



64th Regular Meeting of the CPR

20TH MARCH 2017

Financial Status 2016 compared to Budget and Budget 2017

Important note regarding the interim financial status

- The final figures of 2016 expenditure will only be known at the end of June 2017 once the auditors have concluded their work and final adjustments have been made
- The current estimate of 2016 figures presented relating to revenue are net of revenue adjustments
- We are unable to anticipate what these changes may be
- It is more likely that the effect would be to increase expenditure
- UN-Habitat will therefore maintain a conservation fiscal position and continue to target an increase of \$5m in its core budget in 2017

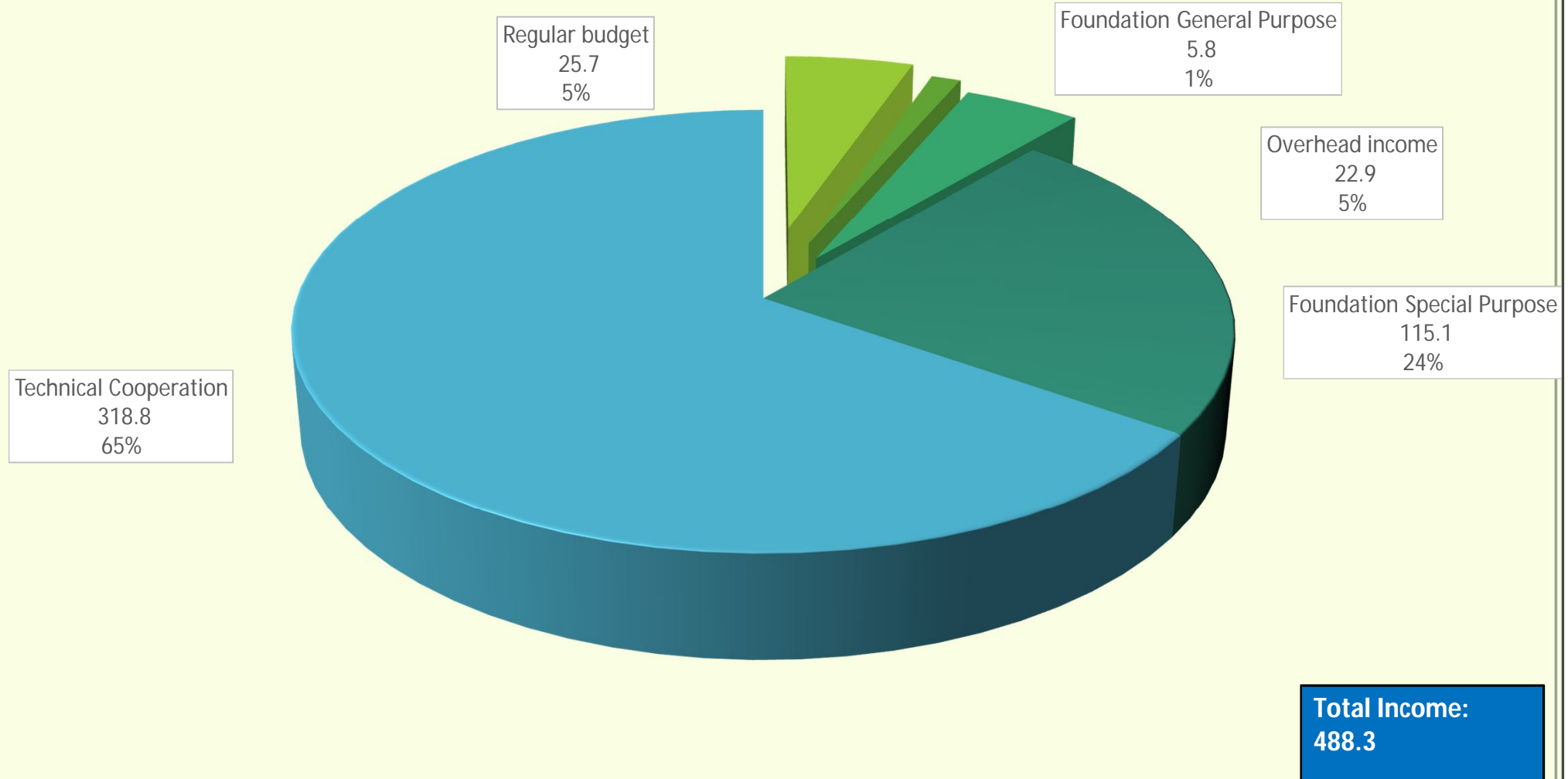
Description	2015	2016	2017	2016 - 2017	2016-2017
	Actuals	Current Best Estimate	Projected	Total	Estimates as per WP&B
Regular budget	16.9	14.1	11.6	25.7	
Foundation General Purpose	2.5	2.3	3.5	5.8	
Overhead income	11.3	11.0	11.9	22.9	
Sub Total Core Income	30.7	27.4	27.0	54.4	-
Foundation Special Purpose	29.6	53.3	61.8	115.1	
Technical Cooperation	117.5	155.6	163.2	318.8	
Sub Total Earmarked Income	147.1	208.9	225.0	433.9	-
Total Income	177.8	236.3	252.0	488.3	-
Cost recovery					
Cost recovery	2.8	2.5	5.0	7.5	-
Total Income and Cost Recovery	180.6	238.8	257.0	495.8	-
Expenditure					
Regular budget	16.9	14.1	11.6	25.7	22.5
Foundation General Purpose and Overhead	22.2	17.6	20.4	38.0	45.6
Foundation Special Purpose	45.5	57.5	59.3	116.8	101.3
Technical Cooperation	93.5	110.5	146.6	257.1	312.9
Gross Expenditure	178.1	199.7	237.9	437.6	482.3
Carry Over	2.5	39.1	19.1	58.2	-

