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**Executive Board of the United Nations**

**Human Settlements Programme**

**First session of 2022**

Nairobi, 29–31 March 2022

Item 4 of the provisional agenda\*

**Financial, budgetary and administrative matters,  
including the implementation of the resource mobilization  
strategy in accordance with the strategic plan for the  
period 2020–2023 and action by UN-Habitat to address  
geographical and gender imbalances in the composition of  
its staff**

**Report of the Executive Director on the interim financial status  
of the United Nations Human Settlements Programme as at 28  
February 2022**

**Report of the Executive Director**

**I. Introduction**

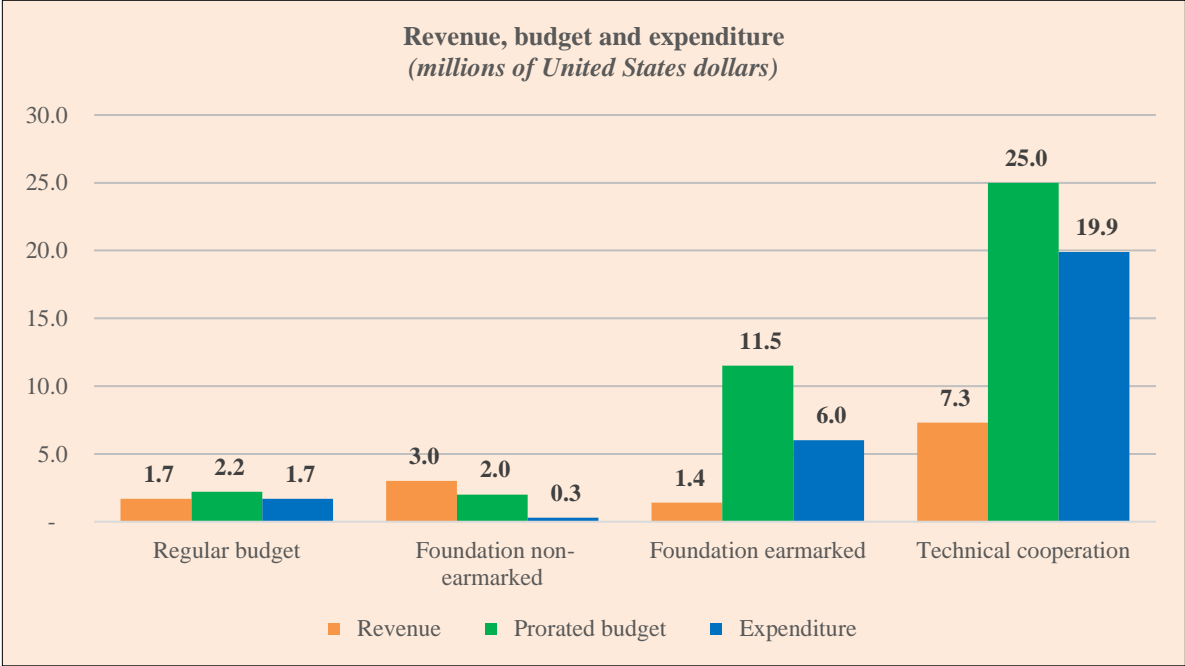
1. The present report provides an overview of the financial position of the United Nations Human Settlements Programme (UN-Habitat) for the two-month period ended 28 February 2022 and describes the performance of the Programme's main funding segments, namely the United Nations regular budget appropriations provided to UN-Habitat, and the Foundation non-earmarked, programme support, Foundation earmarked and technical cooperation funds, during this period.

2. Figure 1 provides an overview of funding for 2022, showing revenue (or contributions) and expenditure for all the major UN-Habitat funding segments, alongside the prorated budgets from the approved work programme for 2022. More detailed information is set out in the annexes to the present report.

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\* HSP/EB.2022/1.

Figure 1  
**Status of UN-Habitat main funds for the period ended 28 February 2022<sup>a</sup>**

