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Financial, budgetary and administrative matters: financial status of UN-Habitat, including an update on resource mobilization

Update on resource mobilization

Report of the Executive Director

I. Introduction

1. At its first session of 2026, held on 20 and 21 April, the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) adopted decision 2026/1, in which it welcomed the resource mobilization strategy for the implementation of the UN-Habitat strategic plan for the period 2026–2029 and requested the Executive Director to start implementing the strategy on the basis of guidance provided by Member States and to keep them informed of relevant updates. The present report has been prepared in response to that request and in response to paragraph 3 of the same decision, in which the Executive Board requested the Executive Director to continue efforts to strengthen non-earmarked and earmarked funding and invited all Member States to contribute to the core financial resources of UN-Habitat.

2. The report provides the first update since the strategy was welcomed in April 2026. All financial information is presented as at 30 June 2026, while qualitative information on implementation is provided up to 31 August 2026. The implementation period covered is the initial phase, in which UN-Habitat has concentrated on establishing coordination arrangements, consolidating partnership intelligence and pipelines, and initiating priority engagements. Some activities remain at an early or pipeline stage.

3. Implementation is taking place in a constrained global financing environment marked by pressure on official development assistance. The resource mobilization strategy responds through two mutually reinforcing goals: (a) the funding goal serves to retain and stabilize existing support, expand and diversify partnerships and leverage larger financing ecosystems; and (b) the enabling goal serves to strengthen policy conditions and global advocacy so that sustainable urbanization, housing, land and basic services are better reflected in financing priorities.

* HSP/EB.2026/17.

II. Overall progress in operationalizing the resource mobilization strategy 2026–2029

4. UN-Habitat has adopted a phased, organization-wide approach to operationalizing the resource mobilization strategy. The approach reflects guidance from Member States on diversification, stronger institutional coordination and adequate capacity. It also responds to the need to move from fragmented, project-by-project engagement towards coherent institutional partnerships and portfolios that connect core resources, normative work and technical cooperation with the demands of Member States and country programmes.

5. An organization-wide resource mobilization task force was established at the senior management level and held its first meeting on 23 June 2026. Chaired by the Executive Director, it provides corporate direction on priority partners, pipelines, diversification, and institutional opportunities and challenges. At the meeting, the task force agreed that resource mobilization should be treated as an institutional transformation exercise and as a responsibility of senior management, with country and regional portfolios forming the basis for engagement.

6. An organization-wide resource mobilization network has also been established to promote implementation and information-sharing, connecting headquarters, regional and country offices. It is designed to share funding intelligence, identify good practices and follow up on corporate actions, complementing the strategic direction of the task force.

7. The Donor Relations and Resource Mobilization Unit coordinates these mechanisms and has added one full-time consultant. Nevertheless, capacity remains limited in relation to the organization-wide scope of the strategy.

8. As at 30 June 2026, UN-Habitat had acquired approximately $75.6 million, comprising $0.7 million in Foundation non-earmarked contributions and $74.8 million in Foundation earmarked and technical cooperation resources.[1] For non-earmarked resources, the figures reflect cash received; for earmarked resources, funding acquisition refers to the full value of signed agreements and differs from revenue recognition.

9. By 30 June 2026, eight Member States had contributed to the Foundation non-earmarked fund. At that time, both the number of contributors and the amount received were below the mid-year levels recorded in most previous years. The amount received represented approximately 15 per cent of the $5.0 million budget for Foundation non-earmarked funding under the 2026 work programme and budget approved by the Executive Board in 2025. UN-Habitat expresses its gratitude to the contributing Member States and appeals to all other Member States to provide timely core contributions for 2026. Such predictable and flexible funding is essential for institutional stability, long-term planning and effective delivery of the UN-Habitat mandate.

10. In terms of earmarked funding, acquisition under the Foundation earmarked fund amounted to approximately $12.0 million, representing only 25 per cent of the estimated 2026 resource requirement of $48.1 million. The low level of acquisition in this category is of particular concern because Foundation earmarked funding is important for the delivery of the normative activities and global programmes of UN-Habitat. By contrast, acquisition in the technical cooperation category amounted to approximately $62.9 million, representing 57 per cent of the estimated total resource requirement of $109.9 million. At mid-year, that funding category was broadly on track and reflected strong demand for UN-Habitat technical assistance across regions and countries.

11. Member States provided approximately 78 per cent of total earmarked acquisition; the remaining 22 per cent came from United Nations entities and pooled funds, subnational authorities, foundations, businesses and civil society organizations. The Arab States, African States and Asia-Pacific States accounted for about 30, 25 and 19 per cent, respectively, of earmarked acquisition when broken down by region of implementation, together representing approximately three quarters of the total.

