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**Normative and operational activities of UN-Habitat,  
including reporting on the programmatic activities of  
UN-Habitat in 2021 and the implementation of  
subprogrammes, flagship programmes and technical  
cooperation activities and the engagement of UN-  
Habitat in countries, territories and areas affected by  
conflict and disaster**

## **Report of the Executive Director on Normative and Operational Activities of UN-Habitat including update on SDG Cities, the Sustainable Urban Resilience for the next Generation (SURGe) and activities for the period of January to June 2023**

### **Report of the Executive Director**

#### **I. Introduction**

1. The present report highlights progress made on the SDG Cities flagship programme and the Sustainable Urban Resilience for the next Generation (SURGe) initiative of the United Nations Human Settlements Programme (UN-Habitat) from January to June 2023. The first section provides an update on the SDG Cities flagship programme since the previous update on this initiative to the Executive Board during its second session in 2022. This includes updates on the SDG Cities certification model testing, on actions aimed at accelerating local implementation of SDGs and responds to questions made by the Executive Board on further development of the SDG Cities. The second section of the report presents an update on the engagement and commitments to Sustainable Urban Resilience for the next Generation (SURGe) initiative. In addition, annex HSP/EB.2023/15/INF.1 highlights progress made on selected normative and operational activities during the period January – June 2023 which contributed towards each subprogramme of the strategic plan 2020-2025 of UN-Habitat, the SDG11 as well as towards other SDGs.

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\* HSP/EB.2023/10

## **II. Update on SDG Cities**

2. The ‘Sustainable Development Goals (SDG) Cities’ flagship initiative responds to the need to accelerate action on the local implementation of SDGs during this Decade of Action. As a core component of UN-Habitat's work to support SDG Localization, as referenced in the UNH Assembly Resolution on the same, it centres on the ambitious goal of supporting over 1000 cities to accelerate their achievement of the SDGs and the impact this would have on around 1 billion lives.
3. SDG Cities works to respond to the recommendations of the Secretary-General’s report on ‘Towards a Rescue Plan for People and Planet’. These include recommitting to accelerate SDGs at the national level, advancing concrete and targeted policies and actions to reduce inequality, strengthening national and sub-national capacity and public institutions, and supporting developing countries in their efforts to achieve the SDGs and mobilize the resources and investment needed.
4. This progress report summarizes SDG Cities achievements in the first six months of 2023 from January to June.

### **i. Background**

5. SDG Cities works with cities, other levels of government, communities, business sector and development partners to connect the value chain of: data; evidence-based strategy; effective local governance, planning, financing, and service delivery; project financing and performance measurement to accelerate the achievement of SDGs in cities. A systematized approach with accompanying tools has been developed, captured in the following four tracks.
6. The Data Track supports cities to collect and analyze data in line with the Global Urban Monitoring Framework (UMF). Participating cities thus have socially and spatially disaggregated evidence in line with the SDGs to support progress monitoring and planning.
7. The Strategic Planning Track supports cities to mainstream SDGs into evidence-based local development strategies and/or to prepare Action-Orientated Voluntary Local Reviews (VLR) through inclusive, All-of-Society approaches.
8. The Institutional Effectiveness Track helps build required local capacities to drive the achievement of SDGs, focusing on areas of Planning, Governance, Revenue and Public Financial Management and Urban Service Delivery – as highlighted in the New Urban Agenda as drivers of local transformation.
9. The Finance and Implementation Track supports cities to put their strategic plans into action, with a particular focus on identifying, preparing and financing high impact projects.
10. The initiative is implemented by providing cities with digital tools related to each track, and to technical expertise through national and sub-regional technical support hubs. Recognition is given to participating cities for their achievements in each track.
11. By now work is well underway in 10 pilot cities, 12 cities are currently onboarding and a further 41 cities have expressed their intention to join the initiative. National initiatives with 10 or more cities are in the process of being established in Ghana, Turkiye, Portugal, Costa Rica, and Malaysia and discussions are ongoing to establish national initiatives in a further six countries. National initiatives have been funded by national governments (such as Malaysia), by cities (such as Portugal) and by donors (such as Ghana, funded by the Kingdom of Norway).
12. SDG Cities will be spotlighted as a High Impact Initiative at the SDG Summit during the General Assembly in New York, where statements of support of the initiative are expected from the heads of state of Ghana and Turkiye, as well as the President of the International Olympic Committee, presidents of development banks and others.

