

UN-HABITAT RESOURCE MOBILISATION PROGRESS UPDATE

Background Document for the Information Contact Group on Resource Mobilisation Matters

October 2022

This background paper provides an update on the progress of UN-Habitat resource mobilisation progress in accordance with the UN-Habitat Resource Mobilisation Strategy 2020-2023 approved by the first UN-Habitat Assembly in 2019.

The primary goal of UN-Habitat Resource Mobilisation Strategy 2020-2023 is to ensure sufficient, predictable, flexible and long-term funding to implement the approved activities under UN-Habitat Strategic Plan 2020-2023. It aims to be result-focused, efficient, transparent and accountable to maximise grants and investments' return on value.

Since 2020, the resource mobilisation strategy of UN-Habitat is guided by the following six major objectives:

- 1) secure adequate funding to implement UN-Habitat Strategic Plan 2020-2023
- 2) support delivery of urban SDG targets and the New Urban Agenda by aligning with the UN Sustainable Development Cooperation Framework at the country level and by adhering to the UN Funding Compact
- 3) develop and enhance strategic partnerships with donors and recipient communities
- 4) diversify UN-Habitat's donor base
- 5) find innovative methods for fundraising
- 6) demonstrate that UN-Habitat implements programmes in an accountable, efficient and transparent manner that produces transformative results and impact

The key actions taken as per each objective in 2022 are summarised in figure 1.

Objective	Targets	Key Actions
ADEQUATE FUNDING	<ul style="list-style-type: none"> - Regular budget: \$60 million - Non-earmarked: \$109 million - Normative earmarked: \$262 million - Country programmes: \$607 million <p style="margin-top: 10px;">Total: \$1,038 million</p>	<ul style="list-style-type: none"> ▪ Core contribution letters ▪ Soft earmarked packages ▪ Bilateral meetings ▪ Regional dialogues ▪ Covert pledges into cash in 2022 ▪ Pledging session at the 2nd UN-Habitat Assembly ▪ Work with the Executive Board to encourage at least 50 Member States to contribute to the core funding
ALIGNMENT TO STRATEGIC FRAMEWORKS	<ul style="list-style-type: none"> - Urban dimensions of the SDGs, New Urban Agenda - UN-Habitat Strategic Plan - National strategic plans - United Nations Sustainable Development Cooperation Framework - Funding compact 	<ul style="list-style-type: none"> ▪ Regional structure ▪ Common country assessments ▪ Country focal points ▪ Regional dialogues
STRATEGIC PARTNERSHIPS	<ul style="list-style-type: none"> - Joint strategy development - Multi-year agreements - Pooled funding 	<ul style="list-style-type: none"> ▪ Regional dialogues ▪ Top donor engagement

	<ul style="list-style-type: none"> - Large-scale high-impact programmes 	<ul style="list-style-type: none"> ▪ Flagship programmes ▪ Country programmes within the United Nations system ▪ New partnership initiatives, such as the programme office to be established in Montreal, Canada
DIVERSIFIED DONOR BASE	<ul style="list-style-type: none"> - More Member States contributing - Domestic resources - Private sector, local authorities and others - Multi-donor pooled funds 	<ul style="list-style-type: none"> ▪ Private-sector strategy ▪ Foundations and Philanthropy Platform ▪ Local government engagement ▪ Sustainable Human Settlements Foundation ▪ Adaptation, Green Climate, etc.
INNOVATION	<ul style="list-style-type: none"> - Blended funding: loans, grants - National committees - High-net-worth individuals, influencers - Technology support, social media 	<ul style="list-style-type: none"> ▪ City Investment Facility ▪ Feasibility fund ▪ Online fundraising ▪ Crowdfunding ▪ Ambassador Programme
VALUE FOR MONEY	<ul style="list-style-type: none"> - Results-focused - Efficient - Transparent - Accountable 	<ul style="list-style-type: none"> ▪ Monthly income updates to Member States ▪ Urban Impact news, open.unhabitat.org ▪ Standard operating procedures and key performance indicators ▪ Solutions Start with Cities

Figure 1. UN-Habitat resource mobilisation priorities, targets and key actions

Provisional income acquisition figures¹ from 2020 to 30 September 2022 as compared to the targets set in the UN-Habitat Resource Mobilisation Strategy with the ultimate aim of raising USD 1 billion to implement the Strategic Plan, including USD 60 million for regular budget, USD 109 million for non-earmarked budget, USD 262 million for foundation earmarked funding and USD 607 million for technical cooperation.

The Committee of Permanent Representatives (CPR) has recommended a two-year extension to the UN-Habitat Strategic Plan. The CPR was also clear that the COVID-19 pandemic and the ensuing economic crisis meant that more time was needed to reach those targets. This leaves UN-Habitat additional 48 months to raise the requisite funds. As of 30 September 2022, the time remaining for reaching the fund-raising targets and implementing the Strategic Plan is 54% of the total timeframe.

