



**Executive Board of the United Nations
Human Settlements Programme**

First session of 2022

Nairobi, 29–31 March 2022

Item 4 of the provisional agenda*

**Financial, budgetary and administrative matters,
including the implementation of the resource
mobilization strategy in accordance with the
strategic plan for the period 2020–2023 and action
by UN-Habitat to address geographical and gender
imbalances in the composition of its staff**

**Progress in the implementation of the resource mobilization
strategy in accordance with the United Nations Human
Settlements Programme strategic plan for the period 2020–2023**

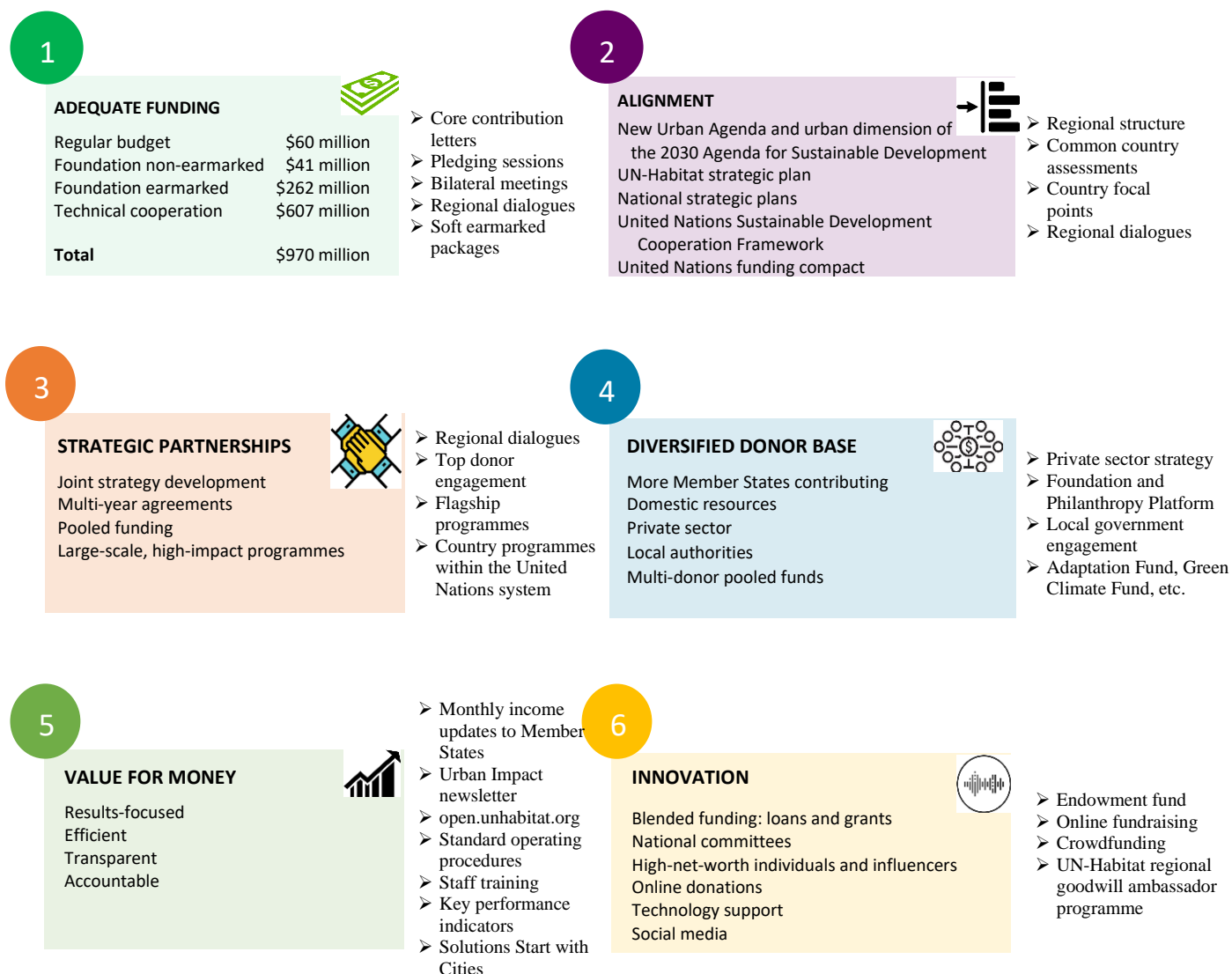
Report of the Executive Director

1. The present report builds upon the previous report (HSP/EB.2021/13/Add.1) and provides an update on the implementation of the approved resource mobilization strategy in accordance with the United Nations Human Settlements Programme (UN-Habitat) strategic plan for the period 2020–2023, highlighting the resource mobilization priorities of the Programme for 2022.
2. The primary goal of the resource mobilization strategy is to ensure sufficient predictable, flexible, long-term funding to implement the approved activities under the strategic plan. It aims to be results-focused, efficient, transparent and accountable to maximize the return on grants and investments.