2016 Core Scenario – Current vs. Interim actuals

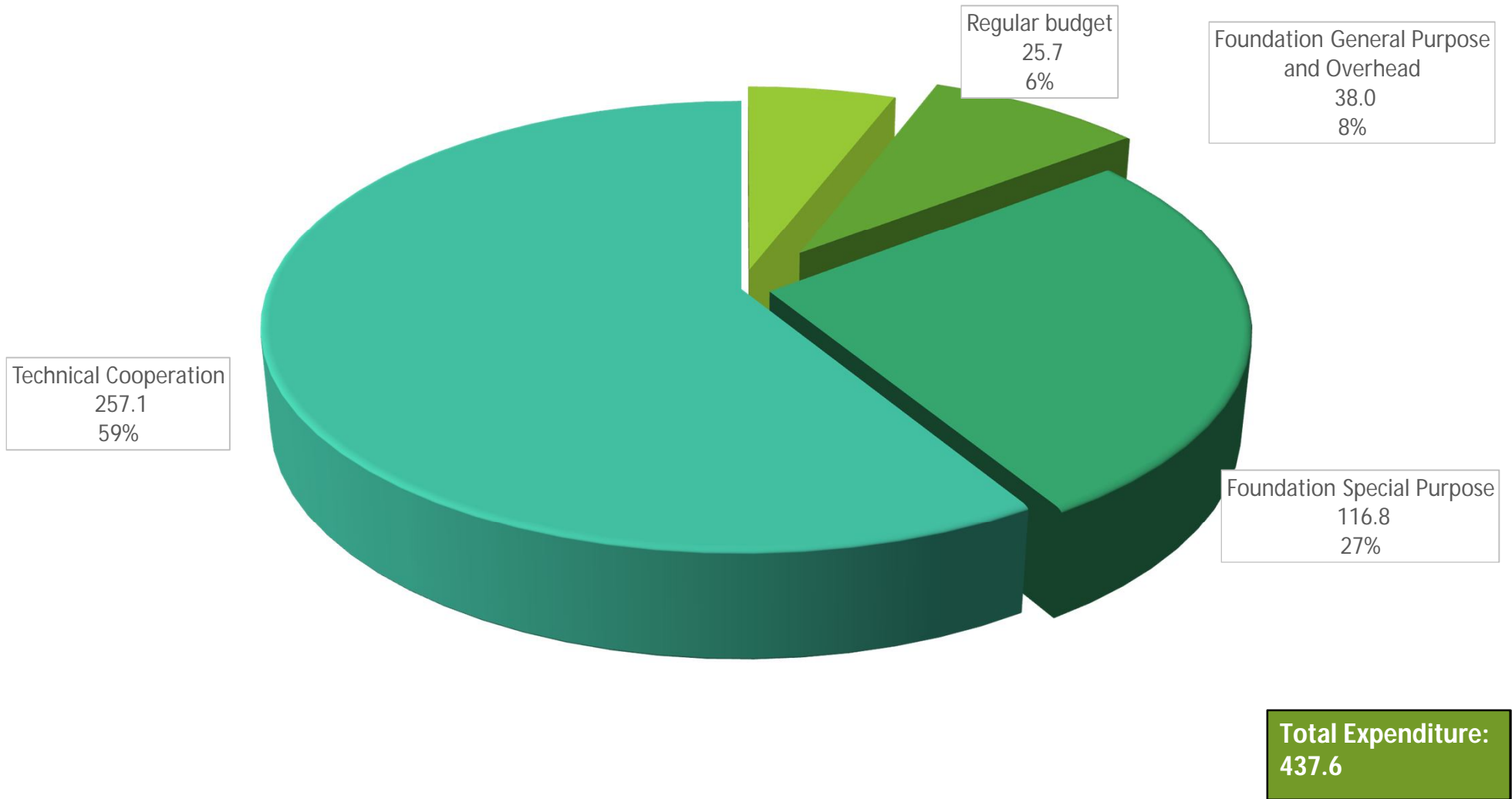
(Thousands of US dollars)

