

**76<sup>th</sup> Meeting of the Ad Hoc Working Group on Programmatic, Budgetary and Administrative Matters of the Executive Board of UN-Habitat**

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Conference Room 9, UNON

**Draft UN-Habitat Resource Mobilization Strategy for the Implementation of UN-Habitat Strategic Plan 2026-2029**

**Report of the Executive Director**

**I. Introduction**

**A. Context**

1. Urbanization remains one of the defining global megatrends of the twenty-first century. By 2050, nearly 70 per cent of the world's population is projected to live in cities, which generate over 80 per cent of global GDP while also concentrating inequality, environmental stress, and exposure to climate- and conflict-related shocks. At the centre of these challenges lies a deepening global housing crisis: billions of people lack access to adequate housing<sup>1</sup>, secure land tenure, and basic services, with demand expected to grow further due to population growth, climate impacts, and displacement<sup>2</sup>.

2. Adequate housing is a human right and a foundation for inclusive development. Placing housing, land, and basic services at the centre of development policy offers a powerful entry point for reducing poverty and inequality, strengthening resilience, advancing climate action, and accelerating progress towards achieving the Sustainable Development Goals, especially SDG 11 and related targets.

3. At the same time, the global development financing environment is under increasing strain. Net Official Development Assistance (ODA) from OECD Development Assistance Committee (DAC) members declined by 8.3 per cent to USD 211.9 billion in 2024 and is projected to fall by a further 11-20 per cent over the period 2025–2028<sup>3</sup>.

4. These financing pressures coincide with broader UN system reforms. The UN Funding Compact, which seeks to increase core, multi-year, and pooled funding, has delivered uneven results, with institutional reforms outpacing changes in funding practices. While the Fourth International Conference on Financing for Development (FFD4) reaffirmed the central role of ODA and called for reversing its decline, it also underscored the persistent gap between development ambitions and available financing. In parallel, the UN80 initiative is reinforcing expectations for greater coherence, efficiency, and accountability across the UN system.

5. These dynamics require UN-Habitat to pursue a more focused, diversified, and strategic approach to resource mobilization, securing direct funding for its programmes while enabling broader resource flows for sustainable urban development. Developed in this context, the Resource Mobilization Strategy articulates UN-Habitat's value proposition to funding partners and supports implementation of the Strategic Plan 2026–2029.

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<sup>1</sup> UN-Habitat, *Rescuing SDG 11 for a Resilient Urban Planet*, 2023

<sup>2</sup> *ibid*

<sup>3</sup> Final OECD statistics on official development assistance (ODA) and other resource flows to developing countries in 2024.

## **B. Purpose and Scope**

6. The UN-Habitat Strategic Plan 2026–2029 sets out the Organization’s vision and priorities for the period. Effective resource mobilization is identified as one of the five means of implementation of the Strategic Plan. This Resource Mobilization Strategy provides the overarching framework for operationalizing this means of implementation.

7. The Strategy pursues two interdependent goals:

(a) securing more predictable, diversified, and sustainable resources for UN-Habitat’s mandate and programmes; and

8. enabling broader financing for sustainable urban development by shaping policy frameworks, partnerships, and financing ecosystems.

9. The Strategy defines strategic directions and priorities for resource mobilization, adaptable to regional and country contexts, and intended to inform efforts at all levels of the organization. As a unified framework, it guides UN-Habitat’s resource mobilization to ensure coherence and alignment with the Strategic Plan 2026-2029, while providing a framework for resource mobilization action plans at divisional, regional, and country levels.

## **C. UN-Habitat’s Resource Mobilization Goals: Funding and Enabling**

10. UN-Habitat’s resource mobilization approach is anchored in two mutually reinforcing goals:

(a) Funding refers to securing direct financial and in-kind contributions to UN-Habitat’s, including core and earmarked resources to deliver its normative and operational mandates effectively and at scale.

11. Enabling refers to creating conditions that expand resources for sustainable urban development, including through policy guidance, advocacy, partnerships, and embedding housing, land, and basic services in financing frameworks.

12. These goals are mutually reinforcing. A strong enabling environment enhances the sustainability and scale of funding, while predictable funding strengthens UN-Habitat’s capacity to impact policy, convene partners, and embed urban priorities within broader development and financing agendas.