3. The approach adopted is thus to diversify the number and types of donors with a view to minimizing risk and securing broad ownership of the Programme's mandate. It has six main objectives:
 - (a) To secure adequate funding;
 - (b) To support delivery of urban Sustainable Development Goal targets and the New Urban Agenda in a manner that is aligned with the United Nations Sustainable Development Cooperation Framework at the country level and with the United Nations funding compact;
 - (c) To develop and enhance strategic partnerships with funding partners;
 - (d) To diversify the UN-Habitat donor base;
 - (e) To find innovative partnerships and funding sources;
 - (f) To demonstrate that UN-Habitat implements programmes in an accountable, efficient and transparent manner that produces transformative results and impact.

* HSP/EB.2022/1.

4. The objectives of the strategy and key actions taken under it in 2021 are summarized in figure 1.

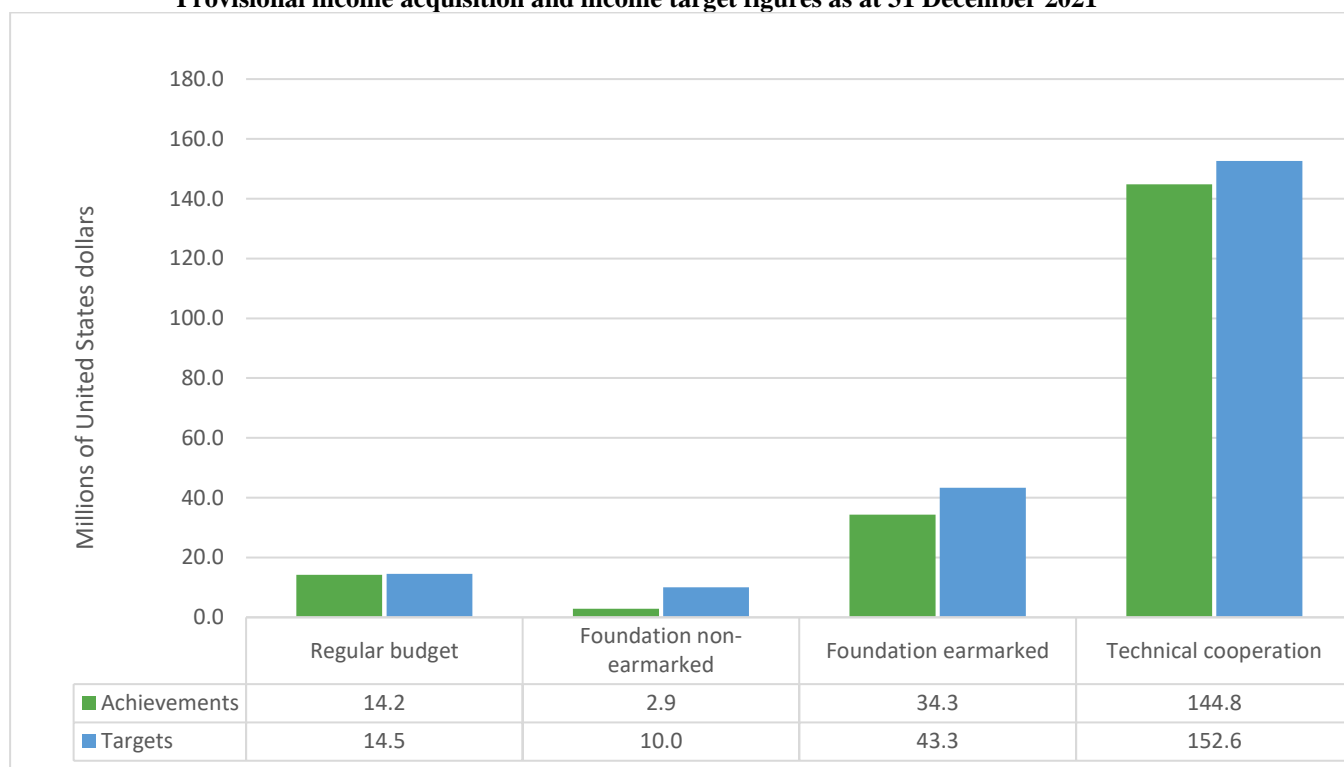
Figure 1
UN-Habitat resource mobilization strategy objectives and key actions taken in 2021