## ii. Progress on tools development

13. Data tools: The Global Urban Monitoring Framework (UMF) provides a core set of indicators related to the 2030 Agenda and other global agendas, that can be easily applied in cities to set baselines and monitor performance. The UMF City Scan - a citizen science spatial data tool - was piloted in Mombasa, Kenya and Ennour, Tunisia.
14. Strategic Planning tools: Action Orientated VLR draws on tested tools, including ‘City Development Strategy Version 2’ and UN-Habitat’s ‘Our City Plans’.
15. Institutional Effectiveness tools: A series of digital diagnostic tools help cities assess their capacity and performance in: inclusive accountable governance, planning, municipal finance and basic service delivery (mobility, water utilities and waste management) are well advanced, and a variety of self-paced training courses will follow.
16. Finance tools: ‘The City Investment Facility’ is now established to support high impact project access finance. It comprises of a ‘Cities Investment Portal’ that showcases project pipelines, a ‘Cities Investment Advisory Platform’ that prepares SDG projects for investment, and ‘City Investment Vehicles’ that connect projects with sources of finance.
17. Data management and coordination tools: An ‘SDG Cities Platform’ is being built which will provide an interface for participating cities to access the tools, monitor progress, develop VLRs and projects and interact with other cities and partners.

## iii. Progress on partnerships

18. Partnerships of the four tracks have expanded and included the following new partners as of June 2023:
  - a) Data Track: UN entities and other UMF partners; Global CEO Alliance (GCEOA); CitiIQ platform (in process).
  - b) Strategic Planning Track: Institute for Housing and Urban Development Studies; UN Country Team entities.
  - c) Institutional Effectiveness Track: GCEOA; local training institutions.
  - d) Finance and Implementation Track: ThinkCity; Gensler, Resilient Cities Catalyst, Reall and South Pole; Sustainable Infrastructure Foundation; UNCDF.
19. The SDG Cities Platform is provided by Capcade, and engagement with private sector partners has been facilitated through partnership with World Economic Forum and Global Sustainability Index Institute. In addition, UN system-wide collaboration on the SDG Cities include: UNEP (the World Environmental Situation Centre); UNICEF (Child Friendly Cities Initiative); the UN Resident Coordinator system; UN Country Teams in Costa Rica and Ghana, and the UN Kosovo Team.

## *Progress on implementation*

20. Moving from piloting to scale, UN-Habitat has been promoting the concept of SDG Cities National Initiatives during the reporting period. In Ghana, a ‘Smart SDG Cities’ hub is being established with two ministries and will support an initial group of ten cities. Inspired by the progress in Ghana, discussions are underway for similar hubs in Tunisia, Turkiye, Portugal, Kosovo, Costa Rica, Ecuador and Colombia. Supported by Canada Mortgage and Housing Corporation, an ‘SDG Cities Canada Report’ is being prepared in 23 Canadian cities to raise the profile of the SDGs.
21. Among the thematic windows of SDG Cities, ‘Women-led Cities’ is empowering the role of women leadership of cities, communities and business, and investing in infrastructure, programmes and social enterprises to improve safety and economic opportunities for women and reduce inequality. Championed by a leading businesswoman Luiza Helena

Trajano, it aims to attract several private sector and philanthropic collaborators; six cities in two regions are being selected for piloting.

