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Human Settlements Programme

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Item 4 of the provisional agenda*

**Financial, budgetary and administrative matters,
including the implementation of the resource mobilization
strategy in accordance with the strategic plan and a
proposal on geographical and gender balance**

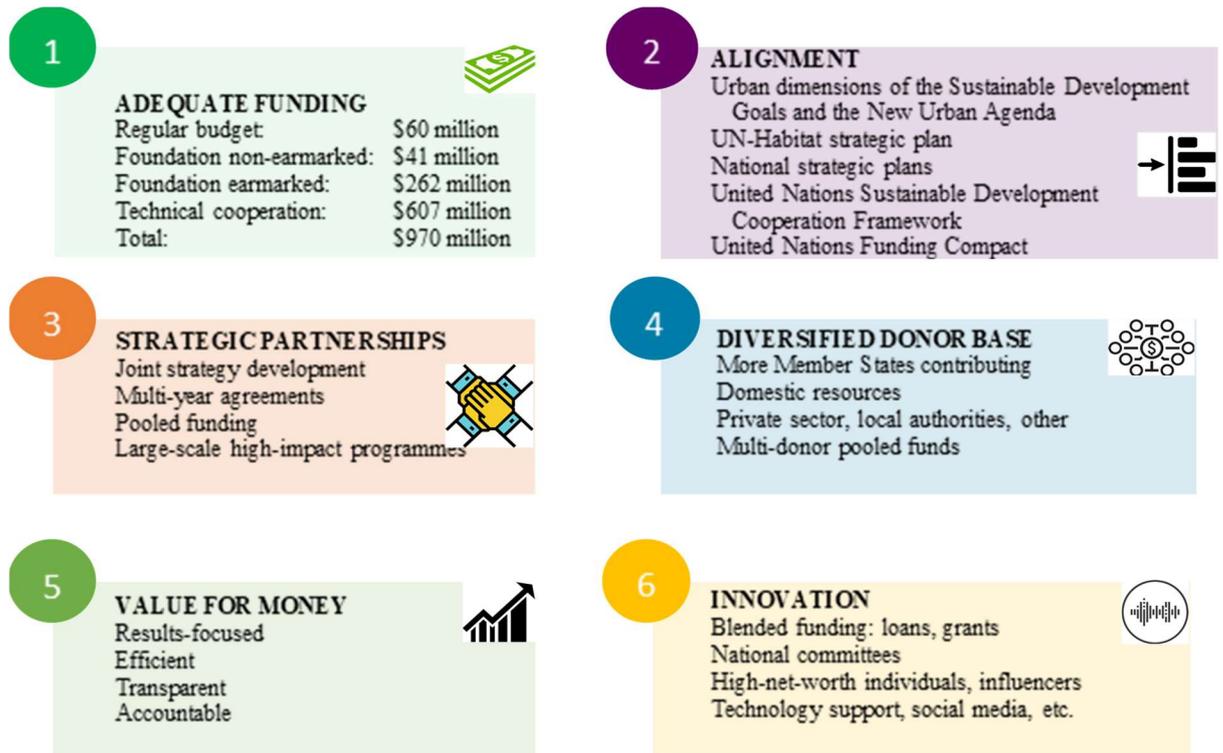
**Financial, budgetary and administrative matters:
implementation of the resource mobilization strategy in
accordance with the strategic plan**

Report of the Executive Director

1. In October 2020, the Executive Board approved the resource mobilization strategy for the United Nations Human Settlements Programme (UN-Habitat). The main goal of the strategy is to assure funding that is adequate, predictable and flexible to enable the organization to deliver the results of its strategic plan for the period 2020–2023. The strategy has six main objectives: (i) to secure adequate funding; (ii) to support delivery of urban Sustainable Development Goal targets and the New Urban Agenda in a manner that is aligned with the United Nations Sustainable Development Cooperation Framework at the country level and with the United Nations Funding Compact; (iii) to develop and enhance strategic partnerships with funding partners; (iv) to diversify the UN-Habitat donor base; (v) to demonstrate that UN-Habitat implements programmes in an accountable, efficient, transparent manner that produces transformative results and impact; and (vi) to find innovative partnerships and funding sources. The objectives of the strategy are summarized in figure 1. Following the second session of 2020 of the Executive Board, in October 2020, the target for non-earmarked resources for the period 2020–2023 was revised down from the initial \$109 million to \$41 million, in line with the request by Member States to reduce the organization's budget and align it with the income trends of recent years.

