



UNITED
NATIONS

HSP/EB.2023/CRP.5



UN-HABITAT

United Nations
Human Settlements
Programme

Distr.: General
28 October 2023

Original: English

**Executive Board of the United Nations
Human Settlements Programme
Third session of 2023**

Nairobi, 28–30 November 2023

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 2020–2025; a report on the fully
costed scalability model 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 September 2023**

Report of the Executive Director

I. Introduction

1. The present report provides an overview of the financial position of the United Nations Human Settlements Programme (UN-Habitat) as at 30 September 2023 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, for the period ended 30 September 2023.

2. Table 1 provides an overview of funding as at 30 September 2023, showing revenue and expenses for all the major UN-Habitat funding segments alongside the budget figures from the approved work programme for 2023. More detailed information is set out in the annexes to the present report.

Table 1

Status of the revenue, budget and expenses of the UN-Habitat main funds as at 30 September 2023^a

(Thousands of United States dollars)

<i>Component</i>	<i>Regular budget (Section 15)</i>	<i>Foundation non-earmarked</i>	<i>Foundation earmarked</i>	<i>Technical cooperation</i>	<i>Total</i>
Revenue	9,460.1	2,100.7	26,514.7	60,638.1	98,713.6
Budget	9,956.9	2,364.3	29,307.5	72,532.4	114,161.1
Expenses	9,460.1	1,562.0	32,778.8	81,290.3	125,091.2

* HSP/EB.2023/10.

Re-issued for technical reasons.

^a Revenue includes contributions and other sources of revenue and is stated net of adjustments. Budget figures are prorated to 30 September 2023.

3. Total revenue for the Foundation non-earmarked fund in the reporting period, including voluntary contributions, amounted to \$2.1 million, which is more than the total expenses of \$1.6 million, resulting in a surplus of \$0.5 million.

4. Table 2 shows the composition of all voluntary contributions received during the period by contributor type, while table 3 shows voluntary contributions received by region.

Table 2

Voluntary contributions, by type of contributor*(Thousands of United States dollars)*

<i>Component</i>	<i>Civil society</i>	<i>Foundation</i>	<i>Government</i>	<i>Inter-governmental</i>	<i>Local authority</i>	<i>Private sector</i>	<i>United Nations entities</i>	<i>Total</i>
Foundation non-earmarked	-	-	1,879.3	-	-	-	-	1,879.3
Foundation earmarked	707.0	557.2	16,802.4	5,811.3	-	200.5	1,965.3	26,043.7
Technical cooperation	490.0	167.5	15,907.7	24,200.2	247.3	5,566.3	14,830.1	61,409.1
Total	1,197.0	724.7	34,589.4	30,011.5	247.3	5,766.8	16,795.4	89,332.1

Table 3

Voluntary contributions, by region*(Thousands of United States dollars)*

<i>Component</i>	<i>African States</i>	<i>Asia-Pacific States</i>	<i>Eastern European States</i>	<i>Latin American and Caribbean States</i>	<i>Western European and other States</i>	<i>Global</i>	<i>Total</i>
Foundation non-earmarked	586.1	565.8	53.7	-	673.7	-	1,879.3
Foundation earmarked	1,728.3	9,037.5	400.0	268.9	12,424.2	2,184.8	26,043.7
Technical cooperation	698.8	13,707.3	-	1,589.3	30,583.6	14,830.1	61,409.1
Total	3,013.2	23,310.6	453.7	1,858.2	43,681.5	17,014.9	89,332.1

II. Performance of core funds

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

A. Foundation non-earmarked fund

6. The resources of the Foundation non-earmarked fund, also known as the Foundation general-purpose fund, are allocated against budget priorities approved by the Executive Board of UN-Habitat.

7. Traditionally the main source of Foundation non-earmarked fund 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, executive direction and management and a baseline level of programme support.

8. The approved budget for 2023 was \$3.1 million. As is indicated in annex I, total revenue for the period amounted to \$2.1 million. Expenses for the period totalled \$1.6 million, consisting of \$1.1 million in post costs and \$0.5 million in operating expenses, resulting in a net operational surplus of \$0.5 million. A statutory operational reserve of \$3.0 million is provided for in line with paragraph 11 of Executive Board decision 2022/5. Revenue expenses and closing net assets for the Foundation non-earmarked fund for the years 2014–2023 are shown in table 4 and the following figure.

