

Response to Member States' comments on the draft Resource Mobilization Strategy 2026-2029 during the AHWG PBA (25 February 2026) and written comments received thereafter

1. Lessons learned and strategic evolution from the last Resource Mobilization Strategy 2020-2025

Summary of the comments: Several Member States requested clarification on how the new Resource Mobilization Strategy differs from the previous RM Strategy (2020–2025), including how lessons learned from the previous period have been incorporated. In this context, clarification was sought on what is new in the diversification approach, how multi-year cooperation agreements can realistically be encouraged in a constrained ODA environment.

Member States: Finland, Germany, Netherlands

UN-Habitat's response:

The current Resource Mobilization Strategy represents a strategic evolution from the 2020–2025 Strategy, informed by practical experience and the changing global financing landscape.

First, the structure has been tightened and simplified to enhance clarity and practicability. The previous Strategy included six objectives and ten strategic actions, combining external-facing partnership efforts with internal operational functions. The new Strategy adopts a more focused architecture with two interconnecting goals that closely aligned with the Means of Implementation 5 of the Strategic Plan 2026-2029, clearly distinguishing between partner-oriented strategic actions and internal cross-cutting enabling factors. This streamlined structure is intended to make the Strategy more coherent, prioritized and operational.

Second, while diversification remains an important objective, the new Strategy adopts a more targeted and realistic approach. Strategizing requires prioritization. Based on past experience and the current funding environment, the Strategy acknowledges that public funding sources remain the primary and most significant contributors to UN-Habitat. Strengthening engagement with public entities is therefore positioned as a central priority.

Within public funding entities, the Strategy proposes differentiated approaches:

- With existing major donors, the emphasis shifts from fragmented, small-scale project engagement toward consolidated partnerships built around focused priorities that are closely aligned with the strategies of both sides.
- Within national government segments, greater attention is given to engaging government funding partners that have not previously funded or fully engaged with UN-Habitat, as reflected under Strategic Action 2 (Expand and Diversify).
- Subnational governments, not previously identified as a distinct target segment, are now recognized as an emerging and strategically important partner group under Strategic Action 2 (Expand and Diversify).
- International financial institutions (IFIs), development finance institutions (DFIs), vertical funds and pooled funding mechanisms are also public financing sources and are more prominently addressed, particularly under Strategic Action 3, with concrete actions proposed.

Third, the Strategy reflects lessons learned on private sector engagement and individual giving. In light of institutional capacity constraints, the Strategy adopts a more focused and

selective approach. Private sector and foundation engagement remain part of the diversification agenda but with clearer prioritization and targeted cultivation rather than broad expansion. Fundraising from high-net-worth individuals and the general public is currently limited in scale and capacity and is therefore not a priority under the current Strategy.

Fourth, the Strategy places stronger emphasis on aligning resource mobilization efforts with national development priorities and UNSDCFs, ensuring that fundraising strategies are grounded in country demand, policy framework and UN-system wide priorities.

In addition, the Strategy underscores the importance of strengthened internal coordination to ensure coherent and consistent resource mobilization efforts across headquarters, regional offices and country offices. Clearer differentiation between external-facing strategic actions and internal enabling factors is intended to support more harmonized engagement and avoid fragmented efforts.

Overall, the new Strategy reflects lessons learned by introducing clearer prioritization, greater realism regarding institutional capacity, stronger emphasis on public financing sources and underutilized opportunities within the public sector, and more structured approaches to partnership consolidation and diversification.

2. Strengthening core funding

Summary of comments: A significant number of questions focused on strengthening core contributions. Member States asked how the Strategy intends to improve the balance between earmarked and non-earmarked (core) funding and which partners are being targeted to secure more predictable core contributions. Clarification was also requested regarding proactive steps to facilitate the timely payment of core contributions by Member States. In addition, some delegations inquired whether the Strategy could include indicative or quantitative targets, such as annual increases in core contributions, as a way of reinforcing accountability and ambition in this area.

