

EXECUTIVE BOARD

2020 Session 2, 27-29 October 2020

AGENDA ITEM 3

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Tuesday, 27 October 2020



UN HABITAT
FOR A BETTER URBAN FUTURE

Agenda item 3: Financial, budgetary and administrative matters



| Agenda Item 3 – Contents



- Overview
- Supporting documents
- The financial status of UN-Habitat as at 30 June 2020 paragraph 4 of decision 2019, with an update as at 30 September 2020
- Update on the restructuring and financing of UN-Habitat
- Resource mobilization efforts including implementation of resource mobilization strategy
- Staffing status as at 30 June 2020, with an update as at 30 September 2020



| Agenda Item 3 – Overview



The overall financial support to UN-Habitat remains strong, specifically for the earmarked projects.



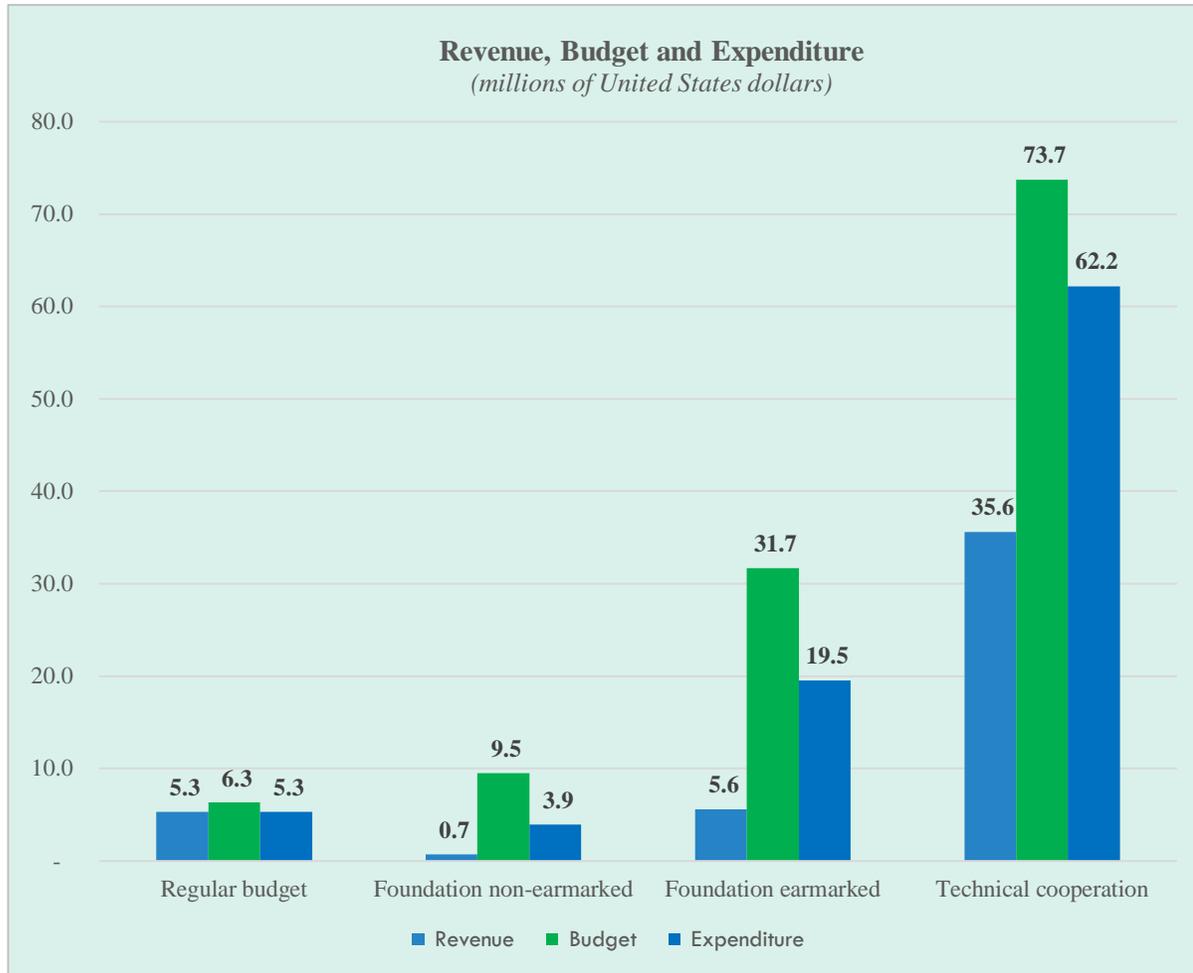
The normative financial support to UN-Habitat does not support the full implementation of the 2020-2023 strategic plan, which has resulted in a reduction in the ability to fulfil the mandated normative outputs for 2020 and a reduced proposed programme of work for 2021.