Table 4

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

<i>Description</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023^a</i>
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	7 677.0	3,152.0

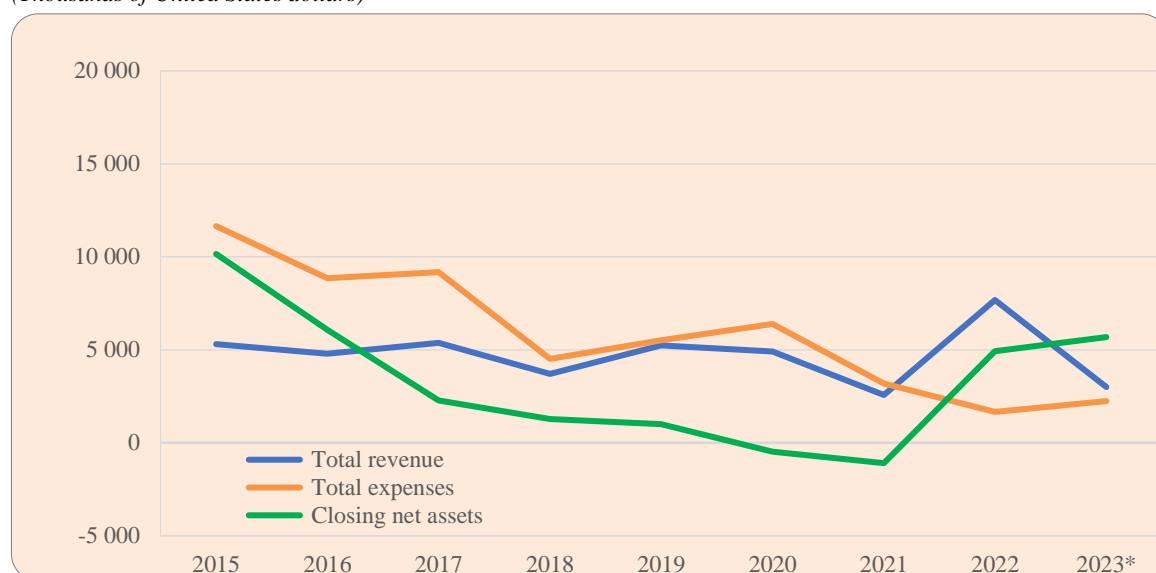
Total expenses	8 134.0	11 651.0	8 851.0	9 182.0	4 519.0	5 518.0	6 396.0	3 185.0	1 662.0	2 239.0
Closing net assets	16 498.0	10 154.0	6 088.0	2 279.0	1 280.0	1 001.0	(479.0)	(1 094.0)	4 922.0	5,835.0

^a Projected data.

9. The figure below shows the gradual decline, on average, in revenue in the years prior to 2023 alongside an average decline in expenses. Despite the implementation of the financial austerity plans, expenses exceeded revenue in the years prior to 2023, which resulted in unsustainable deficit spending and an ensuing steady decline in net assets. In 2022 contributions reached their highest level since 2014, and with reinvigorated expense controls in place, UN-Habitat reported its first surplus in more than a decade. In addition, the Foundation non-earmarked fund returned to solvency.

Trends in the Foundation non-earmarked fund

(Thousands of United States dollars)



*Projected data.

10. In 2017 the secretariat approved a loan of \$3.0 million from the programme support account to the Foundation non-earmarked fund. In 2022 an initial repayment of \$0.5 million was made.

B. Regular-budget fund

1. Section 15

11. An appropriation approved by the General Assembly is provided to UN-Habitat under section 15 (Human settlements) of the United Nations regular budget. In 2023 the appropriation amounted to \$13.3 million in the form of an authorization to spend against specific items within a set budgetary allocation. Post costs accounted for 95.1 per cent of the \$9.5 million expenses recorded by 30 September 2023.

