

TOPICS

1. Our financial situation: focused on stability
2. Update on the financial reserve
3. Proposed supplementary budget for 2023
4. Draft budget for 2024
5. Scalability model: principles and priorities



**Ad hoc working group
on programmatic, budgetary
and administrative matters**

Stephen Slawsky

**Director, Management Advisory and Compliance Service
March 2023**

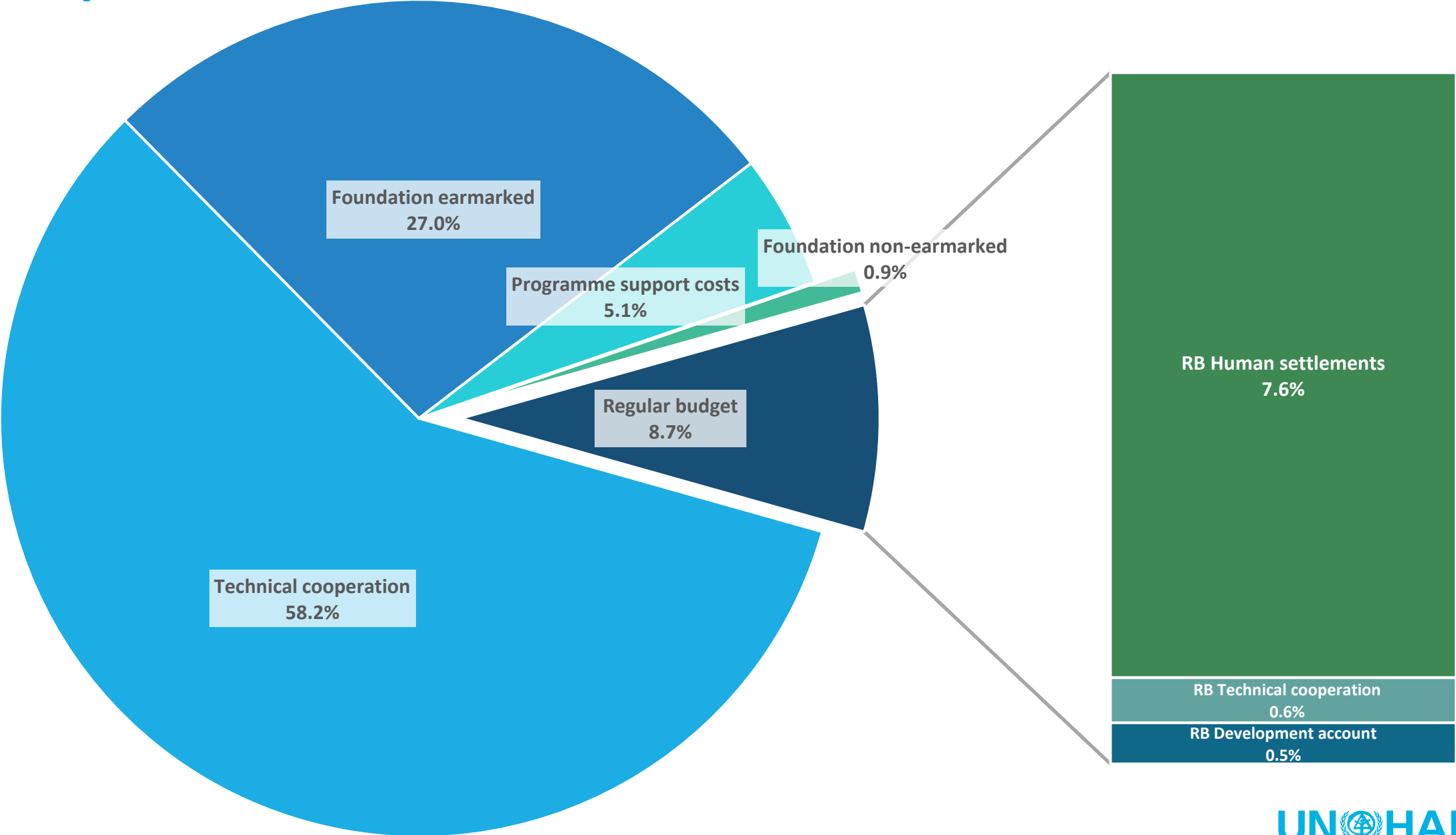
Our financial situation: Focused on stability