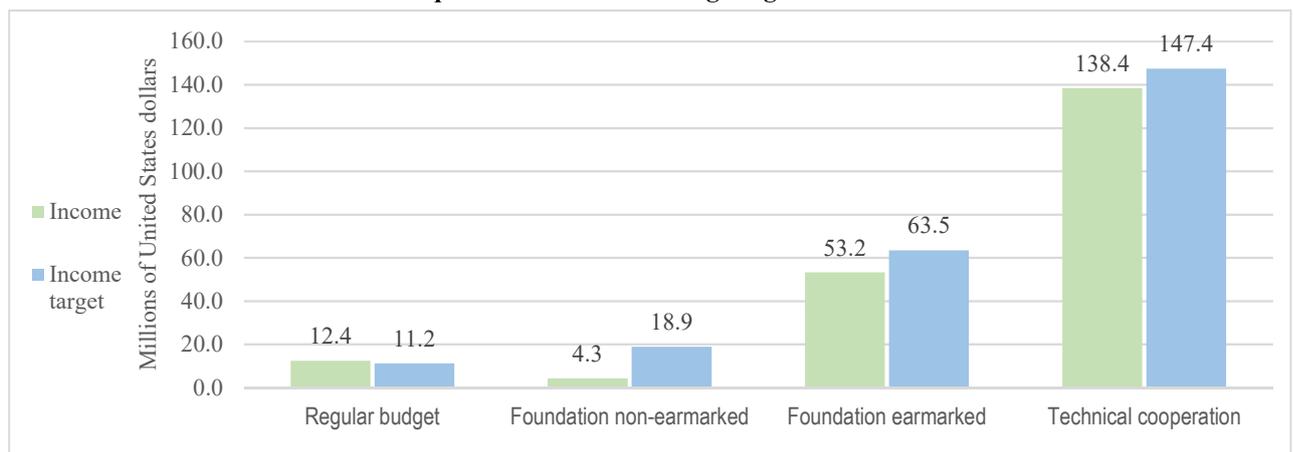
* HSP/EB.2021/1.

Figure 1
UN-Habitat resource mobilization strategy objectives



2. Provisional 2020 income acquisition figures as at 31 December 2020 for the various funds are shown in figure 2, compared to income target figures. Non-earmarked contributions received in 2020 amounted to \$4.3 million, of which \$0.3 million were contributions for previous years. The net \$4 million in contributions represented 21 per cent of the annual target of \$18.9 million. In view of the continuing difficulty in raising core funds, Member States approved a reduced budget of \$10 million for 2021. Earmarked funds performed better, with contributions to the Foundation earmarked fund providing global programmes with \$53.2 million or 84 per cent of the annual target. Contributions to the technical cooperation fund amounted to \$138.3 million or 94 per cent of the annual target.

Figure 2
Provisional income acquisition and income target figures as at 31 December 2020



