Introductory Statement by Ms Maimunah Mohd Sharif

Executive Director

Quarterly Report on the Financial Status of UN-Habitat

Nairobi, 6 December 2018

Agenda Item 5
Mr. Chair, Excellencies,

I would like to thank you for giving me this opportunity to provide you with an update on UN-Habitat’s financial performance for the period ended 30 September 2018. The reference financial performance report for the period then ended, has been transmitted to you.

As you will have noted in the financial report, during the nine months to September 2018, revenue totalled $140.3 million (2017: $113.0 million) comprising $17.9 million (2017: $18.2 million) from core funds and $122.4 million ($94.8 million) from earmarked funds. While core revenue remained at about the same level, we saw a 29% increase in 2018 on earmarked revenue.

Expenditure for the same period amounted to $117.6 million (2017: $119.6 million) comprising of $20.9 million (2017: $22.3 million) for core expenses and $117.6 million (2017: $97.2 million) for earmarked expenses. This represents a 6.3% reduction in core expenditures and a 21.0% improvement in earmarked budget execution when compared to same period in 2017.

Excellencies, I wish to recall to you the status of the foundation general purpose which also impacts the other core funds negatively as it draws on these resources. While I had reported a 2018 projected core deficit of $5.5 million last quarter, I am pleased to provide you with a revised projection of $3.9 million. We project a deficit of $2.1 million on the Foundation general purpose and $1.8 million on programme support account. The revisions are principally due to some increase in revenue and resource mobilization efforts together with internal reassignments, while tight measures continue to be applied on expenditure from the austerity measures instituted earlier in the year.
Excellencies, we cannot over-emphasise the need for UN-Habitat to implement the work programme and budget as approved by Governing Council for the 2018-2019 biennium. Yet, the lack of resources on the foundation general purpose has affected the implementation of the work plan in 2018. It is my hope that we will continue to address this situation together in 2019. While I have since my arrival come to clearly understand the reasons for reluctance of Member States to contribute to the Foundation, I am confident that a new governance structure, a new strategic plan and our internal reform efforts that are underway will help to rebuild trust and confidence in our UN Habitat.

Therefore, I encourage all of you to continue the positive trend in terms of contribution that I have seen in the recent past.

Excellencies allow me to express my appreciation to the Governments of Botswana, Chile, China, Haiti, Malaysia and the United States of America for joining the list of contributors to the Foundation general purpose in 2018 since the last report. I trust that other Member States will also be making their voluntary contributions even before the end of the year.

I am also grateful for the contribution agreements for earmarked activities amounting to $33.6 million with governments and other donors signed since the last report. I extend my appreciation to the Governments of Angola, Cameroon, China, Colombia, Ethiopia, Germany, India, Italy, Japan, Mongolia, Norway, Sri-Lanka, Sweden, Switzerland, United States of America and, also, the European Union for agreements.

Thank you for your attention. For further details and clarification, I am pleased to hand-over to Joerg Weich, Officer in Charge, Management Operations Division.