



UN HABITAT Executive Board
of the United Nations
Human Settlements
Programme

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Executive Board of the United Nations

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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 and a proposal on geographical and gender
balance**

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

Report of the Executive Director

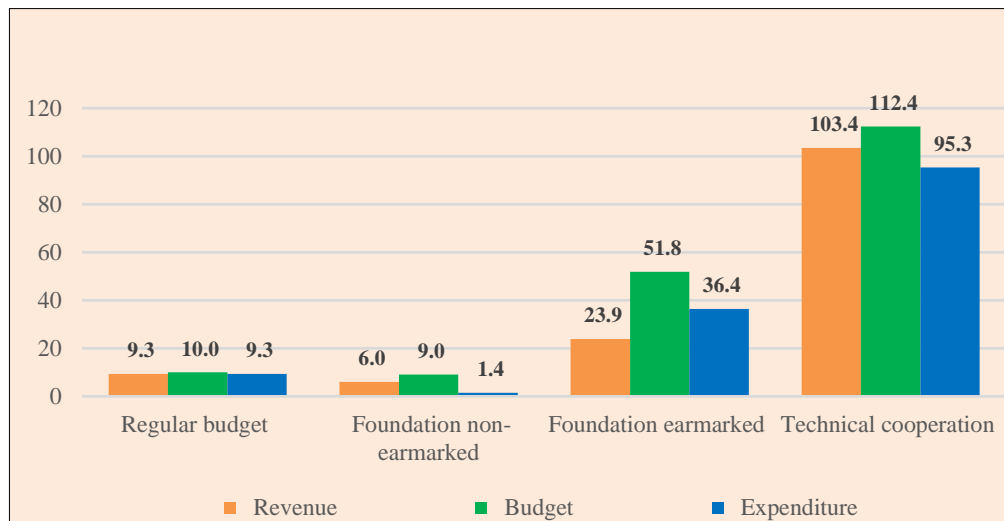
I. Introduction

1. The present report provides an overview of the interim financial position of the United Nations Human Settlements Programme (UN-Habitat) as at 30 September 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 September 2022.

2. Figure 1 below 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.

Figure 1
Status of the revenue, budget and expenditure of the UN-Habitat main funds as at 30 September 2022^a

(Millions of United States dollars)



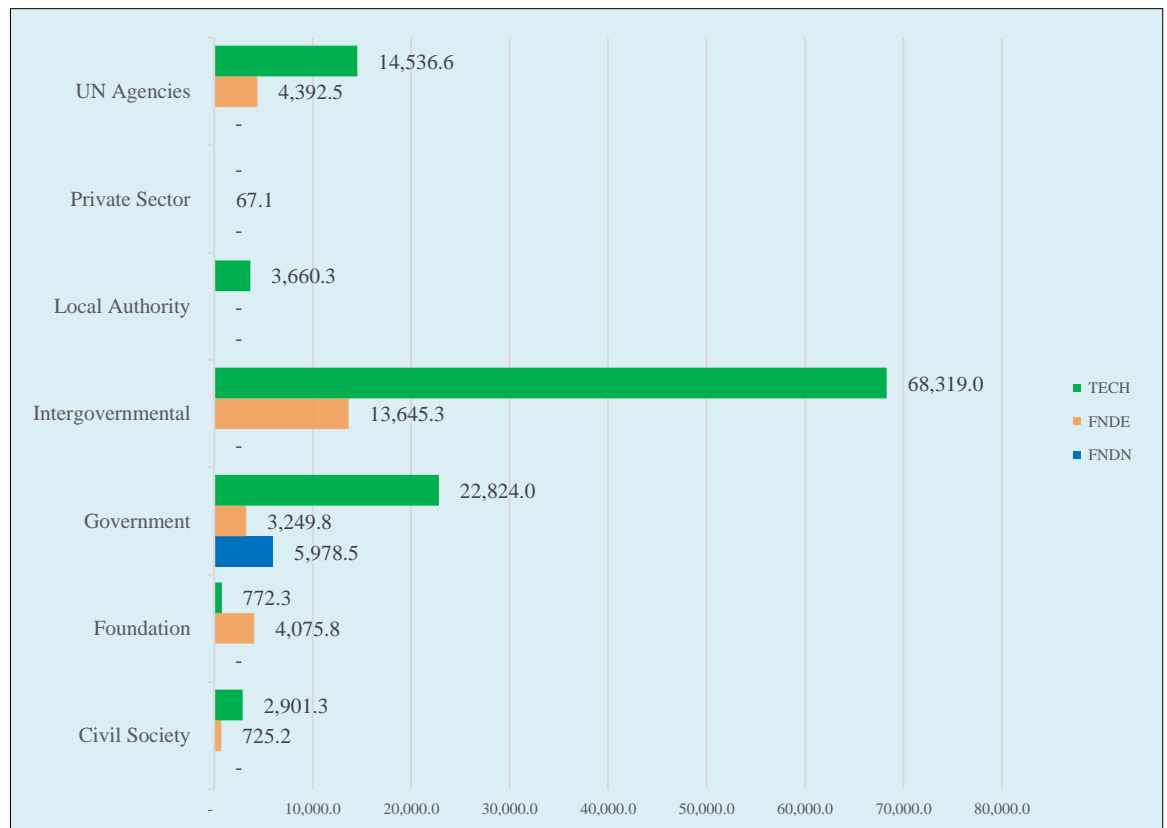
^a Revenue is stated net of adjustments.