Description	Scenario as per Way Forward paper	Interim actuals
Regular budget (UNA)	12,000	14,063
Foundation non earmarked	3,000	2,372
Other Income Professional Services	-	-
Overhead income	9,000	11,000
Total Core Income	24,000	27,435
Cost recovery revenue	4,000	2,465
Revenue Adjustment		(51)
Total core and cost recovery revenue	28,000	29,849
Staff costs	25,500	26,767
Non-staff costs	6,920	4,840
Gross Core Expenditure	32,420	31,607
Projected Core Surplus/(Deficit) before extraordinary expenses	(4,420)	(1,758)
Extraordinary Umoja/Investment	550	100
Agreed separation costs	-	-
Total extraordinary expenses	550	
Carry Overs	(4,970)	(1,858)

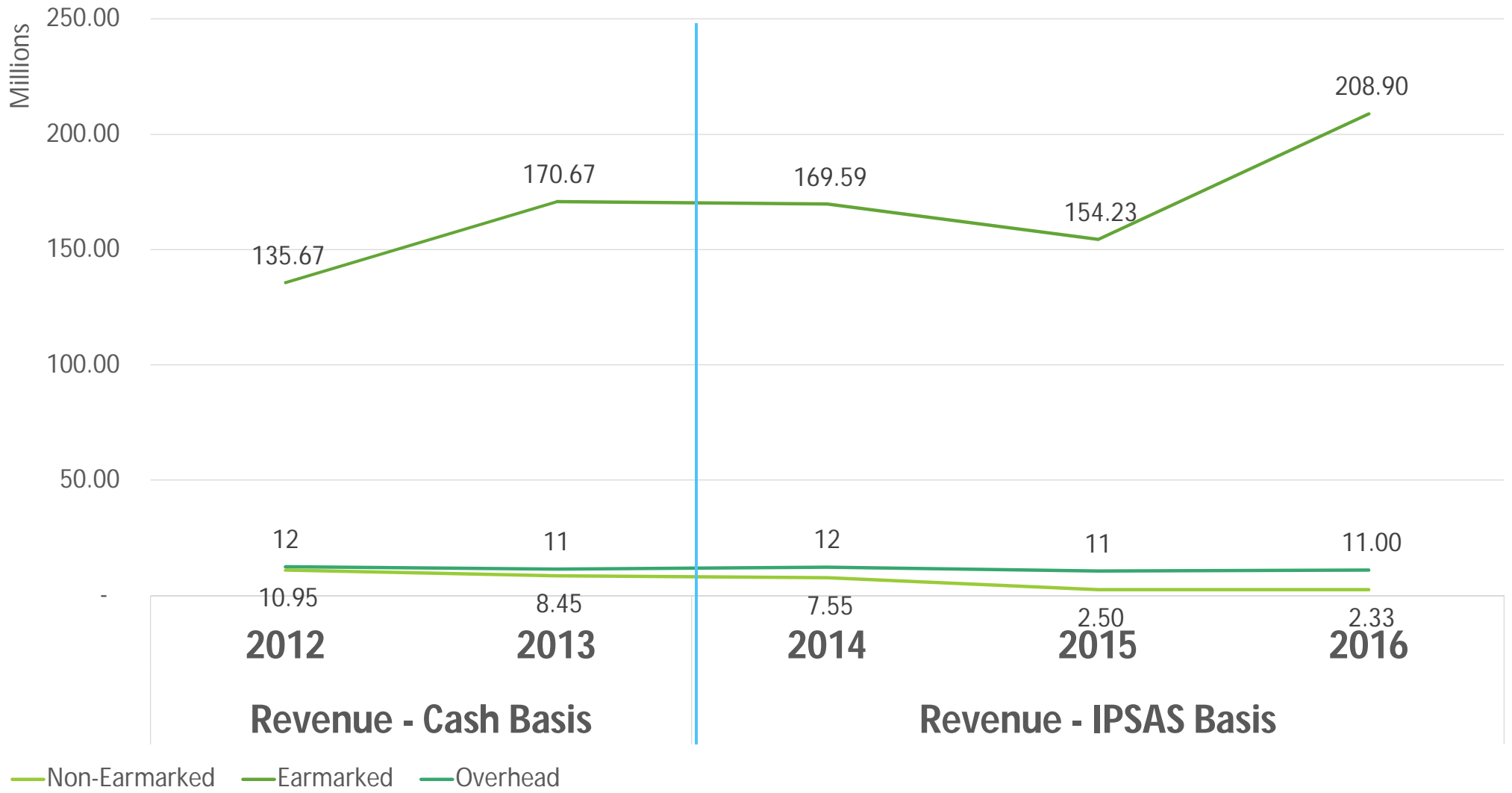
Total Projected Income 2016 - 2017



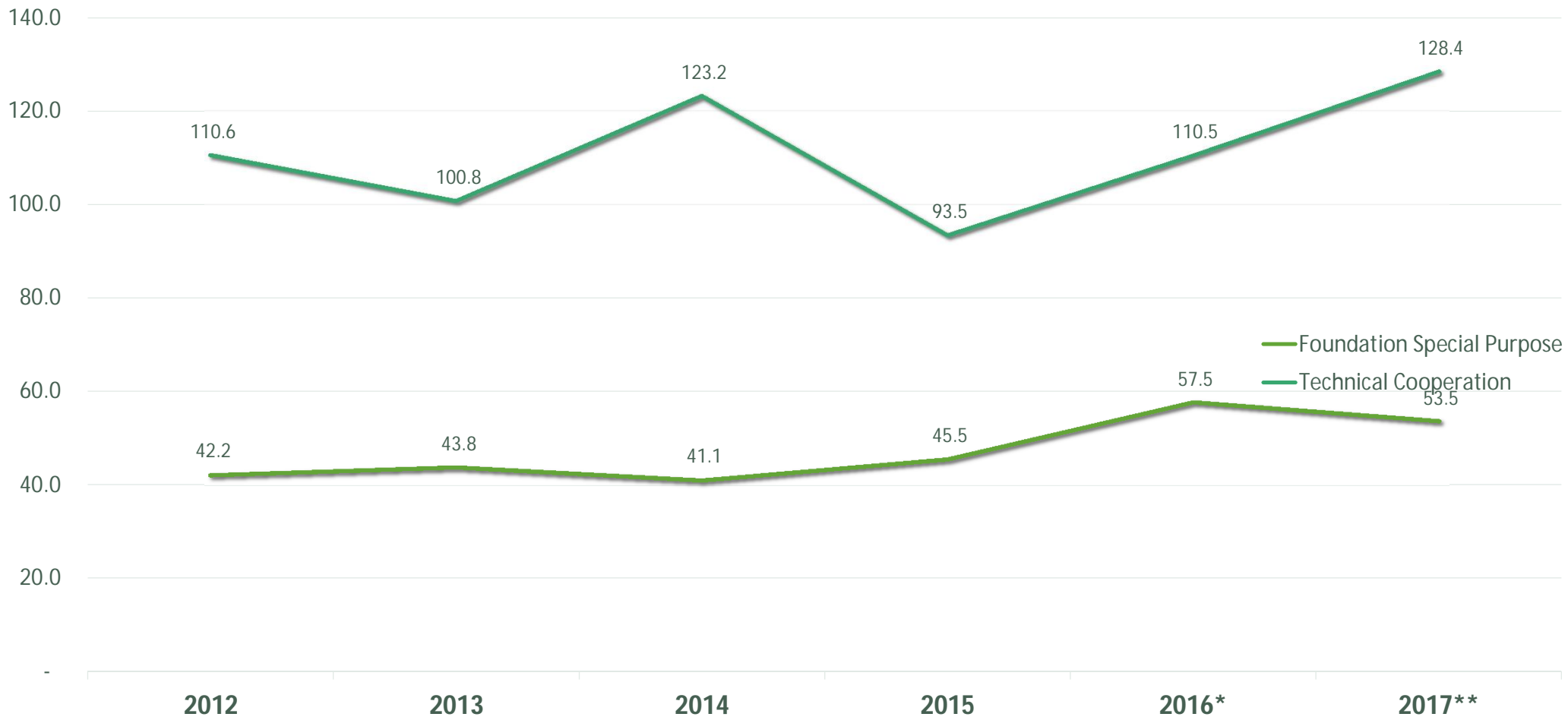
Total Projected Expenditure 2016 - 2017



Revenue trend – Earmarked, Non-Earmarked and Overhead 2012 - 2016



