

Agenda Item 4

1. Financial Status of UN-Habitat as at 31 December 2020
 - a. Report of the Executive Director on financial, budgetary and administrative matters: interim financial status of the United Nations Human Settlements Programme as at 31 December 2020: HSP/EB.2021/2
 - b. Financial Status update per UN-Habitat Financial Statement
2. Interim Financial Status of UN-Habitat as at 31 March 2021
3. Report of the Executive Director on financial, budgetary and administrative matters: implementation of the resource mobilization strategy in accordance with the strategic plan: HSP/EB.2021/2/Add.2
4. Report of the Executive Director on staffing of the United Nations Human Settlements Programme as at 31 December 2020: HSP/EB.2021/2/Add.1
5. Report of the Executive Director on staff update, equitable geographical distribution and gender parity: HSP/EB.2021/2/Add.1



Agenda item 4: Financial status of UN-Habitat as at 31 December 2020, and updated interim status as at 31 March 2021



UN-Habitat's Funding Sources

Funding Source	Purpose	Main Contributors	Comments
Regular Budget	Funds posts and non-post costs to deliver General Assembly mandated activities under the: Programme of Work, Executive Direction and Management, Secretariat to the Governing Bodies and Administration	Member States assessed contributions to the United Nations	The Secretary-General has imposed liquidity constraints based on projected Member State cash-flows to the Regular Budget assessed contributions.
Foundation non-earmarked	Funds posts and non-post costs to deliver UN-Habitat Governing Body mandated activities under the: Programme of Work, Executive Direction and Management, Secretariat to the Governing Bodies and Administration	Member States voluntary non earmarked contributions to UN-Habitat	Significant shortfall in contributions jeopardizes the capacity for core activities in the strategic plan and UN-Habitat reforms
Foundation earmarked	Global programmes such as UN-Habitat's flagship programmes, Global Land Tool Network and World Urban Forum	Member States, Foundations, Academia, Private Sector, NGOs, Thematic Pooled Funds	Largely donor specified so some thematic pillars e.g. enhanced prosperity for cities are under-funded
Technical Cooperation	Regional and country programmes – both development and humanitarian	Member States, Local Governments, NGOs, Foundations, Country Pooled Funds, Development Banks, Private Sector	Largely donor specified so some countries that need UN-Habitat's support are not covered



UN-Habitat Financial Status Overview

In 2020, UN-Habitat's overall revenue increased \$17.6 million

During this period, expenditures decreased \$27.2m, due to COVID-19 limiting the full implementation of all planned activities

- Non-employee compensation (5.0m USD), Grants-out (\$5.5m USD), travel (4.1 m USD), and a significant decrease in operating expenses (\$12.8m).

The above resulted in a 2020 surplus of 38.7 million, compared to \$6.1m deficit in 2019.

However, Foundation unearmarked funding (voluntary unearmarked contributions) reached only 26% of target for a total of **4.9m USD**

This resulted in a deficit of \$1.5m and a final negative position of \$500,000 which is of great concern.

As of 31 March 2021, the Foundation unearmarked has **received 0.1m USD** against a pro-rated approved budget of \$2.5 million. **The latest 2021 revenue projections are \$2.9 million.**

This has required the Executive Director to implement a strict 2021 financial austerity plan