22. A further collaboration with the International Olympic Committee and aims to harnesses sport and active recreation to create more inclusive, peaceful, environmentally friendly urban societies. Four cities in three regions are being identified for the pilot phase.

**v. Progress on mobilization**

23. SDG Cities secured the following amount of additional funding since late 2022: USD5.2 million from the Norwegian Ministry of Foreign Affairs; USD500,000 from the Ministry of Housing and Urban-Rural Development of the People’s Republic of China; and USD186,000 of additional seed funding from Canada Mortgage and Housing Corporation. Total USD5,886,000.
24. Funding in the pipeline: Shanghai SDG Cities (USD700,000); Madinah Smart SDG Cities (USD1.16 million); Women-led Cities pilot stage (USD5 million); Active SDG Cities pilot with the International Olympic Committee (USD1.5 million co-funding); Tunisia 44 SDG Cities (USD37 million) and further 10 country pilots (USD20 million) in collaboration with the Global Sustainability Index Institute Foundation; and SDG Cities Brisbane (USD50,000). Total USD65.45 million.

**vi. Update on SDG Cities Certification**

25. Following feedback that certification at the completion of key stages within the SDG Cities initiative has helped guide and motivate cities to advance their implementation of the SDGs, UN-Habitat’s Executive Board (EB) requested UN-Habitat to present a report on the “Need for and possible benefits of SDG Cities Certification.” (HSP/EB.2023/4). The report noted that:
  - a) Not all city governments are aware of the Sustainable Development Goals, their benefit globally and locally, and the significance of the role of cities in achieving them;
  - b) Not all city governments are motivated to go beyond their immediate tasks and engage in the implementation of global agendas;
  - c) Not all city governments are aware of the guidance of the New Urban Agenda for achieving sustainable development locally, or practical steps to translate this guidance into action and impact
26. It then described potential benefit of a global SDG Cities Certification process to reinforce a systematic approach to implement SDGs in cities. Some of the key opportunities discussed with the Executive Board included its potential to incentivize local SDG acceleration through UN recognition of efforts, provide cities with tailored technical guidance in line with NUA, promote greater responsiveness of cities to the needs of residents, and encourage cities to report on progress through VLR. Discussions also centred on the potential of SDG Cities certification to: reinforce policy coherence across national subnational and local governments; promote collaborative action by the United Nations system and all-of-society engagement at the local level; to attract SDG aligned investment and to facilitate knowledge-sharing between cities.
27. However, some of the risks highlighted through discussion with the EB included the potential that cities with limited capacity may struggle to reach certification criteria; the scale of demand may be unmanageable and would require significant costs; and, that adherence to criteria established at global and national levels may curb the flexibility and creativity of cities to develop and implement their own approaches. Moreover, some member states pointed out that the term “certification” may carry unhelpful “top-down” connotations.
28. The EB thus requested the Executive Director to further develop the concept of SDG Cities Certification through a consultative process, taking account of implementation modalities, such as potential sources of extra-budgetary funding, capacity development needs,

assessment of potential risk, and to identify the possibilities of integrating the certification into the work of the Local2030Coalition.

29. Since then, consultations with various stakeholders during the Habitat Assembly underlined the importance of adapting the model to national and subnational contexts and reaffirmed some of the risks outlined above. Moreover, discussion with development banks, private sector and finance actors further highlighted the opportunity for the SDG Cities Initiative to (i) help de-risk local investment by availing data to assess the investment-readiness of cities; (ii) generate a pipeline of locally supported projects with measurable impact metrics that are investment-ready; (iii) cluster projects across cities within countries and territories to attract large scale investment.
30. Moreover, engagement with the Council of European Municipalities and Regions welcomed the opportunity to share tools and learning experiences between SDG Cities and the Reference Framework for Sustainable Cities.

