



**United Nations Human Settlements Programme  
(UN-Habitat)**

Introductory Statement to the twenty second session of the  
Governing Council

**Proposed Work Programme and Budget for  
the 2010-2011 biennium**

**Ms Anna Kajumulo Tibaijuka  
Executive Director**

31 March 2009

**PROPOSED WORK PROGRAMME OF THE UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME (UN-HABITAT) AND PROPOSED BUDGET OF THE UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION FOR THE BIENNIUM 2010-2011**

Mr. Chairman, Honourable Ministers, Excellencies, and Distinguished Delegates, I now have the honour of introducing the Proposed Work Programme and Budget of the United Nations Habitat and Human Settlements Foundation for the 2010-2011 biennium, document HSP/GC/22/5 which is before you. For your information, you also have before you, documents HSP/GC/25/5/Add.1 which is the "Report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)", and HSP/GC/25/5/Add.2 which is the "Gender Equality Action Plan for 2008-2013".

The proposed Work Programme and Budget before you was prepared in close collaboration with the Committee of Permanent Representatives. The Committee's Working Group on Policy, Budgetary and Administrative Matters provided inputs and reviewed the draft Work Programme and Budget in the course of 9 meetings held from October to December 2008. The document was subsequently presented to the full Committee of Permanent Representatives on 19 January 2009. It was endorsed by the ACABQ in its report contained in document HSP/GC/22/5/Add.1.

In line with GA resolution 58/269, this Proposed Work Programme and Budget document is based on the Strategic Framework for 2010-2011 that was adopted by the General Assembly on 26 December 2008, through its resolution A/63/266.

Mr. Chairman, it will be recalled that the Governing Council at its 21<sup>st</sup> session in April 2007, approved a six-year Medium-term Strategic and Institutional Plan (MTSIP) for 2008-2013 through its resolution 21/2. This strategic plan reinforces UN-Habitat's catalytic role of mobilizing Governments and other Habitat Agenda partners on the implementation of a shared vision of sustainable urbanization. The strategic plan has three phases, namely the kick-start phase (2008), the roll-out phase (2009-2010) and the up-scaling phase (2011-2013). It is being rolled out and implemented in an incremental approach. Three biennial Strategic Framework and Work Programme and Budget documents for 2008-2009, 2010-2011 and 2012-2013 thus derive from the medium-term plan. In this respect, I am pleased to inform you that significant progress has been made in implementing the strategic plan, as described in document HSP/GC/22/2/Add.2 before you which summarizes the quarterly progress reports that have been presented to the Committee of Permanent Representatives throughout 2008 and the beginning of this year.

While the Work Programme and Budget document for 2008-2009 covers the kick-start phase and part of the roll-out phase, the one for 2010-2011 completes the roll-out phase and commences on the up-scaling phase. In keeping with resolution GC/21/1, the Work Programme and Budget document before you is prioritized. You will note that the document includes 3 new sections, "Focus in relation to the medium-term and

institutional plan”, “UN-Habitat’s comparative advantage”, and “Gender integration”. In the layout of outputs, there is also a new column, “Intermediate expected accomplishments” that indicates the transition from outputs to expected accomplishments.

*<Slide on programme structure*

Mr. Chairman, I will now highlight the main elements of the document before you. UN-Habitat’s programme of work for 2010-2011, like the one before it, will continue to be implemented through four subprogrammes under the overall guidance of the Office of Executive Direction and Management. These subprogrammes are: Subprogramme 1: Shelter and sustainable human settlements development; Subprogramme 2: Monitoring the Habitat Agenda; Subprogramme 3: Regional and technical cooperation; and Subprogramme 4: Human settlements financing. While one subprogramme leads the implementation of a specific focus area, they will collaborate in the implementation of all focus areas of the MTSIP.

*<Slide on Executive direction and management and focus area 6  
Executive direction and management*

During the coming biennium, this office will continue to focus on its major responsibility of driving, coordinating, and monitoring the implementation of the Medium-term Strategic and Institutional Plan. This office will lead the implementation of focus area 6 excellence in management. In this regard, UN-Habitat will consolidate its strategic institutional arrangements, including programmatic alignment and coherence. It will also strengthen its knowledge and results-based management systems. A strengthened results-based monitoring, evaluation and reporting system will capture and report effectively on planned results. This will significantly improve the organization’s accountability, efficiency and effectiveness. In 2010, UN-Habitat will support and guide a mid-term review to assess progress made in the implementation of the strategic plan. Through its resource mobilization unit, UN-Habitat will adopt a strategic and coherent approach to fund-raising, in line with the priorities of the strategic plan.