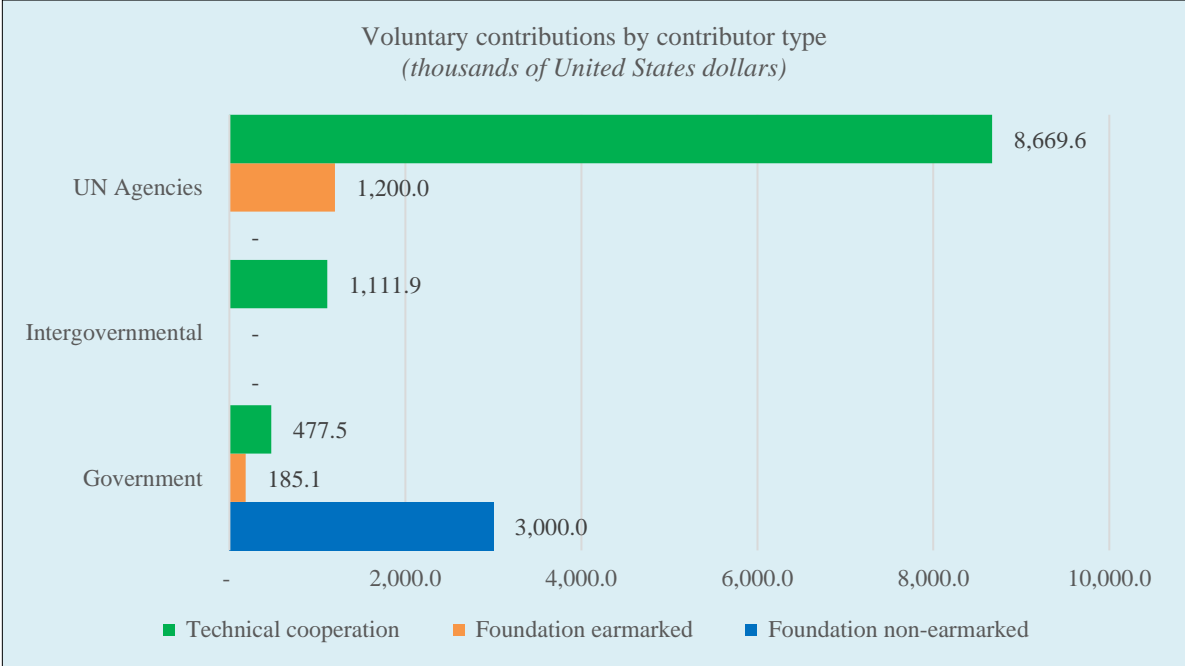


<sup>a</sup> Revenue is stated net of adjustments.

3. Total revenue for the Foundation non-earmarked fund in the reporting period, amounted to \$3.0 million representing pledges received from one Member State as per Annex II. No cash contributions were received during the period. Total expenditure amounted to \$0.3 million, resulting in a surplus of \$2.7 million.

4. Figure 2 shows the composition of all voluntary contributions received during the period, by contributor type.

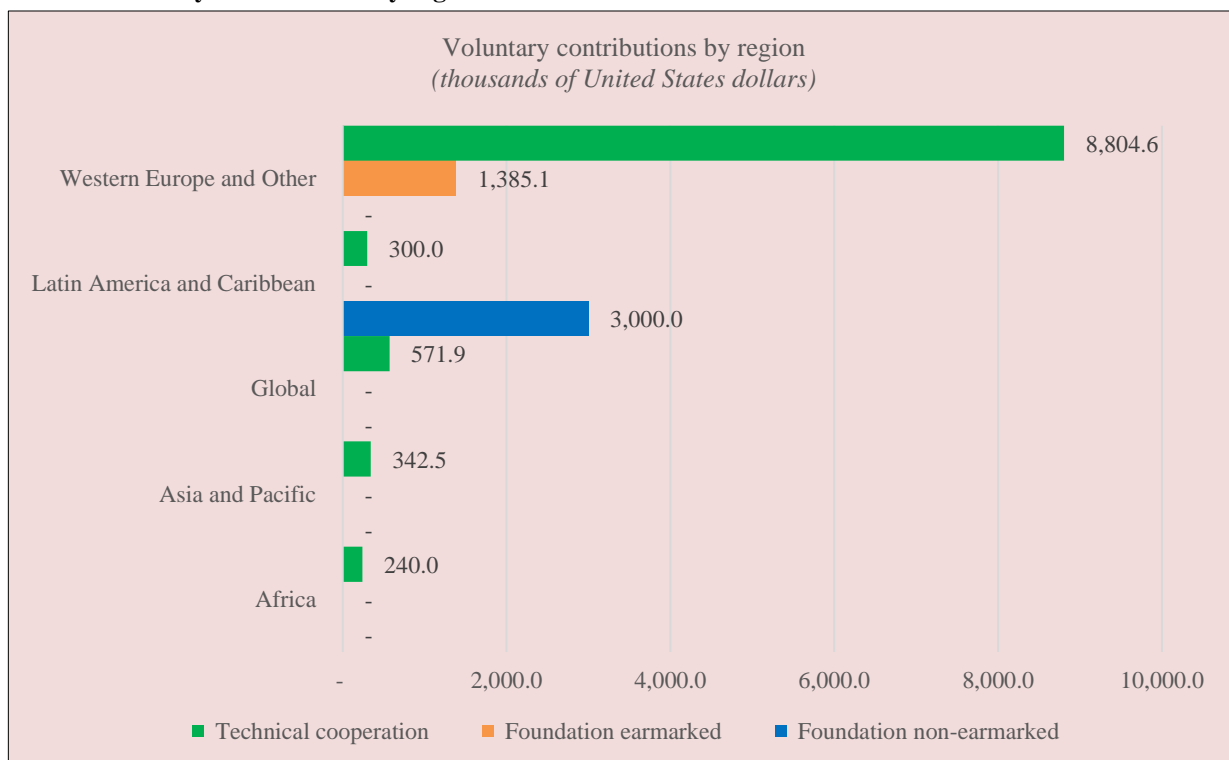
Figure 2  
**Voluntary contributions by contributor type**