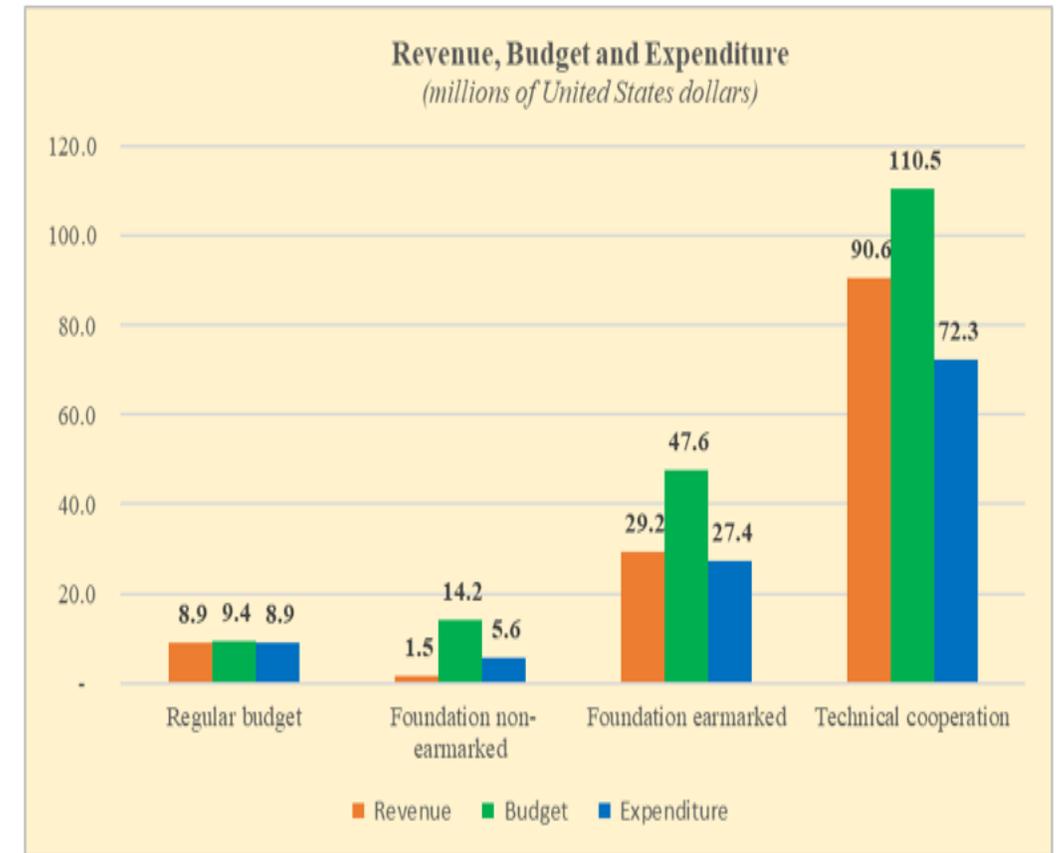
The above continues to leave UN-Habitat with unfunded areas, specifically in data collection and reporting in support of Agenda 2030 and the implementation of the Regional Architecture.



Implications of reducing the Foundation non-earmarked budget on the work programme for 2021



Status of UN-Habitat main funds as at 30 September 2020 (nine-month prorated budget)*



* Revenue is stated net of adjustments.



| Top 10 Earmarked Contributors 2020 (as at 30 September)

Earmarked Contributions		
USD 119.0 million		
	Donor	%
1	European Union	28.4
2	Sweden	21.5
3	The Adaptation Fund Board	10.5
4	Japan	10.2
5	United Nations Development Programme	4.6
6	Brazil	2.2
7	Awash Welday General Contractor	2.2
8	Germany	1.7
9	Alwaleed Philanthropies	1.7
10	Qatar Development Fund	1.7
	Others	15.3



Foundation non-earmarked contributions (as at 15 October 2020)



Reduced spatial inequality and poverty in communities across the urban-rural continuum



Strengthened climate action and improved urban environment

<i>Country</i>	<i>15 Oct. 2020</i>
Algeria	9 970
Barbados	14 706
Botswana	20 000
China	350 000
Dominican Republic	4 975
France	227 740
Japan	31 455
Korea, Republic of	84 365
Malawi	10 000
Myanmar	9 980
Norway	2 180 130
Pakistan	5 941
Senegal	44 868
South Africa	150 000
Sri Lanka	25 000
United States of America	545 000
Total	3 714 130



Enhanced shared prosperity of cities and regions

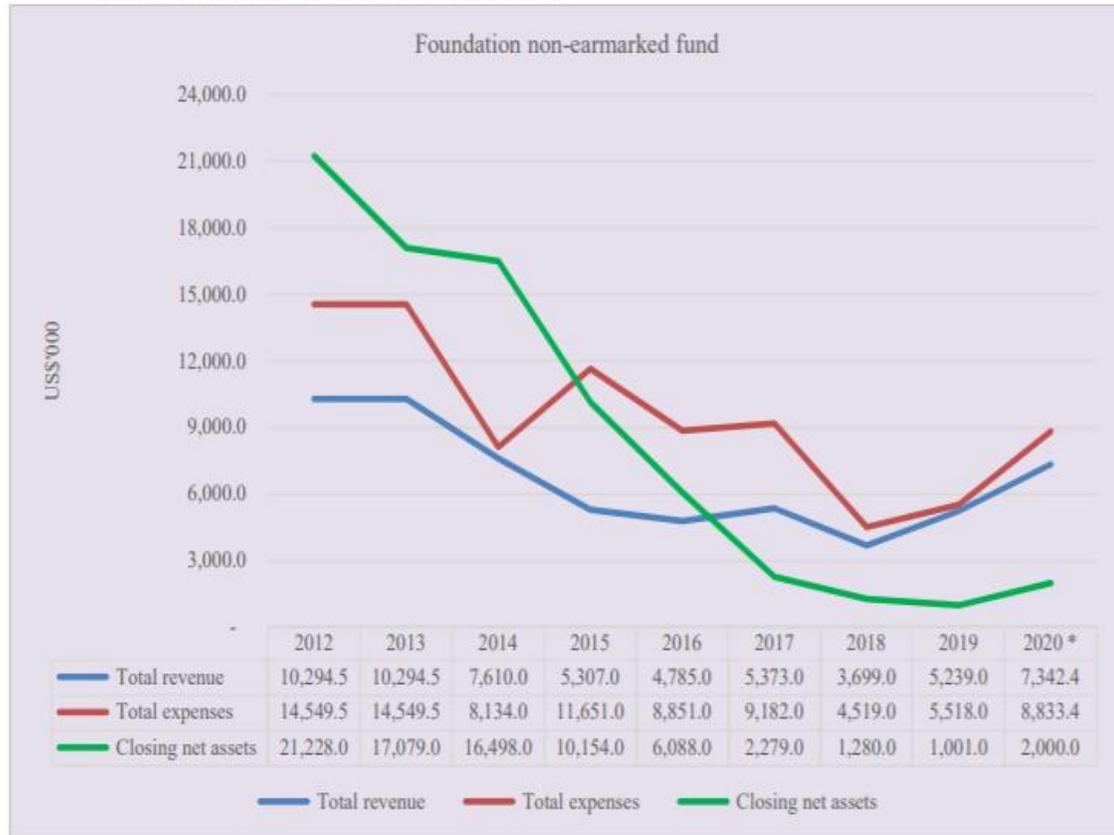


Effective urban crisis prevention and response



Foundation Non-earmarked Contributions (30 June 2020 / 30 September 2020)