I would like to point out that in implementing the strategic plan, UN-Habitat will endeavour to achieve regional balance of programmes and project activities and facilitate the exchange of knowledge, lessons and best practices on, inter alia, a south-south basis.

*<Slide 1 on focus areas 2 and 3 and subprogramme 1*

Mr. Chairman, I will now highlight a few issues in each of the subprogrammes.

*Subprogramme 1: Shelter and sustainable human settlements development.*

This subprogramme will continue to lead the implementation of focus areas 2 and 3 of the strategic plan, namely participatory urban planning, management and governance, and pro-poor land and housing. In this regard, emphasis will be put on promoting gender

and age-sensitive land management and slum upgrading and prevention policies and strategies. I would like to highlight that there will be more emphasis on the role of urban planning and governance in slum prevention and in mitigating and adapting to the effects of climate change. The revitalized Global Campaign on Sustainable Urbanization, to be popularly known as the World Urban Campaign, will be an important vehicle for advocacy and promotion of sustainable urban development issues.

*<Slide 1 on focus area 1 and subprogramme 2*

#### *Subprogramme 2: Monitoring the Habitat Agenda.*

This subprogramme will lead the implementation of focus area 1: effective advocacy, monitoring and partnerships. Most of the subprogramme's work is cross-cutting and will be implemented in collaboration with other divisions. The evidence-based flagship reports will continue to monitor and report on progress made in the implementation of the Habitat Agenda and the human settlements related Millennium Development Goals. UN-Habitat will continue to strengthen its strategic partnerships, and promote and monitor its work on youth, women's empowerment and gender mainstreaming in human settlements. There will also be increased emphasis on knowledge management, especially the transfer and exchange of lessons learnt from best practices in human settlements, especially on a south- south basis.

*<Slide 1 on subprogramme 3*

#### *Subprogramme 3: Regional and technical cooperation*

Distinguished delegates, I now take you through Subprogramme 3. Contributing to all 5 substantive focus areas, this subprogramme will provide policy and technical advisory services, capacity building and support to implementation at regional, national and local levels. The Habitat Programme Managers will act as country level catalysts on the implementation of the strategic plan. They will promote the mainstreaming of human settlements issues in the United Nations Development Assistance Frameworks and other national policy documents through the Enhanced Normative and Operational Framework (ENOF). The Habitat Country Programme Documents, a key ENOF instrument, will continue to be developed in close consultation with Governments and other stakeholders focusing on mainstreaming the Habitat Agenda at country level while contributing to UN system-wide coherence and reform.

UN-Habitat's work in post-conflict countries has shown how human settlements are integral to humanitarian assistance and long-term development and how planning can facilitate a more cost-effective and smoother transition from relief to development. UN-Habitat's admission into the Inter-agency Standing Committee on Humanitarian Affairs as a focal point on housing, land and property, will facilitate its full participation in the inter-agency assessment teams.

*<Slide 1 on focus areas 4 and 5 and subprogramme 4*

#### *Subprogramme 4: Human settlements financing*

Finally, Mr. Chairman, subprogramme 4 leads the implementation of focus areas 4 and 5 namely, environmentally sound basic urban infrastructure and affordable services, and strengthened human settlements finance systems. During the 2010-2011 biennium, UN-Habitat will strengthen its catalytic and pre-investment role, in line with the strategic plan. UN-Habitat will provide support towards expanding pro-poor investment in water and sanitation through systematic partnerships among key stakeholders, including women, youth, community organizations, municipalities, utility operators, financial institutions and Governments. Work on the Water for African and Asian cities programmes and Water for Latin American and the Caribbean cities will continue, in close cooperation with the African Development Bank, the Asian Development Bank and the Inter-American Development Bank.