5. Figure 3 shows voluntary contributions received during the reporting period, by region.

Figure 3

**Voluntary contributions by region**



## II. Performance of core funds

6. Foundation non-earmarked contributions and United Nations regular budget appropriations are the core resources of UN-Habitat.

### A. Foundation non-earmarked fund

7. Foundation non-earmarked funds, otherwise known as the Foundation general purpose fund, are allocated against budget priorities approved by the UN-Habitat governing body, which until 2018 was the Governing Council of UN-Habitat, when, pursuant to General Assembly resolution 73/239, it was dissolved and replaced by the United Nations Habitat Assembly of the United Nations Human Settlements Programme (UN-Habitat Assembly).

8. Traditionally, the main source of Foundation non-earmarked revenue has been non-earmarked contributions from Member States. The Foundation non-earmarked fund constitutes the main source of funding for the implementation of the UN-Habitat strategic plan for mandated normative work, required executive direction and management, and a baseline level of programme support.

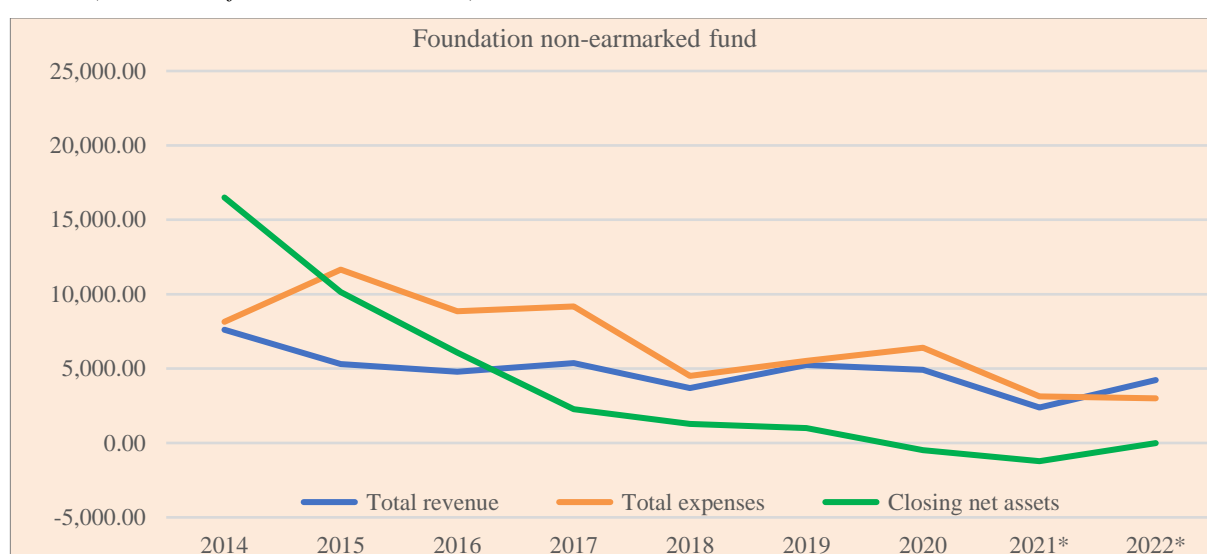
9. The approved budget for the year 2022 was \$12.0 million. Total pledged revenue for the period amounted to \$3.0 million. Expenditures for the period totalled \$330,700, consisting of \$0.31 million in post costs and \$0.02 million in operating expenditures, resulting in a net operational surplus of \$2.7 million. The reserve of \$2.0 million is as approved by the Executive Board in November 2020 and is not funded. Revenue, expenses and closing net assets for the Foundation non-earmarked fund for the years 2014 to 2022 are shown in table 1.

