

**UN-Habitat, 1st Executive Board Meeting 2020
(Online meeting, 29 June 2020)**

Agenda Item 4: Status of and discussions on the draft annual work programme of the United Nations Human Settlements Programme and the draft budget of the United Nations Habitat and Human Settlements Foundation for 2021

Written statement by Germany

This following statement is in line with the view expressed/shared by the EU and its MS during the 1st Executive Board Meeting 2020.

- Germany **takes note of the Draft Work Programme and Budget for 2021** and welcomes that the sub-programmes are aligned with the Strategic Plan. We also welcome that the new flagship programmes are designed to address the four domains of change in an integrated manner and try to secure multi-year funding for greater predictability and planning.
- We further **welcome** that these programmes aim at building multi-stakeholder partnerships to increase coherence, impact and joint action among stakeholders. We encourage the ED – as part of the UN Habitat Reform strategy – to make full use of the opportunities the UN Development System Reform offers for enhanced impact through effective cooperation.
- Acknowledging UN-Habitat’s continuing challenging financial situation and the challenges posed by the COVID-19 pandemic, **we strongly request the ED to review the draft work programme and budget and develop a more realistic proposal based on actual revenues from previous years and limited capacities due to the ongoing pandemic.** The proposal should be discussed further with member states through the ad hoc working group on programmatic, budgetary and administrative matters in order to prepare a final draft for approval for the next Executive Board meeting.
- Furthermore, we would be **interested** in a clarification on the budgetary as well as programmatic **implications of the COVID-19 pandemic** and UN-Habitat’s Response Plan on the implementation of the Strategic Plan.
- While reviewing the draft programme and budget 2021, Germany would like to **encourage UN-Habitat to take the “do less better” approach at word** and

focus its activities less on outputs (such as number of trainings or studies) but rather concentrate on fewer activities that gain greater outcomes and impact. This would cater to the tense financial situation and at the same time benefit member states' understanding of UN-Habitat's efforts towards implementing the Strategic Plan on a qualitative rather than a quantitative level. Within this Framework, we would **welcome an even stronger focus on UN-Habitat's normative work within the draft work programme to further strengthen UN-Habitat's role as knowledge broker and focal point for sustainable urban development.** We welcome to discuss with the Secretariat and other delegations in the run up to the next Executive Board meeting on what could be priorities to achieve this focus and clarification of the niche for UN Habitat within the UN family.

- **Regarding the budget**, we are highly concerned that the estimates – especially with regard to the foundation non-earmarked – are too ambitious. Germany believes that the Executive Board should not adopt a budget that continues to put UN Habitat in a position that cannot realistically meet expectations.
- Regarding the **foundation non-earmarked**: The Draft Work Programme and Budget for 2021 admits that – over a period of many years – contributions by MS to the foundation non-earmarked have fallen far short of the budget approved. In 2019 the revenues amounted to only 5.3 million USD. **Even though the Executive Board approved 18.9 million USD for 2020 the actual revenues so far are only a fraction of it** and we just heard last week that the foundation non earmarked will run out of cash by end of June. **Hence we would like to get more clarity why the proposed budget for the foundation non-earmarked for 2021 is 33.9. million USD**, which is – compared to the 2020 approved budget – an increase of 79.3%. Even though the Draft Work Programme and Budget for 2021 explains the increase with an ambitious approach to resource mobilisation, we **strongly recommend to use experiences from past budgets and actual revenues from previous years as the base and to noticeably reduce the estimated amount of the foundation non-earmarked for 2021.**
- With regard to the **regular budget**: The amount of regular budget allocations for 2021 is projected at 14.2 million USD which represents a 27.1 % increase pending a review of the proposals to be submitted to the General Assembly for

approval. Since the proposal is, as you say yourself, still pending, since we are facing a very cost intensive pandemic and since we know about the challenge when the forecast is not even closely met by actual revenues, **we would recommend a more conservative revenue prediction in this regard.**

- The proposed **earmarked budget** seems to be better aligned with the trends of the income received. We would welcome further efforts by the Secretariat to ensure that the activities funded are contributing or well linked to the normative work of UN Habitat.
- Hence, it is of high importance that UN-Habitat develops a budget proposal that is based on a more conservative revenue prediction as well as a contingency strategy or amended work programme for each year which could be put in place as soon as it becomes evident that actual revenues will not match the estimates. The currently proposed Draft Work Programme and Budget for 2021 can only be kept as a “high ambitions” option in case 2021 revenues are significantly exceeding the more conservative estimate.
- In addition, a critical look should be taken at the increased staff requirements for 2021 which is now an estimated 318 posts. This exceeds the original estimates of 303 post for 2021. In light of the current situation, we request UN-Habitat to review these estimates and align them to a financially more conservative scenario.
- In general, we welcome the provision of more detailed information on variances in the draft budget and explanations for the main variances as well as more accurate information as requested last year by the Advisory Committee on Administrative and Budgetary Questions. In that regard and looking ahead to the second meeting of the Executive Board later this year, we request the ED to prepare a Report on the follow-up to the recommendations of the ACABQ on the work programme and budget for 2020 as announced in the initial draft agenda for the first session of this year’s EB meeting.
- Additional and more specific, we would welcome the inclusion of preliminary budget figures for 2020 in the next draft of the budget. These information should include both actual revenues and expenditures for the first two quarters of the year and an updated estimate for the whole of 2020. Also, regarding the deliverables, we recommend adding the figures for 2019 to the

actual draft instead of only having them separately in the annex. This makes it easier to see the continuity of UN-Habitat's work at one glance.

- Last, we would also be interested in hearing about the current recommendations from the ACABQ regarding the draft programme and budget for 2021 and UN-Habitat's response so far. This will further contribute to strengthening transparency and regaining trust of member states.

Thank you.