2. Sections 23 and 35

12. UN-Habitat is also allocated resources under section 23 (Regular programme of technical cooperation) and section 35 (Development account) of the United Nations regular budget. The 2023 appropriations under section 23 were \$1.4 million, of which \$0.7 million had been spent by the end of the period, and the appropriations under section 35 were \$1.6 million, of which \$0.9 million had been spent by the end of the period.

C. Programme support fund

13. The 2023 programme support budget approved by the Executive Director totalled \$10.0 million. Total programme support revenue as at 30 September 2023 amounted to \$9.1 million. Total expenses for the same period amounted to \$4.5 million. Post costs represented 46.7 per cent of total expenses.

14. Programme support resources are generated through the charge levied as a percentage of direct earmarked expenses 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 5.

Table 5

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	2023*
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	12 876.0	10 050.4
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	10 363.0	7 109.5
Closing net assets	12 843.0	13 648.0	15 981.0	15 679.0	14 887.0	12 587.0	11 992.0	11 911.0	14 762.0	17 702.9

15. As is mentioned above, \$3.0 million was loaned to the Foundation non-earmarked fund from the programme support account in 2017. An initial repayment of \$0.5 million was made in 2022.

III. Performance of earmarked funds

A. Foundation earmarked fund

16. 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 and work programme of UN-Habitat. Such activities generally comprise global thematic and multi-country projects.

17. The approved 2023 budget for Foundation earmarked resources was \$39.1 million. Total revenue from Foundation earmarked contributions before refunds to donors was \$28.0 million, which includes voluntary contributions of \$26.0 million from various donors as listed in annex III. Net revenue after refunds to donors amounted to \$26.5 million. Total expenses incurred during the period were \$32.8 million. As is indicated in annex I, the gross fund balance (gross project balances) at the end of the reporting period amounted to \$87.2 million, including a reserve of \$4.0 million. The reported deficit is notional, as it results from the utilization of part of the project resources carried over from 2022.

B. Technical cooperation fund

18. 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 mandate and work programme of UN-Habitat.

19. The approved 2023 budget for technical cooperation was \$96.7 million. As at 30 September 2023, total revenue before refunds to donors was \$67.0 million, mainly from voluntary contributions amounting to \$61.4 million. Net revenue after refunds to donors amounted to \$60.6 million, while expenses were \$81.3 million. As is indicated in annex I, the gross fund balances (gross project balances) at the end of the period amounted to \$261.2 million, including a reserve of \$11.4 million.

IV. Summary

20. 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, 84.1 per cent of core revenue came from the regular budget, while 15.9 per cent of core revenue came from Foundation non-earmarked funds. The Foundation non-earmarked fund's revenue of \$2.1 million represents 67.7 per cent of the \$3.1 million budget approved by the Executive Board.

21. As at 30 September 2023, the programme support account had an operational surplus of \$4.6 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.
22. With regard to earmarked funds, the Foundation earmarked fund had a deficit of \$6.3 million as at 30 September 2023, and the technical cooperation fund had a deficit of \$20.7 million. Those deficits arose from timing differences relating to multi-year projects.
23. A statement of financial performance showing the revenue, expenses, fund balances and reserves for each funding segment is set out in annex I. The status of Foundation non-earmarked contributions for the years 2016 to 2023 is set out in annex II, while annex III shows the status of earmarked voluntary contributions as at 30 September 2023.

Annex I

Statement of financial performance for the period ended 30 September 2023, by segment

(Thousands of United States dollars)

