

Answers from UN-Habitat to questions provided during discussions in the Executive Board Working Group on Programmatic, Budgetary and Administrative issues held on 17 November 2025 :

A. Regarding the possible impact if budget for 2026 is approved at a lower level:

1. The UN-Habitat has submitted a proposal of USD 4.995 million for the Foundation non-earmarked fund. The budget covers USD 3.485 million for posts and USD 1.509 million for non-post costs.

Fixed Cost Item	2025 Approved	2026 Proposed
Post Costs	3,684,700.00	3,485,600.00
Non-post Costs	1,002,500.00	1,509,700.00
Grand total	4,687,200.00	4,995,300.00

2. The Post costs in order to be prudent in budget proposal have for 2026 been budgeted based on actual costs related to the 19 positions currently funded under the foundation non-earmarked funding and is a reduction of USD 199,100 compared to 2025 budget which was based on standard rates for positions.
3. The non-post costs have been further analyzed and classified into discretionary and non-discretionary expenses as shown in the table below.

Category of expense	Discretionary	Non-discretionary	Grand Total
Staff associated costs		89,000.00	89,000.00
Staff related service		57,200.00	57,200.00
Support to Staff Union	8,000.00		8,000.00
Other services	27,900.00		27,900.00
Travel	165,900.00		165,900.00
Acquisitions	56,200.00		56,200.00
Govern. Bodies meeting		140,000.00	140,000.00
Other corporate charges		82,400.00	82,400.00
UNHQ Corporate Costs		200,500.00	200,500.00
UNON Core Services		682,600.00	682,600.00
Grand Total	258,000.00	1,251,700.00	1,509,700.00

4. While total of USD 258,000 has been classified as discretionary type, it is important to consider that some of these expenses are still critical for the UN-Habitat management such as support to the UN Staff Union. The biggest variable cost here is for travel, which is critical as part of UN-Habitat’s normative work.
5. Under the non-discretionary costs, the biggest portion relates to a partial allocation of UNHQ Corporate costs and UNON Core Services costs, and there is little to no room for reduction of the other costs.
6. Should the budget for 2026 be approved at a lower level, UN-Habitat will have no other means that to re-allocate some of the UNHQ corporate and UNON Core services cost to the Programme Support, even though they are considered non-compliant to this fund and the Programme Support fund is already strained. The impact is that UN-Habitat will continue to be non-compliant on PSC costs and continue to drain the resources under the Programme Support.
7. With the 19 positions allocated to the Work Programme as follows

No of positions	Thematic Area
4	Subprogramme 1: Reduced spatial inequality and poverty in communities across the urban-rural continuum
5	Subprogramme 2: Enhanced shared prosperity for cities and regions
2	Subprogramme 3: Strengthened climate action and improved urban environment
2	Subprogramme 4: Effective urban crises prevention and response
5	Executive Direction and Management
1	Programme Support
19	Total positions under Foundation non-earmarked

8. It is important to underline that the Foundation non-earmarked fund is the only flexible source of financing that sustains UN-Habitat’s core normative leadership, spanning policy development, global monitoring, regional coordination, and executive oversight. Unlike earmarked project funding, which is tied to specific donor priorities, the foundation non-earmarked budget is what enables the Organization to fulfil its universal mandate, respond to Member States’ requests, and maintain a minimum level of governance, accountability, and quality assurance. Any further reduction in this funding line would therefore have a direct and immediate impact on UN-Habitat’s ability to meet its normative responsibilities, including on housing, land, basic services, urban planning, climate, and the New Urban Agenda follow-up. It would also limit our capacity to service the Governing Bodies and uphold the standards expected under UN80 and the UN management reform agenda.

B. Regarding the timeline for the implementation of the revised organigramme:

Implementation of the revised organigramme will commence, as decided by the Executive Director, on 1 December 2025, following the completion of the functional review and the consolidation of roles and responsibilities under the new structure. The rollout will follow a phased and sequenced implementation plan to ensure a smooth transition from the current subprogramme framework of the 2020–2025 Strategic Plan to the five new subprogrammes of the 2026–2029 cycle. During December 2025 and early 2026, divisions and regional offices will progressively realign their internal reporting lines, update workplans, and activate the new coordination mechanisms, including the Leadership Management Team (LMT), the Programme Management Committee, the strengthened Programme Review Committee (PRC), and the Housing Reference Group. A critical milestone will be the General Assembly’s decision on the revised Regular Budget for 2026, including any adjustments to Regular Budget posts under the UN80 initiative. Depending on this outcome, the Secretariat may need to refine the internal deployment plan and adjust the pace of implementation. The transition will continue throughout the first quarter of 2026 to ensure full operational readiness for the new Strategic Plan, while maintaining uninterrupted delivery and compliance with UNON, OHR, and Secretariat-wide requirements.