Implementation of portfolio (FSP & TC) (2012-2017)



* Note: FGP includes cost recovery and investment revenue amounting to USD 1.7 million

* 2016 figures are from interim IPSAS financial statements

** 2017 figures are forecasted

Staff Costs – Core

	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Interim actual	Possible
Staff costs (Thousands)	34,276	31,625	29,492	29,989	26,767	28,000

- ▶ Staff costs have reduced from 33m* USD in 2011-12 to 26.8m USD in current year
 - Recruitment freeze
 - Cost Recovery
 - Agreed separations

- ▶ *Without the measures, the staff bill would have been at US\$38.5 in 2014

- ▶ Reduction in adjusted for inflation terms: 35%

Non Staff Costs – Core

	2012	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Interim actual	Possible
Non-staff costs (Thousands)	6,918	6,590	6,185	6,251	4,840	9,200

- ▶ Non Staff costs have remained relatively stable from 5.2m USD in 2011 to 4.8m in current year
 - Largely due to fixed costs of UNON and HQ
 - Cost Recovery
 - Continuing savings in travel and consultancies

- ▶ Real reduction of costs adjusted for inflation since 2011 is 45%

2017 Scenarios – Core

(Thousands of US dollars)

Description	Conservative	Core Capacity
Regular budget (UNA)	12,500	12,500
Foundation General Purpose	2,000	6,700
Other Income Professional Services	-	-
Overhead income	10,000	11,500
Total Core Income	24,500	30,700
Cost recovery revenue	5,000	5,000
Total core and cost recovery revenue	29,500	35,700
Staff costs	23,000	26,500
Non-staff costs	7,265	8,700
Gross Core Expenditure	30,265	35,200
Projected Core Surplus/(Deficit) before extraordinary expenses	(765)	500
Extraordinary Umoja/Investment	300	500
Agreed separation costs	-	-
Total extraordinary expenses	300	500
Carry Overs	(1,065)	-

2018 Scenarios – Core

(thousands of US dollars)