12. The earmarked pipeline expanded during the first half of the year. At the end of the second quarter, it comprised 330 opportunities with a combined potential value of $958.0 million, compared with 284 opportunities valued at $651.9 million at the end of the first quarter. Of those, 83 opportunities valued at $182.9 million were assessed as “hard” pipeline opportunities, while 67 valued

[1] Regular budget allotments are excluded because they are not voluntary contributions. Programme support funding is also excluded to avoid double counting, as it is generally generated from expenditure against earmarked grants already included in funding acquisition figures.

at $276.8 million and 180 valued at $498.2 million were assessed as “medium” and “soft” pipeline opportunities, respectively.

13. The hard pipeline exceeded the annual earmarked extrabudgetary requirement in value and was predominantly at the country level, indicating continued demand for UN-Habitat support. It remains conditional, however, and should not be treated as expected acquisition. The immediate operational challenge is to convert viable opportunities into signed agreements while maintaining delivery quality.

III. Progress under the strategic actions

A. Funding goal

1. Strategic action 1: retain and stabilize

14. Existing government partners remain the backbone of UN-Habitat funding. By 30 June 2026, 11 national Governments that are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development had provided $51.0 million in earmarked acquisition. For comparison, 13 such partners provided $57.0 million during the whole of 2025. This indicates substantial continuity in earmarked funding partnerships during the first half of 2026, despite the difficult financing environment.

15. The core funding position is less favourable. By 30 June 2026, only two Development Assistance Committee member Governments had contributed to the Foundation non-earmarked fund, compared with a total of seven contributing Governments in 2025. At high-level bilateral meetings and other intergovernmental engagements, UN-Habitat continued to raise awareness of the importance of predictable and flexible funding, while maintaining outreach to all Member States, including established government partners with the capacity to provide core resources.

16. The resource mobilization task force has begun aligning partnership priorities with the UN-Habitat strategic plan for the period 2026–2029. Structured dialogues with groups of partners are being planned for roll-out from 2027 onward. The dialogues will include a comprehensive review of relationships and portfolios, identify shared priorities and support a more strategic and coherent cooperation portfolio where feasible.

17. The approach is supported by continued attention to project delivery, reporting and visibility, which are central to partnership renewal. As at the reporting date, communication materials for core and softly earmarked funding and a more systematic appeal to Member States were under preparation.

2. Strategic action 2: expand and diversify

18. Diversification efforts have focused on government partners outside the established base, domestic public finance, subnational authorities, South-South and triangular cooperation, and selected private and philanthropic partners. Engagement is led by demand; priority entry points are identified from country and regional portfolios and matched with the mandate, interests and cooperation modalities of potential partners.

19. UN-Habitat continued to advance South-South and triangular cooperation, developing proposals that place exchange among countries of the global South at the centre of implementation. These efforts complement country-level engagement with government partners and domestic financing aligned with national priorities.

20. Subnational authorities are emerging as a significant diversification segment. As at 30 June 2026, they accounted for approximately $4.0 million in acquisition and for 20 hard-pipeline opportunities valued at $40.3 million. The pipeline covers domestically and locally financed technical assistance and reflects the direct relationships between UN-Habitat and local and regional governments.

21. The thirteenth session of the World Urban Forum, held in Baku in May 2026, created structured entry points for private sector and philanthropic engagement through the Business Assembly, the Business Round Table and the first Business and Innovation Hub, along with a dedicated dialogue with philanthropic and civil society actors. Follow-up has been focused on identifying a limited set of strategically aligned prospects and potential cooperation pathways. Such engagement is intended to complement public funding and is subject to applicable United Nations due diligence and safeguards.

3. Strategic action 3: innovate and leverage

22. UN-Habitat has strengthened coordination regarding thematic and vertical funds. By 31 August 2026, the organization-wide pipeline of concepts, proposals and opportunities across climate and biodiversity funds had reached a potential value of approximately $190 million. The pipeline includes work related to the Adaptation Fund, the Fund for Responding to Loss and Damage, the Green Climate Fund and the Kunming Biodiversity Fund. The potential value represents conditional opportunities at different stages of development and appraisal, not secured funding.

23. Institutional positioning and accreditation have also advanced. The Board of the Adaptation Fund reaccredited UN-Habitat in April 2026, enabling continued access to that mechanism. UN-Habitat also submitted an application for accreditation to the Green Climate Fund. Coordinated advisory support has been strengthened to improve compliance readiness, identify appropriate funding windows and support competitive proposals from regional and country teams.

24. Engagement with international financial institutions has progressed through formal cooperation frameworks. Agreements were concluded or updated with the African Development Bank, the Asian Development Bank and the Islamic Development Bank, covering areas such as housing, water, resilience and subnational finance. Discussions also advanced with the European Bank for Reconstruction and Development on urban recovery and water, and with the Asian Infrastructure Investment Bank on transport and urban infrastructure.