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Stephen Slawsky
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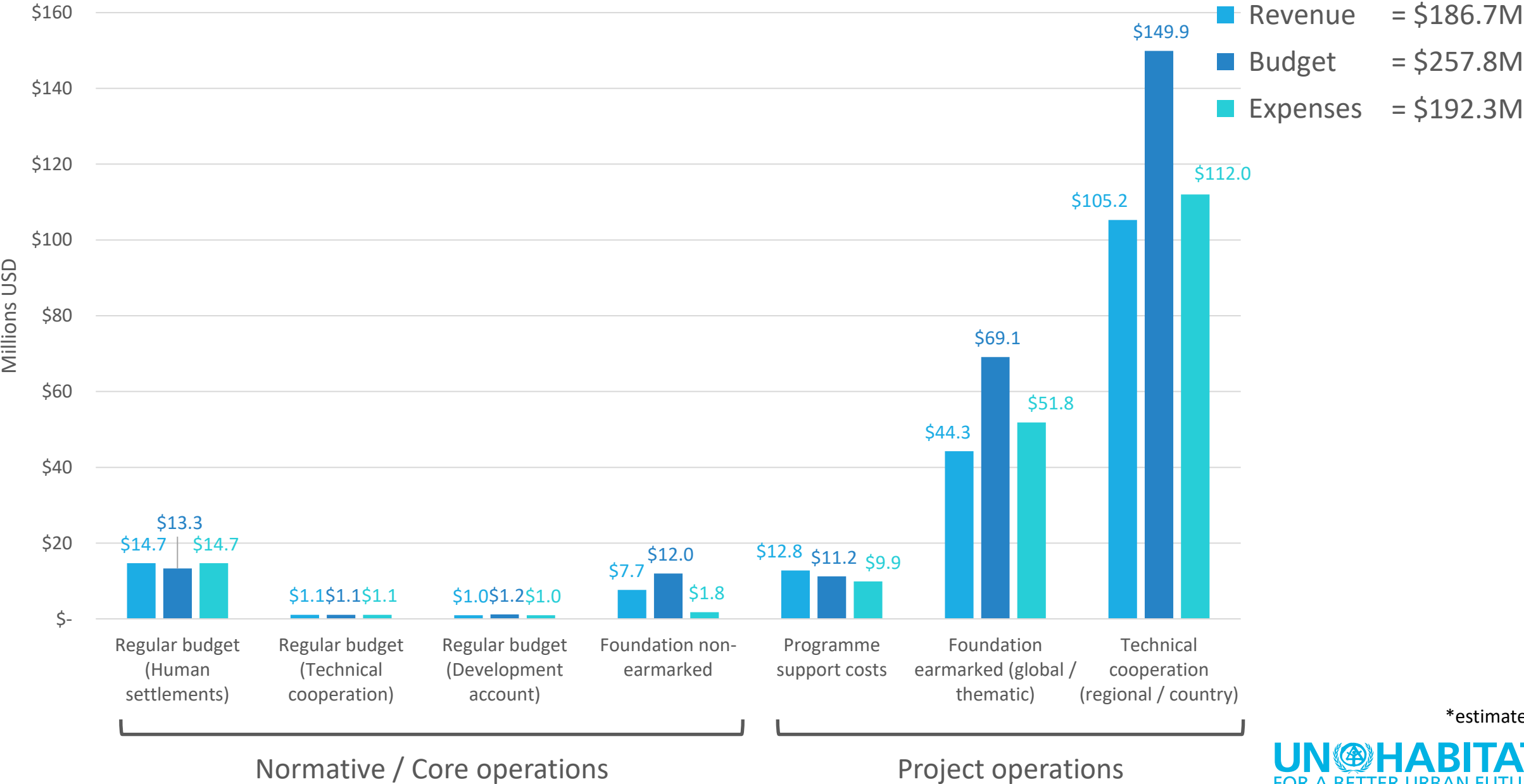