3. Total revenue for the Foundation non-earmarked fund in the reporting period, including voluntary contributions, amounted to \$6.0 million, more than the total expenditure of \$1.4 million, resulting in a surplus of \$4.6 million. This revenue includes \$3.0 million not yet received.

4. 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)

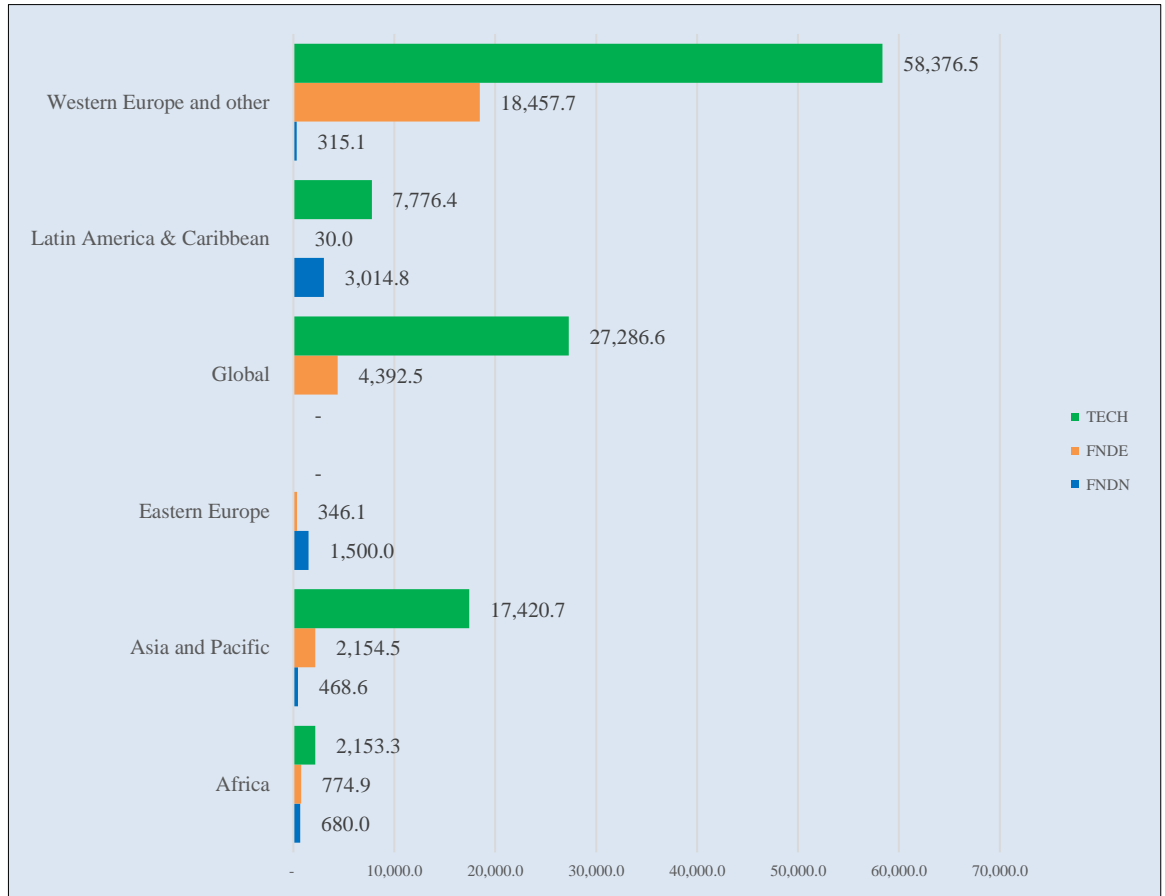


Abbreviations: FNDE – Foundation earmarked; FNDN – Foundation non-earmarked; TECH – technical cooperation.

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 \$9.0 million). Total revenue for the period amounted to \$6.0 million, including \$3.0 million not yet received. Expenditures for the period totalled \$1.4 million, consisting of \$1.1 million in post costs and \$0.3 million in operating expenditures, resulting in a net operational surplus of \$4.6 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 September 2022. Revenue, expenses and

