

What is the Regular Budget Cycle?



UN HABITAT
FOR A BETTER URBAN FUTURE

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Resolution 72/266 A on Annual Budget

Para 6. “Approves the proposed change from a biennial to an annual budget on a trial basis ...”;

Para. 8. “Decides that the plan outline shall be submitted every three years”;

Para. 10. “Decides that the proposed programme budget document shall consist of three parts:

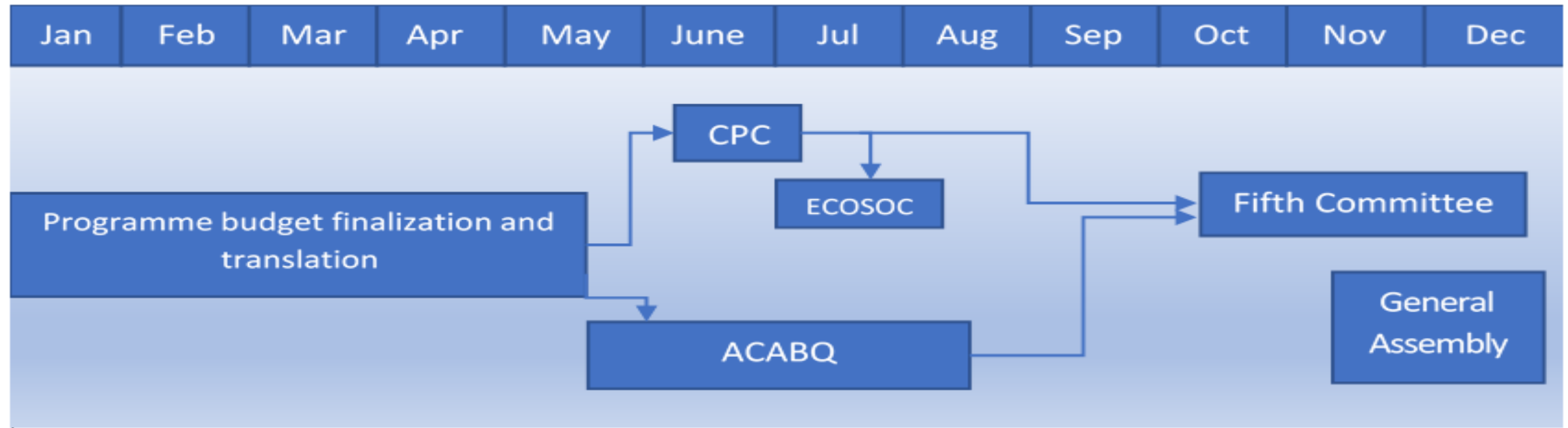
- (a) **Part I: the plan outline**, which endorses the long-term priorities and the objectives of the Organization;
- (b) **Part II: the programme plan for programmes and subprogrammes and programme performance information**;
- (c) **Part III: the post and non-post resource requirements for the programmes and subprogrammes**”;

Para. 11. “Also decides that **parts I and II shall be submitted through the Committee for Programme and Coordination** and **part III through the Advisory Committee** for the consideration of the General Assembly”.



| What is the Regular Budget Cycle?

Process of the proposed programme budget preparation, finalization and intergovernmental and expert bodies review



Abbreviations: ACABQ: Advisory Committee on Administrative and Budgetary Questions; CPC: Committee for Programme and Coordination; ECOSOC: Economic and Social Council.

What is the Extra-Budgetary Cycle?

