	14 626.9	27.4	266.3	–	293.7	14 920.6	–	14 920.6
E05. Travel of representatives	2.8	–	5.8	22.6	–	31.2	–	–	–	–	31.2	–	31.2

<i>Sources of funds/funding segments</i>													
<i>Category</i>	<i>REGB</i>	<i>FNDN</i>	<i>FNDE</i>	<i>TECH</i>	<i>PRGS</i>	<i>Subtotal</i>	<i>RPTC</i>	<i>DEVT</i>	<i>EOSB</i>	<i>Subtotal</i>	<i>Total</i>	<i>Intersegment elimination</i>	<i>Grand total</i>
E06. Travel of staff	276.3	0.3	2 381.0	1 362.6	52.8	4 073.0	21.1	23.3	–	44.4	4 117.4	–	4 117.4
E07. Contractual services	56.0	0.3	1 384.9	8 206.9	864.3	10 512.4	28.4	58.8	–	87.2	10 599.6	–	10 599.6
E08. General operating expenses	26.3	4.2	1 616.2	7 961.6	662.4	10 270.7	24.8	2.9	4.1	31.8	10 302.5	–	10 302.5
E09. Supplies and materials	0.4	–	33.6	408.9	2.0	444.9	–	–	–	–	444.9	–	444.9
E10. Furniture and equipment	5.9	–	201.2	1 475.4	10.6	1 693.1	3.6	1.5	–	5.1	1 698.2	–	1 698.2
E11. Grants and contributions	54.9	–	6 421.2	24 224.0	9.9	30 710.0	1.0	30.4	–	31.4	30 741.4	5 994.9	24 746.5
E12. Other expenses	–	12.8	1 072.0	2 060.6	95.1	3 240.5	–	–	142.9	142.9	3 383.4	–	3 383.4
Total expenditure	5 842.2	687.8	25 265.6	63 494.1	4 539.9	99 829.6	490.2	383.2	147.0	1 020.4	100 850.0	5 994.9	94 855.1
Surplus/(deficit)	–	5 052.6	(8 911.6)	8 844.0	1 494.9	6 479.9	–	–	(147.0)	(147.0)	6 332.9	–	6 332.9
Gross fund balances: 1 January 2021	–	(1 094.0)	103 456.0	296 062.0	11 681.1	410 105.1	–	–	(30 613.0)	(30 613.0)	379 492.1	–	379 492.1
Gross fund balances: 30 June 2022	–	3 958.6	94 544.4	304 906.0	13 175.9	416 584.9	–	–	(30 760.0)	(30 760.0)	385 824.9	–	385 824.9
Statutory operating reserves	–	2 000.0	4 023.0	11 360.0	2 932.0	20 315.0	–	–	–	–	20 315.0	–	20 315.0
Net fund balances: 30 June 2022	–	1 958.6	90 521.4	293 546.0	10 243.9	396 269.9	–	–	(30 760.0)	(30 760.0)	365 509.9	–	365 509.9

Abbreviations: DEVT – development account (S.35); EOSB – end of service and employment benefits; FNDE – Foundation earmarked; FNDN – Foundation non-earmarked; PRGS – programme support; REGB – regular budget; RPTC – regular programme of technical cooperation (S.23); TECH – technical cooperation.

Note: “R02. Voluntary contributions” and “R03. Other transfers and allocations” are both voluntary contributions.

Annex II**Status of Foundation non-earmarked contributions between
31 December 2016 and 30 June 2022**

(United States dollars)

<i>No.</i>	<i>Contributor</i>	<i>31 Dec. 2016</i>	<i>31 Dec. 2017</i>	<i>31 Dec. 2018</i>	<i>31 Dec. 2019</i>	<i>31 Dec. 2020</i>	<i>31 Dec. 2021</i>	<i>30 June 2022^a</i>
1.	Algeria	10 000	–	–	–	10 000	10 000	–
2.	Angola	–	–	–	–	–	–	400 000
3.	Argentina	10 000	–	–	–	–	–	–
4.	Azerbaijan	–	–	–	–	–	–	1 500 000
5.	Barbados	–	14 815	14 815	14 700	14 706	15 000	14 814
6.	Botswana	–	–	50 000	20 000	40 000	20 000	–
7.	Burkina Faso	–	–	–	16 886	–	17 590	–
8.	Chile	5 000	5 000	5 000	5 000	–	–	–
9.	China	350 000	350 000	350 000	350 000	350 000	350 000	350 000
10.	Côte d'Ivoire	–	25 000	–	–	–	–	–
11.	Czechia	–	6 892	6 547	6 463	6 731	6 820	–
12.	Dominican Republic	–	–	–	–	4 975	–	–
13.	Egypt	–	–	–	–	–	50 000	–
14.	Eritrea	50 000	–	–	–	–	–	–
15.	France	105 860	–	–	225 220	227 740	–	315 126
16.	Germany	–	–	–	–	184 049	174 419	–
17.	Haiti	–	9 910	10 000	–	–	–	–
18.	India	247 227	100 000	100 000	150 000	145 455	100 000	–
19.	Iraq	–	–	–	50 000	–	–	–
20.	Israel	10 000	10 000	–	3 800	–	–	–
21.	Italy	–	–	–	–	–	118 906	–
22.	Japan	–	117 136	–	34 950	31 455	31 458	–
23.	Kenya	–	68 306	206 678	96 398	99 975	100 000	100 000
24.	Kiribati	–	–	25 000	–	–	50 000	–
25.	Malawi	–	–	–	10 000	20 000	10 000	–