2022 expense mix*

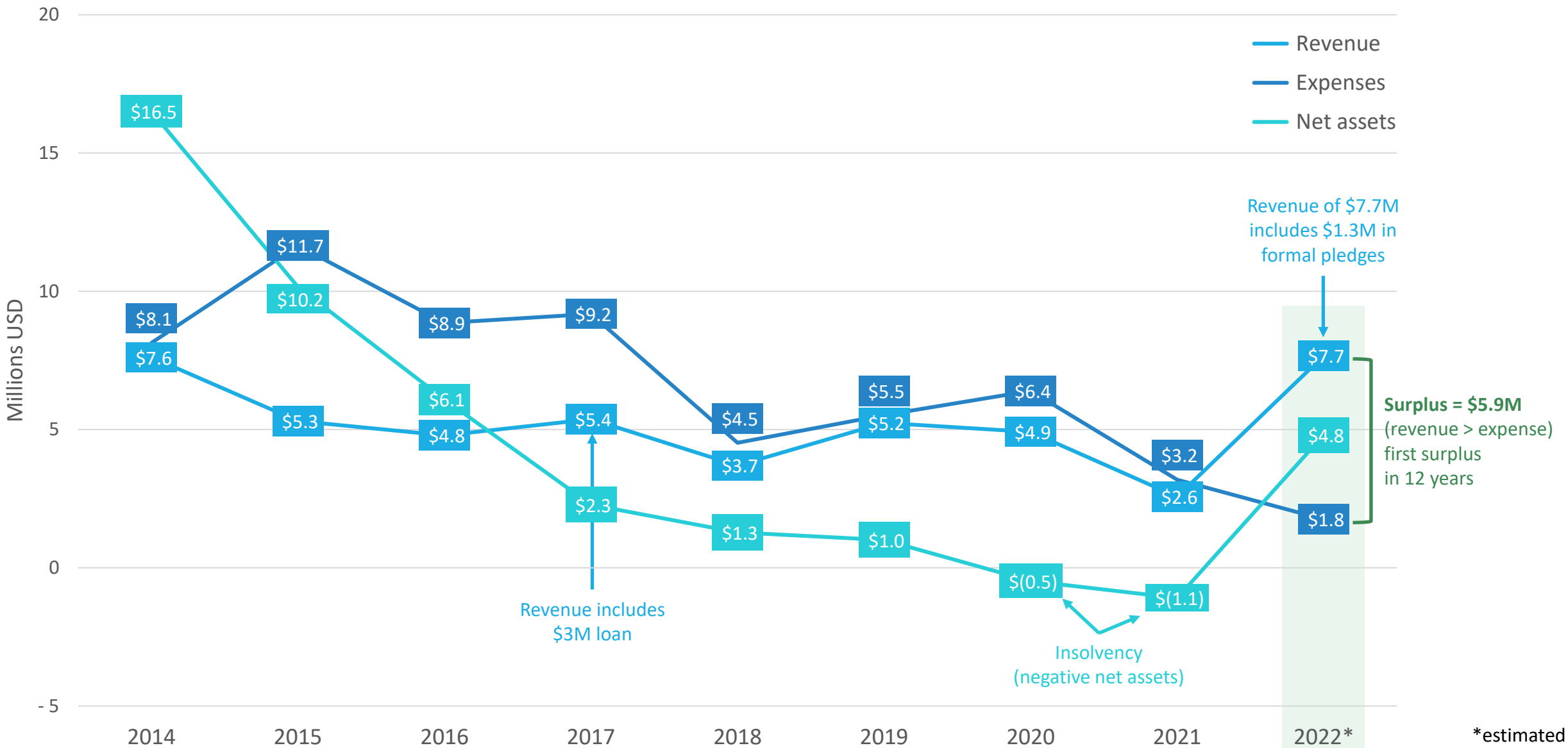


*estimated

2022 position across all funding segments*



Foundation non-earmarked: 2022 was historically important



*estimated

Financial reserve and partial loan repayment

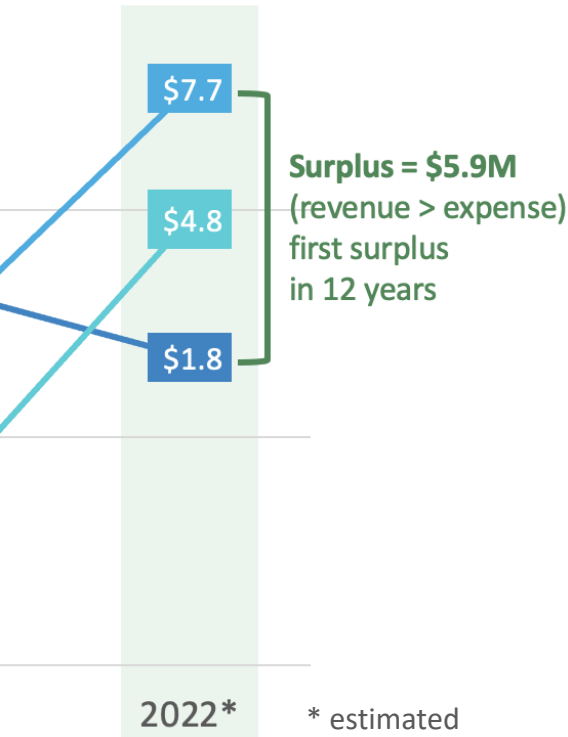
- Revenue
- Expenses
- Net assets



From the surplus, the financial reserve is fully funded at the mandated level of \$3M



An initial instalment of \$500K was paid against the loan of \$3M



Financial reserve: purpose

HSP/EB.2022/22: Decisions adopted by the Executive Board at its second session of 2022
Decision 2022/5

LEVEL

11. *Also recalls* the provisions of decision 2020/4 relating to the level of the financial reserve in the non-earmarked Foundation budget and decides to set the minimum level of the reserve at **\$3 million** or 20 per cent of the approved budget for the following financial period, whichever is higher;