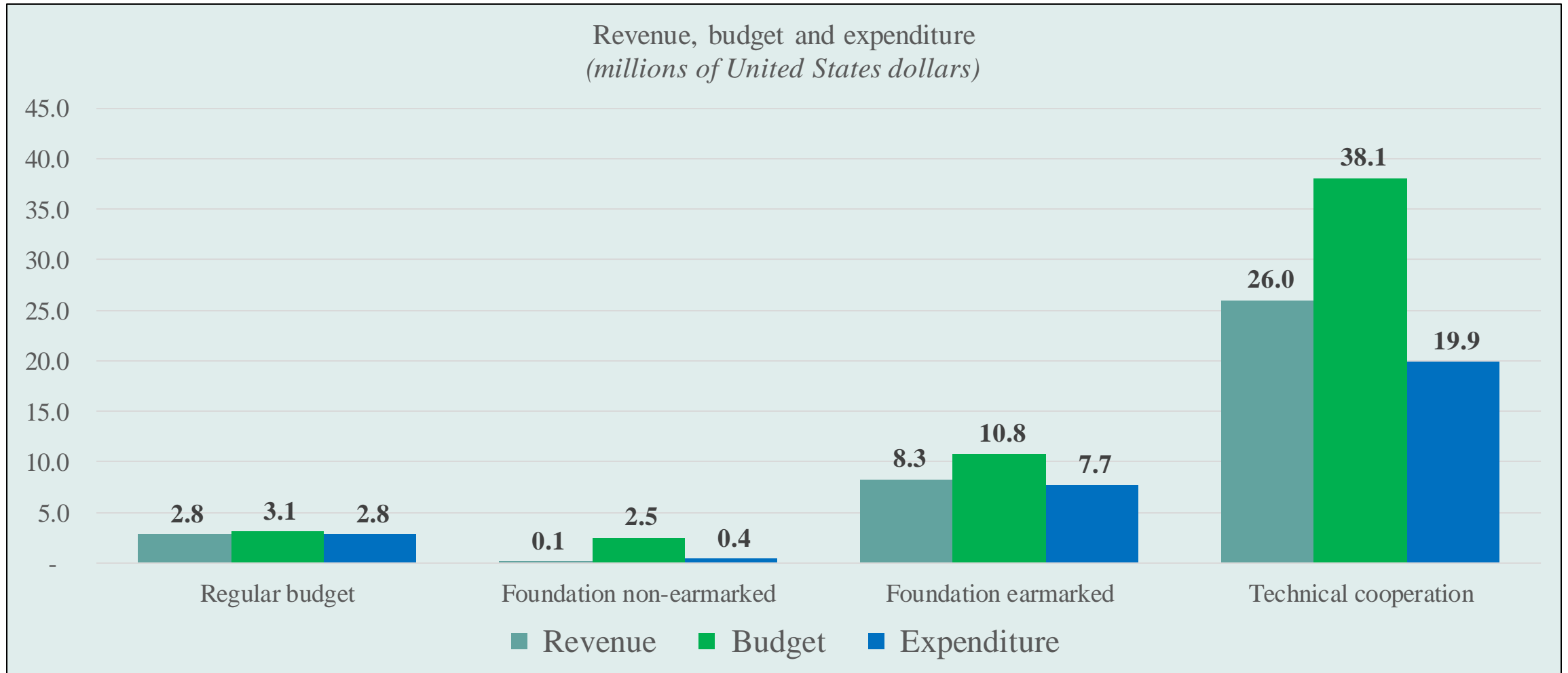


UN-Habitat Financial Statement Balance Sheet as at 31 December 2020

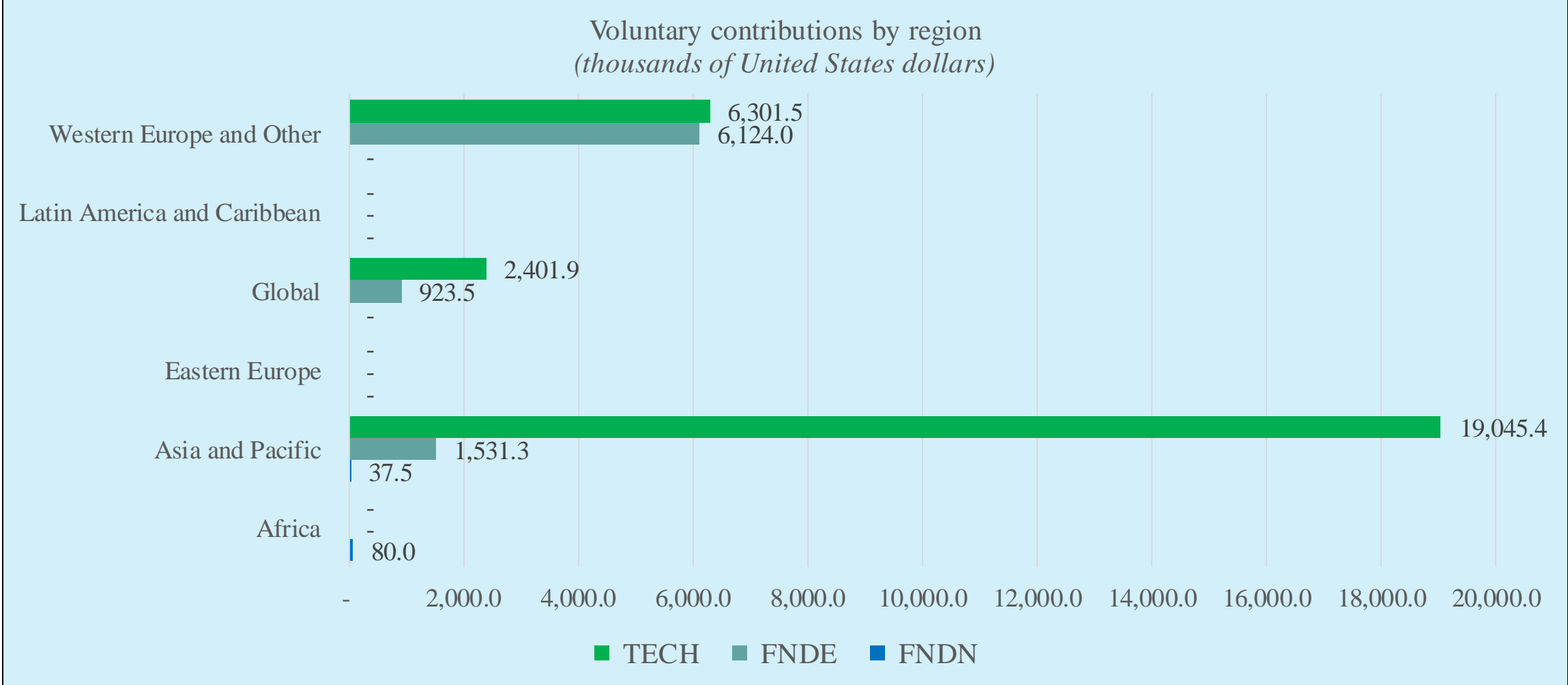
All funds — statement of financial position as at 31 December 2020, by segment (Thousands of United States dollars)								
	<i>Foundation non- earmarked</i>	<i>Foundation earmarked</i>	<i>Technical cooperation</i>	<i>Programme support ^{a/}</i>	<i>End-of- service and post-retireme nt benefits</i>	<i>Intersegment eliminations</i>	<i>31-Dec-20</i>	<i>31 December 2019 ^{a/}</i>
Total current assets	2 268	111 023	288 401	11 621	10 863	(5 100)	419 076	363 600
Total non-current assets	397	38 780	94 331	2 304	3 074	-	138 886	107 565
Total assets	2 665	149 803	382 732	13 925	13 937	(5 100)	557 962	471 165
Total current liabilities	3 144	38 894	122 610	1 932	1 271	(5 100)	162 751	116 498
Total non-current liabilities	-	-	-	-	42 958	-	42 958	35 681
Total liabilities	3 144	38 894	122 610	1 932	44 229	(5 100)	205 709	152 179
Net of total assets and liabilities	(479)	110 909	260 122	11 993	(30 292)	-	352 253	318 986
Net assets								
Accumulated surplus/(deficit)	(2 479)	106 886	248,762	9 060	(30 292)	-	331 938	299 368
Reserves	2 000	4 023	11 360	2 932	-	-	20 315	19 618
Total net assets	(479)	110 909	260 122	11 993	(30 292)	-	352 253	318 986