Member States: Finland, Germany, Indonesia, Netherlands, Peru

UN-Habitat's response:

The Strategy deliberately does not structure resource mobilization by funding type. Rather than treating core funding as a separate stream, it integrates core contributions within a broader partnership-based approach. This reflects operational reality: predictable and flexible funding emerges from strong, strategic relationships, not from stand-alone fundraising efforts.

Core contributions are advanced primarily under Strategic Actions 1 and 2, which focus on consolidating partnerships with Member States and broadening the core donor base. The Strategy highlights strengthened programmatic cooperation, transparency, trust, demonstrated impact, and delivery as important elements in fostering confidence and reinforcing the collective commitment to core and flexible funding. In this context, strengthening partnerships contributes to an enabling environment in which Member States can sustain and, where possible, enhance their core contributions in support of shared objectives.

In the context of evolving global development financing trends, the Strategy recognizes the continued importance of strong and predictable support from OECD-DAC Member States, which play a central role in providing flexible funding to the United Nations development system in line with the commitments under the United Nations Funding Compact. At the same time, UN-Habitat is working to broaden the base of countries contributing core funding in order to strengthen collective ownership and sustainability of the Organization's financing model.

As reflected in the 2025 Interim Financial Report, the number of Member States contributing core funding (31) has reached its highest level in six years. Notably, approximately half of these contributors are African Member States, including several Least Developed Countries and Small Island Developing States. This demonstrates growing engagement across a wider range of Member States, while also underscoring the importance of sustained leadership and contributions from OECD-DAC partners in maintaining a balanced and predictable core funding base for the Organization.

UN-Habitat will continue broad-based engagement with all Member States, including those not yet contributing core funding, through structured dialogue at headquarters, regional and country levels. In parallel, targeted reviews and consultations will be undertaken with existing and consistent core contributors to explore opportunities for increasing contribution levels that may have remained unchanged for several years. More systematic follow-up with Member States, in coordination with country and outposted offices, will be implemented with a view to further strengthening core contributions.

With regard to the balance between earmarked and non-earmarked resources, the Strategy recognizes that UN-Habitat's funding model is anchored in both core and earmarked contributions, which serve complementary and mutually reinforcing roles. Earmarked funding constitutes the majority of annual resources and remains the engine of operational delivery, reflecting the Organization's project-based mandate and demand-driven programming model. At the same time, core resources are indispensable for sustaining institutional flexibility, continuity and the capacity required for long-term planning and the delivery of global normative functions.

The Strategy therefore does not approach core and earmarked funding as competing streams, nor does it seek to artificially alter their relative proportions. Rather, it seeks to maintain a strong and responsive project portfolio while continuing efforts to strengthen predictable and flexible resources that underpin institutional stability and enable UN-Habitat to fulfil its global mandates effectively.

The Strategy also recognizes that the persistent imbalance between earmarked and core funding underscores the importance of sustained and predictable core contributions from Member States, consistent with their collective responsibility for ensuring the Organization's financial stability and effectiveness. In this regard, the Strategy reflects the commitments contained in the United Nations Funding Compact, through which Member States and the United Nations system jointly committed to strengthening predictable and flexible funding for the UN development system. Sustained core contributions from Member States therefore remain essential to achieving these shared commitments and enabling UN-Habitat to effectively deliver on the mandate entrusted to it.

3. Financing and Positioning of Normative Work

Summary of comments: Member States raised substantive questions regarding the mobilization of resources for UN-Habitat’s normative work, noting that these are traditionally more difficult to finance. Clarification was sought on how the Strategy intends to secure resources to sustain such functions. In parallel, sensitivities were expressed regarding terminology. One delegation urged caution in the use of the term “normative mandate” and requested that this terminology be avoided, while another delegation expressed support for the continued use of the term “normative activities.” These interventions indicate both financial and conceptual considerations related to the positioning and funding of normative work.