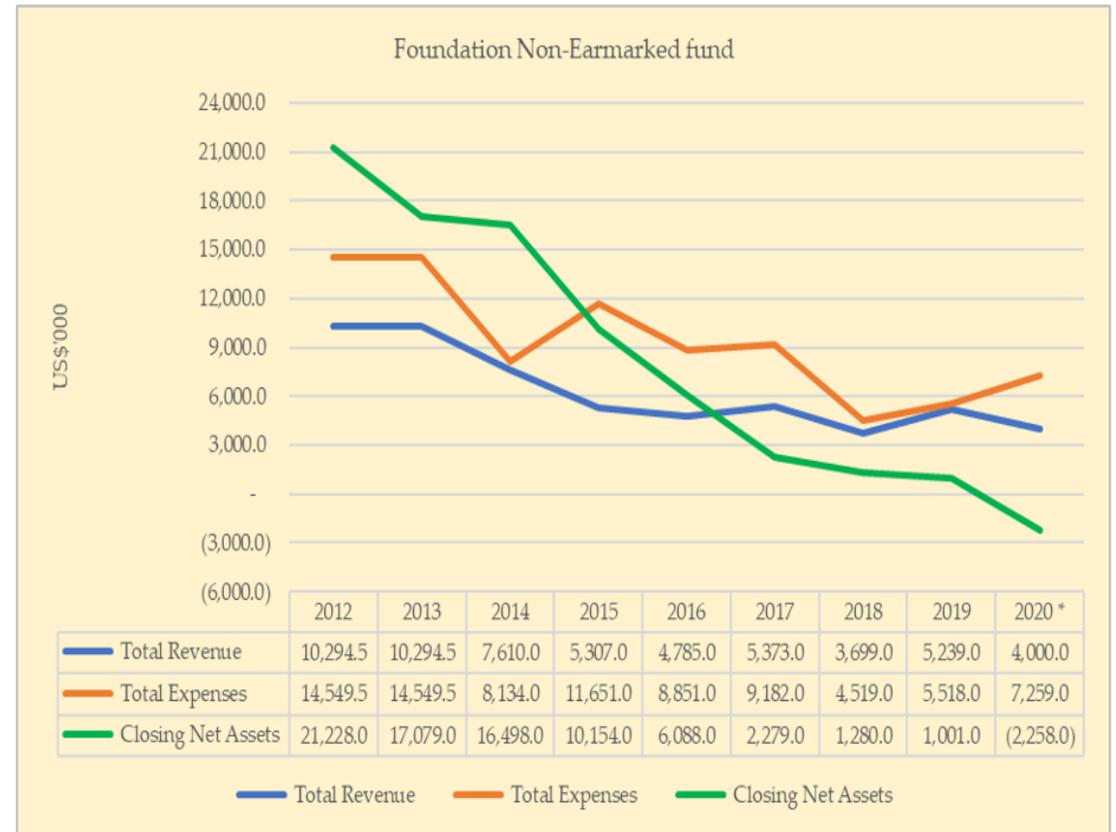
Trends in the Foundation non-earmarked fund^a



^a Closing net assets value is before loan from programme support account.

*2020 projected revenue includes additional contributions to ensure that the liquidity reserve is maintained.

Trends in the Foundation non-earmarked fund ^a



^a Closing net assets value is before loan from programme support account.



UN-Habitat 2019 Financial Statement and Board of Audit Report

October 2020

| UN-Habitat 2019 Financial Statements and Report of the Board of Auditors

Key Facts noted in the Report of the Board of Auditors



\$ 25.6 million	Original annual resources (regular budget and foundation non-earmarked)
\$227.15 million	Original annual resources (technical cooperation and foundation special purpose)
\$172.3 million	Total revenue
\$178.4 million	Total expenses
302	UN-Habitat staff



Report of the Board of Auditors on the financial statements: audit opinion;

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UN-Habitat as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

Overall conclusion

The Board did not identify material deficiencies in accounts and records that might affect the fair presentation of the financial statements of UN-Habitat





Key Findings noted in the Report of the Board of Auditors

- *Low implementation rate for previous year's audit recommendations.*
- *Agreements signed and accrued in different years*
- *Validity of agreements of cooperation and their amendments*
- *Maximum amount of community agreements*
- *Formal instruction for the recruitment, process done through a non-United Nations entity*
- *Recruitment process done through a non-United Nations entity*
- *Overtime of staff members at UN-Habitat headquarters*



Update on the restructuring and financing of UN-Habitat

October 2020

| Update on the organizational restructuring of UN-Habitat

November 2019: Executive Board endorsed Habitat's new organisational structure

January 2020: Staff members were laterally reassigned to organisational units in the new structure

UN-Habitat Regional Architecture Working Group Established

The Executive Director has established a working group tasked to develop a strategy and guiding principles to strengthen Habitat's global presence to maximize country-level impact.

It is well recognized that UN-Habitat's technical advisory and other country-level activities enhance the normative value of the policies, guidelines and other tools developed and championed by the organization.

Normative work is defined by the United Nations Evaluations Group as:

“ The support to the development of norms and standards in conventions, declarations, regulatory frameworks, agreements, guidelines, codes of practice and other standard setting instruments at global, regional and national level. Normative work also includes the support to the implementation of these instruments at the policy level, i.e., their integration into legislation, policies and development plans, and to their implementation at the programme level. ”



| Update on the organizational restructuring of UN-Habitat

Guiding principle: one size does not fit all; significant variation exists between countries and regions. Moreover, Habitat has finite resources and cannot operate in the same manner in all locations globally.