UN-Habitat will work with partners to develop and apply innovative financial mechanisms for mobilizing resources for affordable pro-poor housing and related environmentally sound infrastructure and services. It will provide technical assistance and targeted seed capital to develop and support mechanisms for mobilizing domestic savings and capital. Implementation of the four-year pilot programme on experimental reimbursable seeding operations for low-income housing and infrastructure will continue in 2010-2011 and will be evaluated in 2011. In this regard, I am pleased to report that 5 loan agreements have been finalized and will be subject to a special signing ceremony, tomorrow.

*<Slide on funding structure of UN-Habitat >*

Distinguished delegates, I will now introduce the UN-Habitat budget which has been formulated around the three main sources of funding: regular budget appropriations approved by the General Assembly; United Nations Habitat and Human Settlements Foundation contributions; and voluntary earmarked contributions for technical cooperation activities at the country level.

The contributions to the United Nations Human Settlements Foundation fall into two major categories: i) general purpose contributions which are non-earmarked contributions whose corresponding allocations are approved by the UN-Habitat Governing Council to support the implementation of the work programme as per agreed priorities and ii) special purpose contributions which are earmarked by donors for the implementation of specific activities of the work programme.

The regular budget appropriations and the general purpose contributions constitute the core resources of the organization. Although the non-earmarked (core) and earmarked contributions are vital in meeting the overall objectives of the organization, the core resources provide the basic infrastructure, instrumental in ensuring the fulfilment of prioritized and focused normative and operational activities as mandated by this body.

Mr. Chairman, the alignment of resources with the organizations long term objectives has been recognized as a key component in Results Based Management (RBM). The

progressive implementation of RBM, with its emphasis on performance and accountability, underlines this dilemma of the optimal balance between non-earmarked and earmarked resources. A prioritized, focused and optimal programme delivery can therefore only be achieved through increased: a) regular budget support; b) non-earmarked contributions to the Foundation; c) multi-year funding arrangements and; d) soft earmarked funding around the focus areas of the MTSIP and the global trust funds which have been identified as the priorities of the organization.

*<Slide on overall UN-Habitat budget for the biennium 2010-2011 >*

Distinguished delegates, the budget before you has been prepared after an analysis of the projected income from the three main sources of funding for the biennium 2010-2011. This indicative budget represents the resources required for the successful implementation of the MTSIP with due consideration being given to the potential impact of the current global financial crisis on contributions for development and humanitarian activities.

Accordingly, this budget is congruent with the six focus areas of the MTSIP. The total expenditure budget for the biennium has been projected at US\$356 million reflecting a 10% increase over the revised budgetary estimates of US\$322.4 million for the biennium 2008-2009. This budget is broken down as follows: United Nations regular budget allocations - US\$21.5 million; Foundation General Purpose - US\$ 66.2 million; Foundation Special Purpose - US\$95.7 million and Technical Cooperation fund - US\$ 172.6 million.

*<Slide on growth in financial resources>*

Mr. Chairman, allow me to briefly take stock of the organization's financial situation. The total annual contributions to UN-Habitat have increased substantially from US\$24 million in 2000 to US\$164 million in 2008. This has had a positive impact on the overall programme delivery as the programme orientation has shifted from being predominantly policy based to having the ability to operationalize these policies through the implementation of projects in over 50 countries around the world.

UN-Habitat has made significant progress in its resource mobilization efforts and has initiated regular consultations with its development partners to engage them more actively in the work of the organization. The organization has also developed partnerships with various private and public stakeholders. Further, UN-Habitat has continued to receive a significant level of contributions from other UN Agencies. This underscores our comparative advantage in the area of human settlements. It is also a significant contribution to system wide coherence.

I should point out that the growth of the organization's overall budget has enabled a shift in the budgetary structure with more resources allocated towards activities in proportion to the staff costs. In other words, UN-Habitat is delivering more for less on a per capita basis, the so called efficiency gains and gains arising from economies of scale that all donors are looking for.

Distinguished delegates, in order for UN-Habitat to implement the range of activities outlined in the proposed work programme and budget document HSP/GC/22/5, the estimated financial resource requirements for the biennium 2010-2011 total US\$335.8 million reflecting a net increase of 26% compared to the revised budgetary estimates of US\$266.5 million for the biennium 2008-2009. The proposed distribution of these resources is as follows - US\$21.5 million against the regular budget appropriations, US\$58.1 million from the Foundation general purpose contributions, US\$89.9 million from the Foundation special purpose contributions and US\$166.3 million against the Technical Cooperation account. This is in addition to the projected carry-over fund balances from multi-year programmes and projects.