UN-Habitat 2021 Financial Overview Pro-Rated as at 31 March 2021



UN-Habitat 2021 Voluntary Contributions First Quarter 2021



UN-Habitat 2021 Voluntary Contributions First Quarter 2021

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

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021 *
Total revenue	10,295	7,610	5,307.0	4,785.0	5,373.0	3,699.0	5,239.0	4,916.0	2,438.1
Total expenses	14,550	8,134	11,651.0	8,851.0	9,182.0	4,519.0	5,518.0	6,396.0	3,727.2
Closing net assets	17,079	16,498	10,154.0	6,088.0	2,279.0	1,280.0	1,001.0	(479.0)	(1,768.1)

* Current Projections

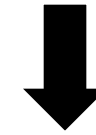
The Executive Director has implemented a strict 2021 Financial Austerity Plan based on projected revenue for 2021.

CURRENT STAFF NUMBERS

RB - Regular Budget:	72
XB – Extra Budgetary (44 Frozen) :	14
<u>Projects an Programme Support:</u>	<u>216</u>
Total staff numbers:	302

USD 10 million in core contributions

Increase to 58 Approved Posts



USD 5 million in core contributions

Unfreeze 15 Approved Posts



USD 3 million or less in core contributions

- 1. No normative Foundation deliverables**
- 2. Reduction in personnel**



UN-Habitat 2021 Foundation Financial Austerity Plan

Strategic priority	Foundation non-earmarked (2021 Approved)			Foundation non-earmarked (2021 Active)		
	Professional Category and Above	General Service, including National Officers	Total	Professional Category and Above	General Service, including National Officers	Total
Subprogramme 1	4	3	7	1		1
Subprogramme 2	4	1	5	1		1
Subprogramme 3	2	6	8			0
Subprogramme 4	3	4	7	1		1
Policy making organs	1		1	1		1
Executive direction and management	11	4	15	6	1	7
Programme support	7	8	15	2	1	3
Total	32	26	58	12	2	14



Agenda item 4: Implementation of the resource mobilization strategy in accordance with the strategic plan



Resource Mobilization Strategy Objectives 2020-2023

1

ADEQUATE FUNDING



Regular budget: \$ 60M
Non-earmarked: \$ 41M*
Foundation earmarked: \$ 262M
Technical cooperation: \$ 607M
Total: \$ 970M

*projected funding

3

STRATEGIC PARTNERSHIPS

Joint strategy development
Multi-year agreements
Pooled funding
Large scale high impact programmes



5

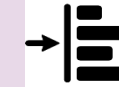
VALUE FOR MONEY

Results focused
Efficient
Transparent
Accountable



2

ALIGNMENT



Urban dimensions of the SDGs, NUA
UN-Habitat Strategic Plan
National strategic plans
UN Sustainable Development Cooperation Framework
UN Funding Compact

4

DIVERSIFIED DONOR BASE



More Member States contributing
Domestic resources
Private Sector, Local Authorities, other
Multi-donor pooled funds

6

INNOVATION



Blended funding: loans, grants
National Committees
High Net Worth Individuals, Influencers
Technology support, social media



Achievement against targets in 2020

Regular Budget

Target: USD 12.5 million, Income: USD 12.5 million – 100%

- Negotiations with UN Headquarters to maintain Regular Budget allocation despite liquidity problems in assessed contributions

Foundation Non-earmarked

Target: USD 18.9 million, Income: USD 4.9 million – 26%

- High level strategic bilateral dialogues with Member States and other development partners
- Dialogues between Regional Groups and the Executive Director and Joint Donor Consultations
- Core contribution appeals and reminders from Executive Director – sent out three times in 2020
- Follow up on core contributions by Donor Focal Points
- Monthly income updates to Member States on status of core contributions
- Partner and Pledge Session in December 2020

Foundation Earmarked

Target: USD 63.5 million, Income: USD 50.6 million – 80%

- Flagship programmes launch and negotiations to secure multi-donor soft earmarked support
- High level dialogue for soft earmarked support to the strategic plan
- Negotiations for other thematic pooled funds and for specific programmes

