Overview - SHSF

- Introduction
- Goals and Objectives
- Business Management Structure
- Fundraising
- Expenditure, Oversight, Benefits to Donors
Demand responsive strategy enabled by data, partners and innovation

**Adequate Funding**
- Regular budget: $60M
- Non-earmarked: $109M
- Normative earmarked: $262M
- Country programmes: $607M
- Total $1,038 M

**Alignment to Strategic Frameworks**
- Urban dimensions of the SDGs, NUA
- UN-Habitat Strategic Plan
- National strategic plans
- UN Sustainable Devt Cooperation Framework
- UN Funding Compact

**Strategic Partnerships**
- Joint strategy development
- Multi-year agreements
- Pooled funding
- Large scale high impact programmes
- More Member States contributing
- Domestic resources
- Private Sector, Local Authorities, other
- Multi-donor pooled funds

**Diversified Donor Base**
- Blended funding: loans, grants
- National Committees
- High Net Worth Individuals, Influencers
- Technology support, social media

**Innovation**
- Results focused
- Efficient
- Transparent
- Accountable

**Value for Money**
- Core contribution letters
- Pledging sessions, including 2nd UN-Habitat Assembly
- Bilateral meetings
- Regional Dialogues
- Soft earmarked packages

**Regional structure**
- Common Country Assessments
- Country focal points
- Regional Dialogues

**Top donor engagement**
- Flagship programmes
- Country programmes within UN system

**Private sector strategy**
- Foundations and Philanthropy Platform
- Local Government engagement
- Adaptation, Green Climate etc.

**City Investment Facility**
- Feasibility Fund
- Online fundraising
- Crowdfunding
- Ambassador Programme

* Sustainable Human Settlements Foundation (Endowment model)

**Resource Mobilisation Objectives & Actions**

ADEQUATE FUNDING
ALIGNMENT TO STRATEGIC FRAMEWORKS
STRATEGIC PARTNERSHIPS
DIVERSIFIED DONOR BASE
INNOVATION
VALUE FOR MONEY

21-23 November 2022
DIVERSIFIED DONOR BASE
- More Member States contributing
- Domestic resources
- Private Sector, Local Authorities
- Multi-donor pooled funds

INNOVATION
- Blended funding: loans, grants
- National Committees
- High Net Worth Individuals, Influencers
- Technology support, social media

Results
- 9 of the top 15 donors for earmarked funds in 2022 are from local governments, foundations and philanthropies, UN, academia, pooled funds or civil society, showing a diversified donor base
- Commitment from the Foundations and Philanthropy Platform to establish a Feasibility Fund as part of the City Investment Facility.
- Work with the Sustainable Human Settlements Foundation to mobilise resources from the private sector and sovereign wealth funds
A **capital preservation endowment model** that will generate stable and consistent returns to supplement the funding needs of UN-Habitat, especially with regards to its **foundation non-earmarked fund**, which continues to be under-funded.

### Timeline

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<tr>
<th><strong>Timeline</strong></th>
<th><strong>Action</strong></th>
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<tr>
<td><strong>2nd EB 2019</strong></td>
<td>Executive Board (EB) called upon the Executive Director (ED) to find new ways to finance UN-Habitat’s mandate including developing a resource mobilisation strategy focusing on, among others, the private sector.</td>
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<td><strong>WUF 10, 2020</strong></td>
<td>Roundtable - possibilities of financing the mandate of UN-Habitat including the feasibility of setting up an endowment fund. Becomes a joint Abu Dhabi Declared Action by UN-Habitat and Mr. Grant Rogan, the principal of Blenheim Capital Partners Limited (BCPL)</td>
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<td><strong>2nd EB 2020</strong></td>
<td>Update to the EB by the ED. Subsequently, a non-binding Letter of Intent (LOI) signed with BCPL. SHSF set up and a Memorandum of Understanding (MOU) signed on a no liability basis to UN-Habitat. Both the LOI and the MOU were reviewed and developed by the UN-Habitat Legal Unit and presented to the Controller and the Office of Legal Affairs (OLA) in New York.</td>
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<td><strong>Nov. 2021</strong></td>
<td>On 1 November 2021, Secretariat presented the concept of the SHSF to the Geneva Group of Donor Countries.</td>
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<td><strong>2nd EB 2021</strong></td>
<td>Mr. Rogan makes a statement at the EB. Draft Contribution Agreement developed with Office of Legal Affairs</td>
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<td><strong>2nd EB 2022</strong></td>
<td>Update Presentation on SHSF to the Executive Board by Mr. Grant Rogan</td>
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SHSF – Goals and Objectives

• **Main Goal:** provide perpetual financial support of UN-Habitat’s “unfunded programme”

- Reduced spatial inequality and poverty in communities across the urban-rural continuum
- Enhanced shared prosperity of cities and regions
- Strengthened climate action and improved urban environment
- Effective urban crisis prevention and response

Integrating the social inclusion dimensions including human rights, gender, children, youth older persons, and disability.
**Sustainable Human Settlements Foundation (SHSF) - a Charity registered in Jersey or England, with the oversight of the Charities Commissioner**

**SHSF managed by a Foundation Council** composed initially of representatives of the Founder and the qualifying member. Blenheim Capital Partners Limited (BCPL) will also act as the Guardian of the Foundation. Fiduchi shall act as the Qualified Member as required under the Foundations (Jersey) Law, 2009

**Services Agreement** with BCPL who will provide support with the design, establishment, structuring, sourcing of funding and management of the Foundation; facilitating the commitment to a dedicated US$1bn for the Not-For-Profit Charitable Foundation to provide ongoing funding in support of UN-Habitat.

**The Foundation Council** may invite additional suitable individuals and organisations to become members of the Foundation Council

**SHSF will adopt regulations** that set out how it will operate and ensure effective ongoing governance adhering to best practice.
| SHSF – Fundraising |

**Non-traditional Donor Model**

**Fundraising goals**
- Phase 1 – 2022/3: USD 15m
- Phase 2 – 2023: USD 50m
- Phase 3 – 2026/8: USD 1b

**Partnership with Lloyds Bank**
- Bond Issuance: USD 1b, 10-year hybrid bond

**Other sources of Sovereign Wealth Funds**
- Verbal Commitments of USD 5.1m by Q1 2023
- Other sources
  - Phase 2 – 2023: USD 50m
  - Phase 3 – 2026/8: USD 1b
The operations and governance of SHSF; role of Member States and other Donors is summarized as below:

**Expenditure**

Three main categories
- Fundraising, including support and marketing
- Administration
- Governance including audit, legal, professional and regulatory costs

**Oversight**

- **Bond Issuance** - Regulatory governance will be primarily the U.K. Prudential Regulatory Agency and the Financial Conduct Authority Administration
- **Funds invested** - managed by Cazenove. Full reporting on quarterly basis will be issued by Cazenove to SHSF and bond holders. SHSF will in turn provide to UN-Habitat a copy of such reports
- **Membership** - Member States who contribute to sit on the foundation advisory board and investment subcommittee of board of trustees.

**Benefits to Donors**

100% Economics realised to be Member States commitment to UN-Habitat if government is unable to receive economic return

For some donors seeking a blended or hybrid participation
3% will be retained by the Foundation
(with 2.5% onward donated to UN-Habitat. 0.5% retained by the SHSF to fund proposed educational programme.)
THANK YOU

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www.unhabitat.org