

UN HABITAT FOR A BETTER URBAN FUTURE

**65th MEETING OF THE COMMITTEE OF PERMANENT REPRESENTATIVES TO
THE UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME**

29th June 2017

Executive Director's Statement

Mr. Chair, Excellencies and Distinguished Delegates,

Thank you for giving me this opportunity to provide you, at this 65th meeting of the CPR, with an update on UN-Habitat's financial situation for the quarter ended 31st March 2017. The detailed quarterly financial performance report for the period then ended has already been transmitted to you.

As presented in the Statement of Financial Performance which outlines UN-Habitat's revenue, expenses and fund balances, UN-Habitat's revenue for the period totaled USD 29.3 million of which USD 4.9 million is related to core funds, while USD 24.4 million were earmarked funds.

Total expenditure for the period amounted to USD 35.1 million comprising of USD 7.9 million for core expenses and USD 27.2 million for earmarked expenses.

At the beginning of 2017, total core fund balances including reserves stood at USD 21.8 million of which USD 6.1 million related to the foundation general purpose and USD 15.7 million was for programme support fund.

Details of the fund balance movement for the earmarked funds have been provided in section 5.2 of the notes to the statement of financial performance.

Excellencies, as you will have noted in Annex B of the financial statement, the expected funding for the first quarter under foundation general purpose is about USD 5.7 million being one-quarter of the annual budget of USD 22.8 million. However, only USD 300,000 was received in the quarter indicating a gap of about USD 5.4 million (94.7%). This reality means that there continues to be a challenge in our core budget..

Excellencies, as indicated in previous meetings, with the above financial position of the organisation, the need for changes in the way the organization

is financed cannot be over-emphasised. I hope that this year will see some much needed and careful reflection on how the core financial needs of an efficient, specialized and focused UN-Habitat can be met.

Excellencies, just like I did last year, I would like to extend my request for adequate core finance, while the work of the assessment of UN-Habitat continues. We continue to look for the investment of interested member states who believe in the strategic role of urbanization, and of UN-Habitat's unique role.

Some member states have already taken up this challenge, with positive results, and I would like to express our gratitude and consideration for that.

Excellencies, allow me to express my appreciation to the Governments of Barbados, Chile, Haiti, Japan, Kenya and South Africa for their contributions to the foundation general purpose received as at the end of the first quarter. I trust that many more member states will join the list as the year progresses.

I am also grateful for new contribution agreements signed in the first quarter for earmarked activities amounting to USD 24.4 million with governments and other donors. I would therefore like to extend my appreciation to the Governments of Australia, Cape Verde, China, Japan, Republic of Korea, Spain, Uganda and the European Union for agreements signed.

I would like to take this opportunity to encourage member states to provide their contributions for 2017 as early as possible, particularly those for UN-Habitat's Foundation General Purpose account. This will allow the agency not only to carry out planned activities contained in the Governing Council approved programme of work but also to advance in the intense work following Habitat III.

Thank you for your kind attention.