Technical Cooperation

Target: USD 147.4 million, Income: USD 121.6 million – 83%

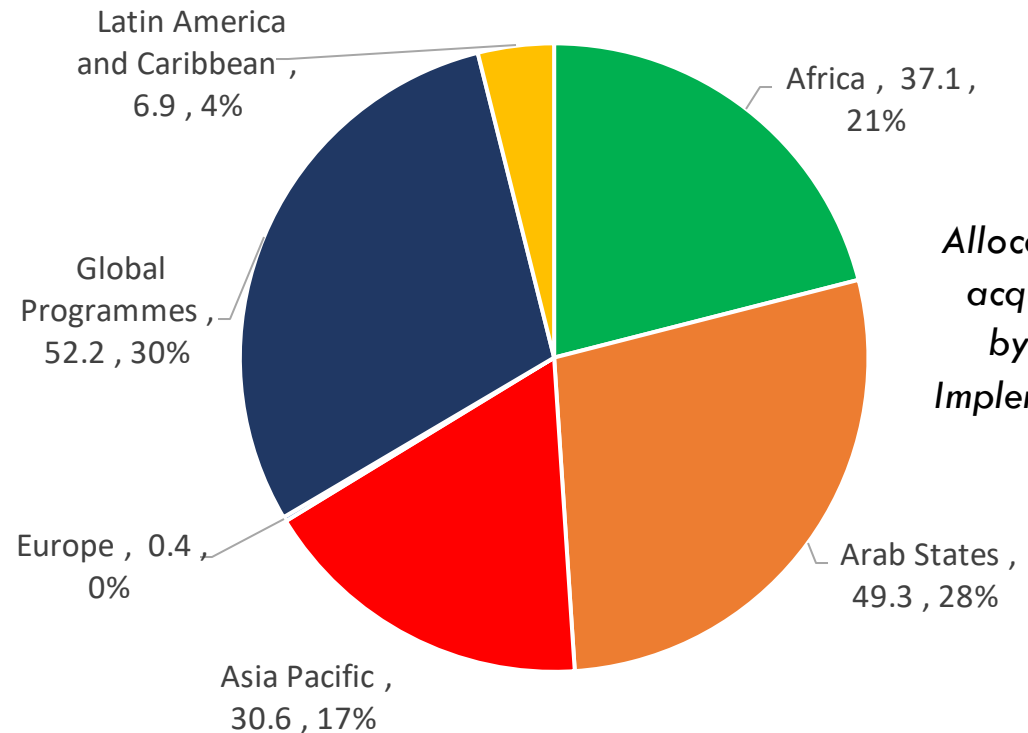
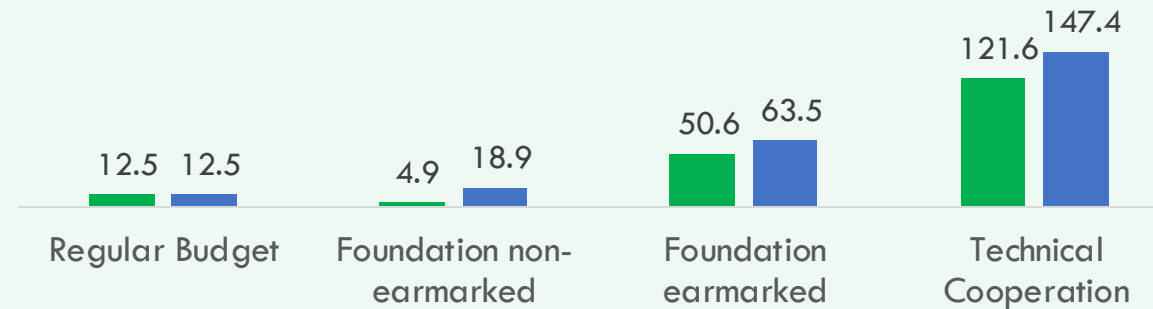
- 15 countries prioritized for Common Country Assessments for joint programming with the United Nations
- Covid-19 resource mobilization strategy for 64 countries; USD 32 million against USD 72 million target
- Negotiations on country pooled funds including Covid-19 Multi-Partner Trust Fund and Adaptation Fund
- Regional architecture
- Negotiations on specific country programmes

Income acquired against 2020 targets, detail

Main Results

- Only **26%** of foundation non-earmarked requirements secured – impacted to some extent by reprogramming of Official Development Assistance to Covid-19
- **Seven** countries are comebacks or new contributors to core funds
- **50%** increase in foundation earmarked funds for global programmes and soft earmarked support to the strategic plan
- Healthy performance on earmarked funds shows continuing demand for UN-Habitat's services

■ Income
■ Income Target



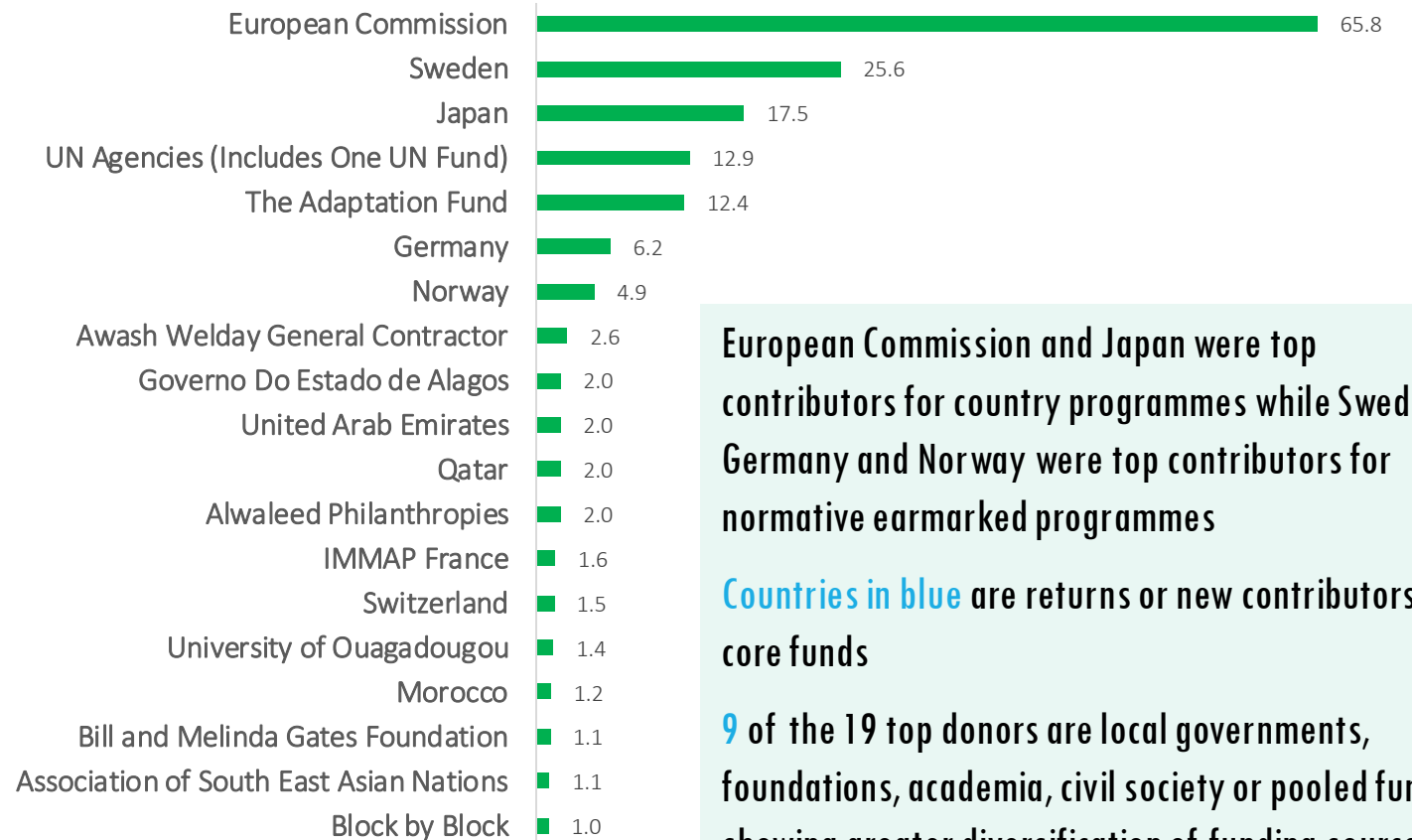
Allocation of income acquired in 2020 by UN-Habitat Implementing Region