In addition to headquarters, the working group has identified six possible typologies of presence:

- (1) Regional Office
- (2) Country Office
- (3) Multi-Country Office
- (4) Liaison Office
- (5) Global programme office/thematic hub
- (6) Project office/other forms of country-level programme presence

Fundamental elements and functions for each typology, e.g., a regional/country office or liaison/representational office are presently being developed by the working group



| Update on the organizational restructuring of UN-Habitat

Guiding principle: enhanced alignment and integration at all levels with the reformed United Nations Development System (UNDS) to ensure wider UN regional leverage and system wide coordination engagement

UNDS system reforms

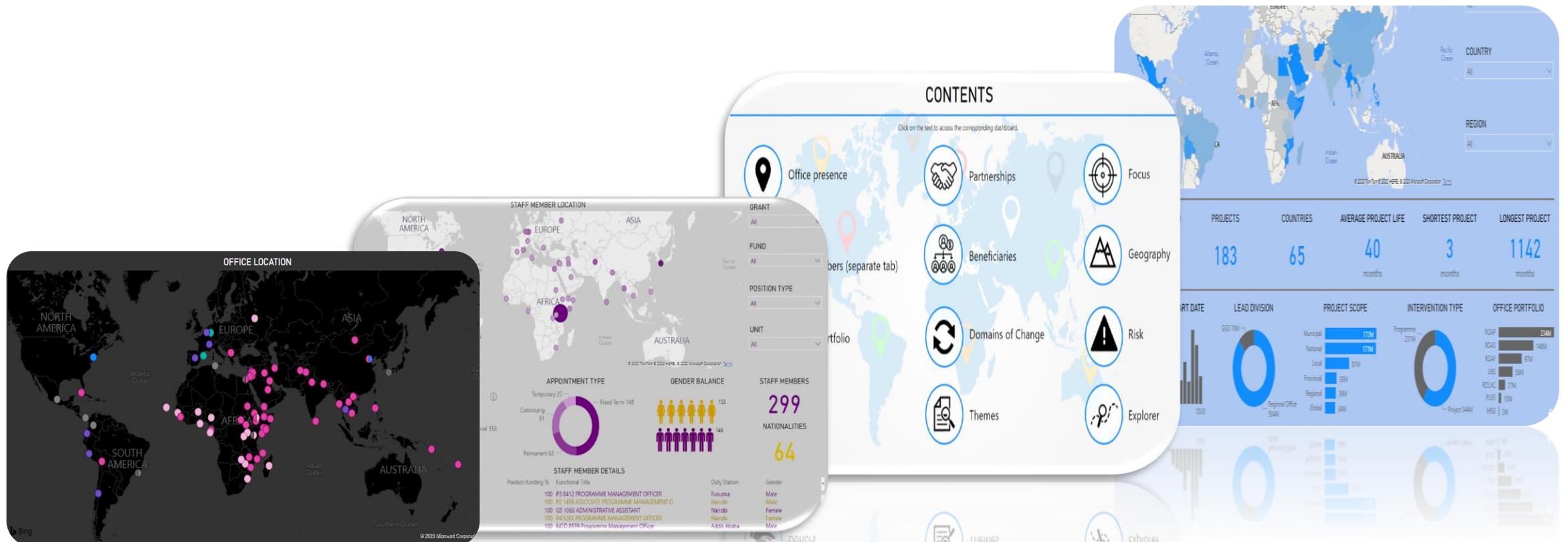
- Strengthen engagement with the new Resident Coordinator system and active participation in United Nations Country Teams (UNCTs), including the Common Country Assessment and Cooperation Framework process
 - Presently UN-Habitat's participation is negatively impacted by the fact that many of our country and programme offices away from headquarters operate with very limited human resources
- Facilitate cooperation and collaboration with the regional UN Development Coordination Office (UN DCO) and the Regional Collaborative Platforms



| Update on the organizational restructuring of UN-Habitat

Mapping UN-Habitat's global presence

An interactive 'Global Dashboard' is under development to visualize UN-Habitat's global presence and operations in the field.



| Update on the organizational restructuring of UN-Habitat

Parallel two-track approach to implementation

Track 1: ‘quick wins’ to strengthen Habitat’s current country-level presence and regional engagement by assigning staff to strategic locations [e.g. locations hosting a regional UN DCO or Economic Commission]; bolstering the human resources capacities/realigning the mandate of existing offices [e.g. a Country Office could also provide liaison services]

Track 2: establish new UN-Habitat offices; this could take the form of a new regional or country office, or an office mandated to host an UN-Habitat global programme

Establishment of a **new** office away from headquarters will be subject to the Secretary-General’s December 2019 directive on ‘*Procedures for the Establishment of United Nations Offices away from Headquarters*’



