Explanatory note on income and expenditures comprising UN-Habitat’s budget

This note has been prepared by the Secretariat to provide further clarifications on the types of income and expenditures comprising UN-Habitat’s budget.

Regular budget resources: Regular budget resources are approved by the General Assembly and allocated to UN-Habitat by the Secretariat. These are the funds provided by the United Nations from its assessed budget. The bulk of these resources are towards staff salaries within the respective sub-programmes and the direct costs associated with mandatory activities such as the servicing of the Governing Council and its subsidiary bodies. A small portion of these resources are devoted to expert group meetings, information dissemination, monitoring and reporting, and travel to statutory meetings such as the General Assembly, ECOSOC, meetings of the Chief Executive Board, etc.

Extra-budgetary resources: Extra-budgetary resources include all other sources of income, namely voluntary non-earmarked and earmarked contributions. The Secretary-General delegates to the Executive Director authority to accept voluntary contributions for activities consistent with the policies, aims, and objectives of the Foundation as they relate to technical and financial services and principles consistent with those of the United Nations. All contributions are subject to audit by the Internal Audit Division of the United Nations and by the United Nations Board of External Auditors. All expenditures are recorded in the Financial Statements of the organization.

Non-earmarked funds: Non-earmarked funds are voluntary contributions pledged or paid by Governments or intergovernmental organizations, to fulfill UN-Habitat’s mandate by providing financial support in the implementation of the approved biennial work programme.

Earmarked funds: Earmarked funds are voluntary contributions provided under specific terms of reference or under specific agreements with donors for the purpose of financing wholly or in part the cost of activities consistent with the organization’s aims, policies and programme of work. These include funds allocated to Trust Funds, Partnerships as well as funds designated for specific activities or themes such as the WUF, gender or youth. Earmarked funds provided for country-level activities generally fall under the rubric of Technical Cooperation activities (see below). All earmarked contributions are charged for programme support functions (administrative and backstopping) at the rate approved by the General Assembly or in accordance with any system wide agreements.

Technical Cooperation activities: Technical cooperation activities are activities undertaken at the country level to provide economic and social development assistance to developing countries and countries with economies in transition. The majority of projects focus on national policy development, institutional capacity building and technical assistance. Funding towards technical cooperation activities depend to a large degree on national priorities (demand) and donor preferences and is therefore not as predictable.

Refer to Annex III of the “Proposed work programme and budget for 2008-2009” for further terminologies.