Resource Mobilization Unit

IMPLEMENTING THE RESOURCE MOBILIZATION STRATEGY

Introduction

The Governing Council of UN-HABITAT adopted the Medium-term Strategic and Institutional Plan (MTSIP) in April 2007 to guide the work of the agency for the period 2008 to 2013.

For the implementation of its strategic vision, UN-HABITAT will concentrate on six mutually reinforcing focus areas, five of which are substantive, whilst the sixth concerns the agency’s internal management objective for the plan period.

These are reported herewith for ease of reference:

FA1) Advocacy, monitoring and partnerships to promote sustainable urbanization through education, communication, evidence-based information through collection and analysis of data, policy dialogue and strategic partnerships.

FA2) Participatory urban planning, management and governance to strengthen the performance of national governments, local authorities and other stakeholders to engage in developing more liveable, productive and inclusive cities.

FA3) Pro-poor land and housing to assist national governments and Habitat Agenda partners to adopt pro-poor, gender and age sensitive housing, land management and property administration through enabling policies and improved regulatory frameworks.

FA4) Environmentally sounds basic infrastructure and services to expand access to and to sustain provision of adequate clean water, improved sanitation, waste management, and ecologically sounds transport, energy and appropriate technologies in urban and peri-urban areas.

FA5) Strengthened human settlements finance systems to improve access to finance for housing and infrastructure, particularly for the urban poor. Innovative finance mechanisms and institutional capacity will leverage the contributions of communities, local authorities, the private sector, government and international financial institutions.

FA6) Excellence in management to improve the implementation of the organization’s work through strengthened result-based management and improved communication, skills and facilities for better financial, human resources and knowledge management systems.

A key component of the MTSIP is a Resource Mobilization and Communication Strategy that includes the elements as spelled out in order of priority in § 4 below, key for the implementation of the resource mobilization strategy.

1) The Resource Mobilization Unit (RMU)

A Resource Mobilization Unit was established in 2008. The unit will remain small throughout its first biennium of operation, staffed with a Head of the Unit, a Resource Mobilization Officer, a JPO and an Administrative Assistant, at Headquarters level. Thus, improved operational links with the organization’s European liaison offices in Brussels, Geneva and Warsaw; and those in the United States (New York and Washington, D.C.), as well as with regional offices are essential for the implementation of the RMU strategy.

2) Guiding Principles and Code of Conduct

A set of Guiding Principles and a Code of Conduct have been issued and approved in 2008 as part of the Resource Mobilization Strategy.

As regards the overall outlook, the RMU’s main task will be to provide value-added services, support and intelligence to the substantive Divisions within of UN-HABITAT.
3) Analysis of UN-HABITAT’s Funding Situation

The Resource Mobilization Strategy is based on analyses of the current funding situation and projected trends for the short and longer terms.

The current overall situation shows that voluntary contributions form more than 90% of UN-HABITAT’s funding base for 2008-2009 and that core funding represents less that 20%. In addition, UN-HABITAT has a relatively narrow donor base. The top 10 donors contribute more than 80% of voluntary funding and 6 donors alone contribute to 91% of the core budget, including the UN regular budget, which contributes 35% of the core budgets.

Funding unpredictability linked to voluntary contributions as well as to the small percentage of core funding severely limit the scope for implementing the MTSIP, especially those ongoing efforts in management excellence that are required to ensure greater transparency, accountability and efficiency. These are precisely the areas where there is little in-house expertise and thus implementation is directly affected by the availability and timeliness of funding.

4) Strategic Priorities

Based on the above, top priorities of the Resource Mobilization Strategy implementation are the increase in core funding and of framework multi-year agreements granting a higher level of income predictability and, therefore, better budgetary planning. In this perspective, the following benchmarks for the organization’s resource mobilization efforts have been put in place:

(i) less reliance on the top ten donors;
(ii) expansion of the donor base;
(iii) increase in general purpose contributions;
(iv) increase in percentage of funding coming from multi-year framework agreements.

In this context, consolidating and expanding the traditional donor base are the immediate priorities. Key strategic activities in the coming two years include:

• reviving partnerships with previous donors as well as inter-governmental institutions;
• reinforcing working relations with existing partners towards multi-year framework agreements;
• focusing on building relations with new donors and initiate contacts with potential donors for the medium to long term.

5) Activities

Measures being taken under each heading of the Resource Mobilisation Strategy are as follows:

a) Consolidating the Donor Base

A top priority for the RMU strategy during the first two years of operations is to consolidate the existing donor base, which also aims at increasing core funding provided by conventional donors.