5. At its second session of 2021, the Executive Board approved the draft work programme of UN-Habitat and the United Nations Habitat and Human Settlements Foundation non-earmarked budget for 2022 of \$12 million.

6. Provisional income acquisition figures for 2021 as at 31 December 2021 for the various funds are shown in figure 2, compared to income target figures. Non-earmarked contributions received amounted to \$2.6 million, of which \$0.5 million were contributions for previous years. The \$2.6 million in contributions for 2021 represented 26 per cent of the annual target of \$10.0 million. The Foundation earmarked fund provided global programmes with \$27.7 million, representing 64 per cent of the annual target. Contributions to the technical cooperation fund amounted to \$131.1 million, or 79 per cent of the annual target.

Figure 2

Provisional income acquisition and income target figures as at 31 December 2021

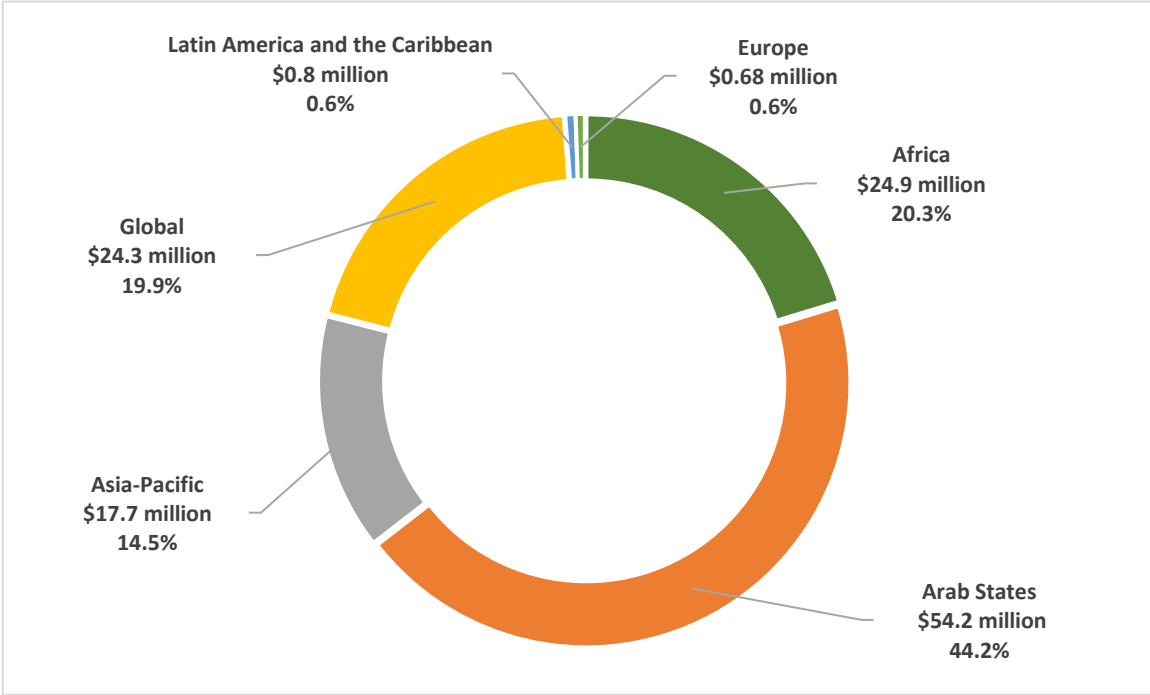
7. The top 10 Member States contributing to the various funds are shown in the following table.