No.	Contributor	31 Dec. 2016	31 Dec. 2017	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	30 June 2022 ^a
26.	Malaysia	–	–	1 200 000	–	–	–	–
27.	Mali	–	–	–	9 653	–	10 012	–
28.	Mauritius	–	–	–	–	–	25 000	–
29.	Mexico	–	–	–	–	500 000	500 000	3 000 000
30.	Myanmar	–	10 000	–	–	9 980	–	–
31.	Namibia	–	150 000	–	–	–	–	–
32.	Nigeria	–	–	–	–	75 000	–	–
33.	Norway	598 982	593 014	632 631	2 356 129	2 180 130	–	–
34.	Pakistan	6 000	–	6 000	6 000	5 941	5 992	–
35.	Philippines	15 000	15 000	25 000	2 500	50 000	50 000	50 000
36.	Republic of Korea	83 783	87 596	89 204	80 378	84 365	84 066	–
37.	Rwanda	–	–	–	–	–	10 000	–
38.	Senegal	–	–	–	9 988	44 868	–	–
39.	Sierra Leone	–	10 000	–	–	–	–	–
40.	Singapore	–	–	–	50 000	–	–	–
41.	Slovakia	15 609	–	–	–	–	–	–
42.	South Africa	–	283 560	150 000	160 000	150 000	160 000	–
43.	South Sudan	–	–	–	40 000	–	–	–
44.	Spain	–	–	–	977 000	–	–	–
45.	Sri Lanka	25 000	25 000	25 000	23 000	25 000	25 000	–
46.	Türkiye	–	–	–	–	–	200 000	–
47.	United Republic of Tanzania	–	–	9 886	–	–	–	–
48.	United States of America	766 838	692 000	672 974	650 000	650 000	812 997	–
49.	Zambia	–	24 970	7 820	–	–	–	–
50.	Zimbabwe	30 225	–	–	–	–	–	–
	Total	2 329 524	2 598 199	3 586 555	5 348 065	4 910 370	2 937 260	5 729 940

^a \$3,000,000 from Mexico has not yet been received.

Annex III**Status of earmarked voluntary contributions as at 30 June 2022**

(Thousands of United States dollars)

<i>No.</i>	<i>Contributor</i>	<i>United Nations region</i>	<i>FNDE</i>	<i>TECH</i>	<i>Total</i>
1.	Adaptation Fund Board	Western European and other States	–	10 000.0	10 000.0
2.	Brazil	Latin American and Caribbean States	–	300.0	300.0
3.	Canada	Western European and other States	–	1 574.8	1 574.8
4.	China	Asia-Pacific States	794.8	–	794.8
5.	Comoros	African States	–	374.2	374.2
6.	Egypt	African States	500.0	–	500.0
7.	European Commission	Western European and other States	9 628.1	34 201.2	43 829.3
8.	Fukuoka International Exchange Foundation	Asia-Pacific States	–	2 300.0	2 300.0
9.	Germany	Western European and other States	185.1	135.0	320.1
10.	Here Be Dragons investment group	Western European and other States	–	301.3	301.3
11.	Instituto Pereira Passos	Latin American and Caribbean States	–	3 660.3	3 660.3
12.	International Development Association – World Bank	Global	–	12 750.0	12 750.0
13.	Israel	Western European and other States	28.0	–	28.0
14.	Japan	Asia-Pacific States	–	2 840.6	2 840.6
15.	Lao People's Democratic Republic	Asia-Pacific States	–	223.8	223.8
16.	Mexico	Latin American and Caribbean States	–	2 340.0	2 340.0
17.	Nigeria	African States	–	600.0	600.0
18.	Oman	Asia-Pacific States	279.3	–	279.3
19.	Open Society Foundation	African States	124.9	–	124.9
20.	Republic of Korea	Asia-Pacific States	–	124.2	124.2
21.	Russian Federation	Eastern European States	346.1	–	346.1
22.	Spain	Western European and other States	66.8	–	66.8
23.	Sweden	Western European and other States	–	162.3	162.3
24.	Switzerland	Western European and other States	495.4	–	495.4
25.	United Nations entities (includes the One United Nations fund)	Global	4 162.0	4 237.8	8 399.8
26.	Western Indian Ocean Marine Science Association	African States	150.0	–	150.0

<i>No.</i>	<i>Contributor</i>	<i>United Nations region</i>	<i>FNDE</i>	<i>TECH</i>	<i>Total</i>
27	Wuhan Land Use and Spatial Planning	Asia-Pacific States	–	300.0	300.0
Total			16 760.5	76 425.5	93 186.0

Abbreviations: FNDE – Foundation earmarked; TECH – technical cooperation.