## **II. UN-Habitat’s Value Proposition to Funding Partners**

13. As the United Nations focal point for sustainable urbanization, UN-Habitat holds a unique mandate and recognized leadership on housing within the broader urban development agenda. Housing has been central to its mission since its establishment, supported by deep technical expertise and translated into tangible results across diverse regions and contexts. UN-Habitat places adequate housing at the centre of development policy and responds effectively to the urgent needs of informal settlements and slums through knowledge generation, policy advice, technical assistance, and collaborative action.

14. Central to this mandate is UN-Habitat’s normative leadership role, entrusted by Member States. Through global norms, policy guidance, standards, data, and knowledge products on housing, land, and basic services, UN-Habitat delivers global public goods that shape policy frameworks and enable scaled and sustainable investment. This normative function requires predictable and flexible resources and is therefore integral to UN-Habitat’s resource mobilization efforts, alongside operational delivery.

15. UN-Habitat adopts an integrated approach to urban development challenges, linking housing, land, and basic services with urban and territorial planning, climate action, multilevel governance, and SDG localization. This holistic perspective distinguishes UN-Habitat from sector-specific actors and enables it to address complex development challenges in a coherent and systemic manner.

16. UN-Habitat is also distinctive within the UN system for its strong partnerships not only with national governments, but also with subnational and local authorities and communities. Operating in over 100 countries, the Organization maintains a close-to-the-ground presence that ensures interventions are context-specific, responsive to local needs, and aligned with global agendas. This local reach positions UN-Habitat as a critical actor in advancing SDG localization.

17. This presence is underpinned by a whole-of-the-house approach, through which headquarters (HQ), regional and country offices work in a coordinated manner to monitor partnership and financing landscapes, identify opportunities, and align engagement across levels. UN-Habitat’s Regional Offices

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for Africa, the Arab States, Asia and the Pacific, Eastern Europe and Central Asia, and Latin America and the Caribbean link country-level priorities and UN Resident Coordinator systems with global expertise, ensuring that programmes and partnerships are demand-driven while advancing the Organization’s mandate and normative leadership.

18. UN-Habitat’s relevance and performance are independently validated, with the most recent Multilateral Organisation Performance Assessment Network (MOPAN) review (2024)<sup>4</sup> rating UN-Habitat as highly satisfactory for relevance and demonstrating strong performance in results compared to peer organizations.

19. Together, these attributes position UN-Habitat as a trusted, agile and technical partner, capable of delivering operational results grounded in normative leadership, and of mobilizing and leveraging resources to address the global housing crisis and advance sustainable urban development.

### III. Situation Analysis

20. UN-Habitat’s funding model is built on complementary streams of core resources and earmarked contributions. Between 2020 and 2025, overall funding levels have remained relatively stable, averaging approximately USD 195 million annually. Earmarked resources continue to underpin programme delivery, accounting for close to 90 per cent of total funding and reflecting sustained demand for UN-Habitat’s technical and operational expertise. At the same time, reliance on earmarked funding links resource availability closely to priorities of partners, project cycles, and external developments.

21. By contrast, core resources remain limited, representing a small share of total funding. While regular budget allocations have been broadly stable, they face increasing pressure under UN system realignment. Non-earmarked foundation contributions also remain modest, constraining institutional flexibility, long-term planning, and investment in innovation, knowledge, and core normative functions. Strengthening the balance between core and earmarked resources therefore remains a strategic priority.

22. Public funding from national governments, development agencies, and intergovernmental organizations continues to account for the majority of UN-Habitat’s funding. From a geographic perspective, contributions remain concentrated among a relatively small number of OECD-DAC countries and other global partners, while other regions present growing opportunities for diversification, including through domestic public resources and subnational authorities aligned with national development priorities.

23. Against this backdrop, UN-Habitat faces a combination of structural constraints and external uncertainties that affect resource mobilization, including limited flexible funding, capacity pressures, heightened competition for resources, and an increasingly volatile global financing environment. At the same time, significant opportunities are emerging. Growing emphasis on domestic resource mobilization, South–South and Triangular Cooperation, pooled financing, and development finance aligns well with UN-Habitat’s mandate, while UN system realignment and joint programming frameworks create new entry points to leverage its expertise within integrated, multi-agency approaches.

24. These trends point to the need for a more focused, diversified, and strategic approach to resource mobilization that consolidates existing support, reduces vulnerability to volatility, and positions UN-Habitat to access a broader and more sustainable range of financing sources.

### IV. Strategic actions to achieve the goals

25. To operationalize the dual goals of Funding and Enabling, UN-Habitat will pursue five strategic actions during the period 2026-2029.