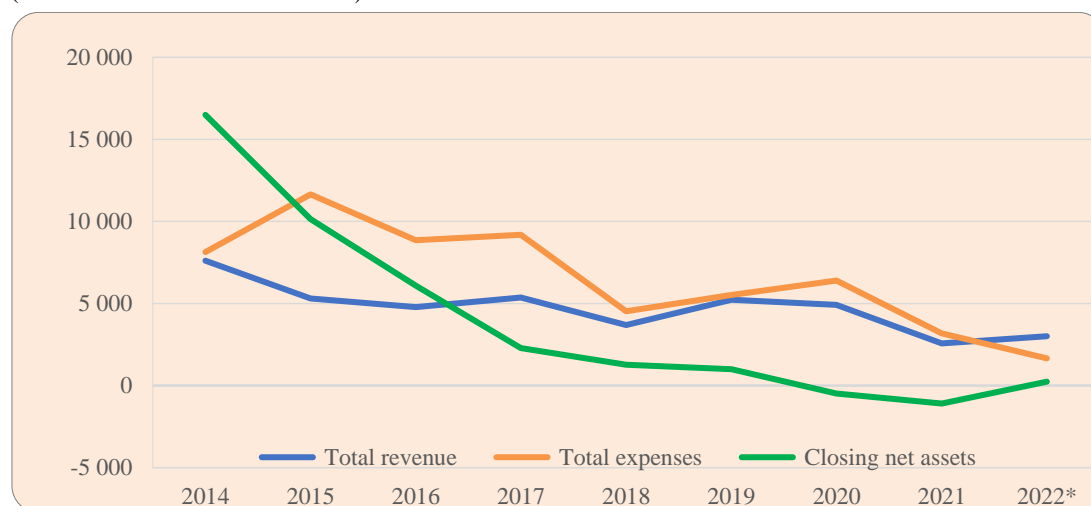
closing net assets for the Foundation non-earmarked fund for the years 2014–2022 are shown in table 1.

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

Description	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	3 000.0
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	1 660.3
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)	245.7

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 September 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 \$10.0 million at the end of September 2022), in the form of an authorization to expend against specific items within a set budgetary allocation. Post costs accounted for 89.2 per cent of the \$9.3 million expenditure recorded by 30 September 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 \$0.9 million had been spent by the end of the year, and \$2.5 million under section 35, of which \$0.6 million had been spent by the end of the year.