The projected increase in Foundation special purpose contributions is considered realistic in view of the expected continued capitalization of our major trust funds and facilities, in the areas of, Water and Sanitation, Slum Upgrading, assistance to the Palestinian People, Youth, and the Experimental Reimbursable Seeding Operations (ERSO).

As a member of the Inter-Agency Standing Committee (IASC), UN-Habitat will continue to implement its regional and country level activities within its mandate, through cost effective strategies to bridge emergency relief, recovery and reconstruction. Further, with the increasing requests for bilateral technical assistance at the country level, a further increase in the earmarked resources towards technical cooperation activities is envisaged.

Although earmarked resources are important, they should be viewed as complementary funds rather than as an alternative/substitute of the non-earmarked (core) resources.

*<Slide on the General Purpose budget by focus area for the biennium 2010-2011>*

Mr. Chairman, allow me to focus your attention to Foundation general purpose budget for the biennium 2010-2011 which is hereby presented to this Governing Council for consideration and approval.

The proposed general purpose (non-earmarked) budget for the biennium 2010-2011 is US\$66.2 million compared to US\$47.8 million for the biennium 2008-2009. Of this amount, we propose to utilize US\$58.6 million towards the implementation of the five programmatic focus areas of the MTSIP and US\$7.6 million to further strengthen excellence in management by promoting interdivisional cooperation, programme cohesion and alignment, improving performance monitoring, evaluation and reporting, and effective and efficient business practices to enhance cost effectiveness.

I wish to highlight that of the projected net increase of US\$18.4 million in the expenditure budget, US\$12 million is required to support increased normative and operational activities at the regional and country level.

*<Slide on the Growth in General Purpose contributions>*

Distinguished delegates, during the past decade, the general purpose contributions to UN-Habitat have grown from an average of US\$3 million in 2000 to approximately US\$20

million in the year 2008. This has marked yet another milestone being the highest ever received in a single year, since the inception of UN-Habitat.

The target general purpose income projected to support the budgetary requirements for the biennium 2010-2011 is US\$28.5 million per annum in comparison to the US\$21.5 million budgeted for the biennium 2008-2009. This income level is expected to be achieved as UN-Habitat continues to aggressively implement the resource mobilization and communication strategy.

In order to capitalize on gains made to date, UN-Habitat has initiated periodic consultations with its development partners and developed a comprehensive resource mobilization strategy. This strategy includes exploring non-conventional funding sources at all levels.

*<Slide on the Staffing level against the General Purpose budget for the biennium 2010-2011>*

Mr. Chairman, I wish to assure you that UN-Habitat consistently adopts a cautionary and conservative approach in financial management. We never spend money that we don't have and we never engage human resources or contractual services unless we have adequate cash flow to see us through the contract duration. Further, we are mindful of the UN policy on geographical and gender balance and will make every reasonable effort in this regard.

A 7% increase, corresponding to 8 new posts (7 professional and 1 support post) have been proposed against the Foundation general purpose staffing table for the biennium 2010-2011. This increase is intended to meet the expanded scope of activities required to further entrench Results Based Management and the organization to deliver the MTSIP. The emphasis is on institutional reform to promote excellence in management and increased coordination of country level activities consistent with the on-going the UN Reforms.

In addition, UN-Habitat will continue with the assistance of host Governments and donors, to support the presence of Habitat Programme Managers to mainstream the Habitat Agenda at the country level. The financial support budgeted towards the HPMS, currently present in 36 countries, is US\$4.5 million, of which, US\$2.25 million is to be funded from the Foundation general purpose budget.

Distinguished delegates, I wish to reiterate that this is an indicative budget. In line with previous work programme and budget resolutions, expenditure allocations as per the agreed priorities will be adjusted in line with the actual income received. I therefore recommend that you approve the proposals outlined in the work programme and budget for the biennium 2010-2011, which has been developed as part of a continuous consultative process with the Committee of Permanent Representatives.

This concludes my introduction to this agenda item. I thank you for your kind attention.