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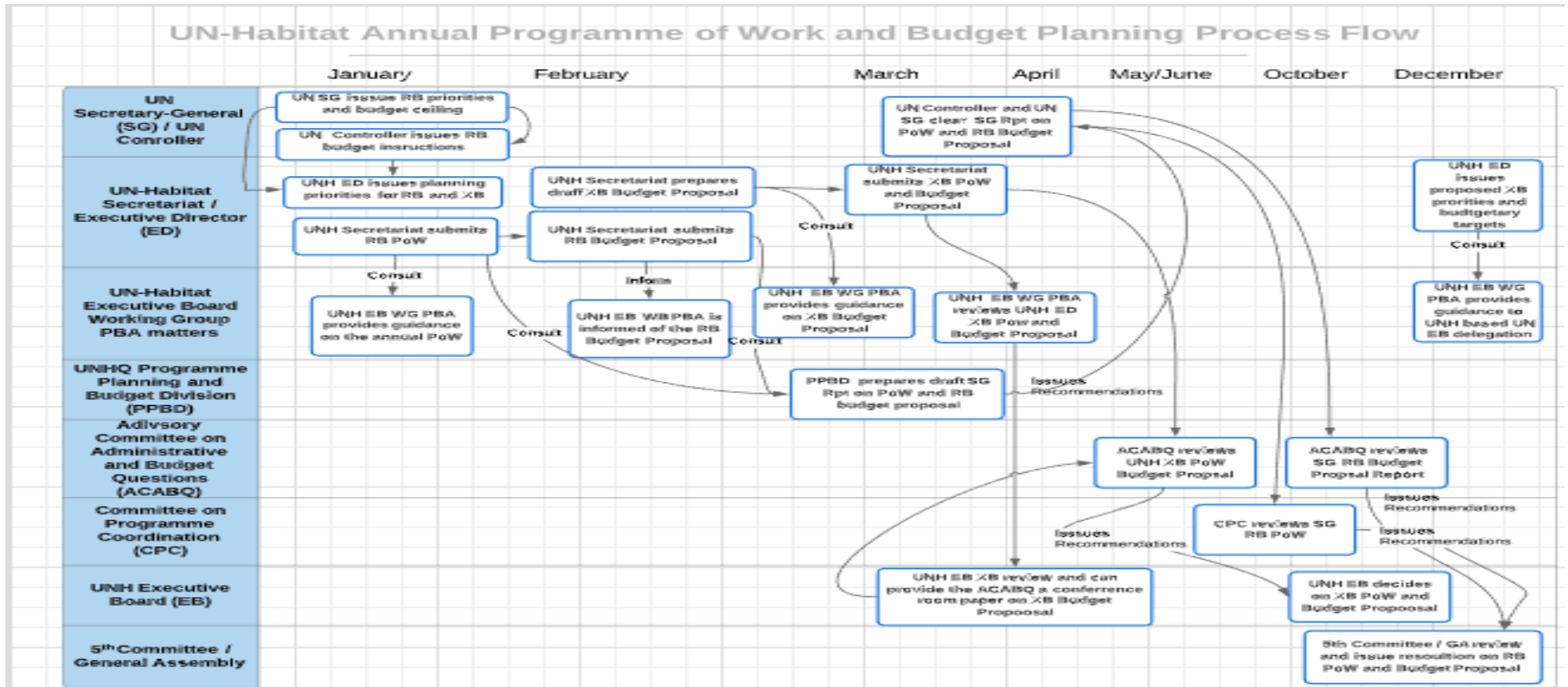
The Extra-Budgetary Cycle of UN-Habitat is referenced in the Supplement to the Financial Regulations and Rules of the United Nations (ST/SGB/2015/4):

Rule 302.1 - The Executive Director shall prepare a proposed programme budget for the Foundation and its other extrabudgetary resources. It shall cover all anticipated programmes of activities, including reimbursable seeding operations of the Foundation, pursuant to UNHHSF regulation 1.1, programme support costs of the Foundation and other extrabudgetary resources. The budget period and format shall be consistent with relevant United Nations budgetary regulations, rules, policies and practices. The programme budget shall include provision for contingencies

Rule 302.2 - The proposed Foundation programme budget shall be submitted to the Advisory Committee on Administrative and Budgetary Questions for review. Subsequently, the proposed Foundation programme budget and the comments of the Advisory Committee shall be submitted to the Governing Council (Executive Board) for approval.



| What the Extra-Budgetary Cycle?



| What are UN-Habitat Budget Cycles (RB and XB)?