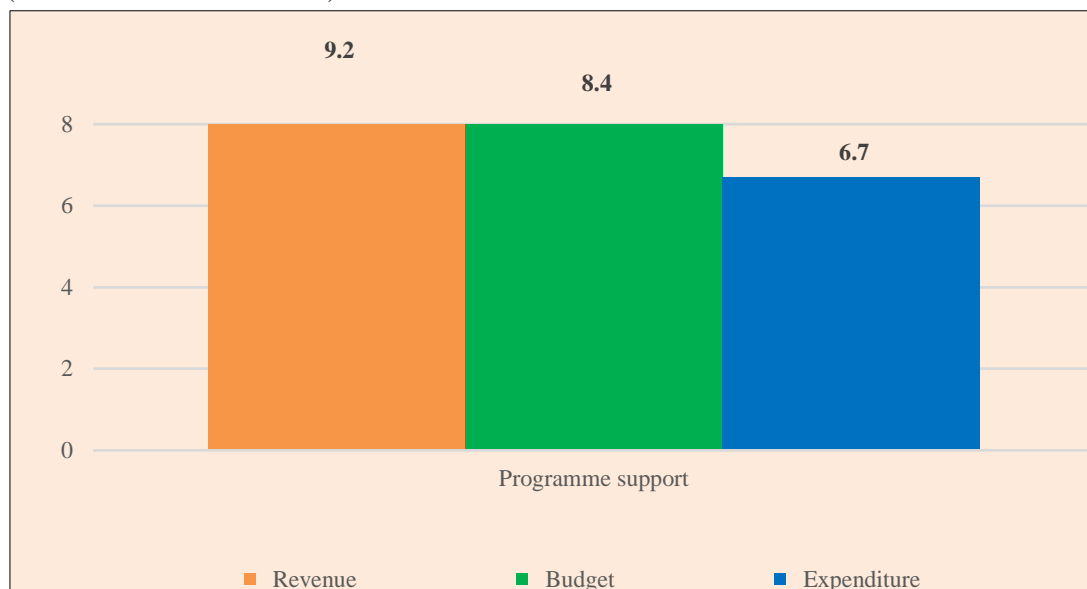
C. Programme support fund

14. The 2022 programme support budget approved by the Executive Director totalled \$11.2 million. Total programme support revenue for the period ended 30 September 2022 amounted to \$9.2 million. The total expenditure for the same period amounted to \$6.7 million. Post costs amounted to 49.1 per cent of the total cost. Figure 5 shows the status of the programme support fund as at 30 September 2022.

Figure 5

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

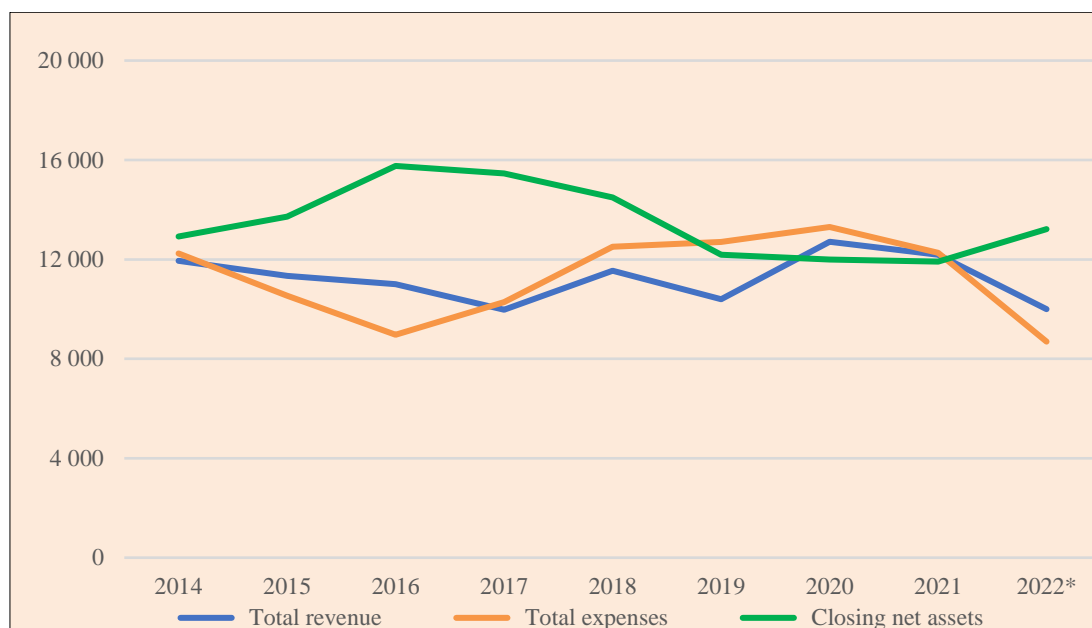
Revenue, expenses and closing net assets for the programme support fund

(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	10,000.0
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	8,692.3
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	13,218.8