Table 1  
**Revenue, expenses and closing net assets for the Foundation non-earmarked fund**  
 (Thousands of United States dollars)

Description	2014	2015	2016	2017	2018	2019	2020	2021*	2022*
Total revenue	7 610.0	5 307.0	4 785.0	5 373.0	3 699.0	5 239.0	4 916.0	2,383.8	4,223.7
Total expenses	8 134.0	11 651.0	8 851.0	9 182.0	4 519.0	5 518.0	6 396.0	3,127.5	3,001.0
<b>Closing net assets</b>	<b>16 498.0</b>	<b>10 154.0</b>	<b>6 088.0</b>	<b>2 279.0</b>	<b>1 280.0</b>	<b>1 001.0</b>	<b>(479.0)</b>	<b>(1,222.7)</b>	<b>-</b>

10. Figure 4 shows a steady long-term decline in revenue, meaning that, despite the implementation of the UN-Habitat 2021 financial austerity plan, projected expenditures cannot be sustained. A revenue projection of \$4.2 million has been made to clear the projected deficit of \$1.2 million from 2021 and meet the 2022 minimal operational needs of \$3.0 million.

Figure 4  
**Trends in the Foundation non-earmarked fund<sup>a</sup>**  
 (thousands of United States dollars)



<sup>a</sup> The value shown for closing net assets is before the loan from the programme support account.

11. In 2017, UN-Habitat management approved a \$3.0 million loan from the programme support account to the Foundation non-earmarked fund. In 2021, UN-Habitat adopted an updated austerity plan to halt the decline in its net asset value; nevertheless, the loan remained unpaid as at 28 February 2022. It may not be possible to repay the loan, in which case the net asset value of the programme support account will need to be reduced accordingly. If the loan is not repaid by the end of 2022, which is the fifth anniversary of its approval, a formal recommendation will be made for it to be written off.

## B. Regular budget fund

### 1. Section 15

12. An appropriation approved by the General Assembly is provided to UN-Habitat under section 15 (Human settlements) of the United Nations regular budget. In 2022, the appropriation amounted to \$13.3 million of which \$2.2 million is pro-rated for the reporting period, in the form of an authorization to expend against specific items within a set budgetary allocation. Post costs accounted for 85.8 per cent of the \$1.7 million expenditure recorded by 28 February 2022.

### 2. Sections 23 and 35

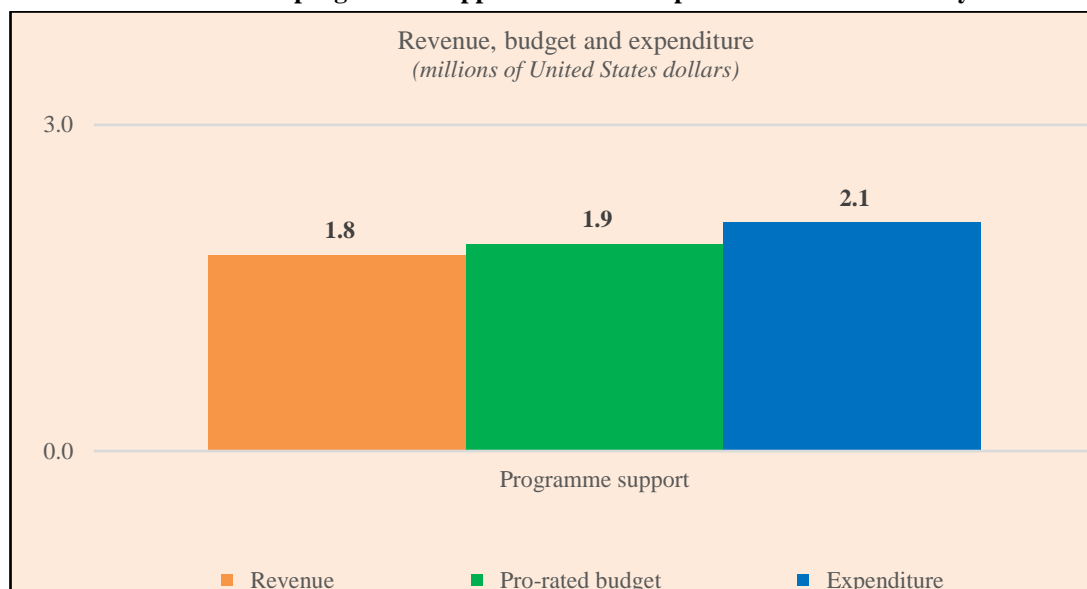
13. UN-Habitat is also allocated United Nations regular budget resources under section 23 (Regular programme of technical cooperation) and section 35 (Development account). The 2022 appropriations were \$1.2 million under section 23, of which \$0.1 million had been spent in the period, and \$1.5 million under section 35, of which \$0.1 million had been spent in the period.