January	February	March	April	May	June
Secretary-General and UN Controller Guidance Issued	Executive Board WG meets to review draft proposal	Consultations with PPBD on Programme of Work and Regular Budget Proposal and the Extra-Budgetary Proposal	Executive Board First Session, reviews as applicable, any proposed revisions to the approved current fiscal year Programme of Work and Extra-Budgetary resources.	The Committee for Programme and Coordination (CPC) reviews the full UN-Habitat proposed 2022 Programme of Work	
UN-Habitat prepares the Programme of Work and Resource Requirements for both the Regular Budget and Extra-Budgetary Resources	UN-Habitat submits Programme of Work and Regular Budget Proposal to PPBD and the Extra-Budgetary Proposal to the Executive Board	Secretary-General issues the Regular Budget Programme of Work and Budget Proposal for the following fiscal-year	Executive Board first session reviews the Programme of Work and Extra-Budgetary Resource Proposal, for the next fiscal-year, while taking note of the Regular Budget Proposal	The Advisory Committee on Administrative and Budgetary Questions (ACABQ) reviews the UN-Habitat Regular Budget resource proposal	
Executive Board WG meets to review draft proposal	Consultations with PPBD on Programme of Work and Regular Budget Proposal and the Extra-Budgetary Proposal			The Advisory Committee on Administrative and Budgetary Questions (ACABQ) reviews the UN-Habitat Extra-Budgetary resource proposal	
Executive Director, if applicable, submits proposed revisions to the current fiscal-year approved Programme of Work or Extra-Budgetary Resources					

| What are UN-Habitat Budget Cycles (RB and XB)?

July	August	September	October	November	December
The Committee for Programme and Coordination (CPC) reviews and issues their report on the overall United Nations Regular Budget Programme of Work, inclusive of UN-Habitat, to the 5th Committee			UN-Habitat Executive Board Second Session formally considers the next fiscal-year UN-Habitat Programme of Work and Extra-Budgetary Resource Proposal	The 5th Committee reviews and issues their report on the UN-Habitat next fiscal-year Programme of Work and Regular Budget Proposal	UN General Assembly approves the Programme of Work and Regular Budget Proposal
The Advisory Committee on Administrative and Budgetary Questions (ACABQ) reviews the UN-Habitat Regular Budget resource proposal and issues its report to the 5th Committee			UN-Habitat issues the Programmatic Priorities and Extra-Budgetary Ceiling Proposal for the subsequent fiscal-year	UN-Habitat Executive Board Working Group is consulted on the Programmatic Priorities and Extra-Budgetary Ceiling Proposal for the subsequent fiscal-year	UN-Habitat Executive Board Third Session reviews and decides on the Programmatic Priorities and Extra-Budgetary Ceiling Proposal for the subsequent fiscal-year
The Advisory Committee on Administrative and Budgetary Questions (ACABQ) reviews the UN-Habitat Extra-Budgetary resource proposal its report to the UN-Habitat Executive Board					



What is the Programme of Work?

| What the Programme of Work?

The United Nations has the following related definitions:^{/1}

Legislative mandate. A legislative mandate is a request for action addressed to the Secretary-General or an executive head acting on his behalf in a resolution or decision adopted by a competent United Nations intergovernmental organ.

Programme strategy. A programme strategy is a sequence of means of action to be undertaken for the purpose of achieving an objective.

Programme. A programme consists of the activities undertaken by a department or office.

Subprogramme. A subprogramme consists of activities within a programme aimed at achieving one or a few closely related objectives as set out in the strategic framework. The subprogramme structure shall correspond, to the extent possible, to an organizational unit, normally at the division level.

^{/1} ST/SGB/2018/3



| What is the Programme of Work?

UN-Habitat has four Sub-Programmes, which comprise our Programme of Work and are the Domains of Change.



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



Enhanced shared
prosperity of cities
and regions



Strengthened
climate action and
improved urban
environment



Effective urban
crisis prevention
and response

The UN-Habitat
Programme of Work
is enacted by:

External Relations,
Strategy, Knowledge,
and Innovation
(ERSKI) Division

Global Solutions
Division (GSD)

Regional Programme
Division (RPD)

¹ ST/SGB/2018/3



| What is the Programme of Work?

All United Nations Programmes are also comprised of:

Executive Direction and Management

Services to Policy Making Organs (Inter-Governmental Bodies)

Programme Support (Administration)



How are financial resources managed on a day-to-day basis?



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| How are financial resources managed on a day-to-day basis?