PURPOSE

12. *Decides* that the Executive Director is authorized to enter into planned commitments from the available balance of the financial reserve **to compensate for short-term requirements and liquidity due to uneven cash flows in accordance with the approved work programme and budget** and requests that such commitments be reported to the Executive Board;



The **mandated purpose of the reserve** of the non-earmarked Foundation is in line with the **mandate of the Foundation** to augment the regular budget for normative and core operations.



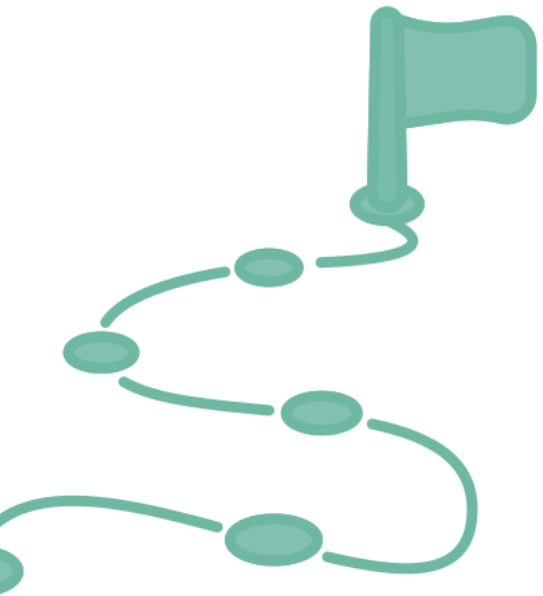
Short or medium-term unforeseen (surge) requirements would normally be covered by the reserves in technical cooperation and the earmarked Foundation, in line with the mandates of those funds.



Long-term requirements would normally be covered in the budget process.