Member States: Finland, France, Netherlands, Russia

UN-Habitat’s response:

UN-Habitat’s normative activities are central to its identity and value proposition. Securing sustainable financing to support these functions therefore remains a clear priority.

In the context of the Quadrennial Comprehensive Policy Review (QCPR), a normative mandate refers to the United Nation’s development system’s responsibility to act as custodian and promoter of internationally agreed norms, standards and principles. UN-Habitat develops its normative activities closely alongside its operational work. In line with General Assembly resolution 72/226 (2017), member states emphasized the importance of strengthening the Organization’s normative role while ensuring a balanced relationship between normative and operational activities. The resolution calls for UN-Habitat’s normative guidance to shape its field operations, while lessons and experiences from operational activities should, in turn, inform and enrich its normative frameworks – consistent with the principles of the New Urban Agenda and in support of implementing the urban dimension of the SDGs. It is in this context that the reference to “normative” activities should be construed.

UN-Habitat recognizes that mobilizing resources for normative activities can be challenging in the current international development financing environment, where some funding partners increasingly prioritize operational and project-based interventions. At the same time, the Organization’s normative activities remain a core element entrusted to UN-Habitat by Member States and are essential for advancing globally agreed urban development frameworks and standards. In this regard, UN-Habitat will continue engaging member states and funding partners in dialogue on the importance of maintaining adequate and predictable support for the Organization’s normative activities as part of its broader mandate.

From an operational perspective, the Strategy addresses this challenge through an integrated partnership and programming approach. Resource mobilization for normative work is not treated as a separate funding stream but is embedded within broader partnership development efforts across all Strategic Actions. Normative and operational work are not mutually exclusive; rather, they are mutually reinforcing. Increasingly, collaboration within UN-Habitat between teams leading normative work and those responsible for programme implementation enables blended programming that combines normative guidance with operational delivery on the ground. Through strengthened strategic dialogue, targeted programme cultivation, and co-creation of initiatives with partners, as reflected under Strategic Actions 1 and 2 for example, UN-Habitat presents normative and operational

components together as part of coherent programme offerings aligned with partners' priorities.

Looking at past trends, UN-Habitat's Foundation includes the Foundation Special Purpose Fund, which broadly supports the Organization's normative work and global programmes. Over the period 2020–2025, the annual acquisition of the Foundation Special Purpose Fund averaged USD 49.8 million, representing approximately one quarter of UN-Habitat's total annual resource acquisition. While year-to-year variations are observed, as is typical for voluntary funding streams, the overall level and portfolio share of the Foundation Special Purpose Fund have remained relatively stable within UN-Habitat's funding structure. This indicates that, despite fluctuations, financing for normative and global programme activities has continued to constitute a consistent component of the Organization's overall resource base.

Acquisition¹ of Foundation Special Purpose Fund 2020-2025

Year	Foundation Special Purpose acquisition (USD million)	Share of total acquisition
2020	56.8	29%
2021	37.5	18%
2022	48.0	26%
2023	69.8	33%
2024	37.0	17%
2025 ²	46.0	23%
Yearly average over the last six year period	49.8	25%

Diversification of the donor base also contributes to sustaining normative work. Several government funding partners have expressed interest in supporting normative and knowledge-based activities. In addition, partnerships with subnational governments and city networks are being explored as complementary pathways to support elements of normative and knowledge-based functions, including through cooperation arrangements in cities such as Paris and Shanghai.

4. Implementation arrangements and institutional capacity of resource mobilization activities

Summary of comments: Questions were raised regarding the feasibility of implementing the Strategy under existing institutional constraints. Member States queried whether the Secretariat has sufficient resource mobilization capacity and how such capacity will be strengthened. Concerns were also expressed about implementation in the context of limited

¹ "Acquisition" refers to the full value of a grant recognized at the time the contribution agreement or donor commitment is signed, regardless of whether the funds are disbursed over multiple years. It differs from revenue, which also includes other income streams such as investment income.