## C. Programme support fund

14. The 2022 programme support budget approved by the Executive Director totalled \$11.2 million of which \$1.9 million is pro-rated for the reporting period. Total programme support revenue for the year ended 28 February 2022 amounted to \$1.8 million. The total expenditure for the same period amounted to \$2.0 million, of which 51.1 per cent was used to fund posts. Figure 5 shows the status of the programme support fund for the period ended 28 February 2022.

Figure 5

### Status of the UN-Habitat programme support fund for the period ended 28 February 2022



\* Revenue is stated net of adjustments.

15. Programme support resources are generated through the charge levied as a percentage of direct earmarked expenditures, in accordance with administrative instruction ST/AI/286. The charge is intended to recover the incremental indirect costs associated with supporting earmarked activities and thus to ensure that the additional cost of supporting activities financed by earmarked contributions is not paid from the core funds intended for the implementation of the approved work programme. Revenue, expenses and closing net assets for the programme support fund for the years 2014 to 2022 are shown in table 2.

Table 2

### Revenue, expenses and closing net assets for the programme support fund

(Thousands of United States dollars)

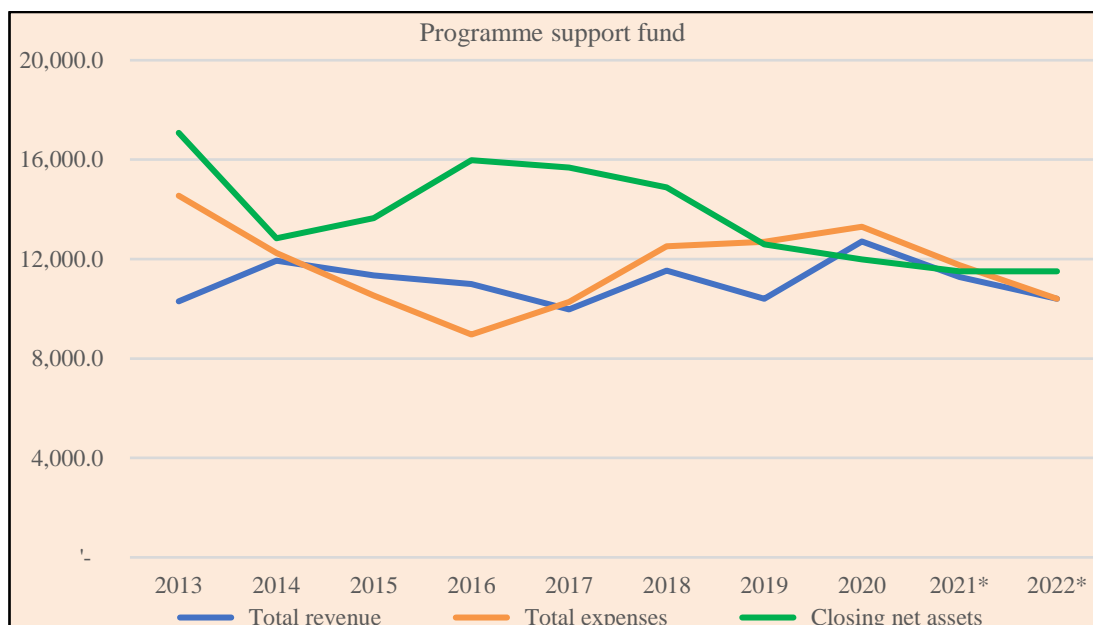
Description	2014	2015	2016	2017	2018	2019	2020	2021*	2022*
Total revenue	11 942.0	11 341.0	11 000.0	9 975.0	11 543.0	10 400.0	12 709.0	11,278.1	10,400.0
Total expenses	12 241.0	10 536.0	8 966.0	10 277.0	12 514.0	12 700.0	13 304.0	11,761.8	10,400.0
<b>Closing net assets</b>	<b>12 843.0</b>	<b>13 648.0</b>	<b>15 981.0</b>	<b>15 679.0</b>	<b>14 887.0</b>	<b>12 587.0</b>	<b>11 992.0</b>	<b>11,508.3</b>	<b>11,508.3</b>

16. Figure 6 shows the programme support fund end balances by year, including projections for 2022.

Figure 6

### Trends in the programme support fund<sup>a</sup>

(thousands of United States dollars)



<sup>a</sup> The value shown for closing net assets is before the loan to the Foundation non-earmarked fund.

17. As mentioned above, \$3.0 million was loaned to the Foundation non-earmarked fund from the programme support account in 2017. That loan is not expected to be collectable in the near future, given the low level of contributions to the Foundation non-earmarked fund during the reporting period. The closing net asset value reflected in figure 6 may therefore need to be reduced by the amount of the loan.