25. At the United Nations system level, UN-Habitat and the United Nations Office on Drugs and Crime have been co-leading the development of a common cooperation framework template with the World Bank for use throughout the United Nations Secretariat. This work is intended to clarify roles and create a more consistent foundation for technical collaboration with the World Bank.

26. On 20 May 2026, at the thirteenth session of the World Urban Forum, UN-Habitat and the World Bank jointly convened a round-table discussion on linking global housing finance with local affordable housing action. The meeting brought together a broad group of international financial institutions and advanced an operational agenda relating to project preparation, municipal readiness, subnational finance and collaboration throughout the project cycle. The round-table discussion marked the third meeting of the International Financial Institutions Working Group on Sustainable Urbanization since its establishment at the twelfth session of the World Urban Forum and was the first such meeting held in 2026.

27. UN-Habitat continued to strengthen its participation in United Nations country teams and its coordination with resident coordinators' offices, including joint programming and joint resource mobilization.

B. Enabling goal

1. Strategic action 4: policy environment

28. Under the enabling goal, work on the policy environment has focused on connecting housing policy with financing conditions. The Open-ended Intergovernmental Expert Working Group on Adequate Housing for All, established by the United Nations Habitat Assembly in resolution 2/7, provides the principal intergovernmental platform for developing practical policy recommendations on housing finance, tenure security, social housing, informal settlements, sustainability and monitoring. UN-Habitat has begun developing a partnership and communications package to support the implementation of resolution 2/7, including broad participation in the Working Group, as well as the implementation of the housing knowledge platform, which will continue through 2029.

29. That global work is complemented by technical assistance to national and subnational governments to strengthen urban and housing policies, municipal development planning and public financing frameworks. Through country programmes and the United Nations Sustainable Development Cooperation Frameworks, UN-Habitat is working to embed housing, land, basic services and sustainable urbanization more systematically into national priorities and country-level programming.

2. Strategic action 5: global advocacy

30. The thirteenth session of the World Urban Forum and the 2026 high-level political forum on sustainable development were the main advocacy platforms during the reporting period. The thirteenth session of the World Urban Forum was the largest to date, bringing together approximately 58,000 participants from 176 countries. The Baku Call to Action adopted during the session highlighted the

need for long-term and predictable financing, multilevel governance and partnerships to address the global housing crisis and advance sustainable urban development.

31. The Forum also introduced or expanded action-oriented platforms that can support future partnerships: the Ministerial Round Table, the International Financial Institutions Round Table, the Business and Innovation Hub, the Practices Hub and other stakeholder assemblies and round-table discussions. Those platforms connected policy advocacy with practical solutions, implementation partners and financing actors, while creating pathways for follow-up beyond the Forum.

32. At the high-level political forum on sustainable development, UN-Habitat strengthened the positioning of sustainable urban development in global policy processes through its contribution to the review of Sustainable Development Goal 11 and through its engagement in other activities at the high-level political forum, including through the Local2030 coalition on Sustainable Development Goal localization and partner events on sustainable housing, integrated urban systems, urban data and voluntary local reviews. That engagement reinforced sustainable urbanization as an accelerator of progress in the implementation of the 2030 Agenda for Sustainable Development and strengthened the policy narrative supporting resource mobilization for the UN-Habitat mandate.

3. Cross-cutting organizational support and next steps

33. Cross-cutting support has centred on coordination, funding intelligence, pipeline management and knowledge-sharing. The resource mobilization task force and the resource mobilization network provide a clearer link between senior management priorities and organization-wide implementation. The donor information platform and the corporate pipeline tracker are being used to consolidate intelligence and improve the visibility of opportunities for headquarters and regional and country offices.

34. Implementation also depends on delivery quality, timely reporting, partner visibility and effective communication. Work during the initial phase has therefore linked acquisition efforts with project performance and stewardship of partnerships. Further strengthening of those enablers will be necessary to sustain confidence and translate the pipeline into longer-term relationships.

35. In 2027, structured partnership dialogues will be rolled out with a view to completing targeted engagement plans for selected government, subnational, private and philanthropic partners; advancing viable opportunities involving vertical funds and international financial institutions; and improving the conversion of hard-pipeline opportunities into signed agreements.

36. UN-Habitat will continue to advocate for core and flexible resources while consolidating cooperation based on earmarked funding into more coherent portfolios. Progress will be monitored through the resource mobilization task force and the resource mobilization network, with attention to the balance between acquisition, delivery capacity and institutional risk.

37. In the first four months of implementation, UN-Habitat has established the main institutional foundations for the strategy and initiated priority engagements across its five strategic actions. In the next phase, the organization will focus on execution and conversion, while maintaining a realistic distinction between engagement, pipeline opportunities and secured resources. Relevant progress will continue to be reported to Member States.