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 \$26.5 million, which includes voluntary contributions of \$26.1 million from various donors, as listed in annex III to the present report. Net revenue after refunds to donors amounted to \$23.9 million. Total expenditure incurred in the period ended 30 September 2022 was \$36.4 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 \$91.0 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 September 2022, total revenue before refunds to donors was \$114.2 million, mainly from voluntary contributions amounting to \$113.0 million. Net revenue after refunds to donors amounted to \$103.4 million, while expenditure was \$95.3 million. As is reflected in annex I to the present report, the fund balance at the

end of the reporting period amounted to \$304.1 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, 64.3 per cent of revenue came from the regular budget, while 35.7 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 September 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 September 2022 the Foundation earmarked fund posted a deficit of \$12.5 million and the technical cooperation fund posted a surplus of \$8.1 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 September 2022 is set out in annex II. Annex III shows the status of earmarked contributions as at 30 September 2022.

Annex I

Statement of financial performance for the period ended 30 September 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	9 310.0	-	-	-	-	9 310.0	872.5	599.9	-	1 472.4	10 782.4	-	10 782.4
R02. Voluntary contributions	-	5 978.5	21 763.2	98 532.1	-	126 273.8	-	-	-	-	126 273.8	-	126 273.8
R03. Other transfers and allocations	-	-	4 392.5	14 481.4	-	18 873.9	-	-	-	-	18 873.9	-	18 873.9
R04. Refunds to donors	-	-	(2 524.1)	(10 783.1)	-	(13 307.2)	-	-	-	-	(13 307.2)	-	(13 307.2)
R05. Programme support revenue	-	-	-	-	9 176.6	9 176.6	-	-	-	-	9 176.6	9 176.6	-
R06. Investment revenue	-	7.4	279.5	630.6	40.8	958.3	-	-	55.9	55.9	1 014.2	-	1 014.2
R07. Other revenue	-	6.0	28.7	522.2	-	556.9	-	-	-	-	556.9	-	556.9
Total revenue	9 310.0	5 991.9	23 939.8	103 383.2	9 217.4	151 842.3	872.5	599.9	55.9	1 528.3	153 370.6	9 176.6	144 194.0
E01. Post costs	8 315.5	1 100.3	-	-	3 259.7	12 675.5	-	-	-	-	12 675.5	-	12 675.5
E02. Other staff costs	148.2	-	17 159.1	23 570.2	710.7	41 588.2	681.1	(10.8)	-	670.3	42 258.5	-	42 258.5
E03. Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-
E04. Consultants and experts	94.1	-	-	-	234.2	328.3	75.9	370.2	-	446.1	774.4	-	774.4
E05. Travel of representatives	47.4	-	-	-	-	47.4	-	-	-	-	47.4	-	47.4
E06. Travel of staff	292.8	4.7	3 425.4	2 103.0	66.9	5 892.8	59.3	37.7	-	97.0	5 989.8	-	5 989.8

<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>
E07. Contractual services	136.4	15.3	1 836.1	17 504.0	1 769.7	21 261.5	22.7	93.6	-	116.3	21 377.8	-	21 377.8
E08. General operating expenses	253.9	265.1	2 406.2	14 015.3	555.3	17 495.8	29.9	45.9	4.1	79.9	17 575.7	-	17 575.7
E09. Supplies and materials	1.8	-	52.5	400.3	2.0	456.6	-	-	-	-	456.6	-	456.6
E10. Furniture and equipment	8.7	-	340.0	2 144.0	13.9	2 506.6	3.6	1.5	-	5.1	2 511.7	-	2 511.7
E11. Grants and contributions	11.2	-	10 121.5	33 381.5	10.5	43 524.7	-	61.8	-	61.8	43 586.5	9 176.6	34 409.9
E12. Other expenses	-	12.8	1 092.2	2 190.6	95.1	3 390.7	-	-	142.9	142.9	3 533.6	-	3 533.6
Total expenditure	9 310.0	1 398.2	36 433.0	95 308.9	6 718.0	149 168.1	872.5	599.9	147.0	1 619.4	150 787.5	9 176.6	141 610.9
Surplus/(deficit)	-	4 593.7	(12 493.2)	8 074.3	2 499.4	2 674.2	-	-	(91.1)	(91.1)	2 583.1	-	2 583.1
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 September 2022	-	3 499.7	90 962.8	304 136.3	14 180.4	412 779.2	-	-	(30 704.1)	(30 704.1)	382 075.1	-	382 075.1
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 September 2022	-	1 499.7	86 939.8	292 776.3	11 248.4	392 464.2	-	-	(30 704.1)	(30 704.1)	361 760.1	-	361 760.1