#### A. Funding

##### 1. Strategic Action 1: Retain and Stabilize

26. **Objective:** Consolidate and strengthen partnerships with existing government funding partners by moving from fragmented, project-based engagements toward more coherent, programmatic, and multi-year cooperation, while encouraging complementary core and flexible funding.

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<sup>4</sup> MOPAN Report: United Nations Human Settlements Programme (UN-Habitat) (published 2024)

27. **Main Target Segment:** OECD-DAC government partners and their international development agencies, as well as key intergovernmental partners.
28. Existing government funding partners, especially OECD-DAC countries, and key intergovernmental partners remain the backbone of UN-Habitat’s financial stability and mandate delivery. At present, cooperation with some existing government partners remains fragmented and largely project-based. This approach risks overstressing limited resources across multiple small-scale initiatives.
29. UN-Habitat will therefore seek to consolidate existing collaborations by strengthening strategic alignment with partner priorities and UN-Habitat’s Strategic Plan 2026-2029. Engagement will focus on identifying shared priority areas and developing more focused initiatives, enhancing the coherence of the project portfolio with partners, supported by high-quality delivery, reporting, and visibility. Such engagement will emphasize value for money, results, and partnership continuity, positioning the funding partners as co-owners of impact.
30. This will be achieved through structured strategic dialogue, consolidation of project-based engagement, and clearer articulation of shared priorities and results.
31. Key Actions:
- (a) Conduct structured, regular strategic dialogues with OECD-DAC countries and intergovernmental partners to align priorities, review portfolios, and guide consolidation toward programmatic cooperation.
  - (b) Negotiate and formalize multi-year, programmatic cooperation frameworks that consolidate multiple project engagements into fewer, larger, and strategically aligned programmes.
  - (c) Advocate for core and soft-earmarked contributions to support integrated delivery, institutional capacity, and shared partnership outcomes, including through targeted consultations with existing contributors to core resources to explore opportunities to increase contribution levels.
  - (d) Ensure consistent, high-quality project delivery, reporting, and visibility of funding partners to sustain trust and support partnership renewal.

## 2. Strategic Action 2: Expand and Diversify

32. **Objective:** Expand UN-Habitat’s funding partnerships, including core contributions, base by engaging new partners and underutilized segments through clearly defined and focused entry points, tailored cooperation modalities, and jointly designed initiatives based on demand and shared priorities.
33. **Main Target Segments:** Government funding partners that have not previously contributed to UN-Habitat, including non-OECD-DAC countries, as well as domestic public-sector partners including subnational governments, and private sector partners<sup>5</sup>, such as foundations, business and impact investors.
34. Diversifying funding sources is essential to reduce exposure to volatility and expand UN-Habitat’s resource base at a time when ODA is under increasing pressure. Unlike established partnerships with existing government funding partners, engagement under this strategic action requires a selective and tailored approach, focusing on partners whose priorities align with UN-Habitat’s mandate and co-designing focused initiatives that can be scaled over time.
35. UN-Habitat will pursue tailored engagement pathways across partner segments, including domestic cooperation, city-to-city partnerships, South-South and triangular cooperation, and targeted partnerships with foundations and private sector actors. Initial cooperation will focus on well-defined, manageable initiatives designed to build trust and demonstrate results, with successful partnerships progressively deepened through repeat engagement, expanded scope, multi-year arrangements, and, where feasible, core contributions.
- (a) Government partners that have not previously contributed to UN-Habitat, including non-OECD-DAC countries, represent opportunities to broaden the funding base within the development cooperation landscape. Cooperation may take place through diverse pathways, including multilateral engagement, South–South and triangular cooperation, domestic cooperation, and financing of in-country implementation aligned with national priorities. Such partnerships carry both financial and strategic value for UN-Habitat, including the potential for core contributions where feasible.

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<sup>5</sup> The private sector includes business, foundations, philanthropies and entity that is not public.

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(b) Subnational governments, cities, and city networks constitute an increasingly important partner segment closely aligned with UN-Habitat’s mandate. Partnerships typically take two forms: domestic or local cooperation, whereby cities or subnational authorities finance targeted support to address urban challenges within their own jurisdictions; and city-to-city cooperation, in which UN-Habitat facilitates collaboration by providing platforms, technical assistance, and implementation support.

(c) Private sector partners, including foundations, enterprises, and impact investors, offer opportunities to mobilize additional resources, innovation, and expertise. Growing Environmental, Social and Governance (ESG) and Corporate Social Responsibility (CSR) commitments create scope for collaboration through clearly articulated value propositions, including umbrella programmes, pilot initiatives, and blended or catalytic finance approaches aligned with sustainable urban development objectives.

