66th MEETING OF THE COMMITTEE OF PERMANENT REPRESENTATIVES TO THE UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

27th September 2017

Executive Director’s Statement
Mr. Chair, Excellencies and Distinguished Delegates,

Thank you for giving me this opportunity to provide you, at this 66th meeting of the CPR, with an update on UN-Habitat’s financial situation for the quarter ended 30th June 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 72.5 million, of which USD 11.6 million is related to core funds, while USD 60.9 million related to earmarked funds.

Total expenditure for the period amounted to USD 75.6 million, comprising of USD 14.8 million for core expenses, and USD 60.8 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 GC-approved funding as at the end of the second quarter under foundation general purpose is about USD 11.4 million, being one-half of the annual budget of USD 22.8 million. However, only about USD 994,000 was actually received from eight countries in the quarter indicating a gap of about USD 10.4 million (91.3%). This reality continues to demonstrate the challenge existing in our core budget. This is more so considering that the amount of the useable fund balances has been depleted steadily over time.
A total of sixteen (16) countries contributed USD 2.3 million to the Foundation General Purpose fund in 2016. As of 31st August 2017, twelve (12) countries contributed USD 1.2 million. Eleven (11) countries from the 2016 list have not yet made their 2017 contributions (USD 1.4 million). Seven (7) countries that did not contribute in 2016 have contributed USD 342,000 in 2017.

Excellencies, as we have briefed in previous meetings of the CPR, we have gradually been drawing down on the fund balance of the Foundation General Purpose – what is generally known as the reserves of the fund. While we continue to urge and wait for Member States to make their contributions as urgently as possible, we are managing our cash requirements carefully. As a result, we have utilized USD 3 million from the Programme Support fund to meet commitments associated with the Foundation General Purpose in August 2017 while contributions to the Foundation General Purpose are awaited. I stress that we continue to maintain the capacity of UN-Habitat using reserves, while member states consider what funding model should apply to a strengthened UN-Habitat.

It is very obvious, as we have been observing for the last few years to this body, that a fundamental shift in the financing model is needed. It is our view that there is no more important and crucial time for member states not only to consider what they want for a strengthened UN-Habitat, but how it will be financed.

Excellencies, allow me to express my deep appreciation to the Governments of Barbados, Burkina Faso, Chile, Haiti, India, Japan, Kenya, Norway, The Philippines, Republic of Korea, South Africa and Zambia for their contributions to the foundation general purpose received as at the end of the
second quarter. I trust that many more member states, including our eleven contributors from last year, will join the list as soon as possible.

I am also grateful for new contribution agreements signed in the second quarter for earmarked activities amounting to USD 36.5 million with governments and other donors. I would therefore like to extend my appreciation to the Governments of Afghanistan, Belgium, China, Colombia, Germany, India, Italy, Malaysia, Mexico, Mozambique, Pakistan, Sri Lanka, United Arab Emirates, United States of America and also the European Union for agreements signed.

I would like to take this opportunity to encourage all member states to provide their contributions for 2017 urgently, particularly those for UN-Habitat's Foundation General Purpose account. This will allow us 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. This is vital to keep our core budget financed at the level required to carry out our functions, while awaiting the strengthening process to come to its conclusion.

Thank you for your kind attention.