Staffing status as at 30 June 2020, with an update as at 30 September 2020

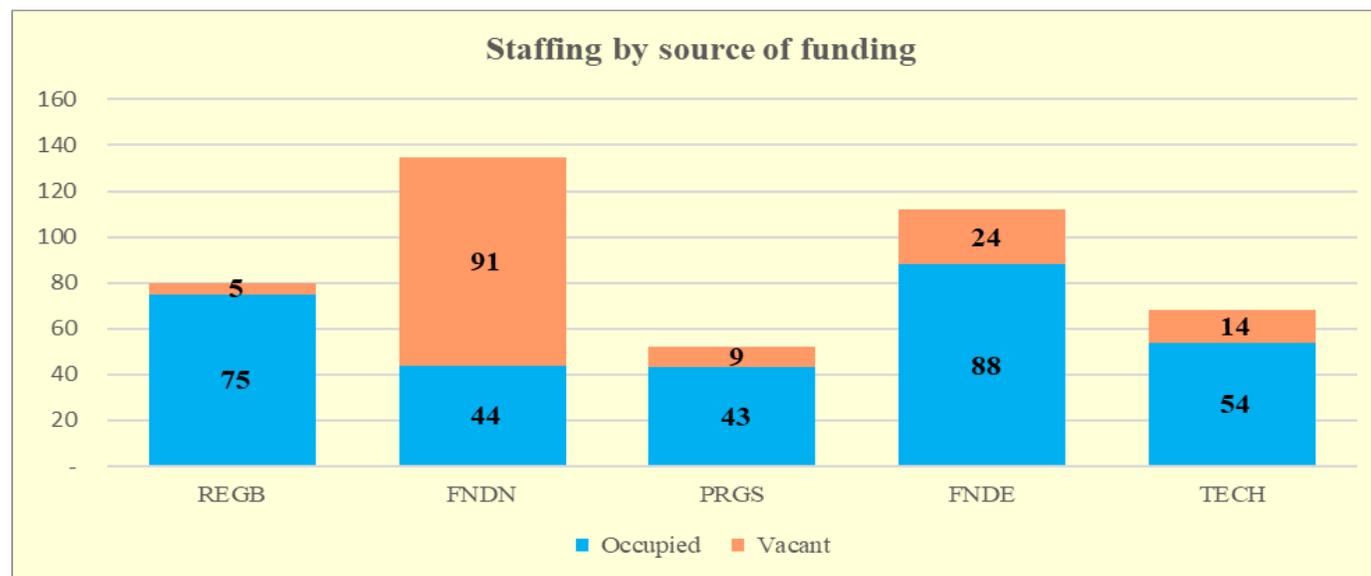
October 2020

Staffing status as at 30 June 2020

Post distribution by funding segment

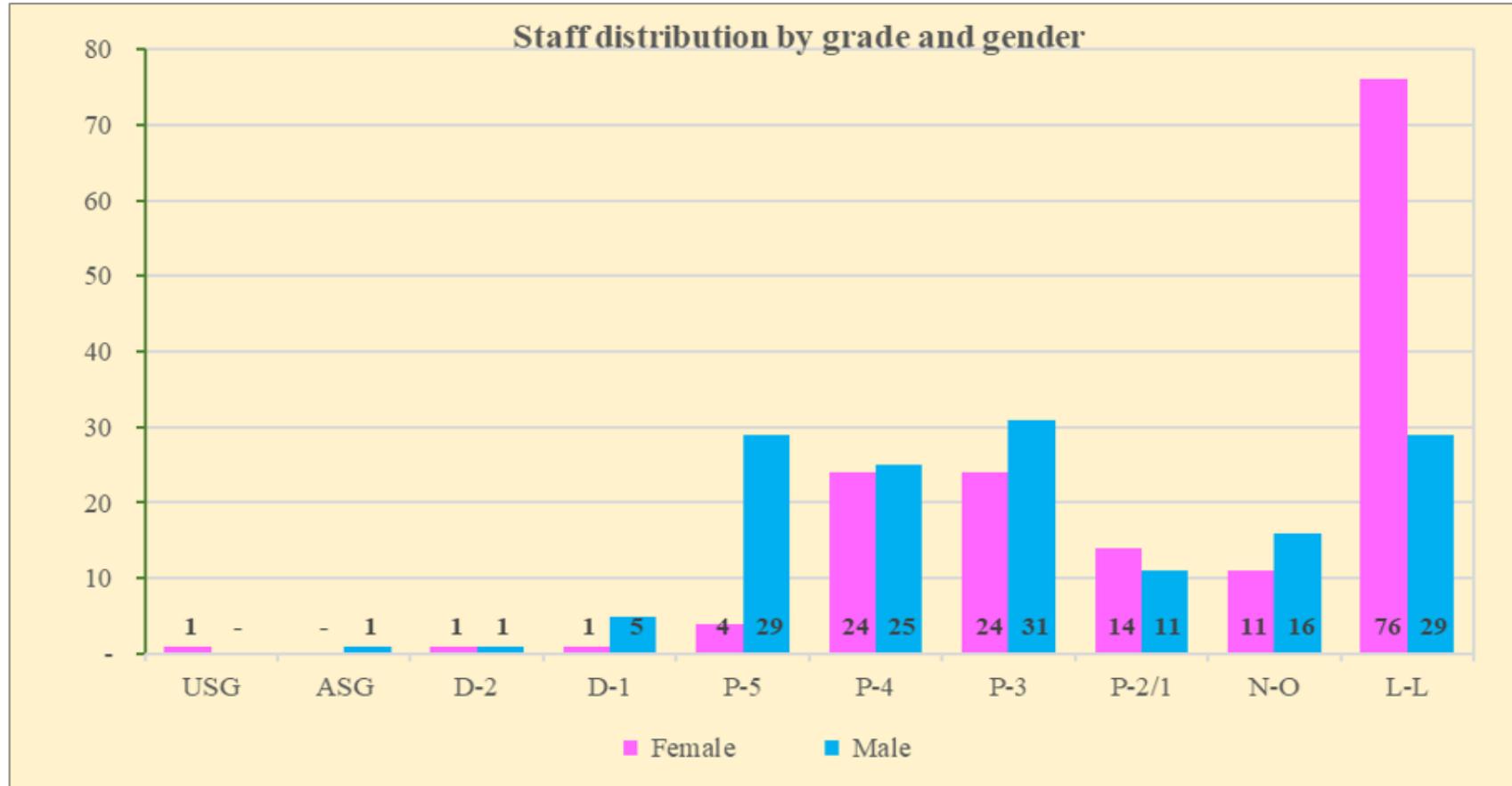
Abbreviations: Appr. = approved; Occ. = occupied; Vac. = vacant; Pct. = percentage of occupancy.