² Figures for 2025 are provisional and may change. Final amounts will be confirmed upon completion of the annual audit and publication of the audited financial statements, normally in the third quarter of the following year.

resources and ongoing internal restructuring. Clarification was requested on which divisions and officials will be responsible for implementation and how roles and responsibilities will be distributed across headquarters, regional offices, and other units. In addition, questions were raised about the removal of Sub-Programme 5, including whether this undermines the importance of resource mobilization, whether the change was considered during drafting, and whether revisions to the Strategy may be required as a result.

Member States: Colombia, Germany, Netherlands

UN-Habitat's response:

While "Resource Mobilization" is no longer structured as a standalone sub-programme, it remains a key institutional priority. Resource mobilization is led by the Office of the Executive Director and implemented through a whole-of-the-house approach, integrated across headquarters, regional offices and country offices.

Implementation of the Strategy will be supported by strengthened internal coordination mechanisms. In the first half of 2026, a Resource Mobilization Coordination Task Force at the Directors' level will be established as an internal platform to align institutional priorities in engagement with key funding partners and financing opportunities. The Task Force will facilitate strategic coordination across the Organization, including identifying emerging opportunities, monitoring trends and risks in the funding landscape, and translating the guiding principles of the Strategy into coordinated actions across divisions, regions and country offices.

At the operational level, the Donor Relations and Resource Mobilization Unit within the Office of the Executive Director will continue to support the implementation of the Resource Mobilization Strategy and operationalize guidance from the Resource Mobilization Task Force. The Unit plays a coordination and facilitation role by supporting funding partnership scoping and framing, information exchange, knowledge management, and the coordination of key partnership development efforts across the Organization. It works closely with a network of colleagues engaged in partnerships and resource mobilization across headquarters, regional offices and country offices to align engagement with funding partners and support coherent institutional approaches to partnership development. For partnership opportunities that extend beyond the scope of a single country or region, the Office of the Executive Director will provide additional coordination to ensure coherent institutional engagement.

UN-Habitat recognizes that strengthening institutional capacity for partnerships and resource mobilization remains important. The Donor Relations and Resource Mobilization Unit within the Office of the Executive Director currently operates with a lean structure consisting of one professional staff member supported by consultants. Despite its small size, the Unit has been functioning effectively by focusing on high-impact coordination and strategic functions. Within existing resource constraints, efforts are ongoing to improve efficiency, streamline internal processes, strengthen collaboration across offices, and prioritize engagement with key funding partners. The Secretariat will also continue exploring opportunities to reinforce this function, including through partnerships with Member States, such as Junior Professional Officers.

5. Diversification strategy and access to strategic financing mechanisms

Summary of comments: Member States raised questions across four main dimensions of the diversification and financing approach. First, delegations inquired about the expansion of private sector engagement, including the application of due diligence, risk management measures, and safeguarding frameworks such as ESS and CSG. Second, clarification was sought on whether UN-Habitat intends to prioritize a limited number of strategic institutional compacts with regional development banks. Third, questions were raised regarding access to vertical funds, particularly climate-related mechanisms, and whether sufficient in-house technical capacity exists to navigate complex financing instruments. Fourth, Member States requested clarification on how UN-Habitat will collaborate with other UN entities, including through joint programming and shared submissions to funding mechanisms, and how such engagement aligns with broader UN system coordination processes.

Member States: France, Germany, Netherlands, Peru

The Strategy approaches diversification through a structured and prioritized framework, recognizing the need to broaden partnerships while remaining realistic about institutional capacity and comparative advantage.

IFIs

Strengthening partnerships with international financial institutions (IFIs) and development finance institutions (DFIs) is a clear priority and is specifically addressed under Strategic Action 3: Innovate and Leverage. The objective is not for UN-Habitat to act as a financing intermediary, but to position the Organization as a trusted technical partner. In this role, UN-Habitat provides upstream policy alignment and advocacy jointly with financial institutions, supports project preparation as a technical advisor for urban and housing investments, and contributes to safeguards, standards and investment readiness. Through this approach, UN-Habitat seeks to leverage its normative leadership and technical expertise to help unlock and structure development finance aligned with sustainable urbanization priorities. This work is supported by country and regional offices to ensure a demand-driven and context-specific approach.