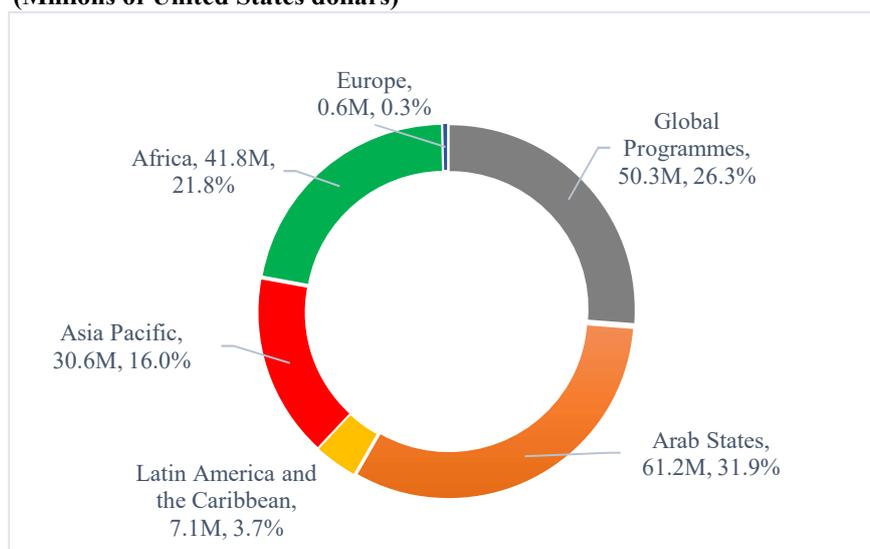
3. The top 10 contributing Member States for the various funds are shown in table 1.

Table 1
Top 10 contributing Member States to UN-Habitat funds

<i>Foundation non-earmarked</i>	<i>Foundation earmarked</i>	<i>Technical cooperation</i>
Norway	Sweden	European Union
United States of America	European Union	Japan
China	Germany	Sweden
France	United Arab Emirates	Norway
Kenya	Japan	Qatar
South Africa	Morocco	Switzerland
India	United Kingdom of Great Britain and Northern Ireland	Germany
Korea	Spain	Canada
Nigeria	France	Ecuador
Senegal	Republic of Korea	Iraq

4. The allocation of 2020 income to the various regions is shown in figure 3. Funding provided to the Arab States remained at a high level and was mainly for humanitarian activities, including the response to the coronavirus disease (COVID-19) pandemic. Income allocated to Africa increased by 11 per cent for a combination of humanitarian and development programmes. Funding for global programmes increased by a significant 57 per cent, with the top contributions soft-earmarked for the implementation of the strategic plan, basic services and innovative technology for cities. New strategies are under consideration to mobilize more domestic resources for middle-income countries.

Figure 3
**Allocation of 2020 income to UN-Habitat implementing regions
(Millions of United States dollars)**



5. Following Executive Board approval of the UN-Habitat work programme and budget for 2021 in October 2020, UN-Habitat transmitted an appeal for core contributions to Member States and organized a *Partner and Pledge for Sustainable Urbanization* event in December, co-chaired by the Executive Director and the President of the UN-Habitat Assembly, to mobilize resources in support of the approved programme of work. A total of \$164.1 million in new funding was announced, mainly for earmarked programmes, with only \$1.1 million being pledged for core activities, highlighting the need for renewed commitment to support the Foundation non-earmarked fund as a pillar of the organization's approved programme of work.

6. Response to the COVID-19 crisis continues to be a top priority for all countries. UN-Habitat launched its COVID-19 response plan in April 2020 and developed a separate, dedicated resource mobilization strategy for raising \$72 million to implement the response plan in 64 countries. As at 30 November 2020, a total of \$22.1 million had been mobilized from new contributions, reprogrammed funds, new pledges and an internal emergency fund, leaving outstanding requirements of \$49.9 million.

7. Aligning the resources of UN-Habitat with its national and global mandates is a key objective of the resource mobilization strategy. To ensure that all programmes are aligned with the strategic plan to deliver the urban dimensions of the Sustainable Development Goals, UN-Habitat has strengthened its Programme Review Committee, which approves all new projects after verifying alignment with global and national mandates. UN-Habitat has identified a list of 15 priority countries for greater engagement in common country analyses to improve alignment of country programmes with national strategies, working with the wider United Nations system to deliver high-impact country programmes in line with the United Nations Sustainable Development Cooperation Framework. This will also support implementation of the United Nations system-wide strategy on sustainable urban development and provide a firm basis for new portfolio development in these countries.