### III. Performance of earmarked funds

#### A. Foundation earmarked fund

18. Contributions from Member States and other donors to the Foundation earmarked fund are intended for the implementation of specific activities in the work programme that are consistent with the mandate of UN-Habitat. Such activities generally comprise global, thematic and multi-country projects.

19. The approved 2022 budget for Foundation earmarked resources was \$69.1 million of which \$11.5 is pro-rated for the reporting period. Total revenue from Foundation earmarked contributions before refunds to donors was \$1.4 million, which is mainly from voluntary contributions from various donors, as listed in annex III to the present report. Total expenditure incurred in the period ended 28 February 2022 was \$6.0 million. As reflected in annex I to the present report, the fund balance (gross project balances) at the end of the reporting period amounted to \$101.2 million, including a reserve of \$4.0 million. The reported deficit is notional, as it results from the implementation of part of the resources carried over from 2021.

#### B. Technical cooperation fund

20. Technical cooperation resources are earmarked voluntary contributions from Member States and other donors for the implementation of specific technical activities at the country and regional levels, consistent with the UN-Habitat mandate and work programme.

21. The approved 2022 budget for technical cooperation was \$149.8 million of which \$25.0 million is pro-rated for the reporting period. For the period ending 28 February 2022, total revenue before refunds to donors was \$10.3 million, mainly from voluntary contributions amounting to \$10.2 million. Net revenue after refunds to donors amounted to \$7.3 million, while expenditure was \$19.9 million. As reflected in annex I, the fund balance at the end of the reporting period amounted to \$292.4 million (gross project balances), including a reserve of \$11.4 million.

### IV. Summary

22. Owing to the financial constraints that continue to affect the UN-Habitat Foundation non-earmarked fund, the regular budget allocations from assessed contributions remain the main source of core funding for the implementation of the annual work programme. During the reporting period, 39.1

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per cent of core revenue came from the regular budget, while 60.9 per cent came from pledges under the Foundation non-earmarked funds. The 2022 projected Foundation non-earmarked revenue of \$4.2 million represents 37.5 per cent of the \$12.0 million budget approved by the Executive Board.

23. As of 28 February 2022, the programme support account had an operational deficit of \$0.3 million. The prevailing administrative instructions are for programme support resources to be used to finance the indirect support provided to the activities of programme support, programme development and project management. Based on the current funding levels of the programme support fund, however, it remains clear that, in the current context, the fund balance in the programme support account cannot continue to be used to offset the operational deficits in the Foundation non-earmarked fund until such time as ongoing fundraising efforts or additional austerity measures ensure a balance between the revenue and expenditure of the latter fund.

24. With regard to earmarked funds as of 28 February 2022, the Foundation earmarked fund and the technical cooperation fund posted deficits of \$4.6 million and \$12.6 million respectively. These resulted from timing differences on multi-year projects.

25. A statement of financial performance, showing the revenue, expenses, fund balances and reserves for each funding segment, is set out in annex I to the present report, while the status of Foundation non-earmarked contributions between 31 December 2017 and 28 February 2022 is set out in annex II. Annex III shows the status of earmarked contributions for the period ended 28 February 2022.

## Annex I

## Statement of financial performance for the period ended 28 February 2022 (by segment)

(Thousands of United States dollars)