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 September 2022

(United States dollars)

<i>No.</i>	<i>Contributor</i>	<i>31.12.2016</i>	<i>31.12.2017</i>	<i>31.12.2018</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>31.12.2021</i>	<i>30.09.2022^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	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	–
26.	Malaysia	–	–	1 200 000	–	–	–	–

<i>No.</i>	<i>Contributor</i>	<i>31.12.2016</i>	<i>31.12.2017</i>	<i>31.12.2018</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>31.12.2021</i>	<i>30.09.2022^a</i>
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	5 843
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	–	–	62 736
41.	Slovakia	15 609	–	–	–	–	–	-
42.	South Africa	–	283 560	150 000	160 000	150 000	160 000	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	5 978 519

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

Annex III**Status of earmarked voluntary contributions as at 30 September 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 Europe and other	-	10 082.9	10 082.9
2	Association of Southeast Asian Nations	Asia and Pacific	-	47.6	47.6
3	Brazil	Latin America and Caribbean	-	1 356.1	1 356.1
4	Canada	Western Europe and other	-	1 574.8	1 574.8
5	China	Asia and Pacific	794.8	-	794.8
6	Comoros	Africa	-	374.2	374.2
7	Doppelmayr Cacle Car Gmbh & Co KG Doppelmayr	Western Europe and other	67.1	-	67.1
8	Egypt	Africa	500.0	-	500.0
9	El Salvador	Latin America and Caribbean	30.0	-	30.0
10	European Commission	Western Europe and other	13 481.5	45 315.6	58 797.1
11	Fondation Botnar	Western Europe and other	3 950.9	-	3 950.9
12	Fukuoka International Exchange Foundation	Asia and Pacific	-	2 300.0	2 300.0
13	Germany	Western Europe and other	252.4	135.0	387.4
14	Here Be Dragons Investment Group	Western Europe and other	-	301.3	301.3
15	Instituto Pereira Passos	Latin America and Caribbean	-	3 660.3	3 660.3
16	International Development Association (World Bank)	Global	-	12 750.0	12 750.0
17	International Islamic Charitable	Asia and Pacific	575.2	-	575.2
18	Israel	Western Europe and other	28.0	-	28.0
19	Japan	Asia and Pacific	184.6	2 870.6	3 055.2
20	Jordan	Asia and Pacific	320.6	-	320.6
21	KfW Bankengruppe	Western Europe and other	-	9.0	9.0
22	Kuwait Fund for Arab Economic Development	Asia and Pacific	-	113.9	113.9
23	Laos	Asia and Pacific	-	223.8	223.8

<i>No.</i>	<i>Contributor</i>	<i>United Nations region</i>	<i>FNDE</i>	<i>TECH</i>	<i>Total</i>
24	Mexico	Latin America and Caribbean	-	2 760.0	2 760.0
25	Mozambique	Africa	-	1 179.1	1 179.1
26	Nigeria	Africa	-	600.0	600.0
27	Oman	Asia and Pacific	279.3	-	279.3
28	Open Society Foundation	Africa	124.9	-	124.9
29	Republic of Korea	Asia and Pacific	-	11 564.8	11 564.8
30	Russian Federation	Eastern Europe	346.1	-	346.1
31	Spain	Western Europe and other	163.8	-	163.8
32	Sweden	Western Europe and other	6.4	162.3	168.7
33	Switzerland	Western Europe and other	507.6	23.3	530.9
34	The Coca-Cola Foundation	Western Europe and other	-	772.3	772.3
35	United Nations Entities (Includes The One United Nations Fund)	Global	4 392.5	14 536.6	18 929.1
36	Western Indian Ocean Marine Science Association	Africa	150.0	-	150.0
37	Wuhan Land Use and Spatial Planning	Asia and Pacific	-	300.0	300.0
Total			26 155.7	113 013.5	139 169.2

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