Progress Report on the Financial situation of UN-Habitat

Statement

By

Anna Kajumulo Tibaijuka
Under-Secretary-General and Executive Director of UN-HABITAT

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Madam Chair, Excellencies, Distinguished Delegates,

This being the first meeting of the UN-Habitat Committee of Permanent Representatives in 2006, and I would like to take this early opportunity to thank all the donors for their financial support to UN-Habitat during the year 2005.

Please allow me to provide you with a brief summary of the financial situation of UN-HABITAT.

You have received a report entitled “Financial update December 2005”, providing detailed information on the income and expenditure of the Programme during the last financial year.

The positive and constructive support you have provided has gone a long way in enhancing both the scope of the activities of UN-Habitat and improving the delivery of our existing programmes.

Madam Chair, it is my great pleasure to report that UN-Habitat has been able to maintain its rising trend in contributions. The total contributions received in 2005 reached an all time high of over US$110 million, an increase of 30% over the US$85 million received in 2004.

UN-Habitat received firm general-purpose commitments totalling US$10.5 million from thirty-seven governments for the year 2005, as reflected in Annex B and a further US$100.9 million towards earmarked activities as outlined in Annex C. I would like to acknowledge and extend my sincere gratitude for the contributions from the Governments of Cyprus, Fiji, India, Japan, Norway, the Philippines, Sweden and the United States of America, which were received during the last quarter of 2005.

The current outstanding pledges to the United Nations Habitat and Human Settlements Foundation total US$96,380 having received payments from the Governments of Bhutan, Chile, Greece and Tanzania in January 2006. I appeal to those Governments that have not settled their outstanding obligations, to do so at their earlier convenience.

Madam Chair, this being the beginning of the biennium 2006-2007, I would like to remind you of the important goals and objectives set out as part of our
approved work programme during the 20th Session of the Governing Council. With this in mind, I call on you all to provide us with the necessary financial resources to achieve our objectives. The annual target general purpose income for this biennium is US$12.5 million compared to the annual target of US$11 million for the previous biennium.

I would like to give special mention to the Governments of Austria, Israel and Pakistan, which have already paid their 2006 contributions, for which I would like to express my sincere gratitude. Allow me to once again acknowledge with thanks, the pledges received from the Governments of India, Madagascar, Tunisia and the Russian Federation during the Pledging Conference held in November last year. These pledges and contributions will be reflected in the next financial report. I appeal to all those governments, which are in a position to provide financial assistance, to come forward and support UN-Habitat.

Annex C of the report provides some information on the status of earmarked contributions to UN-Habitat. You will note that as at 31 December 2005 the Programme had received contributions towards specific project activities and programs amounting to US$100.9 million. The level of earmarked contributions received in 2005 marked yet another milestone, being the highest ever received in a single year, since the inception of UN-Habitat and reflects an impressive growth of 35% over the level of earmarked contributions received in 2004.

Although, the earmarked contributions have been a welcome complement to the general purpose contributions, in principle, general purpose contributions are more compatible to the need for UN-HABITAT to implement a focussed work programme and to manage its financial resources on the basis of predictable and stable income. I would therefore like to urge you to maintain, and preferably even increase your contributions with a larger percentage allocated to general purpose contributions.

Annex D of the report illustrates the activities for which the contributions in 2005 were earmarked. Over 71% of the contributions relate to technical cooperation activities at the country level. Allow me to thank the Governments of China, Italy, Japan and New Zealand, the Cities of Munich and Vitoria, BASF, UNDP and UNICEF for their support to the victims affected by the Tsunami.
As the Third World Urban Forum draws close, I would like to bring to your attention that to date, we have received US$605,956 of the US$2.5 million generously pledged by the Government of Canada towards the Third World Urban Forum. The total receipts and pledges currently fall short of the target budget of US$3.8 million. I encourage you all to support us in meeting our financial target, which will assist us in the preparations ahead of the Forum.

Annex E of the report provides details of the Top Ten Government Donors to UN-Habitat during the period 2001-2005. It is worth noting that 55% of the total contributions received by the Programme was from 10 donors compared to 47% during the previous year.

During the past year, UN-Habitat embarked on an aggressive fund-raising campaign to capitalize the “Water and Sanitation Trust Fund” and the “Programme for the Palestine People”. It therefore gives me great pleasure to thank the Governments of Canada, the Netherlands, Norway, Poland and Sweden for supporting the Water and Sanitation Trust Fund activities. In addition, I would also like to convey my sincere appreciation to the Governments of China, Oman, Sudan, Sweden, the United States of America and the Al Maktoum Foundation for their financial support to the Programme for the Palestinian People. Annex F of the report provides a summary of the agreements that have been signed and the income received towards both Trust Funds.

Madam Chair, Excellencies, this concludes my introduction to this agenda item, and I thank you for your kind attention.