Description	Strong implementation NUA	Moderate implementation NUA	Status quo
Regular budget (UNA)	20,000	15,000	12,500
Foundation General Purpose	13,000	10,000	2,000
Other Income Professional Services	-	-	-
Overhead income	17,000	13,000	11,000
Total Core Income	50,000	38,000	25,500
Cost recovery revenue	7,000	6,000	5,000
Total core and cost recovery revenue	57,000	44,000	30,500
Staff costs	40,000	32,000	23,000
Non-staff costs	15,000	11,000	7,265
Gross Core Expenditure	55,000	43,000	30,265
Projected Core Surplus/(Deficit) before extraordinary expenses	2,000	1,000	235
Extraordinary Umoja/Investment	-	-	-
Agreed separation costs	-	-	-
Total extraordinary expenses	-	-	-
Carry Overs	2,000	1,000	235

Budget Envelope 2018-2019 (US\$ millions)

INCOME	Category	Best estimate closing 2016	2017	2018**	2019**	Current Budget 2016-2017	Best closing estimate 2016-2017	Proposed 2018-2019	Difference 16/17-18/19	Difference best closing estimate
	UNA	14.1	11.6	9.7	9.7	22.5	25.7	19.4	-13.8%	-24.5%
	FGP	2.3	3.5	12.0	14.1	45.6	5.8	26.1	-42.8%	350.0%
	Overhead	11.0	11.9	14.9	14.9	29.4	22.9	29.8	1.4%	30.1%
	Sub-total	27.4	27.0	36.6	38.7	97.5	54.4	75.3	-22.8%	38.4%
	(Cost-recovery)	2.5	5.0	6.0	7.0	4.5	7.5	13.0	188.9%	73.3%
	Total core income	29.9	32.0	42.6	45.7	102.0	61.9	88.3	-13.4%	42.6%
	Tech Coop acquisition*	155.6	163.2	157.2	157.2	312.9	318.8	314.4	0.5%	-1.4%
	FSP acquisition *	53.3	61.8	70.0	70.0	101.3	115.1	139.9	38.1%	21.5%
	Total projected acquisitions	208.9	225.0	227.2	227.2	414.2	433.9	454.3	9.7%	4.7%
	Total income	238.8	257.0	269.8	272.9	516.2	495.8	542.6	5.1%	9.4%
EXPENDITURE		Best estimate closing 2016	2017	2018**	2019**					
	Core expenditure	31.7	32.0	21.7	23.8	102.0	63.7	45.5	-13.4%	-28.6%
	Tech Coop*	110.5	146.6	157.2	157.2	289.9	257.1	314.4	8.5%	22.3%
	FSP *	57.5	59.3	70.0	70.0	90.4	116.8	139.9	54.8%	19.8%
	Total expenditure	199.7	237.9	248.9	251.0	482.3	437.6	499.8	3.6%	14.2%
	Carry overs	39.1	19.1	20.9	21.9	33.9	58.2	42.8	26.3%	-26.5%

