Agenda item 9

Draft terms of reference of the urban action funding window towards the need to achieve the implementation of United Nations Habitat Assembly resolutions in a balanced manner

Executive Board: Third session of the year 2023
28-30 November 2023
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.
Consultations with the ad hoc working group on programmatic, budgetary and administrative matters

In-session report on the draft terms of reference

Endorsement by the Executive Board, with any revisions also in consultation
Key elements of the resolution

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”
• Purpose of the Foundation is to augment the regular budget in normative and core functions, normally recurrent
• For distinction, the funding window fills requirements that are non-recurrent, or projectized
Key elements of the resolution

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
Key elements of the terms of reference

**Resource mobilization**
- Revision of the contribution agreement template
- Donor consultations
- Outreach and publicity

**Financial reporting**
- Same reporting requirements as that of the Foundation, presented as a distinct funding segment
Key elements of the terms of reference

Governance on the allocation of funds

- Funding window has treatment that is distinct from the Foundation, while remaining within the Foundation
- Budget, revenue, expenses, net assets distinct from Foundation
- Funding window inherits governance from the Foundation
- Executive Board retains authority unless it delegates to a working group or to the Executive Director

Spending

- Following approval by the Executive Board, the Executive Director will enter into financial commitments
Triad of innovative financing

Non-earmarked Foundation for normative and core functions

- Scalability model
- Due diligence on SHSF
- Urban action funding window

Recurrent Accelerator Projectized
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