Category	Sources of funds/funding segments										Total	Intersegment elimination	Grand total
	REGB	FNDN	FNDE	TECH	PRGS	Subtotal	RPTC	DEVT	EOSB	Subtotal			
R01.Assessed contributions	1,718.1	-	-	-	-	1,718.1	147.0	65.3	-	212.3	1,930.4	-	1,930.4
R02.Voluntary contributions	-	3,000.0	1,385.1	9,687.1	-	14,072.2	-	-	-	-	14,072.2	-	14,072.2
R03.Other transfers and allocations	-	-	-	571.9	-	571.9	-	-	-	-	571.9	-	571.9
R04.Refunds to donors	-	-	(7.2)	(2,939.0)	-	(2,946.2)	-	-	-	-	(2,946.2)	-	(2,946.2)
R05.Programme support revenue	-	-	-	-	1,765.8	1,765.8	-	-	-	-	1,765.8	1,765.8	-
R06.Investment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
R07.Other revenue	-	1.1	-	10.7	-	11.8	-	-	-	-	11.8	-	11.8
<b>Total revenue</b>	<b>1,718.1</b>	<b>3,001.1</b>	<b>1,377.9</b>	<b>7,330.7</b>	<b>1,765.8</b>	<b>15,193.6</b>	<b>147.0</b>	<b>65.3</b>	<b>-</b>	<b>212.3</b>	<b>15,405.9</b>	<b>1,765.8</b>	<b>13,640.1</b>
E01.Post costs	1,473.3	310.8	207.6	1,528.5	1,047.5	4,567.7	-	-	-	-	4,567.7	-	4,567.7
E02.Other staff costs	16.2	19.4	1,887.5	1,666.1	287.9	3,877.1	126.1	-	-	126.1	4,003.2	-	4,003.2
E03.Hospitality	-	-	6.2	18.0	-	24.2	-	-	-	-	24.2	-	24.2
E04.Consultant and experts	-	-	1,678.7	3,513.1	111.8	5,303.6	3.0	39.8	-	42.8	5,346.4	-	5,346.4
E05.Travel of representatives	-	-	1.2	11.1	-	12.3	-	-	-	-	12.3	-	12.3
E06.Travel of staff	11.0	0.1	138.9	343.4	12.1	505.5	2.8	4.0	-	6.8	512.3	-	512.3
E07.Contractual services	0.9	-	344.4	2,014.0	19.5	2,378.8	-	10.9	-	10.9	2,389.7	-	2,389.7
E08.General operating expenses	216.7	0.4	294.0	1,472.7	569.4	2,553.2	15.1	-	-	15.1	2,568.3	-	2,568.3
E09.Supplies and materials	-	-	27.5	65.9	-	93.4	-	-	-	-	93.4	-	93.4



Sources of funds/funding segments

Category	REGB	FNDN	FNDE	TECH	PRGS	Subtotal	RPTC	DEVT	EOSB	Subtotal	Total	Intersegment elimination	Grand total
E10.Furniture and equipment	-	-	59.1	140.1	1.8	201.0	-	-	-	-	201.0	-	201.0
E11.Grants and contributions	-	-	1,827.2	9,106.7	-	10,933.9	-	10.6	-	10.6	10,944.5	1,765.8	9,178.7
E12.Other expenses	-	-	(423.7)	5.4	-	(418.3)	-	-	-	-	(418.3)	-	(418.3)
<b>Total expenditure</b>	<b>1,718.1</b>	<b>330.7</b>	<b>6,048.6</b>	<b>19,885.0</b>	<b>2,050.0</b>	<b>30,032.4</b>	<b>147.0</b>	<b>65.3</b>	<b>-</b>	<b>212.3</b>	<b>30,244.7</b>	<b>1,765.8</b>	<b>28,478.9</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>2,670.4</b>	<b>(4,670.7)</b>	<b>(12,554.3)</b>	<b>(284.2)</b>	<b>(14,838.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,838.8)</b>	<b>-</b>	<b>(14,838.8)</b>
<b>Gross fund balances: 1 January 2021</b>	<b>-</b>	<b>(1,293.2)</b>	<b>105,848.3</b>	<b>304,912.7</b>	<b>11,759.9</b>	<b>421,227.7</b>	<b>-</b>	<b>-</b>	<b>(28,458.4)</b>	<b>(28,458.4)</b>	<b>392,769.3</b>	<b>-</b>	<b>392,769.3</b>
Gross fund balances: 28 February 2022	-	1,377.4	101,177.3	292,358.7	11,475.8	406,389.2	-	-	(28,458.0)	(28,458.0)	377,931.2	-	377,931.2
Statutory operating reserves	-	2,000.0	4,023.0	11,360.0	2,932.0	20,315.0	-	-	-	-	20,315.0	-	20,315.0
<b>Net fund balances: 28 February 2022</b>	<b>-</b>	<b>(622.6)</b>	<b>97,154.3</b>	<b>280,998.7</b>	<b>8,543.8</b>	<b>386,074.2</b>	<b>-</b>	<b>-</b>	<b>(28,458.0)</b>	<b>(28,458.0)</b>	<b>357,616.2</b>	<b>-</b>	<b>357,616.2</b>

Abbreviations: DEVT: development account (S.35); EOSB: end of service and employment benefits; FNDE: Foundation earmarked; FNDN: Foundation non-earmarked; PRGS: programme support; REGB: regular budget; RPTC: regular programme of technical cooperation (S.23); TECH: technical cooperation.

Note: "R02.Voluntary contributions" and "R03.Other transfers and allocations" are both voluntary contributions.