Top contributors in 2020

Country	Core Contribution
Norway	2,180,130
United States of America*	650,000
Mexico**	500,000
China	350,000
France	227,740
Kenya*	196,373
Germany	179,211
South Africa	150,000
India	145,455
Republic of Korea	84,365
Nigeria*	75,000
Senegal	44,868
Botswana*	40,000
Japan	31,455
Sri Lanka	25,000
Malawi	20,000
Barbados	14,706
Algeria	10,000
Myanmar	9,980
Mali*	9,653
Czech Republic	6,731
Pakistan	5,941
Dominican Republic	4,975
Israel*	3,800

Top donors and development partners in 2020 in USD millions



European Commission and Japan were top contributors for country programmes while Sweden, Germany and Norway were top contributors for normative earmarked programmes

Countries in blue are returns or new contributors to core funds

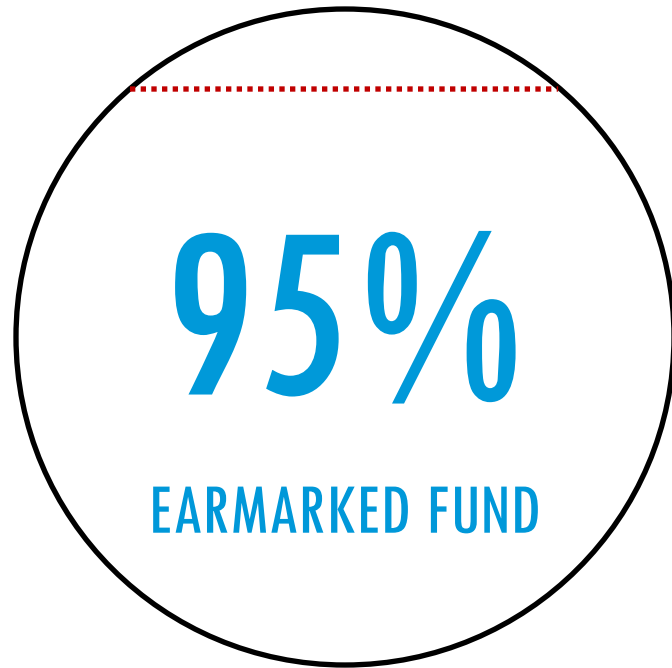
9 of the 19 top donors are local governments, foundations, academia, civil society or pooled funds showing greater diversification of funding sources

Comebacks or new contributors to core

** Includes contributions received in 2020 for earlier year pledges, ***received in 2021 for 2020*



IMPLICATIONS OF FUNDING RECEIVED



Revenue stream for 2019:
USD 202 million

Only **USD 5 million** in
core contributions

Resulting in Reliance on **Earmarked Funding**:

- Inability to direct resources according to need
- No representation work
- Staff moved onto Programme Support Cost
- Bilateral funding drive
- Compromising multilateral approach

Objectives 2 and 3 - Strategic partnerships for funding that is aligned to mandates

2

ALIGNMENT

Urban dimensions of the SDGs, NUA
UN-Habitat Strategic Plan
National strategic plans
UN Sustainable Development Cooperation Framework
UN Funding Compact



3

STRATEGIC PARTNERSHIPS

Joint strategy development
Multi-year agreements
Pooled funding
Large scale high impact programmes



Main Actions

- **Flagship programmes** launched at WUF10 designed to attract multi-donor funding for high-impact results to accelerate urban dimensions of SDGs in Decade of Action
- Strategic discussions on soft earmarked for Strategic Plan's domains of changes
- Common Country Assessments for UN Joint Action to support national development strategies
- Donor Focal Point System formalized to strengthen strategic communications with donors

Results

- High level of interest flagship programmes on **SDG Cities, migration and resilience**—discussions ongoing with several partners including foundations
- Four-year Cooperation Agreement with Sweden for **soft earmarked support** of USD 20 Million to **strategic plan** domains of change. Germany orally pledged EUR 600K for soft earmarked
- Increasing **UN joint programming** and implementation at country level, including for Covid-19 response
- More meaningful bilateral and joint **strategic funding dialogues** supported by donor focal points
- Increased level of income from **pooled funds**, particularly Adaptation Fund



