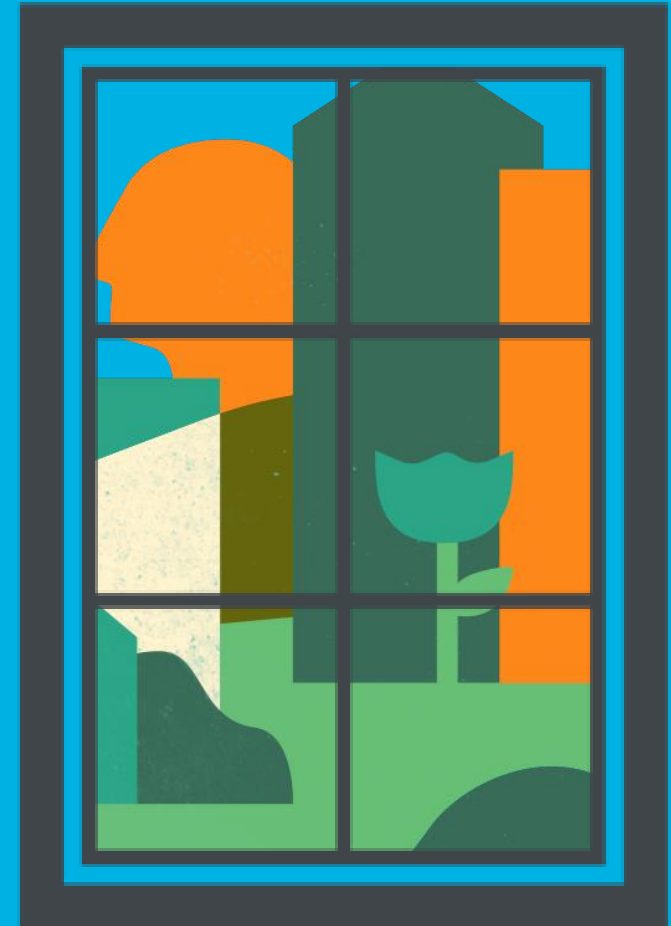




UN-HABITAT

Drafting the terms of reference of the urban action funding window



Ad hoc working group on programmatic, budgetary and administrative matters
30 October 2023

Triad of innovative financing

Scalability model



Due diligence on SHSF



Urban action funding window





[HSP/HA.2/Res.10](#)

3. *Decides* to establish an **urban action funding window** within the United Nations Habitat and Human Settlements Foundation to attract and manage funds from donors to fund the implementation of resolutions adopted by the United Nations Habitat Assembly that lack adequate financing; such funds may be raised from, among other sources, non-earmarked contributions designated for this purpose, as well as unspent balances of earmarked project contributions, with the permission of the donor.



4. *Requests* the Executive Director, in consultation with the Executive Board, to **develop the terms of reference** of the funding window, noting the need to achieve the implementation of United Nations Habitat Assembly resolutions in a balanced manner.

5. *Encourages* Member States with **unspent earmarked contribution balances** to consider redirecting those balances for the implementation of resolutions adopted by the United Nations Habitat Assembly.



Governance and process

The secretariat consults with the ad hoc working group on programmatic, budgetary and administrative matters.



The Executive Director will submit an in-session report on the draft terms of reference to the Executive Board for its considerations during its third session of 2023.



When the Executive Board takes note of the terms of reference, they will come into force. Any revisions will require the Executive Board to take note.

Name and structure

- Funding window is “within” the non-earmarked Foundation

Purpose

- To fund the implementation of UNHA resolutions “that lack adequate financing”, noting the need to implement resolutions “in a balanced manner”
- Mandate of the Foundation is to augment the regular budget in normative and core functions, normally recurrent
- Therefore, recommended that the funding window fills requirements that are non-recurrent, or projectized





Sources of funding

- Donors with unspent earmarked contribution balances (project balances)
- Such balances are unplanned but occur because budgets are based on assumptions that are different from the eventual reality of implementing a project
- Or contributions designated for the funding window

Resource mobilization

Recommendation

- Terms of reference request the revision of the contribution agreement template in accordance with the resolution that established the funding window

Financial reporting

Recommendation

- Terms of reference request the financial reporting of the funding window to follow the same requirements as that of the Foundation



Governance

Options

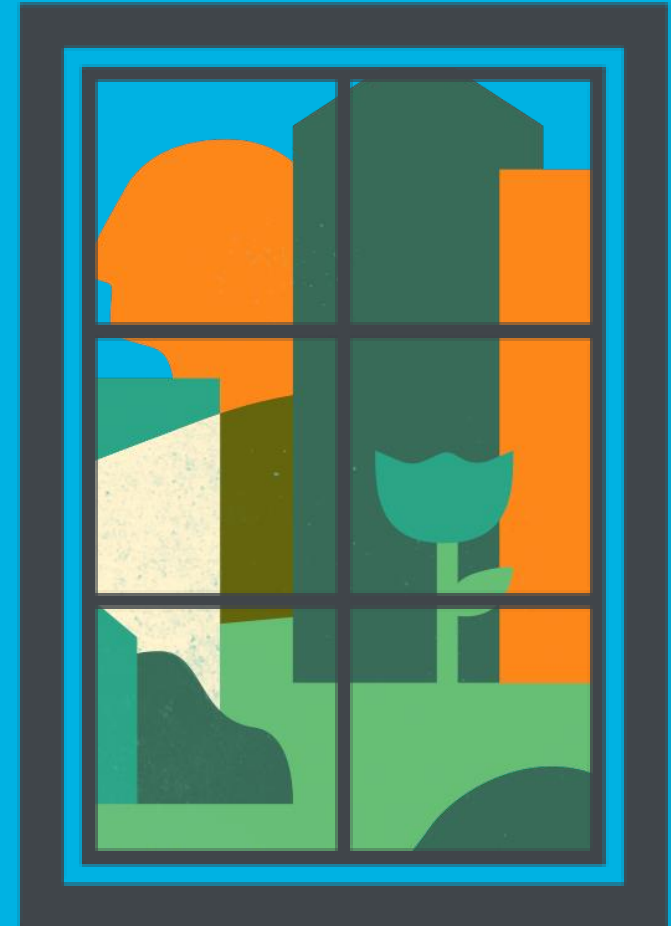
1. Executive Board retains authority on the allocation of funds from the funding window, with advice from this ad hoc working group
2. Executive Board delegates authority on the allocation of funds from the funding window to this ad hoc working group
3. Executive Board delegates authority to a steering committee
4. Executive Board delegates authority to the Executive Director





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