Funding source	Professional category and above				General service				Total			
	Appr.	Occ.	Vac.	Pct.	Appr.	Occ.	Vac.	Pct.	Appr.	Occ.	Vac.	Pct.
Foundation non-earmarked	93	23	70	24.7	42	21	21	50.0	135	44	91	32.6
Regular budget	52	48	4	92.3	28	27	1	96.4	80	75	5	93.8
Programme support	31	25	6	80.6	21	18	3	85.7	52	43	9	82.7
Foundation earmarked	73	55	18	75.3	39	33	6	84.6	112	88	24	78.6
Technical cooperation	62	48	14	77.4	6	6	–	100.0	68	54	14	79.4
Total	311	199	112	64.0	136	105	31	77.2	447	304	143	68.0



Staffing status as at 30 June 2020

Staff distribution by grade and gender



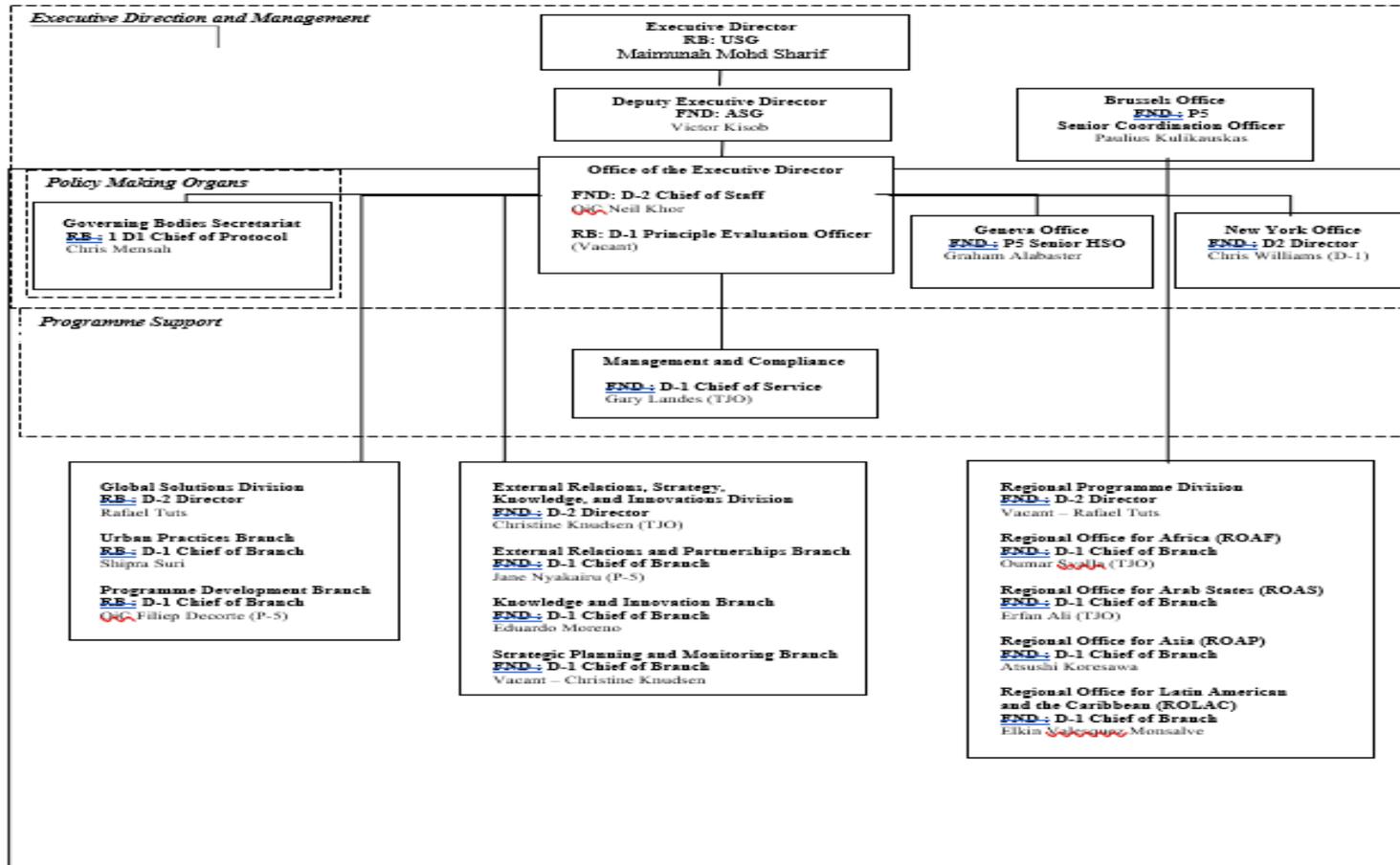
Professional Posts

Total number of women	80
Total number of men	119
Total number of countries represented	63

Abbreviations: USG = Under-Secretary-General; ASG = Assistant Secretary-General; D = Director; P = Professional; N-O = national professional officer; L-L = General Service.

Staffing status as at 30 September 2020

UN-Habitat 2020 Organization Chart - Head of Organisational Unit
(30 September 2020)