## **vii. Way forward**

31. In addressing these risks and opportunities, UN-Habitat proposes the following measures. UN-Habitat will continue to expand the SDG Cities Flagship Initiative and further develop and adapt its four tracks to national contexts; it will recognise and give visibility to the achievements of participating cities as they reach key milestones within the initiative.
32. UN-Habitat will also avail SDG Cities tools and technical support to member states, subnational authorities and city networks that wish to carry out their own SDG Cities Initiatives. If the uptake of countries undertaking SDG Cities or related initiatives reaches a critical mass, UN-Habitat may further consider the need to introduce global benchmarks, in consultation with the Executive Board.
33. UN-Habitat will continue to strive to make the initiative affordable and accessible to all cities by mobilising extrabudgetary resources to ensure the full array of SDG Cities digital tools can be accessed by all cities at no cost (See budget item 1).
34. UN-Habitat will harness the capacities of the UN System at global and national levels to work at greater scale. This will involve further engaging UN entities in the ongoing development of the SDG Cities Initiative tools, collaborating with UNEP on environmental and geospatial data, UNDP and UNCDF on local financing, UNICEF in relation to its Child Friendly Cities Initiative, and UN Resident Coordinators and Country Teams, building on synergies with existing SDG localization efforts as relevant.
35. UN-Habitat will continue to strengthen the linkages of SDG Cities and the Local 2030 Coalition and seek collaboration on the further development of tools and technical resources, as well as coordination and backstopping support for SDG Cities national technical hubs. UN-Habitat will also explore with the Local 2030 Knowledge Hub (supported by Italy) its potential to facilitate high-quality exchange of experience and knowledge between participating cities.
36. The SDG Cities initiative will strengthen linkages to sources of finance by:
37. Strengthening its capacity to generate a pipeline of SDG impact, investment-ready projects originated by evidence-based strategic planning, in partnership with UNCDF and the Sustainable Infrastructure Foundation's SOURCE Platform.
  - a) Partnering with regional and national development banks that support SDG Localisation and related themes such as just green transition, deploying the SDG Cities methodology to generate local investment pipelines that are responsive to these objectives.
  - b) On request of participating cities, support the provision of qualified opinions on investment-readiness, based on their governance, revenue and public financial management data.

## **viii. SDG Cities cost considerations**

***SDG Cities Tools***

38. Digital tools utilised by SDG Cities include:
- a) spatial data in line with UMF
  - b) action orientated VLR
  - c) diagnostic assessments on governance, planning, local revenue and finance systems, water utilities, waste management and mobility (others may follow)
  - d) Self-paced online learning courses for local institutions
  - e) SDG project preparation through SIF SOURCE platform (financial preparation) and UN-Habitat SDG Project Assessment Tool (SDG optimization)
  - f) SDG Cities Digital Platform
39. The development of many of these tools have been supported through pro-bono CSR contributions (Global CEO Alliance for diagnostic tools and Capcade for SDG Cities Platform) and through funding by the Ministry of Human Resources Development, China. The annual cost of further developing, regionalizing/nationalizing/localizing the tools and maintaining digital platform is USD1.2 million – equating to 10 new tools, 10 updated tools and platform maintenance.

***Monitoring support to cities and recognition of key stages***

40. Once the digital platform is completed, a UN-Habitat HQ team will be able to remotely monitor the progress of partner cities and their achievement of key stages through the SDG Cities Platform and provide basic advisory. The cost of this per city is USD5,000 for the data track, USD10,000 for the strategic planning track, USD10,000 for the institutional effectiveness track and USD5,000for the Impact track.
41. Assuming budget item 1 is covered, cities participating with just the digital tools and without a technical assistance package can benefit from SDG Cities for USD40,000 over four years.

***Local 2030 “Cities Hub”***

42. The local 2030 Cities Hub would draw on the technical inputs of all members and all relevant hubs, would be responsible for the tool development (item 1) and monitoring support (item 2), and would provide training to groups of participating cities. It may charge monitoring and training costs to middle- and high-income countries, as well as Least Developed Countries and DCs whose SDG Cities Programmes are donor-funded.