Objectives 4 and 6 – Innovative ways to achieve a more diversified donor base

4

DIVERSIFIED DONOR BASE



More Member States contributing
Domestic resources
Private Sector, Local Authorities, other
Multi-donor pooled funds

6

INNOVATION



Blended funding: loans, grants
National Committees
High Net Worth Individuals, Influencers
Technology support, social media

Main Actions

- Dialogue with Foundations and Philanthropies starting WUF 10 and throughout the year
- Working with Stakeholder Advisory Group Enterprise (SAGE) on mobilizing funds for sustainable urbanization
- Bilateral discussions with foundations and private sector organizations
- Exploring creation of an endowment fund to support urban dimensions of the SDGs
- Development of blended funding products to support affordable housing and slum upgrading

Results

- Foundations and Philanthropy Platform established in October 2020— foundations engagement in discussions include [Botnar \(Switzerland\)](#), [Reall \(UK\)](#), [Yayasan Hasanah \(Malaysia\)](#), the [Prince's Trust \(UK\)](#), [Tony Elumelu \(Nigeria\)](#), [Tata Trusts \(India\)](#), [Vanke \(China\)](#), the [European Foundation Centre](#) and [European Venture Philanthropy Association](#). Two workstreams established on Innovative Finance for Sustainable Urbanization and Entrepreneurship
- **9 of the 19 top donors** from local governments, foundations and philanthropies, UN, academia, pooled funds or civil society
- **Donate** feature on UN-Habitat site to crowdfund donations for humanitarian work launched in 2020
- **SAGE 2021** programme of work includes workstream on **resource mobilization and innovative financing**



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Objective 5 – Value for money

5

VALUE FOR MONEY

Results focused
Efficient
Transparent
Accountable



Main Actions

- **Urban Impact** quarterly brief improved to highlighting impact of UN-Habitat's work in countries
- Communication contact group with Member States on improved communications with Member States to show impact
- Standard Operating Procedures being finalized to form part of UN-Habitat **Operations Manual**
- Foundation Fund document linking normative and operational value investment
- UN-Habitat **Catalogue of Services** published to show where UN-Habitat adds value
- Donor Information System enhanced to include regional profiles
- Training and knowledge exchange on resource mobilization in Donor Focal Point meetings

Results

- **Urban Impact** quarterly brief showcasing impact on the ground reaches over 14K partners including Member States
- Updated UN-Habitat **Operations Manual** contributes to efficiency and consistency of operations
- Positive feedback and over 2,100 downloads of UN-Habitat's **Catalogue of Services**
- **Monthly updates to Member States** on new income - to include high impact programmes from March 2021
- Enhanced internal capacity on resource mobilization as result of knowledge sharing, training and improved systems



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UNDERFUNDED AREAS OF STRATEGIC PLAN

Without sufficient **core contributions**, the implementation of Strategic Plan is negatively impacted in six key areas:

OUTCOME AREA 1.3

Effective Settlement Growth
and Regeneration

OUTCOME 2.2

Increased equitably
distributed locally generated
revenues

OUTCOME 2.3

Expanded deployment of
frontier technologies and
innovations

OUTCOME 3.1

Reduced greenhouse gas
emissions and improved air
quality

OUTCOME 3.2

Improved resource efficiency
and protection of ecological
assets

OUTCOME 4.3

Enhanced resilience of the
built environment and
infrastructure



Moving forward - Member States Role and Support

- Support UN-Habitat to amplify **compelling message on centrality of cities and urban mandate** for sustainable development
 - inclusive and green recovery post-Covid-19 recovery
 - climate resilience leading up to COP26
- **Non-earmarked contributions**: Prioritize, early remittances and early information on country's contribution
- Guidance on the categories of **thematic or other soft-earmarked support** governments likely to fund in support of implementation of the strategic plan
- Support funding necessary for implementation of the **approved organizational structure** at Headquarters, and of the **regional architecture** to strengthen UN-Habitat's engagement with the UN Sustainable Cooperation Development Framework
- Targeted support for Innovate4Cities Conference in October – shortfall of USD 200,000
- Support for inter-governmental processes to enhance effective participation in Executive Board and CPR sessions

Agenda item 4: Report of the Executive Director on staffing of the United Nations Human Settlements Programme as at 31 December 2020

Agenda item 4: Report of the Executive Director on staff update, equitable geographical distribution and gender parity