The management of Regular Budget financial resources are managed on a day-to-day basis as follows:

1. The Regular Budget, for which the approval of the General Assembly provides the authority to appropriate funding from Member States, based on the approved scale of assessment;
2. The UN Controller authorizes allotments based on a cash flow liquidity forecast. The allotments consist of a authorized staffing table for posts and sub-class funding operating expenses;
3. All post and non-post resource expenditures are authorized by a Certifying Officer ensuring the availability of budget, which is all supported by the controls built into the UN Umoja Enterprise Resource Planning solution;
4. All commitments are subsequently signed by an Approving Officer or Procurement Officer;
5. All payments are authorized by an Approving Officer and released by a UN Cashier.



| How are financial resources managed on a day-to-day basis?

The management of the Foundation non-earmarked fund financial resources are managed on a day-to-day basis as follows:

1. The Foundation non-earmarked fund Budget, for which the approval of the UN-Habitat Executive Boards provides the authority to spend;
2. UN-Habitat Secretariat monitors the cash received against the Foundation non-earmarked fund to determine the allotments that can be released;
3. The Foundation non-earmarked fund has a 20% liquidity reserve to meet requirements during the beginning of each financial period, based on funding being received throughout the financial period from Member States;
4. All post and non-post resource expenditures are authorized by a Certifying Officer ensuring the availability of budget, which is all supported by the controls built into the UN Umoja Enterprise Resource Planning solution;
5. All commitments are subsequently signed by an Approving Officer or Procurement Officer;
6. All payments are authorized by an Approving Officer and released by a UN Cashier.

| How are financial resources managed on a day-to-day basis?

The management of the Foundation earmarked fund financial resources are managed on a day-to-day basis as follows:

1. The Foundation earmarked funds, for which the approval of the UN-Habitat Executive Board provides an overall authority based on revenue and expenditure projections;
2. Foundation earmarked funds are based on signed Contribution Agreements with Donors;
3. UN-Habitat Secretariat monitors the cash received against each project based on the payment schedule in a Contribution Agreement to determine the allotments that can be released;
4. All post and non-post resource expenditures are authorized by a Certifying Officer ensuring the availability of budget, which is all supported by the controls built into the UN Umoja Enterprise Resource Planning solution;
5. All commitments are subsequently signed by an Approving Officer or Procurement Officer;
6. All payments are authorized by an Approving Officer and released by a UN Cashier.



| How are financial resources managed on a day-to-day basis?

The management of the Programme Support Cost fund financial resources are managed on a day-to-day basis as follows:

1. The Programme Support Cost Fund, for which the approval of the UN-Habitat Executive Board provides an overall authority based on revenue and expenditure projections, with day-to-day decisions under the authority of the UN-Habitat Executive Director;
2. The UN-Habitat Secretariat monitors the programme support cost revenue earned on a quarterly basis to ensure the annual projections remain on track. The Programme Support Cost Fund has a 20% operating reserve requirement based on the annual projected expenditure;
3. UN-Habitat Secretariat monitors the cash received against each project based on the payment schedule in a Contribution Agreement to determine the allotments that can be released;
4. All post and non-post resource expenditures are authorized by a Certifying Officer ensuring the availability of budget, which is all supported by the controls built into the UN Umoja Enterprise Resource Planning solution;
5. All commitments are subsequently signed by an Approving Officer or Procurement Officer;
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What is Results Based Management (RBM)?

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The United Nations Development Group defines RBM as “.... a management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and higher level goals or impact). The actors in turn use the information and evidence on actual results to inform decision-making on the design, resourcing and delivery of programmes and activities as well as for accountability and reporting.”

RBM has been part of the United Nations reform agenda since the late 1990s. The reform agenda sought to achieve coherence across the United Nations system on policy and operational matters, strengthen accountability, and improve the impact of the United Nations. A strong focus on results underpinned these reforms, and entities within the United Nations development system were expected to shift their focus from inputs (resources) and activities, to focusing on the results to be achieved through their interventions. This emphasis on results was in a large part influenced by the funding pressures and demands from contributor countries that the United Nations should improve its efficiency and effectiveness.