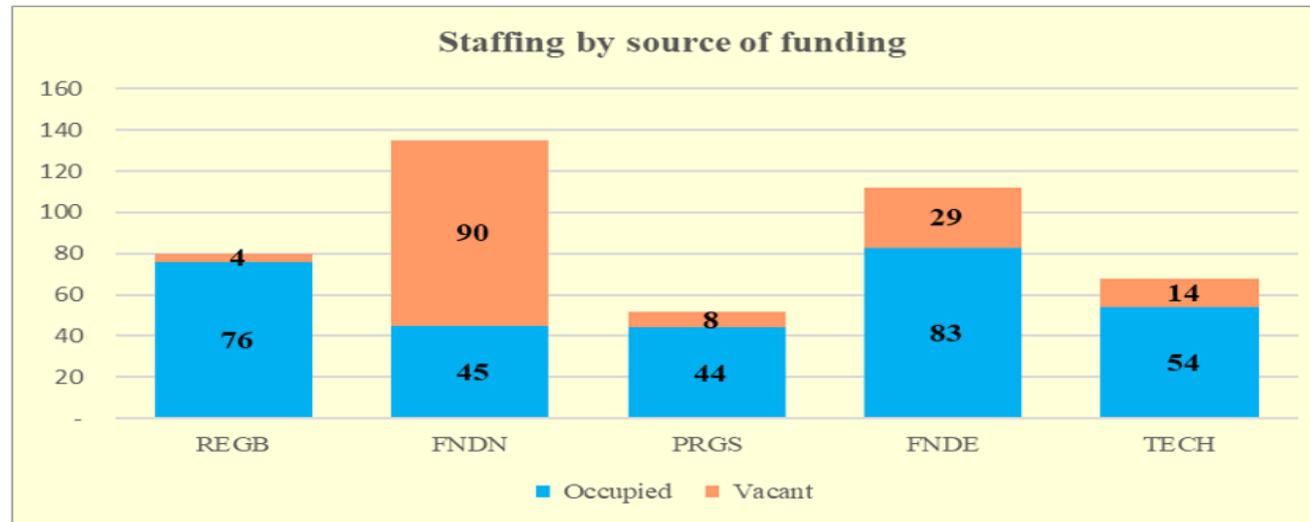


Staffing status as at 30 September 2020

30 September 2020

Fund segment	Professional category and above				General service				Grand total			
	Approved	Occupied	Vacant	Rate %	Approved	Occupied	Vacant	Rate %	Approved	Occupied	Vacant	Rate %
Foundation non-earmarked	93	23	70	24.7	42	22	20	52.4	135	45	90	33.3
Regular budget	52	49	3	94.2	28	27	1	96.4	80	76	4	95.0
Programme support	31	27	4	87.1	21	17	4	81.0	52	44	8	84.6
Foundation earmarked	73	50	23	68.5	39	33	6	84.6	112	83	29	74.1
Technical cooperation	62	48	14	77.4	6	6	-	100.0	68	54	14	79.4
Total	311	197	114	63.3	136	105	31	77.2	447	302	145	67.6

Staffing by source of funding*

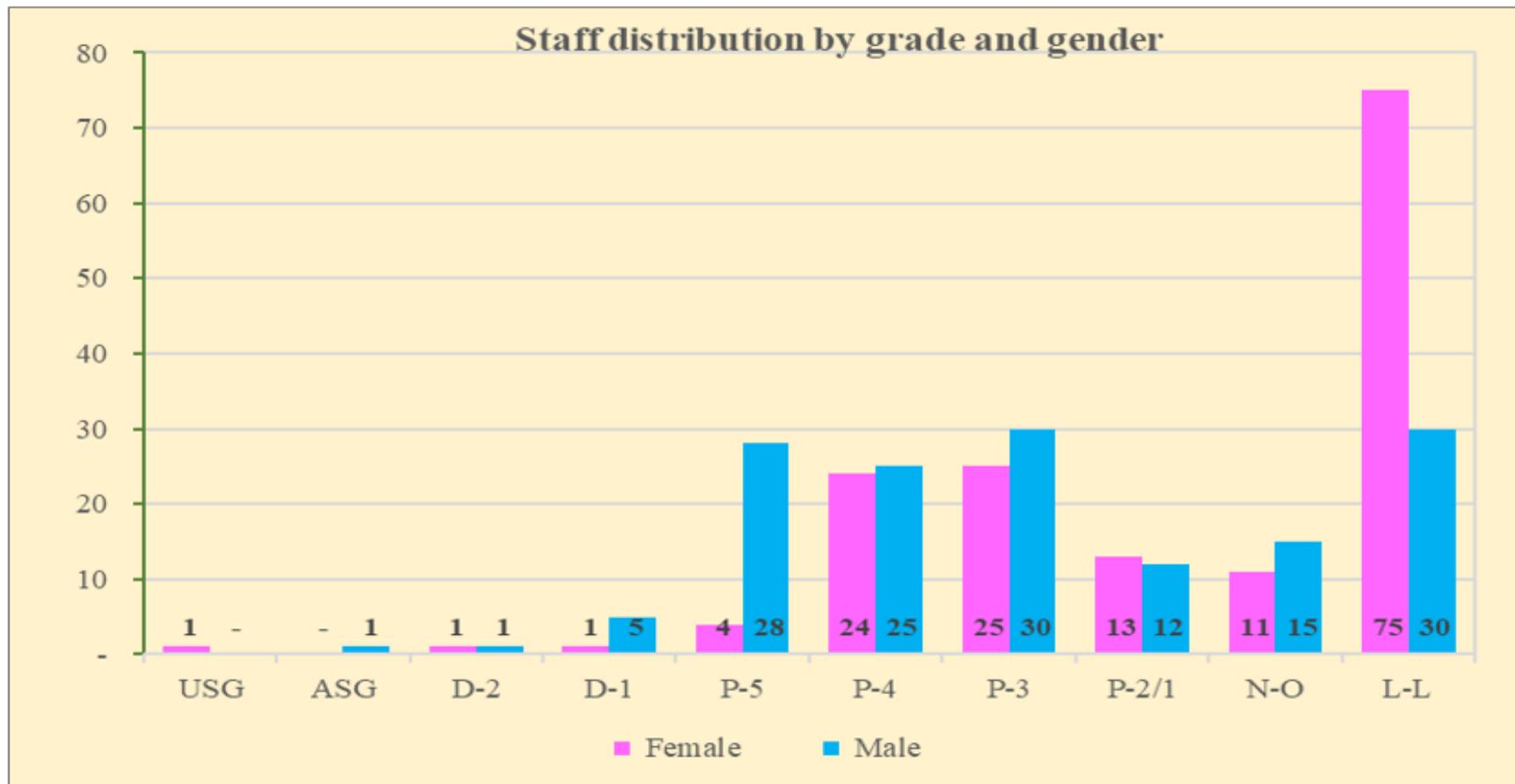


*Abbreviations: REGB: regular budget; FNDN: Foundation non-earmarked; PRGS: programme support; FNDE: Foundation earmarked; TECH: technical cooperation.