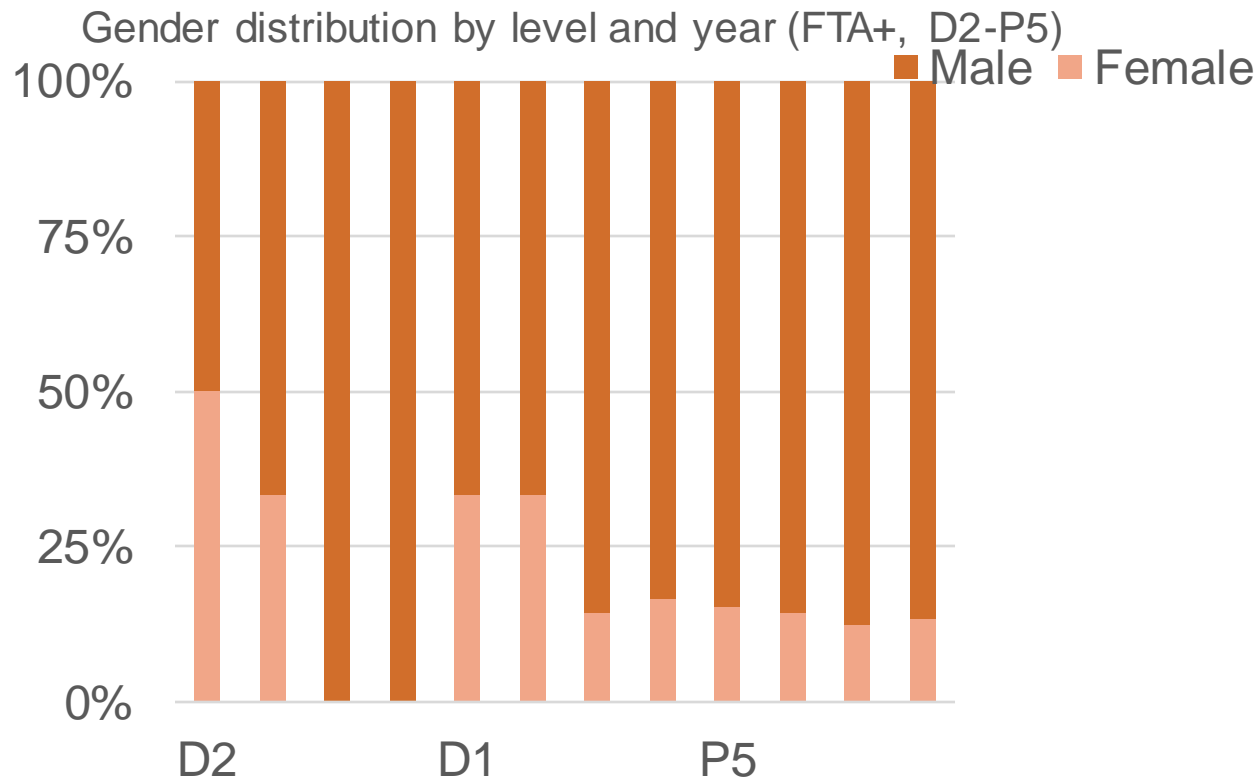


UN-Habitat Geographic and Gender Plan Update

Grade	Female	% Female	Male	% Male	Grand Total
USG	1	100%	0	0%	1
ASG	0	0%	1	100%	1
D-2	1	50%	1	50%	2
D-1	1	17%	5	83%	6
P-5	4	13%	26	87%	30
P-4	25	52%	23	48%	48
P-3	26	46%	30	54%	56
P-2	10	45%	12	55%	22
NO-D	0	0%	1	100%	1
NO-C	1	13%	7	88%	8
NO-B	10	83%	2	17%	12
NO-A	1	14%	6	86%	7
G-7	10	63%	6	38%	16
G-6	21	68%	10	32%	31
G-5	27	84%	5	16%	32
G-4	11	61%	7	39%	18
G-3	1	33%	2	67%	3
G-2	1	50%	1	50%	2
Grand Total	151	51%	145	49%	296

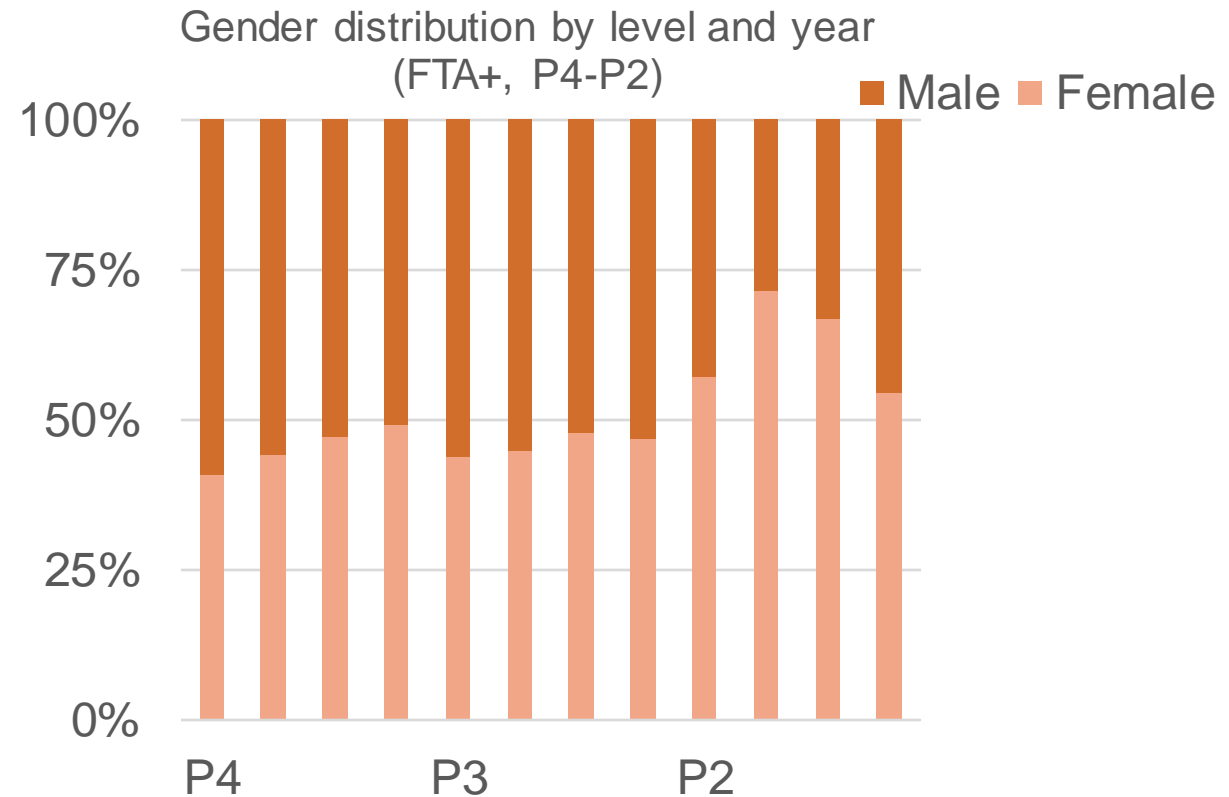


| STAFF NUMBERS ACCORDING TO GENDER (BY LEVEL)



% Women staff in 2020

- D2: 0% (0-33% over the past years.)
- D1: 17% (14-33% over the past years.)
- P5: 13% (13-15% over the past years.)