Top 10 Member States contributing to UN-Habitat funds

<i>Foundation non-earmarked</i>	<i>Foundation earmarked</i>	<i>Technical cooperation</i>
United States of America	European Commission	European Commission
China	Poland	Adaptation Fund
Turkey	Netherlands	United Nations entities
Germany	United Nations entities	Japan
South Africa	Spain	Mozambique
Namibia	Switzerland	Kuwait Fund for Arab Economic Development
Italy	Germany	Ethiopia
India	China	KFW Bankengruppe
Kenya	Japan	Switzerland
Republic of Korea	Sweden	Italy

8. The allocation of 2021 income to the various regions is shown in figure 3. The Arab States region received the highest level of funding, followed by the Global, Africa and Asia-Pacific regions. Funding for Latin America and the Caribbean and Europe remained low in 2021; however, the Latin America and the Caribbean Office has secured \$20 million from the Government of Switzerland for 2022.

Figure 3
Allocation of 2021 income to UN-Habitat implementing regions as at 30 November 2021
(United States dollars)



9. Following approval by the Executive Board in November 2021 of the UN-Habitat work programme and budget for 2022, UN-Habitat transmitted an appeal for core contributions to Member States, and plans to organize a Partner and Pledge for Sustainable Urbanization event during the eleventh session of the World Urban Forum to mobilize resources in support of the approved programme of work.

10. One of the principal objectives of the UN-Habitat resource mobilization strategy is to develop and enhance strategic partnerships with funding partners. In that regard, 32 strategic dialogues led by the Executive Director were held between UN-Habitat executive management and individual Member States and regional groups. The outcome of the meetings included three Member States returning to core funding (Egypt, Italy and Rwanda); increased core contributions from Kiribati and the Philippines; new core contributions from Mauritius, Namibia and Turkey; soft-earmarked funding of \$600,000 from Germany; additional funding of 7,000,000 Swedish krona (equivalent to \$800,000) from Sweden; and a one-time pledge of \$5 million from Turkey. In addition, Switzerland adopted the soft-earmarking modality in 2021 and its contribution will be directed to resilience and adaptation activities in Central America. In December 2021, UN-Habitat finalized the budget for the period 2022–2023 as part of the Programme Cooperation Agreement with the Swedish International Development Cooperation Agency, valued at \$20.8 million.

11. To address the objective of diversifying the UN-Habitat donor base, the Foundation and Philanthropy Platform has established a feasibility fund as part of the Cities Investment Facility. Three donors have already committed to contributing to the fund. In addition, in April 2022 the Sustainable Human Settlements Foundation will be formally launched during the high-level meeting of the General Assembly on the review of the implementation of the New Urban Agenda.

12. The “Donate” feature on the UN-Habitat website, established for the purposes of individual contributions and crowdsourcing, is now fully functional. The feature is being used for the UN-Habitat Humanitarian Appeal for the Arab Region, launched in June 2021.

13. UN-Habitat has improved the quality and timeliness of its reporting to donors through the targeted use of key performance indicators.

14. To improve communication and demonstrate value for money, UN-Habitat has improved its “Urban Impact” quarterly newsletter, which now captures the broader impact of the work of the Programme. In 2021, four issues were sent to over 14,500 partners and all Member States. In addition, a monthly financial update section has been introduced to demonstrate the results of resource mobilization efforts and acknowledge partner support.