Category	Sources of funds/funding segments										Intersegment elimination	Grand total	
	REGB	FNDN	FNDE	TECH	PRGS	Subtotal	RPTC	DEVT	EOSB	Subtotal			Total
R01. Assessed contributions	9,460.1	-	-	-	-	9,460.1	749.2	904.2	-	1,653.4	11,113.5	-	11,113.5
R02. Voluntary contributions	-	1,879.3	24,184.8	46,838.5	-	72,902.6	-	-	-	-	72,902.6	-	72,902.6
R03. Other transfers and allocations	-	-	1,858.9	14,570.6	-	16,429.5	-	-	-	-	16,429.5	-	16,429.5
R04. Refunds to donors	-	-	(1,531.0)	(6,381.6)	-	(7,912.6)	-	-	-	-	(7,912.6)	-	(7,912.6)
R05. Programme support revenue	-	-	-	-	8,578.8	8,578.8	-	-	-	-	8,578.8	8,578.8	-
R06. Investment revenue	-	210.3	1,977.1	4,993.2	505.8	7,686.4	-	-	544.6	544.6	8,231.0	-	8,231.0
R07. Other revenue	-	11.1	24.9	617.4	-	653.4	-	-	-	-	653.4	-	653.4
Total revenue	9,460.1	2,100.7	26,514.7	60,638.1	9,084.6	107,798.2	749.2	904.2	544.6	2,198.0	109,996.2	8,578.8	101,417.4
E01. Post costs	8,963.3	1,120.5	-	-	2,055.9	12,139.7	-	-	-	-	12,139.7	-	12,139.7
E02. Other staff costs	63.6	-	15,336.1	24,465.5	515.9	40,381.1	592.4	(3.3)	-	589.1	40,970.2	-	40,970.2
E03. Hospitality	-	-	-	-	-	-	-	-	-	-	-	-	-
E04. Consultants and experts	154.1	-	-	-	7.1	161.2	75.2	551.3	-	626.5	787.7	-	787.7
E05. Travel of representatives	-	-	-	-	-	-	-	-	-	-	-	-	-
E06. Travel of staff	127.3	215.2	2,320.5	2,703.6	79.8	5,446.4	63.6	36.3	-	99.9	5,546.3	-	5,546.3
E07. Contractual services	47.8	34.5	1,528.9	19,177.4	1,717.2	22,505.8	6.7	109.5	-	116.2	22,622.0	-	22,622.0
E08. General operating expenses	70.9	180.1	2,326.6	8,117.6	99.4	10,794.6	2.4	65.2	(8.7)	58.9	10,853.5	-	10,853.5
E09. Supplies and materials	3.7	-	4.8	209.8	2.4	220.7	53.0	1.2	-	54.2	274.9	-	274.9
E10. Furniture and equipment	29.4	17.4	254.4	1,248.2	0.2	1,549.6	5.2	-	-	5.2	1,554.8	-	1,554.8
E11. Grants and contributions	-	(0.9)	10,660.8	24,780.7	19.1	35,459.7	(49.3)	144.0	-	94.7	35,554.4	8,578.8	26,975.6

Category	Sources of funds/funding segments										Intersegment elimination	Grand total	
	REGB	FNDN	FNDE	TECH	PRGS	Subtotal	RPTC	DEVT	EOSB	Subtotal			Total
E12. Other expenses	-	(4.8)	346.7	587.5	-	929.4	-	-	-	-	929.4	-	929.4
Total expenses	9,460.1	1,562.0	32,778.8	81,290.3	4,497.0	129,588.2	749.2	904.2	(8.7)	1,644.7	131,232.9	8,578.8	122,654.1
Surplus/(deficit)	-	538.7	(6,264.1)	(20,652.2)	4,587.6	(21,790.0)	-	-	553.3	553.3	(21,236.7)	-	(21,236.7)
Gross fund balances (1 Jan. 2023)	-	4,922.0	93,493.0	281,823.0	14,050.9	394,288.9	-	-	(19,368.0)	(19,368.0)	374,920.9	-	374,920.9
Gross fund balances (30 Sep 2023)	-	5,460.7	87,228.9	261,170.8	18,638.6	372,499.0	-	-	(18,814.7)	(18,814.7)	353,684.3	-	353,684.3
Statutory operating reserves	-	3,000.0	4,023.0	11,360.0	2,932.0	21,315.0	-	-	-	-	21,315.0	-	21,315.0
Net fund balances (30 Sep 2023)	-	2,460.7	83,205.9	249,810.8	15,706.6	351,184.0	-	-	(18,814.7)	(18,814.7)	332,369.3	-	332,369.3

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 voluntary contributions to the Foundation non-earmarked fund as at the specified dates***(United States dollars)*