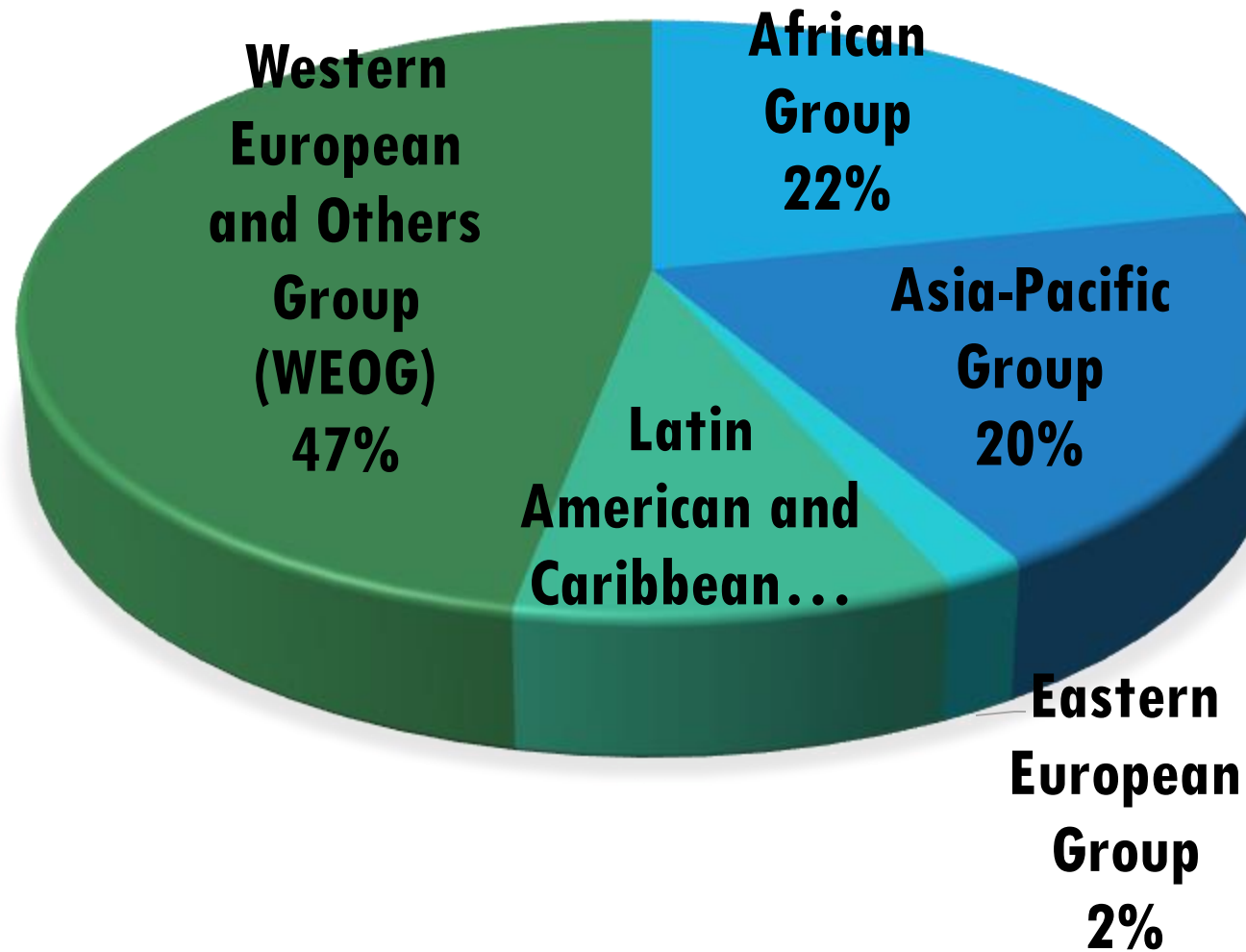


% Women staff in 2020

- P4: 49% (Gradually improved from 41% in the past four years.)
- P3: 47% (44-48% over the past years.)
- P2: 55% (57-71% over the past years.)



UN-Habitat Professional Staff According to Regional Groups



African Group:	36
Asia-Pacific Group:	33
Eastern Europe Group:	3
Latin American and Caribbean Group:	16
Western European and others Group:	<u>78</u>
Total Professional Staff:	<u>166</u>



ACTIONS TAKEN TO IMPROVE GENDER & GEOGRAPHICAL DIVERSITY

The Secretariat has taken various steps to improve geographical diversity of its staff members including:

- (a) **Advocacy** with Member States, the UN System, Partner organisations to expand the candidate pool;
- (b) **Training for Hiring Managers** to sensitize colleagues on the need to improve productivity by way of diversifying the work force
- (c) **Streamlining the relationship with UNON service provider** to avoid duplication, encourage efficiency and improve monitoring
- (d) **Participation in job fairs** to build up the pool of candidates and to **improve existing roaster** of candidates.

While the primary goal of the newly developed strategy is to ensure a more diverse and inclusive workforce that exhibits the core values that the organisation upholds, OHR will work closely with all the entities to secure the highest standards of efficiency, competence and integrity in line with [Article 101 of the UN Charter](#) during any recruitment process.

THANK YOU!

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