Annual Cost

Tools development and maintenance (see item 1)	\$1.2 million
Monitoring Support for LDCs/DCs (see item 2)	\$1 million
Training for cities	\$500,000
<b>TOTAL</b>	<b>\$2.7 million</b>

***SDG Cities National/ Subnational Technical Support Programmes.***

43. This supports and expanding cohort of cities, starting at 8-10 and increasing every two years by around five. On average each city participates for four years. There are three types of implementation models:
44. **Model 1.** This model provides significant technical support through a team of technical experts, that directly support cities, and over time, build a national technical support hub, comprising of government and academic staff that are seconded, trained and learn on the job, and can continue to support later cohorts of cities as the initiative moves to greater scale. Costs are supported by donor countries. Example, Ghana in partnership with Norway.

Annual Core Cost – Model 1

Digital tools	In-kind (see budget item 2)
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National Technical Support Team	\$600,000
Technical Backstopping and Training Support	\$300,000
Progress monitoring and key-stage evaluation	\$100,000
<b>TOTAL annual cost</b>	<b>\$1,000,000</b>

45. **Model 2.** This provides moderate technical support through a team of technical experts, that are seconded from national/regional/local government and academia. They are trained by UN-Habitat and directly support participating cities. Example, Balikesir Hub, Turkiye.

Annual Core Cost – Model 2

Digital tools	In-kind (see budget item 2)
National Technical Support Team	In-kind
Technical Backstopping and Training Support	\$300,000
Progress monitoring and key-stage evaluation	\$100,000
<b>TOTAL annual cost</b>	<b>\$400,000</b>

46. **Model 3.** This model provides technical support through a network of participating cities, each with specialist inputs. Example, Mafra Hub, Portugal.

Annual Core Cost – Model 3

Digital tools	In kind (see budget item 2)
E-guidance manuals	In-kind (see budget item 2)
Technical support, backstopping and training	In-kind through participating cities
Progress monitoring and key-stage evaluation	\$100,000
<b>TOTAL annual cost</b>	<b>\$100,000</b>

47. Model 1 costs normally require donor support; Model 2 costs may require donor support or the support of national government; Model 3 costs could be covered by participating cities. It assumes Budget item 1 is covered and able to provide access to the digital toolkit. The additional engagement of private sector “assurance” and individual project preparation support, other than through SIF-SOURCE platform, is not included in these budgets. However project preparation support could be significantly supported by a Feasibility Fund. See budget Item 4.

***Feasibility Fund for SDG Project Preparation***

48. The financing of SDG projects emerging from City Strategic Plans would be greatly assisted by the “feasibility fund.” Already costs of project preparation are reduced through the SIF SOURCE Platform, but inevitably expert advisory support is needed. The Feasibility fund aims to be an evergreen fund that supports costs of expert advisory in project preparation and reimburses these costs when projects reach financial close. A 50 million Fund could prepare 100-150 large scale projects at any one time. The fund could be managed by UN-Habitat or a relevant partner.

***Resource mobilization approach***

- a) UN-Habitat will request Local 2030 Coalition to launch an appeal for UN Member States to host a Cities Hub.
- b) UN-Habitat, working closely with Local 2030 Coalition, RCs and UN country teams will support funding applications and donor outreach to establish SDG Cities Technical Support Hubs.
- c) UN-Habitat will encourage national, local and regional governments to host an SDG Cities Hubs
- d) UN-Habitat will continue to work with funding partners to implement and scale up thematic windows, including Active SDG Cities and Women-Led Cities.
- e) UN-Habitat will promote SDG Cities among networks of multilateral, national and subnational development banks, emphasizing the advantage offered to generate

evidence-based SDG investment pipelines and build local capacity. Business models will be developed that integrates SDG Cities into concessional financing arrangements.