In this context, UN-Habitat is prioritizing engagement with a number of regional development banks whose mandates and investment portfolios strongly align with UN-Habitat's work on sustainable urban development, such as the Asian Development Bank, African Development Bank, Islamic Development Bank. These partnership frameworks and strategic institutional compacts are already being negotiated, which will enable stronger programmatic collaboration and help mobilize financing for sustainable urbanization, while continuing to engage with other development finance partners as opportunities arise. There is an internal task force at UN-Habitat for the Organization's engagement with IFIs. This work is supported by country and regional offices to ensure a demand-driven and context-specific approach.

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financing for sustainable urbanization. An internal task force on engagement with IFIs supports the coordination and strategies with IFIs, working closely with regional and country offices to ensure a demand-driven and context-specific approach.

Vertical funds

Access to vertical funds and other complex financing mechanisms, particularly climate-related funds, is also addressed under Strategic Action 3. The Strategy recognizes the importance of strengthening internal coordination and technical readiness to engage effectively with such instruments. Engagement is therefore pursued selectively and strategically, with attention to institutional capacity and alignment with mandate priorities. A designated focal point within the Regional Programme Division provides technical support to ensure alignment between vertical fund frameworks and UN-Habitat's programming. In addition, an internal task force has been established to coordinate the Organization's accreditation efforts to climate funds, bringing together relevant offices across the Organization to support a whole-of-house approach to accessing these financing mechanisms and expanding UN-Habitat's eligibility for vertical fund resources.

Private sector

Private sector engagement is reflected under Strategic Action 2: Expand and Diversify, encompassing foundations, businesses, philanthropies and impact investors as part of a broader diversification agenda. The Strategy recognizes that private sector partners can bring not only financial resources, but also innovation, technical expertise and catalytic capital. Key sub-segments under the private sector includes business and foundations.

At the same time, it maintains a balanced and realistic perspective: private sector engagement is complementary to, not a substitute for, public funding. Sustainable financing for UN-Habitat's mandate, including its normative and intergovernmental functions, fundamentally depends on predictable contributions from Member States. The private sector cannot replace the role of governments in supporting multilateral mandates.

UN-Habitat conducts due diligence when engaging with for profit private sector entities to ensure alignment with United Nations standards. In accordance with UN Secretariat requirements, such entities must confirm their participation in the UN Global Compact prior to entering into any arrangement or agreement. This verification helps ensure that UN-Habitat does not engage with entities involved in human rights abuses, forced or child labour, or the manufacture or sale of anti-personnel landmines. In cases where an entity does not consistently demonstrate commitment to these principles, collaboration may only be considered where it is specifically intended to address such gaps. In addition, UN-Habitat also has an Environment and Social Safeguard System (ESSS), which is integrated in the Organization's project quality control process (Project Review Committee) where projects are reviewed for its compliance with ESSS.

Across these financing streams, engagement is pursued in close coordination with other UN entities. At the global level, UN-Habitat maintains partnership frameworks with several UN organizations, including UNDP, UNOPS, UN Women, the Office of the High Commissioner for Human Rights (OHCHR) and the International Telecommunication Union (ITU), to align strategic priorities and strengthen collaborative engagement. At the country level, collaboration takes place through United Nations Country Teams (UNCTs), particularly through alignment with United Nations Sustainable Development Cooperation Frameworks

(UNSDCFs) and the development of joint programmes and coordinated submissions to funding mechanisms. UN-Habitat is also a co-chair of the Local2030 Coalition, a UN platform established in 2021 to support the localization of the Sustainable Development Goals through collaboration among 14 UN entities. In parallel, UN-Habitat continues to strengthen collaboration on South-South and triangular cooperation through engagement with the United Nations Office for South-South Cooperation (UNOSSC), supporting technical exchange, knowledge sharing and partnership development among countries.