<i>Contributor</i>	<i>31.12.17</i>	<i>31.12.18</i>	<i>31.12.19</i>	<i>31.12.20</i>	<i>31.12.21</i>	<i>31.12.22</i>	<i>30.09.23</i>
Algeria	–	–	–	10 000	10 000	–	–
Angola	–	–	–	–	–	400 000	–
Argentina	–	–	–	–	–	–	–
Azerbaijan	–	–	–	–	–	3 000 000	–
Barbados	14 815	14 815	14 700	14 706	15 000	14 814	–
Benin	–	–	–	–	–	–	47 993
Botswana	–	50 000	20 000	40 000	20 000	20 000	–
Burkina Faso	–	–	16 886	–	17 590	–	32 457
Burundi	–	–	–	–	–	–	10 000
Chile	5 000	5 000	5 000	–	–	–	–
China	350 000	350 000	350 000	350 000	350 000	350 000	350 000
Côte d'Ivoire	25 000	–	–	–	–	–	–
Czechia	6 892	6 547	6 463	6 731	6 820	6 022	–
Dominican Republic	–	–	–	4 975	–	6 000	–
Egypt	–	–	–	–	50 000	–	–
Eritrea	–	–	–	–	–	–	–
France	–	–	225 220	227 740	–	528 346	–
Germany	–	–	–	184 049	174 419	1 028 807	545 256
Guinea	–	–	–	–	–	41 030	–
Haiti	9 910	10 000	–	–	–	–	–
India	100 000	100 000	150 000	145 455	100 000	–	100 000
Iraq	–	–	50 000	–	–	–	–
Israel	10 000	–	3 800	–	–	3 000	3 426
Italy	–	–	–	–	118 906	–	–
Japan*	117 136	–	34 950	31 455	31 458	28 312	30 011
Kenya	68 306	206 678	96 398	99 975	100 000	100 000	100 000
Kiribati	–	25 000	–	–	50 000	–	–
Malawi	–	–	10 000	20 000	10 000	–	–
Malaysia	–	1 200 000	–	–	–	1 000 000	–
Mali	–	–	9 653	–	10 012	–	–
Mauritius	–	–	–	–	25 000	–	75 000
Mexico	–	–	–	500 000	500 000	50 000	–
Myanmar	10 000	–	–	9 980	–	–	–
Namibia	150 000	–	–	–	–	–	150 000
Nigeria	–	–	–	75 000	–	–	–
Norway	593 014	632 631	2 356 129	2 180 130	–	–	–
Pakistan	–	6 000	6 000	5 941	5 992	5 843	5 824
Philippines	15 000	25 000	2 500	50 000	50 000	50 000	50 000
Portugal	–	–	–	–	–	–	125 000
Republic of Korea	87 596	89 204	80 378	84 365	84 066	70 033	–
Rwanda	–	–	–	–	10 000	–	–

<i>Contributor</i>	<i>31.12.17</i>	<i>31.12.18</i>	<i>31.12.19</i>	<i>31.12.20</i>	<i>31.12.21</i>	<i>31.12.22</i>	<i>30.09.23</i>
Senegal	–	–	9 988	44 868	–	–	–
Sierra Leone	10 000	–	–	–	–	–	–
Singapore	–	–	50 000	–	–	30 000	30 000
Slovakia	–	–	–	–	–	–	53 706
Somalia	–	–	–	–	–	–	2 500
South Africa	283 560	150 000	160 000	150 000	160 000	160 000	160 000
South Sudan	–	–	40 000	–	–	–	–
Spain	–	–	977 000	–	–	52 975	–
Sri Lanka	25 000	25 000	23 000	25 000	25 000	–	–
Türkiye	–	–	–	–	200 000	–	–
United Republic of Tanzania	–	9 886	–	–	–	–	–
United States of America	692 000	672 974	650 000	650 000	812 997	700 000	–
Zambia	24 970	7 820	–	–	–	–	–
Zimbabwe	–	–	–	–	–	–	8 002
Total	2 598 199	3 586 555	5 348 065	4 910 370	2 937 260	7 645 182	1 879 265