36. Key Actions:

(a) Identify and prioritize strategic target partners within each target partner segment and develop tailored strategic engagement action plans for each, defining clear partnership objectives, priority entry points, proposed cooperation modalities, and pathways for initial and subsequent engagement.

(b) Initiate targeted pilot or first-phase low-risk initiatives with selected partners from all target segments to establish trust, demonstrate value, and test tailored cooperation modalities before scaling engagement.

(c) Cultivate the progression of successful partnerships towards deeper or more sustained cooperation, including repeat contributions, expanded scope, or multi-year arrangements, where appropriate to the partner and modality.

(d) Encourage core contributions from new government funding partners, where feasible, as partnerships mature and confidence in collaboration is established.

3. **Strategic Action 3: Innovate and Leverage**

37. **Objective:** Increase access to large-scale, sustainable financing by advancing innovative financing models and leveraging strategic partnerships and funding opportunities across global financing ecosystems.

38. **Main Target Segments:** Thematic and global vertical funds; intergovernmental and UN financing mechanisms; international financial institutions (IFIs) and development finance institutions (DFIs).

39. A significant share of global development financing is channelled through structured mechanisms such as thematic and vertical funds, pooled financing arrangements, and international development finance institutions. These mechanisms are central to financing climate action, infrastructure, and large-scale development programmes, and are characterized by defined governance structures, eligibility criteria, and investment frameworks. While such funding and financing instruments are already in place, UN-Habitat has not yet fully leveraged their potential at scale.

40. Unlike bilateral or partnership-driven funding, access is often determined by alignment with pre-established priorities, technical readiness, and institutional positioning within complex financing ecosystems. This calls for a more coordinated effort to understand how these mechanisms operate, identify viable entry points, and position its mandate on housing, land, and basic services within global investment and financing frameworks, while ensuring alignment with the Strategic Plan 2026–2029. This requires strengthening in-house knowledge and expertise; improving internal coordination across headquarters, regional, and country levels; and engaging proactively with fund managers and financing partners to identify opportunities for participation, co-creation, and delivery roles.

(a) Thematic and global vertical funds represent major opportunities aligned with UN-Habitat’s mandate, particularly for climate action. UN-Habitat will strengthen coordinated advisory support to map funding windows, guide strategic positioning and programming, and support teams across headquarters, regional, and country levels in developing proposals and programmatic concepts aligned with fund priorities, including through joint programming where appropriate.

(b) Intergovernmental and United Nations pooled financing mechanisms remain critical channels for mobilizing resources at scale. UN-Habitat will strengthen coordinated engagement to track funding cycles and eligibility requirements and support coherent joint programmes in close collaboration with UN Country Teams. It will also leverage strategic bilateral and inter-agency

partnerships with other UN agencies for joint resource mobilization and coordinated programming, facilitating access to pooled and other large-scale financing mechanisms.

(c) International financial institutions and development finance institutions play a pivotal role in scaling urban investment. UN-Habitat will position itself as a trusted technical partner by providing upstream expertise, policy alignment, and quality assurance to support governments in accessing and structuring development finance for housing, land, and basic services, including through project preparation and catalytic financing approaches.

41. Key Actions:

(a) Pursue coordinated engagement and proposals with thematic and vertical funds, UN pooled financing mechanisms, and IFIs/DFIs, supported by a strengthened coordination function that enables strategic positioning, coherent engagement across organizational levels.

(b) Strengthen UN-Habitat's access to thematic and global vertical funds by reinforcing accreditation readiness, maintaining compliance with fund requirements, and developing high-quality, competitive proposals aligned with fund priorities and UN-Habitat's mandate.

(c) Scale UN-Habitat's participation in UN pooled and intergovernmental financing mechanisms by enhancing coordinated pipeline development through a whole-of-the-house approach, in close collaboration with UN Country Teams, and positioning UN-Habitat as a lead or core contributing agency on SDG 11 within pooled funds and joint programmes.

42. Strengthen inter-agency collaboration to support joint resource mobilization and coordinated positioning, including through Memoranda of Understanding- and joint programming.

(a) Deepen strategic partnerships with international financial institutions and development finance institutions by positioning UN-Habitat as a trusted technical partner in upstream project design, safeguards, policy advisory roles, and investment de-risking; supporting governments to access finance; and linking programmatic work on housing, land, and basic services to investment preparation, blended finance, and catalytic financing opportunities.