6. Monitoring, targets and accountability

Summary of comments: Several delegations requested clarification on how progress under the Strategy will be measured. Questions focused on how success will be assessed in practice, whether specific indicators and targets will be developed for each Strategic Action beyond aggregated financial metrics, and what timeline is envisaged for rolling out the strategic actions. Member States also asked how progress will be monitored over time, indicating interest in a clear accountability framework.

Member States: Netherlands, Peru

UN-Habitat's response:

Monitoring and accountability for the Resource Mobilization Strategy are anchored in the Organization's broader results framework under the Strategic Plan 2026–2029. Outcome-level indicators related to resource mobilization are incorporated into the Strategic Plan results framework, and progress against these indicators will be reported through the Organization's established corporate performance reporting processes. These indicators will also be disaggregated by funding type and aligned with the Strategic Actions of the Resource Mobilization Strategy to facilitate monitoring of progress across different financing streams.

At the operational level, internal monitoring will be supported by existing institutional tools and coordination mechanisms. UN-Habitat Donor Information Platform (internal) and the Integrated Programme Management and Reporting system (IPMR) are used to track funding trends, partnership engagement and programme pipelines. In addition, the Resource Mobilization Coordination Task Force will periodically review progress in implementing the Strategy and provide strategic guidance to ensure alignment with emerging opportunities and risks in the funding landscape.

Financial performance and funding trends will continue to be reported transparently through the Organization's established reporting mechanisms to governing bodies, including financial reports presented to the Executive Board. In addition, the Secretariat will continue producing quarterly funding status reports, which provide updates on resource mobilization trends and funding levels.

With regard to target setting, the Strategy does not introduce separate fundraising targets beyond those already embedded in the Organization's planning and budgeting processes. Targets for non-earmarked resources are informed by the approved annual work programme and budget, while projections for earmarked funding are guided by programme pipelines and regional roadmaps developed to operationalize the Strategic Plan. Country offices also contribute estimates of expected programme implementation linked to urban priority areas, which helps inform resource mobilization planning and monitoring.

7. Financial trends and data interpretation

Summary of comments: Member States sought clarification regarding observed funding trends. One delegation requested clarification regarding the projected drop in regional and local government contributions in 2025.

Member States: Brazil, Germany

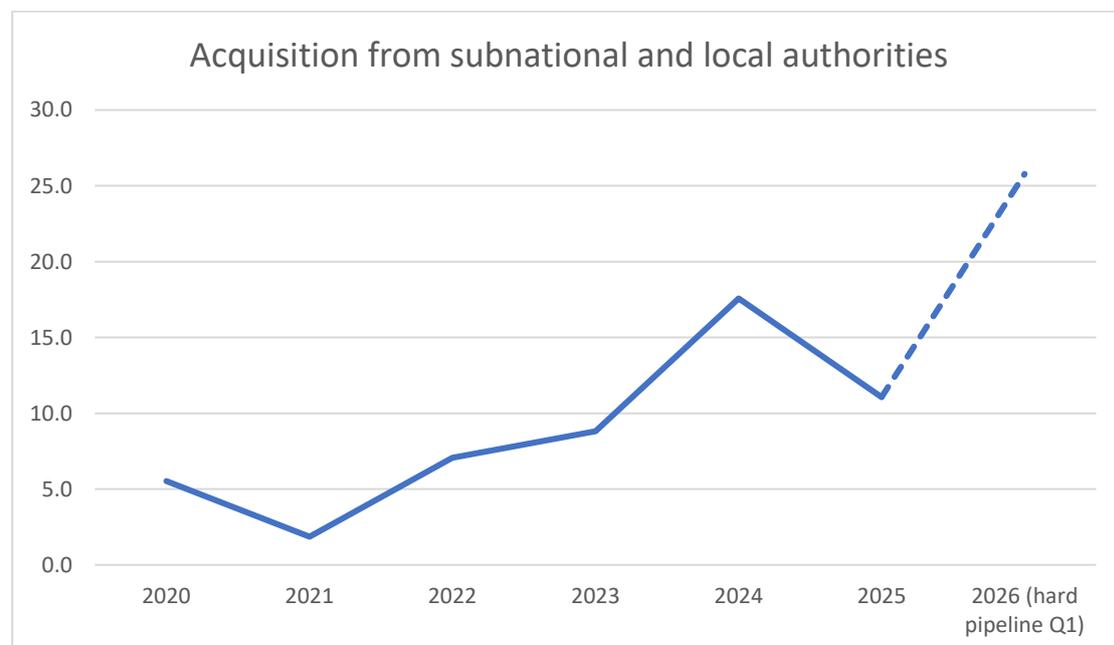
UN-Habitat's response:

In many cases, collaboration with local and regional governments is established through multi-year agreements, while the full value of the contribution is recorded in the year in which the agreement is signed. As a result, the data may show year-to-year fluctuations even when the underlying partnerships and cooperation remain stable over time.

The figures for 2025 were also updated following a more detailed data verification exercise. While this resulted in an adjustment to the reported level of contributions for that year, it does not alter the broader pattern of engagement.

Looking at the overall trend, contributions from subnational and local authorities show a clear upward trajectory over the period 2020–2026. After moderate levels in earlier years, engagement increased notably in 2024 and is projected to continue strengthening. The 2026 pipeline, based on the hard pipeline identified as of the first quarter of 2026, already indicates a higher level of expected contributions compared with previous years.

Taken together, these trends suggest that engagement with subnational and local authorities is becoming an increasingly important component of UN-Habitat's partnership portfolio, even though annual figures may fluctuate due to the timing of agreement signatures.



8. Drafting refinements, terminology and structural alignment

Summary of comments: Member States requested refinement of certain terminology to ensure alignment with agreed intergovernmental language. This included avoiding distinctions between “developing” and “middle-income” economies, reconsidering the use of the term “non-traditional donor countries,” and ensuring careful use of SDG-related language, particularly formulations such as “eradicating poverty.” In addition, a structural suggestion was made to enhance internal coherence, including consideration of whether certain key actions under Strategic Action 1 should be reflected in Strategic Action 2. In its written submission, one of the member states also requested that the term “corporate” be replaced with “enterprise”.

Member States: Brazil, Costa Rica, France

UN-Habitat’s response:

Terminology throughout the document has been reviewed and refined to ensure closer alignment with agreed intergovernmental language and commonly used terminology across the United Nations system. In this context, references that distinguished between “developing” and “middle-income” economies have been removed, retaining the broader term “developing countries” in line with established UN practice.

The document also refrains from using the term “donors,” instead referring to “funding partners” to reflect the partnership-based nature of engagement. Similarly, the expression “traditional donors” has been avoided in order to reduce ambiguity. Instead, the document refers more precisely to “OECD-DAC government funding partners” and “non-OECD-DAC government funding partners,” consistent with terminology used in the UN Funding Compact and the resource mobilization strategies of other UN agencies.

Language related to the Sustainable Development Goals (SDGs) has also been adjusted to ensure consistency with agreed formulations, including the use of “eradicating poverty” rather than “reducing poverty.”

With regard to the suggestion to replace the term “corporate” with “enterprise,” the document instead adopts the term “business,” which aligns with terminology commonly used across the United Nations system and facilitates consistency with benchmarking and partnership frameworks used by other agencies.

9. SCCF-related concerns

Summary of comments: A delegation expressed concern about SCCF and the unresolved issues around it. The Secretariat was encouraged to address the SCCF decisively before proceeding with the Strategy.

Member States: Nigeria

A dedicated agenda on this topic will be organized.