* Contributions from Japan have been aligned to donor specifications

Annex III**Status of earmarked voluntary contributions as at 30 September 2023***(Thousands of United States dollars)*

<i>Contributor</i>	<i>United Nations regional groups</i>	<i>Foundation earmarked</i>	<i>Technical cooperation</i>	<i>Total</i>
Adaptation Fund Board	Western Europe and other	-	10,919.9	10,919.9
Aga Khan Agency For Habitat	Africa	648.5	-	648.5
Alwaleed Philanthropies	Asia and Pacific	-	350.0	350.0
Argentina	Latin America and Caribbean	-	1,339.4	1,339.4
Azerbaijan	Eastern Europe	400.0	-	400.0
Block By Block	Western Europe and other	200.5	-	200.5
C40 Cities Climate Leadership Group Inc.	Global	219.5	-	219.5
Cameroon	Africa	48.7	254.6	303.3
China	Asia and Pacific	4,624.8	150.0	4,774.8
Democratic Republic Of Congo	Africa	383.1	-	383.1
Dubai Municipality - Dxb-Mun-G-Exp	Asia and Pacific	-	150.3	150.3
Egypt	Africa	-	200.0	200.0
European Commission	Western Europe and other	5,631.9	13,045.6	18,677.5
Finland	Western Europe and other	50.6	-	50.6
Fondation Botnar	Western Europe and other	68.8	-	68.8
Fukuoka International Exchange Foundation - Fief	Asia and Pacific	-	160.1	160.1
Germany	Western Europe and other	1,296.6	77.0	1,373.6
Here Be Dragons Investment Group	Western Europe and other	-	140.0	140.0
Hsbc Bank Middle East Limited	Asia and Pacific	-	920.0	920.0
Ideella Foreningen Teknikforetagen I Sverige Med Firma Foreningen	Western Europe and other	58.5	-	58.5
India	Asia and Pacific	-	50.0	50.0
Institute For Advanced Engineering	Asia and Pacific	-	7.4	7.4
Instituto Pereira Passos Prefeitura Da Cidade Do Rio De Janeiro	Latin America and Caribbean	-	68.1	68.1
Israel	Western Europe and other	7.0	-	7.0
Italy	Western Europe and other	1,735.6	-	1,735.6
Japan	Asia and Pacific	510.9	7,040.1	7,551.0
Jordan	Asia and Pacific	18.4	-	18.4
Kuwait	Asia and Pacific	-	250.0	250.0
Kuwait Fund For Arab Economic Development	Asia and Pacific	-	234.7	234.7
Malawi	Africa	-	210.5	210.5
Monaco	Western Europe and other	-	276.9	276.9
Morocco	Asia and Pacific	1,515.0	-	1,515.0
Mozambique	Africa	-	33.7	33.7
Municipio De Juiz De Fora	Latin America and Caribbean	-	152.9	152.9
Municipio De Sao Paulo	Latin America and Caribbean	-	28.9	28.9
Netherlands	Western Europe and other	39.6	1,919.7	1,959.3
Norway	Western Europe and other	153.8	243.1	396.9
Republic Of Korea	Asia and Pacific	1,720.9	3,646.5	5,367.4
Sandals Foundation Limited	Latin America and Caribbean	268.9	-	268.9

Senegal	Africa	128.0	-	128.0
Spain	Western Europe and other	73.4	6.0	79.4
Strategy & Saudi Arabia	Asia and Pacific	-	748.2	748.2
Sweden	Western Europe and other	2,902.9	-	2,902.9
Switzerland	Western Europe and other	25.6	57.3	82.9
Tunisia	Africa	500.0	-	500.0
Turkiye	Asia and Pacific	647.5	-	647.5
United Nations Entities (Includes The One United Nations Fund)	Global	1,965.3	14,830.1	16,795.4
World Bank-Hq	Western Europe and other	179.4	-	179.4
Wuppertal Institut Fur Klima, Umwelt Energie Gmbh	Western Europe and other	-	3,898.1	3,898.1
Zambia	Africa	20.0	-	20.0
Total		26,043.7	61,409.1	87,452.8