## **B. Enabling**

### **1. Strategic Action 4: Policy Environment**

43. **Objective:** Strengthen national and local policy frameworks that enable increased domestic and international financing for housing, land, and basic services.

44. **Main Target Segments:** National and subnational governments, UN Sustainable Development Cooperation Frameworks (UNSDCFs), and other UN agencies.

45. Policy frameworks shape how domestic and international resources are allocated. Development cooperation strategies guide ODA flows, while national and local plans determine governments' ability to mobilize domestic resources and attract external financing. Strengthening these frameworks is therefore critical to systematic and sustainable resource mobilization.

46. UN-Habitat will work with multi-level governments to embed urban priorities, including housing, land, and basic services, into national strategies, budgets, and financing frameworks, and UN Sustainable Development Cooperation Frameworks. This includes support to national urban policies, municipal development planning, and integration of urban dimensions within climate and development commitments.

47. Policy dialogue and alignment will be advanced through bilateral engagement, global forums, programme integration and UN system coordination.

48. Key Actions:

(a) Strengthen international, national and subnational policy frameworks to integrate housing, land, and basic services, including through engagement in national development strategies, urban and sectoral policies, and public financing frameworks.

(b) Strengthen integration of housing, land, and basic services within UN system coordination at country level, including through UN Sustainable Development Cooperation Frameworks.

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## 2. **Strategic Action 5: Global Advocacy**

49. **Objective:** Position sustainable urbanization, housing, land, and basic services as priorities in global agendas, intergovernmental forums, and public discourse, thereby reinforcing an enabling environment for resource mobilization.
50. **Main Target Segments:** Global and intergovernmental forums, UN system, media, and the general public.
51. Global visibility of sustainable urbanization directly shapes policy frameworks, budget allocations, and financing decisions. To influence these outcomes, UN-Habitat must elevate housing, land, and basic services as central to addressing the impacts of climate change, poverty, inequality, conflict, and post-crisis recovery.
52. UN-Habitat will strengthen advocacy in intergovernmental processes to ensure urban priorities are embedded in global agendas and development cooperation and financing frameworks. Visibility will also be enhanced within the UN system through joint advocacy with governments, cities, IFIs, and other partners.
53. Public-facing communications will frame adequate housing, land, and basic services as human rights and essential for sustainable development. Platforms such as the World Urban Forum, regional and national urban forums, World Habitat Day, World Cities Day, and the World Urban Campaign, amplified by media engagement, social media, and Goodwill Ambassadors, will be leveraged for outreach.
54. As a knowledge leader, UN-Habitat will also reinforce its advocacy with flagship publications and evidence from normative and operational work, demonstrating relevance, impact and value for money.
55. Key Actions:
- (a) Advance high-level advocacy to position sustainable urbanization, housing, land, and basic services within global development financing agendas, including intergovernmental forums and UN system processes.
  - (b) Leverage flagship platforms, partnerships, and evidence products to support fundraising and partnership development, reinforcing UN-Habitat's value proposition to funding partners.

## V. **Cross-Cutting Organizational Support to Successful Resource Mobilization Efforts**

56. Implementation of this Strategy depends on strong internal coordination, robust institutional knowledge on funding partners, quality assurance in delivery, effective communications, and continuous learning. These enablers will ensure coherence across organizational levels and sustain trust with partners.
57. Key organizational enablers include:
- (a) Efficient coordination mechanisms for harmonized resource mobilization actions to ensure the coherence of decentralized resource mobilization efforts across HQ, regional offices and country offices.
  - (b) Robust knowledge management and information sharing on funding partners: The ability to anticipate priorities of partners and respond quickly depends on timely, accurate, and accessible intelligence.
  - (c) Quality project delivery assurance: Sustaining funding partners' confidence depends not only on securing resources but on delivering results to a high standard.
  - (d) Strategic communications and advocacy support: Effective resource mobilization is reinforced by communications and advocacy that position UN-Habitat as a credible, relevant, and results-driven partner.
  - (e) Learning and performance monitoring: Resource mobilization is a dynamic function that requires continuous learning and adaptation.

## **VI. Conclusion**

58. The Resource Mobilization Strategy 2026–2029 provides a focused and forward-looking framework to secure the resources required to implement UN-Habitat’s Strategic Plan and mandate. By combining targeted fundraising with efforts to shape enabling policy and financing environments, the Strategy aims to stabilize and diversify resources while influencing broader development financing flows.

59. Through strategic partnerships and collective action, UN-Habitat will scale impact, address the global housing crisis, and accelerate progress towards achieving the Sustainable Development Goals in an urbanizing world.