Staffing status as at 30 September 2020

Staff distribution by grade and gender



Professional Posts

Total number of women	80
Total number of men	117
Total number of countries represented	63

Abbreviations: USG: Under-Secretary-General; ASG: Assistant Secretary-General; D: director; P: professional; N-O: national professional officer; L-L, Local level:

RESOURCE MOBILIZATION STRATEGY

October 2020

Resource Mobilization Strategy Objectives and Actions

1

TARGET FUNDING



Regular budget: \$ 60M
Non-earmarked: \$ 41M
Normative earmarked: \$ 262M
Country programmes: \$ 607M
Total: \$ 1,027M

- Core contribution letters
- Pledging sessions
- Bilateral meetings
- Endowment fund
- Monthly updates to MS
- Soft earmarked packages

2

ALIGNMENT



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

- Regional dialogues
- Country focal points
- Value proposition

3

STRATEGIC PARTNERSHIPS



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

- Value proposition
- Regional dialogues
- Top donor engagement
- Flagship programme financing mechanism
- Donor intelligence

4

DIVERSIFIED DONOR BASE



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

- Private sector strategy
- Foundations and Philanthropy platform
- Local Government engagement

5

VALUE FOR MONEY



Results focused
Efficient
Transparent
Accountable

- Value proposition
- open.unhabitat.org
- Urban Impact
- Key Performance Indicators
- Training for staff

6

INNOVATION

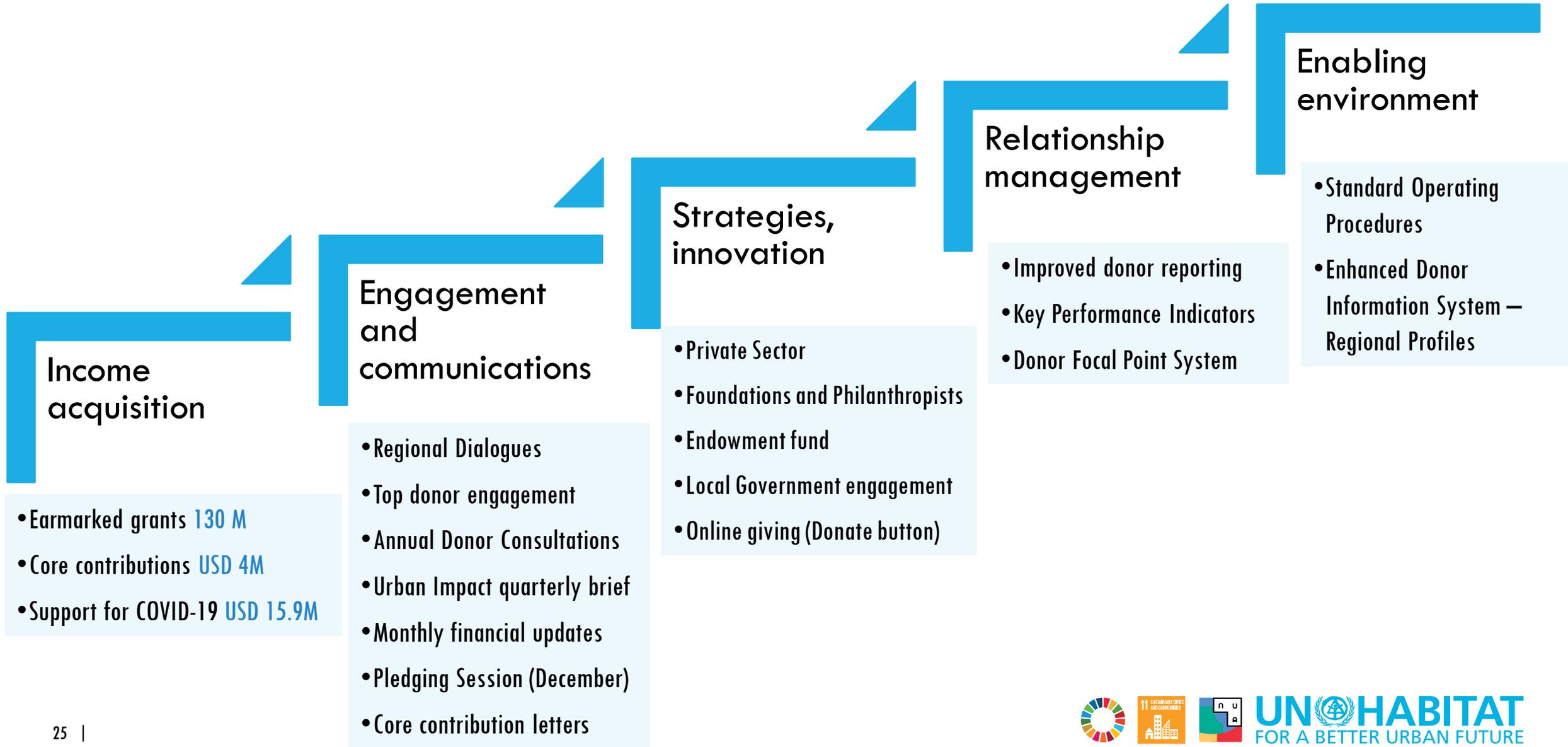


Blended funding: loans, grants
National Committees
High Net Worth Individuals, Influencers
Technology support, social media

- Endowment fund
- Donate Button
- Crowdfunding



Resource Mobilization Strategy: Progress in 2020



| Resource Mobilization Strategy – priorities moving forward

- Increase level of core contributions and number of contributors
- Soft earmarked packages aligned to donor policies
- Appeal and value proposition document
- Implementation of strategies to diversify donor base
- Enhanced International Aid Transparency Initiative website open.unhabitat.org
- Capacity building on resource mobilization



THANK YOU!

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