- f) UN-Habitat will continue to fund-raise for a Feasibility Fund.

### **III. Update on the Sustainable Urban Resilience for the next Generation (SURGe)**

- 49. The COP27 Presidency launched the Sustainable Urban Resilience for the next Generation (SURGe) Initiative to connect the local, national and global level levels to coordinate collective climate action and for improved collaboration between sectoral initiatives. Throughout 2022, SURGe reached several milestones: a value proposition was completed, and collaboration was started towards piloting SURGe in Fiji, Egypt and Morocco. Work in five working groups started with the goal of identifying the needs for local level capacity building, tools and guidance.
- 50. The SURGe Initiative is currently being further conceptualized by UN-Habitat, ICLEI and other key partners. It has been discussed with a group of member states, for example at the Bonn climate talks (SB58), Daring Cities and during the second session of the UN Habitat Assembly. The following options for implementation are crystalizing:
- 51. Work package 1: Building the Global SURGe partnership as a network of working group partners, national governments, city networks, academia, NGOs and others. These join forces to amplify voices of cities and regions in global climate discussions, ultimately strengthening multilevel climate action, responsible for
  - a) the work across the five sectoral track working groups; Funding options: only limited funding for UN-Habitat needed; working group leads provide own funding or engage in fundraising for their activities,
  - b) the global capacity building for local and national governments on building urban systems resilience; Funding options: USD250,000 in 2024, progressively increasing; funded through extrabudgetary funding in support of developing countries with a particular priority on LDCs and SIDS.
- 52. Work package 2: City and climate change officers as national SURGe focal points. Building a global network of national level city and climate change focal points/teams responsible for supporting urban and local climate action through guideline development, technical advisory services, capacity development and resource mobilization as well as global reporting. Estimated costs: Funding options USD250,000 - 1,000,000 per year/per country. No or limited funding for OECD countries, extrabudgetary funding for developing countries. Global SURGe partners are expected to support this work package.
- 53. Work package 3: City level roll-out, comprehensive planning for and implementation of climate action for net-zero and climate resilient development.
- 54. Work package 4: A small and lean secretariat hosted by UN-Habitat, responsible for a) communication and partnerships, expanding the network, ensuring the link to other initiatives and networks, and annual reporting; and b) coordination, including convening the Steering Committee, coordinating the five working groups, coordinating between national SURGe focal points and regional offices. Estimated costs of the global secretariat: USD500,000 per year (sourced from extra-budgetary funding, with oversight and support provided by core staff).
- 55. Funding: A wide range of funding requirements and funding options envisaged. Self-funding, private sector funding, loans, development assistance. Strong linkages with the Resilient Settlements for the Urban Poor and with the Climate Resilience of the Urban Poor Flagship Programme will be sought.
- 56. The above options will be further developed and presented to the first Executive Board of 2024.

### **IV. Conclusions**



57. This report of the Executive Director on the progress of normative and operational activities of UN-Habitat from January to June 2023 highlighted activities that support member States and cities to progress towards the achievement of the SDGs and the 2030 Agenda for Sustainable Development. These examples demonstrated the increasingly multisector and multiparter nature of the flagship programmes and Subprogrammes' implementation – the latter having been specifically designed to lead in the development of integrated implementation modalities for the normative and operational work of UN-Habitat. The report also showcased how the integrative shift in UN-Habitat's implementation strategy is creating broader partnerships, including intergovernmental and finance sector ones, at a more strategic level, such as the SDG Cities' work on strengthening member States and cities' data, evidence base and means of implementation. The significant interest of cities and national governments in the SDG Cities is testament to both the demand of cities to accelerate the achievement of SDGs and the relevance of UN-Habitat's multitrack support to cities. Similarly, the growing stakeholder engagement and commitment to SURGe, built around global networks of multilevel partner actions, is evidence of the relevance of UN-Habitat as a convenor for global strategy building and action.