Financial update December 2007

This quarterly report is submitted to the Committee of Permanent Representatives in line with the Governing Council Resolution 20/19

Programme Support Division
UN-Habitat
18 March 2008
UN-Habitat: Financial Status December 2007

1. Introduction and summary

This report provides an overview of the financial situation of UN-Habitat in relation to the core budgets for the biennium 2006-2007: Regular Budget allocations; United Nations Habitat and Human Settlements (Foundation) income and allocations for the General Purpose and Special Purpose Programme Support Account; and the Technical Cooperation Programme Support Account (Annex A).

It also provides an update on the special purpose (earmarked) contributions and expenditures to the Foundation including the Water and Sanitation Trust Fund, the Special Programme for the Palestinian People, the Experimental Reimbursable Seeding Operations (ERSO) Trust Fund and the Slum Upgrading Facility as well as the contributions to the Technical Cooperation activities.

UN-Habitat received general purpose contributions amounting to US$17.6 million for the year 2007 bringing the total to US$27.7 million for the biennium 2006-2007. Of this amount US$ 25.5 million had been paid by the end of December 2007 (Annex B).

Special purpose contributions earmarked for specific programme and project activities totalled US$135.7 million, of which US$64.1 million was towards the Foundation activities and US$71.6 million towards Technical Cooperation activities (Annex C). The increase in earmarked contributions was US$19.8 million (17%) in comparison to the total contributions received in the year 2006, bringing the total for the biennium 2006-2007 to US$ 251.6 million.

All core budget expenditure allocations were in accordance with the budgetary provisions approved during the 20th Session of the Governing Council, taking into account the income levels (Annex A1).
2. **Status of the Core Budgets (Annex A)**

The total allocations approved against the Core Budgets for the biennium 2006-2007 amounted to US$59.3 million (Annex A). This is illustrated graphically below. *(Figure 1)*

**Figure 1. Distribution of UN-Habitat Core Budget Allocations for the biennium 2006-2007**

![Pie chart illustrating the distribution of core budget allocations: Regular Budget 36%, Foundation 38%, Foundation Programme Support 7%, TC Programme Support 18%]

**i). Regular Budget Allocation:**

The Regular Budget allocation of the United Nations for the biennium 2006-2007 was US$20.6 million and constituted 36% of the total core budget of the organization. *(Figure 1)* This allocation was fully utilized.

In addition, the United Nations provided an additional allocation of US$0.3 million from the Development Account of which 97% was utilized.

**ii). Foundation (General Purpose) Allocation:**

The Foundation (General Purpose) allocation issued for the biennium 2006–2007 was US$24.0 million and represented 38% of the total core budget of the organization. *(Figure 1)*

This allocation included the core Foundation allotment of US$19.4 million and a variable allocation of approximately US$4.6 million primarily for emergency/preparatory assistance projects as well as information, monitoring and research activities. An allocation of US$1.2 million was also included in the core Foundation allocation for the Habitat Programme Managers in line with the approved Governing Council budget for the biennium.

As at 31 December 2007, 90% of the authorized allocation had been utilized. *(Annex A1)*
iii).  **Foundation Programme Support Allocation:**

The approved allocation against this support account for the biennium 2006–2007 was US$4.3 million and was approximately 7% of the total core budget of the organization. *(Figure 1)* An allocation of US$1.2 million was included for the Habitat Programme Managers in line with the approved Governing Council budget for the biennium.

As at 31 December 2007, the programme support income generated under this account was US$6.8 million and 88% of the authorized allocation had been utilized. *(Annex A2)*

iv).  **Technical Cooperation Programme Support Allocation:**

This allocation was approximately 18% of the total core budget of the organization. *(Figure 1)*

The approved allocation for the biennium 2006–2007 was US$10.7 million while the actual programme support income generated under this account was US$10.5 million. The slight deficit of US$0.2 million was covered by the interest income earned against this account. As at 31 December 2007, 99% of the authorized allocation had been utilized. *(Annex A3)*

3.  **Status of Donor Contributions**

*Figure 2. Trend in Donor Contributions (2001-2007)*
i). **Foundation General Purpose Contributions (Annex B)**

Annex B provides the status of general purpose (non-earmarked) pledges and contributions to the Foundation during the period 2004-2007.

As at 31 December 2007, thirty six governments had made firm commitments to UN-Habitat amounting to approximately US$17.6 million for the year 2007.

*As at 18 March 2008, the contributions from the Governments of Cyprus, India, Japan, Philippines, South Africa and the United Kingdom had been received.*

In line with the UN-Habitat policy on unpaid pledges, the outstanding pledge to the United Nations Habitat and Human Settlements Foundation for the year 2002 from the Government of Egypt of US$4,706 was written off.

ii). **Special Purpose Contributions (Annex C)**

As at 31 December 2007, contributions to UN-Habitat for specific programme and project activities amounted to approximately US$135.7 million for the year 2007.

*Figure 2 above illustrates the steady growth in the Special Purpose contributions received towards both the Foundation and Technical Co-operation activities from 2001 to 2007.*

Of the amount received in 2007, US$64.1 million was towards the Foundation activities while US$71.6 million was towards Technical Co-operation activities. These contributions were received from thirty two governments and other UN-Habitat partners, including the Asian Development Bank, United Nations Agencies and the World Bank as detailed in Annex C and C1. The detailed schedule of contributions received from “Other Public Donors” is provided in Annex C1.

*Annex D provides an overview of the activities that were funded with the special purpose contributions received. Approximately 55% of the total contributions received were towards specific country activities, of which US$11.4 million was towards the countries affected by the Tsunami namely Indonesia, Maldives, Somalia and Sri Lanka. The other country activities included the on-going post conflict reconstruction efforts in Afghanistan, Iraq, Lebanon, Palestine and Serbia.*

Other major contributions received were US$33.8 million in support of the Water and Sanitation activities, US$2.5 million towards the Special Programme for the Palestinian People and US$4.7 million towards the Slum Upgrading Facility. US$2.8 million has also been received towards the Experimental Reimbursable Seeding Operations.

*Annex E outlines the Schedule of Agreements and corresponding income received towards the Trust Funds/Facility. As at 31 December 2007, the signed agreements towards the Water and Sanitation Trust Fund amounted to US$74.4 million, US$8.4 million to the Special Programme for the Palestinian People Trust Fund, US$2.9 million towards the Experimental Reimbursable Seeding Operations Trust Fund and US$20.1 million to the Slum Upgrading Facility.*

*Annex F provides information on the top ten donors to UN-Habitat from 2002 to 2007.*