**Annex II****Status of Foundation non-earmarked contributions for the period  
1 January 2017 to 28 February 2022**

(United States dollars)

<i>No.</i>	<i>Contributor</i>	<i>31 Dec. 2017</i>	<i>31 Dec. 2018</i>	<i>31 Dec. 2019</i>	<i>31 Dec. 2020</i>	<i>31 Dec. 2021</i>	<i>28 Feb. 2022</i>
1	Algeria	–	–	–	10 000	10 000	–
2	Argentina	–	–	–	–	–	–
3	Barbados	14 815	14 815	14 700	14 706	15 000	–
4	Botswana	–	50 000	20 000	40 000	20 000	–
5	Burkina Faso	–	–	16 886	–	17 590	–
6	Chile	5 000	5 000	5 000	–	–	–
7	China	350 000	350 000	350 000	350 000	350 000	–
8	Côte d'Ivoire	25 000	–	–	–	–	–
9	Czechia	6 892	6 547	6 463	6 731	6 820	–
10	Dominican Republic	–	–	–	4 975	–	–
11	Egypt	–	–	–	–	50 000	–
12	Eritrea	–	–	–	–	–	–
13	France	–	–	225 220	227 740	–	–
14	Germany	–	–	–	184 049	174 419	–
15	Haiti	9 910	10 000	–	–	–	–
16	India	100 000	100 000	150 000	145 455	100 000	–
17	Iraq	–	–	50 000	–	–	–
18	Israel	10 000	–	3 800	–	–	–
19	Italy	–	–	–	–	118 906	–
20	Japan	117 136	–	34 950	31 455	31 458	–
21	Kenya	68 306	206 678	96 398	99 975	100 000	–
22	Kiribati	–	25 000	–	–	50 000	–
23	Malawi	–	–	10 000	20 000	10 000	–
24	Malaysia	–	1 200 000	–	–	–	–
26	Mali	–	–	9 653	–	10 012	–
25	Mauritius	–	–	–	–	25 000	–
27	Mexico	–	–	–	500 000	500 000	3 000 000*
28	Myanmar	10 000	–	–	9 980	–	–
29	Namibia	150 000	–	–	–	–	–
30	Nigeria	–	–	–	75 000	–	–
31	Norway	593 014	632 631	2 356 129	2 180 130	–	–
32	Pakistan	–	6 000	6 000	5 941	5 992	–

<i>No.</i>	<i>Contributor</i>	<i>31 Dec. 2017</i>	<i>31 Dec. 2018</i>	<i>31 Dec. 2019</i>	<i>31 Dec. 2020</i>	<i>31 Dec. 2021</i>	<i>28 Feb. 2022</i>
33	Philippines	15 000	25 000	2 500	50 000	50 000	-
34	Republic of Korea	87 596	89 204	80 378	84 365	84 066	-
35	Rwanda	-	-	-	-	10 000	-
36	Senegal	-	-	9 988	44 868	-	-
37	Sierra Leone	10 000	-	-	-	-	-
38	Singapore	-	-	50 000	-	-	-
39	Slovakia	-	-	-	-	-	-
40	South Africa	283 560	150 000	160 000	150 000	160 000	-
41	South Sudan	-	-	40 000	-	-	-
42	Spain	-	-	977 000	-	-	-
43	Sri Lanka	25 000	25 000	23 000	25 000	25 000	-
44	Turkey	-	-	-	-	200 000	-
45	United Republic of Tanzania	-	9 886	-	-	-	-
46	United States of America	692 000	672 974	650 000	650 000	812 997	-
47	Zambia	24 970	7 820	-	-	-	-
48	Zimbabwe	-	-	-	-	-	-
	<b>Total</b>	<b>2 598 199</b>	<b>3 586 555</b>	<b>5 348 065</b>	<b>4 910 370</b>	<b>2 937 260</b>	<b>3 000 000</b>

*\*Pledged but not yet received*

**Annex III****Status of earmarked voluntary contributions for the period ended 28 February 2022**

(Thousands of United States dollars)

<i>No.</i>	<i>Contributor</i>	<i>United Nations region</i>	<i>FNDE</i>	<i>TECH</i>	<i>Total</i>
1	Brazil	Latin America and Caribbean	-	300.0	300.0
2	Cameroon	Africa	-	240.0	240.0
3	European Commission	Western Europe and Other	1,200.0	8,669.6	9,869.6
4	Germany	Western Europe and Other	185.1	135.0	320.1
5	Japan	Asia and Pacific	-	42.5	42.5
6	United Nations entities (includes the One United Nations fund)	Global	-	571.9	571.9
7	Wuhan Land Use and Spatial Planning	Asia and Pacific	-	300.0	300.0
<b>Total</b>			<b>1,385.1</b>	<b>10,259.0</b>	<b>11,644.1</b>

*Abbreviations:* FNDE: Foundation earmarked; TECH: technical cooperation.