In 2020-2022 (as of 30 September 2022), the total funds received is approximately USD 484.9 million, which is 47% of the total target. The acquisition of the regular budget is mostly consistent, with USD 41.6 million or 69% of the target of USD 60 million for the entire period of the Strategic Plan. Foundation earmarked budget for normative activities has acquired USD 106 million, which is 40% of the target. Technical cooperation has received USD 326.5 million, achieving 54% of the target. The progress of the overall fund-raising, regular budget and technical cooperation are well on-track as compared to the timeframe.

However, in terms of the foundation non-earmarked budget, UN-Habitat has achieved USD 10.8 million or 10% out of the target of USD 109 million. More efforts and support are needed to achieve the approved budget.

¹ All acquisition figures provided in this background paper do not include pledge.

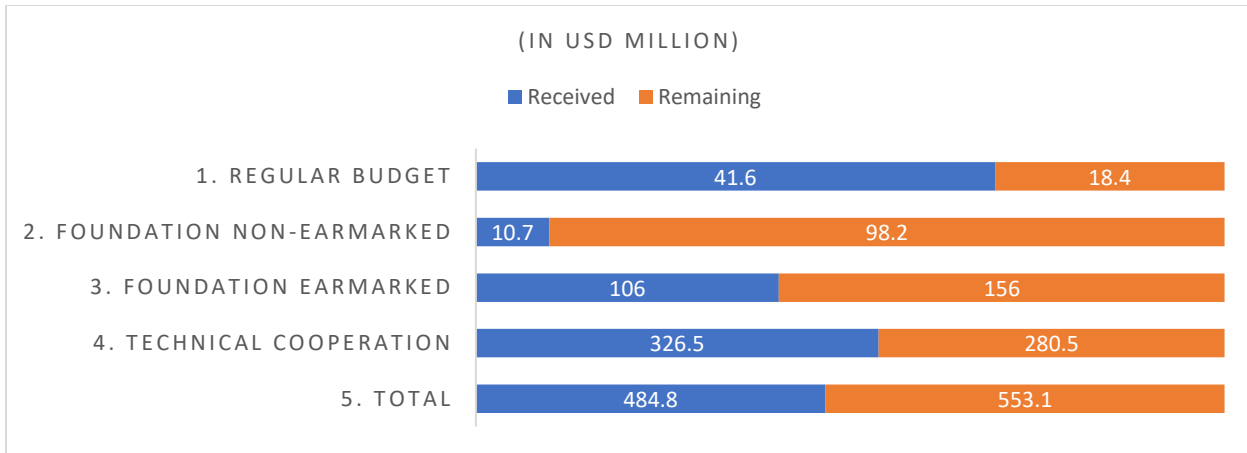


Figure 2. Acquisition of various funds as compared to the targets

Fund	Received (USD M)	Remaining (USD M)	Targets (USD M)	Acquisition /Target %	Compared to the timeline rate (46%)
Regular Budget	41.6	18.4	60	69%	Above timeline rate
Foundation Non-earmarked	10.7	98.2	109	10%	Below timeline rate
Foundation Earmarked	106	156	262	40%	Marginally below timeline rate
Technical Cooperation	326.5	280.5	607	54%	Above timeline rate
Total	484.8	553.1	1038	47%	Above timeline rate

Figure 3. The Acquisition/Target rate compared to the timeline rate

Provisional income acquisition figures in 2022 as of 30 September 2022 for the various funds and the targets for 2022 are shown in figure 3. Regular budget has acquired USD 9.4 million, 70% of the target of USD 13.3 million. Non-earmarked contributions received amounted to USD 3 million, of which USD 0.51 million were contributions for previous years. The USD 3 million in contributions for 2022 represented 25% of the annual target of USD 12 million. The Foundation earmarked fund provided global programmes with USD 12.7 million, representing 18% of the annual target. Contributions to the technical cooperation fund amounted to USD 74.9 million, or 50% of the annual target. The demand for UN-Habitat's technical cooperation and earmarked funding increased with regional offices maintaining or doubling their funding year over year.

