
Background

1. In early 2013 UN-Habitat finalized its corporate Resource Mobilization Strategy for 2013-2015 following the organizational reform process. The strategy, based on a decentralized fundraising model, was shared with the Committee of Permanent Representative (CPR) Member States in April 2013. The strategy was informed by good practices of other organizations as well as input from extensive consultations with Member States and key staff in the organization. The organization also clarified the roles and responsibilities of the offices and staff and, following recommendations of the Office of Internal Oversight Services (OIOS), a detailed resource mobilization action plan for 2015 was developed with a comprehensive calendar of actions with assigned roles. In addition, a Resource Mobilization Steering Committee was also established for policy guidance and coordination.

2. The main objectives of the resource mobilization strategy were to:
   - Enhance donor interactions with development partners
   - Expand the donor base to include more non-traditional funding sources
   - Increase long-term agreements with traditional and non-traditional donors
   - Increase contributions to the Foundation and Technical Cooperation accounts

3. Member States have been kept updated of resource mobilization activities through the CPR Subcommittee on Finance and Administrative issues as well as bilateral and joint consultations with Member States and donors.

Main results

4. **Relations with major contributors to the core income** - during the two year period of the strategy, UN-Habitat has continued to enhance relations with traditional donor countries. This has been mainly through annual consultations to outline the organization’s strategic direction, report on performance, discuss areas of shared interest and forge the way forward on continued joint collaboration. Such consultations have been held with Germany, Norway, Spain, Sweden, and the United States of America. As a result, a multi-year agreement was signed with Germany. Other countries maintained their contributions but in some cases, the nature of the collaboration resulted in greater earmarking of contributions to particular normative areas of the programme of work.

5. **Enhancing cooperation with development partners on earmarked activities** – at all levels, from regional and country office level to branch and executive management level, concerted efforts have been made to build more strategic relations with development partners. This has included establishment of clear internal roles and responsibilities to better coordinate donor contacts and present to donors integrated programmes that deliver higher impact and are aligned to their priorities. During the 2013-15 period, UN-Habitat signed 375 new contribution agreements and new extensions to agreements to support the organization’s normative and operational programmes of which 46% are multi-year cooperation agreements. Out of the 173 multi-year agreements, 37% are with traditional donors i.e., governments that are members of the Development Assistance Committee (DAC), and 63% with non-traditional donors including governments of emerging economies, local authorities, development banks, the private sector, and other
UN agencies. This has confirmed the organization’s capacity to engage with a wide range of partners to advance sustainable urbanization.

6. **Expanding the donor base** – a number of initiatives have been undertaken to expand the number of donors to UN-Habitat and enhance the level of collaboration with Member States including:

   a) Expanding the number of countries that take part in annual joint consultations. A total of 15 donor countries including emerging economies and the European Commission participated in Joint Annual Consultations that took place on the occasion of the European Development days in June 2015.

   b) Consultations were held with Arab States on the periphery of the Arab Ministerial Conference on Housing and Urbanization to enhance collaboration in the region.

   c) High level consultations with a number of countries including Angola, China, India and Nigeria yielded positive results such as support from Nigeria to facilitate discussion on the African urban agenda, greater level of collaboration in India, enhanced levels of contributions from China, and establishment of a UN-Habitat office in Angola.

   d) Executive Management undertook missions aimed at high level policy discussions to strengthen partnerships and raise earmarked and unearmarked resources for the organization’s programmes. Such missions of Executive Director and Deputy Executive Director covered the countries of Bangladesh, Belgium, Colombia, Egypt, Ethiopia, France, Haiti, India, Indonesia, Israel, Japan, Republic of Korea, Kuwait, Mexico, Morocco, Myanmar, Nigeria, Norway, Rwanda, Saudi Arabia, South Africa, Spain, Sweden, United Arab Emirates, and the United States, among others.

   e) To broaden commitment and support for the core normative work of the agency, a side meeting was held at the 2015 Governing Council on financing sustainable urban development. At this meeting, countries agreed to a more streamlined collection of core contributions. Subsequently, bilateral meetings were held with Member States representatives to explain major categories of normative activities that are financed core contributions and letters sent letters to request core contributions, a practice that will be continued. As a result, six new countries, including low income countries, made core contributions to the agency while four increased their level of contributions.

7. **Re-engaging with past donors** - UN-Habitat also made efforts to re-engage with donors who provided core support to the organization in the past. The main focus has been on demonstrating measures that the organization has made to improve efficiency, transparency, accountability and the delivery of transformative results, and to respond to specific issues raised by past performance assessments of UN-Habitat with the aim of regaining the confidence of these donors and resuming partnership. Consultations were held with Australia, the Netherlands and UK, among others.

8. **Enhancing the level of contributions and number of donors to the Foundation and Technical Cooperation Funds** – the efforts outlined above have resulted in an increased number contributing donors to UN-Habitat’s normative and operational work. From 2010 to 2014 UN-Habitat increased the number of donors by around 30% and by the end of 2014, non-traditional donors had increased their share in the total contributions to UN-Habitat from 32% to 59%. The EU and Japan have continued to provide the greatest level of assistance for technical cooperation activities.
9. The most significant increase was recorded in the contributions from emerging donor countries and other non-traditional countries and the UN system. UN system organizations, emerging donor countries and other non-traditional countries provided 55% of the total funding of UN-Habitat in 2014. Some UN funds, including *Delivering as One* at country level, and beneficiary countries such as Afghanistan and Saudi Arabia have joined the list of top donors in the last two years. The share of the private sector in the total contributions has been maintained at 3% throughout the period, even though contributions from the private sector increased by 11% in absolute terms between 2012 and 2014.

10. With the accreditation to the Adaptation Fund in 2015, UN-Habitat joined its first “vertical fund” opening a new window to innovative sources of funding. The organization will increase its focus accessing similar types of issue-based funds to help finance implementation of the post-2015 sustainable development agenda.

11. With regard to the share of contributions from on-traditional donor countries (emerging and other non-traditional donor countries) towards the total voluntary core contributions to UN-Habitat, from 2013 to 2015, this has increased significantly from 3% in 2013 to 25% in 2015. However, this gain is partly due to a greatly diminished level of contribution from traditional donors.

12. Overall, UN-Habitat made good progress in increasing total voluntary contributions. Contributions increased by around 17% from USD 146.6 million in 2012 to USD 171M in 2015\(^1\). However, whole earmarked contributions have increased by 24% from 2012 to 2015, there has been a sharp decline in core contributions from US$ 10.9 to US$ 2.5 million. This is an area which has been identified as a major risk for the United Nations as a whole and a UN-wide working group was established in 2015 to manage this risk. UN-Habitat is part of this group and is working with other agencies to address this issue and proposals from this group will be used to update the agency’s resource mobilization strategy.

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\(^1\) Cashed based figures. Figures for 2015 are preliminary