8. Another important objective of the UN-Habitat resource mobilization strategy is to develop more strategic relationships with Member States and other development partners to support long-term, high-impact programmes and achieve results at scale. In that area, strategic dialogues were held between UN-Habitat Executive Management, individual Member States and regional groups. UN-Habitat also held joint donor consultations in November 2020, co-chaired by representatives of Norway and Sweden. The dialogues and consultations resulted in a better understanding of Member States' priorities and identified key areas for enhanced collaboration on sustainable urbanization programmes. A second important initiative in that respect was the formalization of a donor focal point system to nurture relationships with existing and new donors and provide donors with a single point of contact to respond to their needs and improve coordination.

9. In line with the United Nations Funding Compact, at the World Urban Forum in February 2020, UN-Habitat launched five flagship programmes to attract funds for long-term programmes that aim to achieve impact at scale in the thematic areas of the strategic plan and accelerate the achievement of the urban Sustainable Development Goals. Since the launch, negotiations have been ongoing to secure support for the flagship programmes, in particular for the flagship programmes Sustainable Development Goal Cities, Inclusive Cities: Enhancing the Positive Impact of Urban Migration, and RISE-UP: Resilient Settlements for the Urban Poor.

10. New income in 2020 towards other pooled funds includes \$12.5 million for climate resilience programmes from the Adaptation Fund, \$2.0 million for the Global Land Tool Network and \$1.5 million for the Participatory Slum Upgrading Programme. UN-Habitat work on housing was highlighted during Urban October as part of the *Housing for All* campaign and by an independent impact evaluation of the UN-Habitat housing approach to adequate and affordable housing and poverty reduction. The evaluation (2008–2019) clearly demonstrates the impact of the organization's work in that area and provides independent evidence for future funding initiatives.

11. In 2019, the top 10 donors provided 82 per cent of total contributions, highlighting the need to broaden and diversify the UN-Habitat donor base. Table 2 lists the non-Member-State donors among the top 10 donors to the Foundation earmarked fund (which finances global programmes) and the technical cooperation fund (which finances country and regional programmes), which demonstrates the results of efforts made to broaden and diversify the donor base.

Table 2

Non-Member-State donors among the top 10 donors to the Foundation earmarked and technical cooperation funds

<i>Foundation earmarked</i>	<i>Technical cooperation</i>
Sweden	European Union
European Union	Japan
Germany	Adaptation Fund
United Arab Emirates	United Nations entities
Japan	Sweden
Morocco	Norway
Bill and Melinda Gates Foundation	Awash Welday General Contractor
Block by Block	Governo do Estado de Alagoas
United Nations entities	Alwaleed Philanthropies
United Kingdom of Great Britain and Northern Ireland	Qatar

12. To address the priority to diversify and broaden the UN-Habitat donor base, a Foundations and Philanthropy Platform was established in October 2020, initially with two work streams: (i) innovative financing for sustainable cities; and (ii) support for entrepreneurship, particularly for cities with a large youth population. New partnerships with foundations were established, with some providing support for the UN-Habitat COVID-19 response plan. Negotiations are also ongoing for new partnerships to support the use of inclusive frontier technologies to improve the well-being of young people.

13. An online donation platform was established to mobilize individual contributions and crowdsource for humanitarian work, and progress was made on a targeted endowment fund to attract new funding. To strengthen outreach to donors through social media, pro bono training was provided by Inonda Marketing, a company based in the United Kingdom of Great Britain and Northern Ireland, with an emphasis on improved targeting and effective engagement with potential donors with shared priorities through the LinkedIn platform.

14. To demonstrate value for money and improve communications, UN-Habitat has improved its *Urban Impact* quarterly newsletter, distributed to over 14,000 partners and all Member States, to highlight the impact of its work. In addition, a monthly income update for Member States has been introduced to show the results of resource mobilization efforts and acknowledge support from partners. Progress has also been noted in strengthening the capacity of staff on resource mobilization by providing training on the UN-Habitat Donor Information System and by developing standard operating procedures on resource mobilization, advocacy and communications, which are now part of the UN-Habitat operations manual.