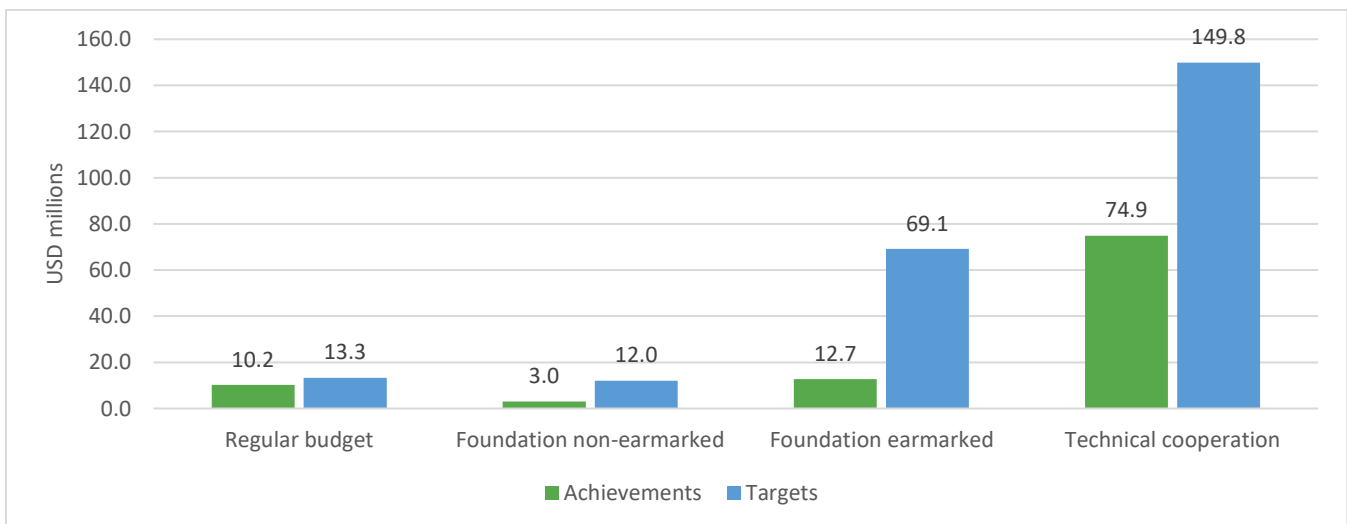


Figure 4. Acquisition and targets of various funds in 2022

In 2022 (as of 30 September), core contributions show improvements in terms of the year-on-year acquisition, achieving 25% more than that of the same period last year. In 2022, five new donor countries have made core contributors to UN-Habitat, including Angola, Azerbaijan, Guinea, Portugal and Somalia, with Angola, Guinea, Portugal and Somalia covering the current year and previous commitments. This also includes Azerbaijan which has contributed USD 1.5 million to the core fund and pledged an additional USD 1.5 million at the Second Committee session in October 2022; Singapore and the United Republic of Tanzania have returned to providing core contributions; 11 countries have made one-time pledges, totalling USD 12.8 million, from Azerbaijan, Benin, Burkina Faso, Germany, Malaysia, Malawi, Mexico, Portugal, Turkiye, USA and Zambia; with USD 4.2 million considered hard pipeline (Azerbaijan, Germany, Malaysia, and the United States of America). If all pledges are realized, the fund raised for the core contributions will surpass our annual foundation non-earmarked target.

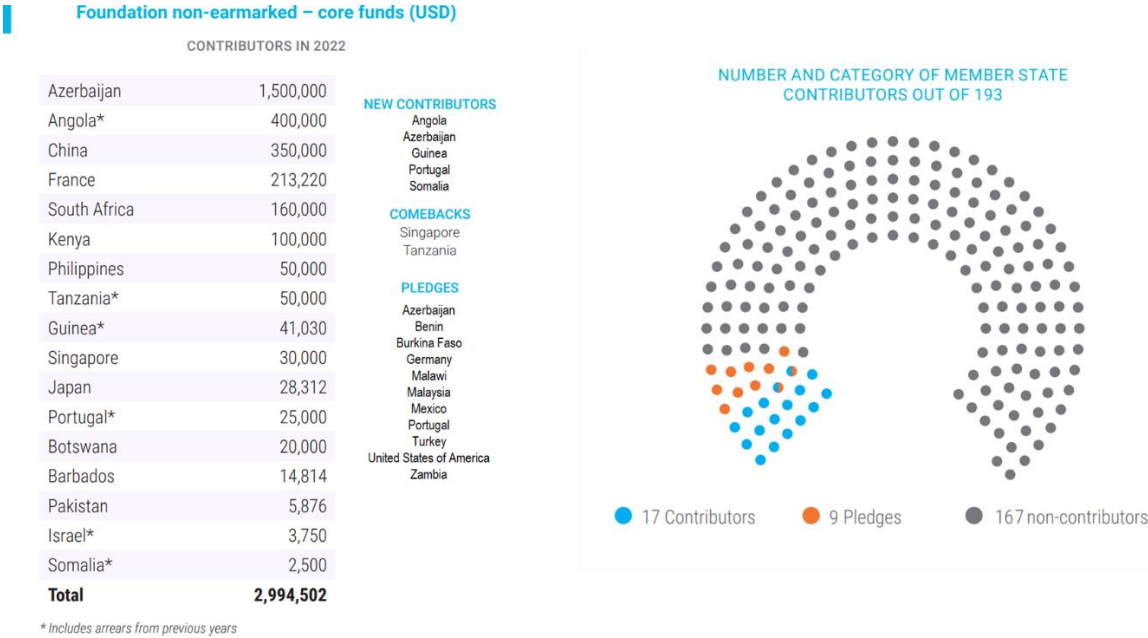


Figure 5. Donors of the core fund in 2022

In terms of earmarked funds in 2022, the top 15 donors include foundations, intergovernmental organisations, local authorities, civil societies or UN agencies besides Member States. This shows a greater diversification of funding sources.