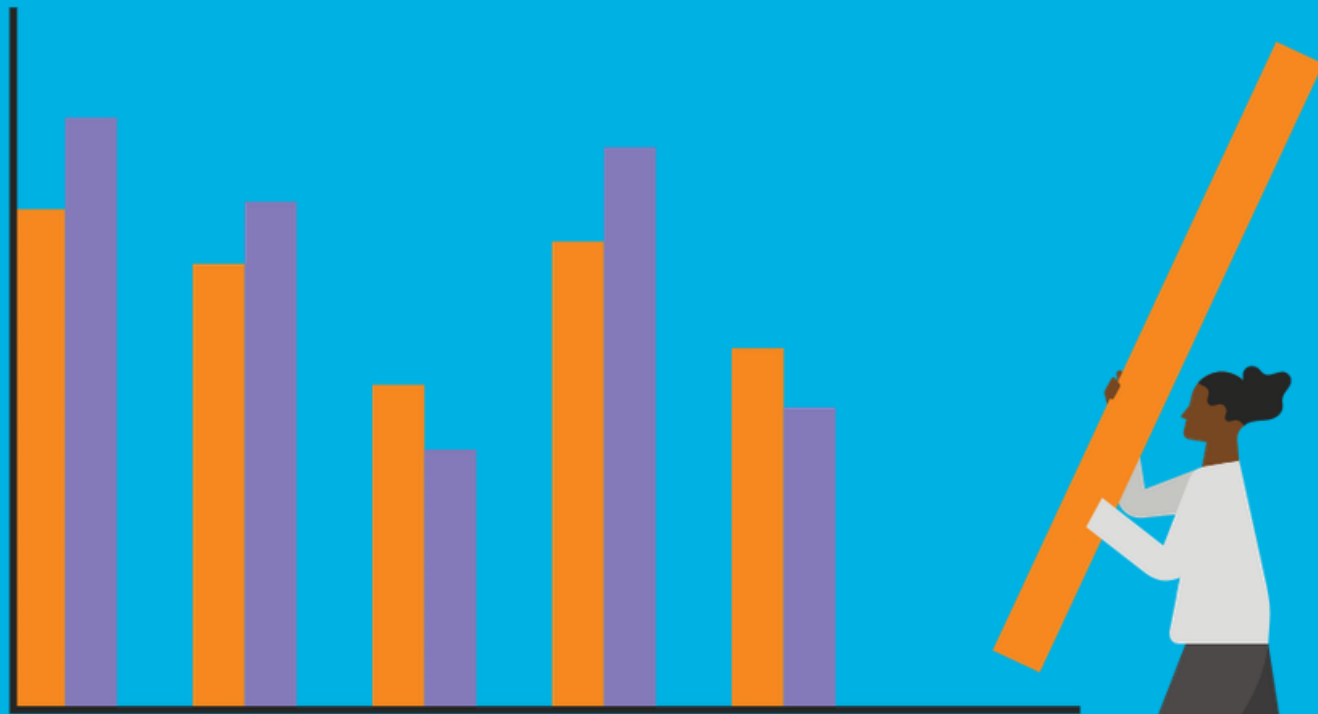
Financial milestones

- Realistic budgets, treated as spending plans
- Controlled spending within agreed envelopes
- Maintained all personnel
- Stabilised core finances



- First additional regular budget approval in 20 years
- First surplus in 12 years
- First fully funded financial reserve
- First instalment to repay the loan
- First programme budget implication and endorsed by ACABQ

Draft supplementary budget for 2023



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Director, Management Advisory and Compliance Service
March 2023

Supplementary budget process

Nairobi



Executive Board decision + technical note

November 2022

January 2023

February 2023

March 2023

March 2023

AHWG on PBA discussion

Executive Board decision

ACABQ hearing

ACABQ report

New York



Programme budget implication (PBI)

HSP/EB.2022/22: Decisions adopted by the Executive Board at its second session of 2022
Decision 2022/6

16. *Welcomes* the update by the Executive Director on the high-level meeting of the General Assembly to assess progress in the implementation of the New Urban Agenda, held on 28 April 2022, and *takes note* of the summary by the President of the General Assembly of that high-level meeting, including the annex of declared actions and commitments on housing, climate action, localization of the Sustainable Development Goals, and urban crisis recovery to accelerate the implementation of the New Urban Agenda;

17. *Requests* the Executive Director **to provide an update** on programmes and initiatives on the implementation of the New Urban Agenda, including with regard to the submission of national reports, **at each session of the Executive Board;**

TRIGGER
OF PBI

Relevant rules

TECHNICAL NOTE

Rule 12.5 of the [Rules of Procedure of the Executive Board](#) (HSP/HA.1/HLS.3):

Before the Executive Board approves any proposal involving expenditure in excess of the approved budget, the Board secretariat shall provide the Board with **a written estimate** of the cost of implementing the proposal.

TECHNICAL NOTE

Rule 302.6 of the [Supplement to the Financial Regulations and Rules of the United Nations](#) (ST/SGB/2015/4):

The Executive Director is responsible for preparing and presenting to the Governing Council [now United Nations Habitat Assembly, as delegated to the Executive Board] **a statement of Foundation programme budget implications ... with the comments of the Advisory Committee on Administrative and Budgetary Questions.**

ACABQ REPORT

Draft supplementary budget level for 2023


Additional resource requirements

(United States dollars)