GA resolution 67/226 affirmed the importance of RBM in the United Nations development system, as an essential element of accountability. Importantly, the General Assembly viewed result-based management to contribute to improved development outcomes and the achievement of the MDGs and other internationally agreed goals.

UN-Habitat Results Based Management:

<https://unhabitat.org/results-based-management/1-1-what-is-results-based-management>



| What is Results Based Management?

Some of the key elements of RBM are:

- Focusing the dialogue on results at all phases of the development process;
- Aligning programming, monitoring and evaluation with results;
- Keeping measurement and reporting simple;
- Managing for, not by results; and
- Using results information for learning and decision-making.



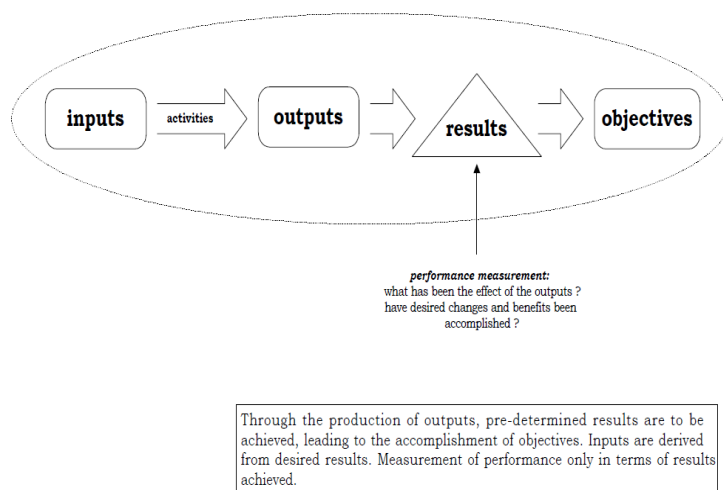
What is the Results Based Budgeting (RBB) Framework?

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Results-Based Budgeting (RBB), which has a narrower focus than RBM and refers to “a programme budget process in which (a) programme formulation revolves around a set of predefined objectives and expected results (b) expected results justify the resource requirements which are derived from and linked to outputs required to achieve the results; and (c) actual performance in achieving results is measured by objective performance indicators”.

The RBB results chain:

Figure 1.2
The results-based
programme model



Step 1:

Set up a logical framework for the programme

- Step 1.1 Define the programmes objectives for the biennium
- Step 1.2 Define the expected results
- Step 1.3 Specify outputs
- Step 1.4 Identify significant external factors
- Step 1.5 Determine required resources
- Step 1.6 Test the logical framework for consistency



What is the role the role of RBB and RBM at the UN?

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RBM and RBB are very much works in progress at the UN. Both internal and external auditors have found that, to-date, RBB has been used more to comply with rules than to take strategic decisions.

The GA, in approving RBB in its resolution 55/231, stipulated that use of indicators of achievement should not be a reason for changing resource allocations, and that resource requirements should still be justified at the level of outputs to be produced.

To make further improvements, the Secretariat has agreed with the Board of Auditors that Under-Secretaries-General will be specifically responsible for: developing more outcome-focused objectives and indicators of achievement; and establishing clear links between resource use, outputs and achievement of high-level objectives.



What are International Public Sector Accounting Standards (IPSAS)?

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The adoption of International Public Sector Accounting Standards (IPSAS) by the United Nations was pursued to align the Organization with international accounting best practices for public sector and not-for-profit organizations.

The **International Public Sector Accounting Standards** (IPSAS) are developed by the IPSAS Board (IPSASB), a non-UN entity. According to their publications, "The objective of the IPSASB is to serve the public interest by developing **high-quality accounting standards** and other publications **for use by public sector entities** around the world **in the preparation of general purpose financial reports**" (emphasis added).

The General Assembly decided "to approve the adoption by the United Nations of the International Public Sector Accounting Standards" in resolution [60/283](#), section IV, of 7 July 2006.

Umoja is the UN's **enterprise resource planning** system that provides the information technology systems to support IPSAS-compliant accounting and reporting. Umoja will replace several other systems.

International Public Sector Accounting Standards Board: <http://www.ipsasb.org/about-ipsasb>



THANK YOU!



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