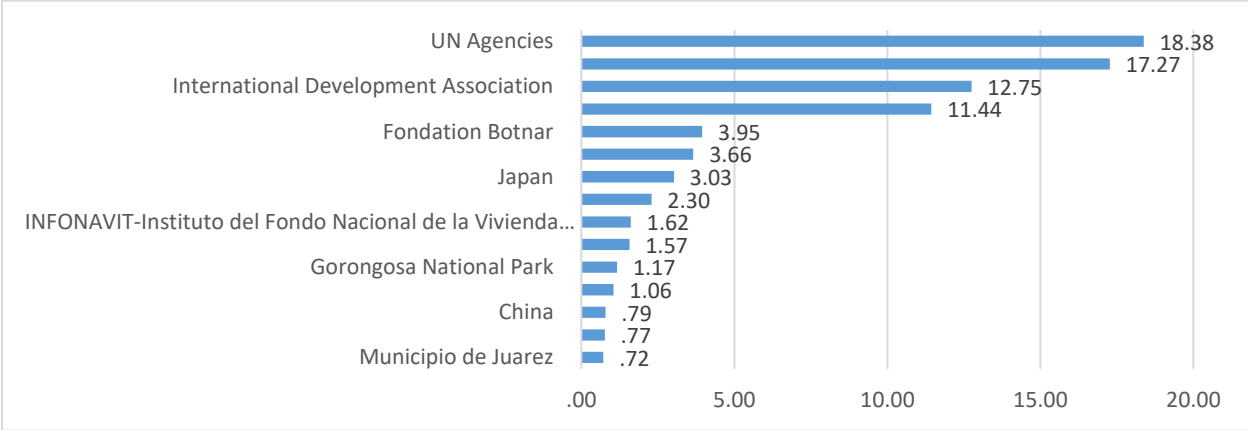


Figure 6. Top 15 contributors to UN-Habitat in 2022

Geographically, the Arab States office contributed to 38% of the earmarked income generated. This is followed by Asia Pacific (33%), Latin America (9%), Africa (8%), and Europe (1%). UN-Habitat’s Global programmes now constitute 11% of earmarked revenues. This healthy performance shows continuing demand for UN-Habitat’s services and improved support for UN-Habitat’s core normative work.

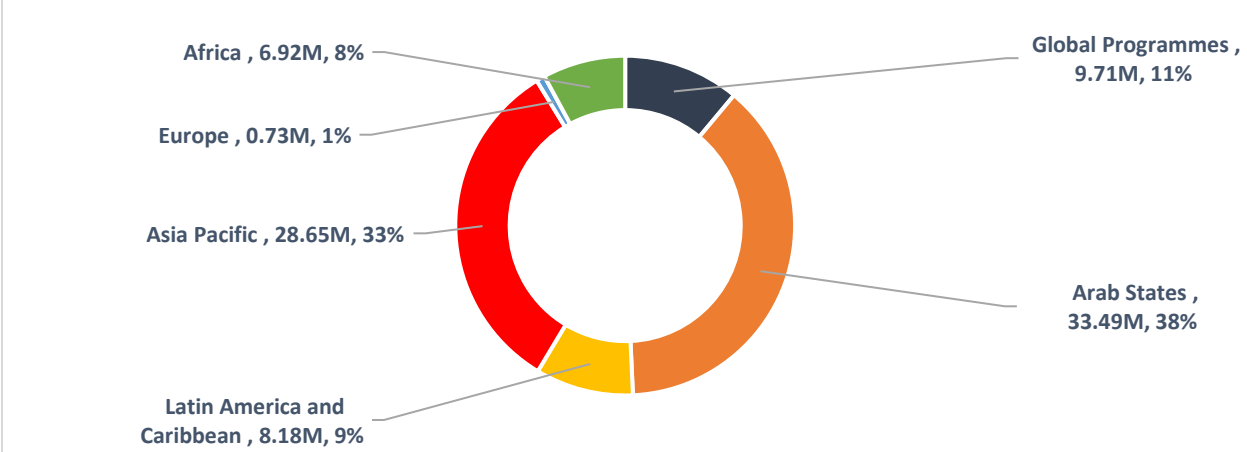


Figure 7. 2022 earmarked income allocation by UN-Habitat implementing region