Primary Sub-programme (SP)	Budget Category	Grade/Description	Count	Location	Effective duration (years)	Financial requirements *	Total Resources	Existing Resources	Net total	
SP1, SP2, SP3 and SP4 (25 per cent to each subprogramme)	Staff costs	P-3	1	Nairobi	1	185,300	185,300	-	185,300	
		P-2	1	Nairobi	1	154,900	154,900	-	154,900	
		G-7	1	Nairobi	1	39,800	39,800	-	39,800	
		G-6	1	Nairobi	1	39,800	39,800	-	39,800	
	Sub-total						419,800	419,800	-	419,800
	Non-staff costs	Report translation costs					150,000	150,000	-	150,000
		Other operating costs					37,400	37,400	-	37,400
	Sub-total						187,400	187,400	-	187,400
	Grand Total						607,200	607,200	-	607,200

* Based on standard post costs as at 22 January 2023

In 2023, this annualized amount, recommended by the ACABQ, is to be prorated at 50%, for a draft *supplementary* budget level of **\$303,600**. Added to the *approved* budget level of \$3,001,000, the *new* budget level would be **\$3,304,600**.

An illustration on the left side of the slide features a laptop with a large blue dollar sign overlaid on its screen. Surrounding the laptop are several colorful gears (red, black, yellow, green) and a bar chart with three bars of varying heights. The background of the illustration is a circular shape with a green top half and a yellow bottom half.

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Draft budget for 2024

Stephen Slawsky
Director, Management Advisory and Compliance Service
March 2023

UN  **HABITAT**
FOR A BETTER URBAN FUTURE

Draft budget level for 2024: balancing confidence with caution

Overview of resource requirements by source of funds

(Thousands of United States dollars)

Source of funds	Resources				Posts			
	Actual 2022	Approved 2023	Change amount	% change	Estimates 2024	2023	Changes	2024
Foundation non-earmarked								
Post	1,150.4	2,099.9	872.0	41.5	2,971.9	14	5	19
Non-post	450.5	901.1	101.4	11.3	1,002.5			
Subtotal	1,600.9	3,001.0	973.4	32.4	3,974.4	14	5	19

Approved level for 2023,
prior to consideration of
supplementary budget

Draft level for 2024

Proposed post changes for 2024

United Nations Habitat and Human Settlements Foundation summary of post changes

	Professional category and above								General service		
	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total	Local level	Other level	Grand total
2023	-	-	4	1	2	1	1	9	5	-	14
Increase/(Decrease)	1	-	1	1	(2)	1	1	3	2	-	5
2024	1	-	5	2	-	2	2	12	7	-	19

Abbreviations: USG, Under-Secretary-General; ASG, Assistant Secretary-General; D, Director; P, Professional

Initial scalability

Proposed moderate scaling up with the integration of the following posts:

- Deputy Executive Director (ASG)
This post has no other viable option for funding
- Regional Representative for Latin America and the Caribbean (D-1)
All other Regional Representatives are already budgeted in 2023
- Senior Legal Officer (P-5)
Upgrading the existing P-4 post
- New Urban Agenda reporting team (P-3, P-2, 2 GS)
Mainstreaming the proposed supplementary budget for 2023

Scalability model: Principles and priorities

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Scalability principles: how to carefully manage growth

- ★ Prioritize based on **strategic objectives**, both functional and expansive
- ★ Manage through the **budget process**, in which positions are established, converted, reclassified, reorganized, upgraded, downgraded or abolished



- ★ Continuously review other UN organizations as **benchmarks**
- ★ Continue the **rationalization analysis** of all positions across all sources of funding to ensure proper use of each source of funding with respect to the functions of each position

Scalability priorities

- ★ **Develop programmes,** including flagships: design, coordination, and reporting
- ★ Support Member States in the **adoption of urban data systems,** including SDG indicators
- ★ Stabilize the **regional architecture,** including cooperation with the Resident Coordinator system
- ★ Foster **knowledge management** and sharing
- ★ Support global operations with **oversight,** internal controls, audit response and enterprise risk management
- ★ Expand normative outcomes by monitoring and supporting the **adoption of norms** by Member States, including adequate housing, climate solutions, localization of SDGs, and urban crisis response
- ★ Strengthen normative impact through **communication,** advocacy, outreach and partnerships



Proposed outcomes

1. Take note of the financial situation and milestones
2. Recommend to the Executive Board any change in the purpose of the financial reserve
3. Recommend to the Executive Board a decision on the proposed supplementary budget for 2023
4. Discuss the proposed budget for 2024, as well as the outlook and priorities for scalability