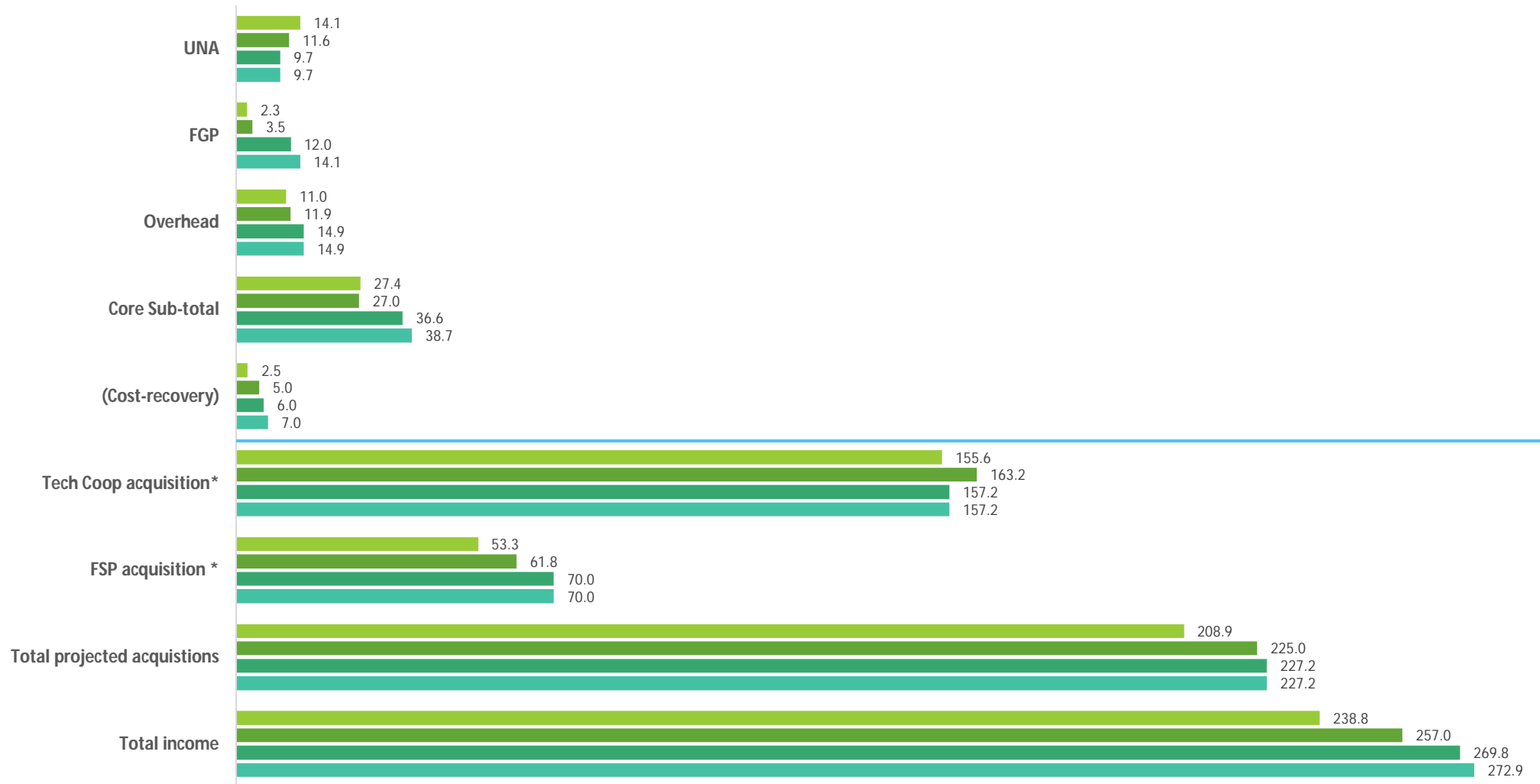
* 2017 figures are inclusive of Overhead at 7%

** Pending decision on the UNA contribution post-UN-Habitat assessment

*** The 2016/2017 budget was developed at the time when UN Habitat was using UNSAS

2018-19 Budget Estimates – Income

■ Best estimate closing 2016 ■ 2017 ■ 2018** ■ 2019**



Fund Balances – Core

(thousands of US dollars)

Fund	Description	2012	2013	2014	2015	2016
		Actual	Actual	Actual	Actual	Actual
Foundation General Purpose	Core Surplus/(Deficit)	(5,382)	(3,128)	(524)	(6,344)	(3,943)
	Opening Fund balance	18,759	13,260	10,459	9,878	5,593
	Adjustment of fund balance from reserves	(117)	327	(57)	2,059	-
	Closing Fund balance	13,260	10,459	9,878	5,593	1,650
	Reserves	6,619	6,619	6,619	4,560	4,562
	Total Reserves and Fund balance	19,879	17,078	16,497	10,153	6,211
Fund	Description	2012	2013	2014	2015	2016
		Actual	Actual	Actual	Actual	Interim
Overheads	Core Surplus/(Deficit)	(2,038)	(2,058)	(299)	805	2,085
	Opening Fund balance	14,297	12,274	10,288	9,911	10,716
	Adjustment of fund balance from reserves	15	72	(78)	-	-
	Closing Fund balance	12,274	10,288	9,911	10,716	12,801
	Reserves	2,932	2,932	2,932	2,932	2,932
	Total Reserves and Fund balance	15,206	13,220	12,843	13,648	15,733