Donor base consolidation can be achieved by encouraging governments to expand non-earmarked contributions in two ways: efficient and effective implementation of the MTSIP; enhancing the relations with Development Partners by demonstrating greater transparency, accountability and focus and a corporate approach in the implementation of the MTSIP. Important elements are also programmatic coherence, quality assurance and timely and accurate reporting. The enhancement and harmonization of the reporting system is being tackled in close cooperation with the Monitoring and Evaluation Unit.

Actions to be taken to meet this crucial objective include:

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1 The aims are to retain and possibly expand the funding base from the top ten donors and to increase it by bringing new donors onboard as well as to increase funding from a greater number and variety of donors.

2 General Purpose contributions are non-earmarked voluntary contributions from Governments for which the budget allocations are approved by UN-HABITAT’s Governing Council. (Core funding).
• timely delivery of the quick wins and the must dos of the MTSIP Action Plan;
• structuring and packaging the organization’s work along the MTSIP Focus Areas;
• adopting a corporate approach to resource mobilization as part of “Excellence in Management”;
• ensuring better coordination of resource mobilization activities at country and headquarters levels, and communicate to donors only through the RMU and through the country Focal Points to comply with the key development partners’ request in this direction;
• establishing an information referral system on Development Partners, including their funding cycles, geographic and thematic coverage and interests;
• holding regular joint consultations with Development Partners to improve information flow and contribute to transparency and accountability;
• encouraging multi-year results oriented cooperation framework agreements;
• issuing an online catalogue of bankable projects;
• harmonizing monitoring and reporting.

The RMU is also expected to contribute to the overall MTSIP goal of programme alignment towards sustainable urbanization and coherence through greater effective communication and information sharing at all levels within the organization and with its closest Development Partners.

b) Broadening the Donor Base

Broadening the conventional donor base is another necessary measure to increase funding predictability and core contributions.

Attracting new conventional Development Partners by building trust through timely delivery of the MTSIP, quality assurance and quality information while offering services that correspond to their interests is a way to encourage them to engage in multi-year programmes and achieve a higher level of general purpose or soft-earmarked funds.

Examples of recent arrangements with Development Partners include the following:

• The Government of Norway initiated a multi-year programme in 2006; discussions are ongoing with the Swedish Government and the Swedish International Development Agency - SIDA to enter into a similar agreement in 2009, while the Government of Spain has indicated its willingness to do likewise.
• The European Community has recently funded a multi-year programme in slum upgrading covering several African, Caribbean and Pacific group of countries and a similar arrangement is planned to be discussed with the Government of Italy for countries of their interest.

Other elements of the strategy will be to seek contributions to soft earmark support (when core funding is not possible) to the six Focus Areas of the MTSIP.

c) Tapping Non-conventional Sources of Funding

With regard to this element, actions have already been initiated at various levels, including discussions with foundations and development banks. These include the Asian, African and Islamic Development banks; the private sector and individuals. Agreements have already been reached with BASF, Google.org, Coca-Cola and Oceana and contacts have been established with several private foundations including Rockefeller, Yahoo, E-Bay, and Voss. Meantime, agreements with European foundations and charities are being pursued.

Targeted resource mobilization efforts for areas of specific thematic interest such as water, sanitation and infrastructure; safer cities or disaster and post-conflict activities are also to be further developed through ad-hoc fund-raising actions at central and country levels. Examples of this are the increasing interest shown by conventional (Government of Spain, Abu Dhabi) and non-conventional donors (Coca-Cola; Google.org) in the water, sanitation and infrastructure sector; or the increasing demand by United Nations and non-United Nations partners in the provision of assistance in post-conflict situations; in particular in the housing, land and property rights sector.
d) **Partnering, Leveraging Resources and Strengthening the Pre-investment Role of UN-HABITAT**

Partnering, which is central to renewed focus under the MTSIP on the catalytic role of UN-HABITAT, is also a key component of the resource mobilization strategy. This activity will be put into operation once the RMU is fully staffed. The aims are spelled out in Annex II of the MTSIP which reads: “Actions in this regard are already taking place with preliminary discussions initiated with the EC, the World Bank and other potential donors. The partnering/networking approach will be further developed in the course of the roll out phase of the MTSIP (2009-2010)".

The MTSIP aims to mobilize international and domestic investment for slum upgrading and prevention to be brought to scale in 25 countries through the Enhanced Normative and Operational Framework (ENOF). The approach is based also on lessons learned from the Water and Sanitation Trust Fund and the Slum Upgrading Facility. This activity is expected to be rolled out once the RMU is fully staffed. The aims are spelled out in Annex II of the MTSIP thus: “The establishment of the Experimental Reimbursable Seeding Operation – ERSO focuses mainly on the above approach with the governments of Spain and Bahrain having contributed to initiate this process, while other facilities such as the Slum Upgrading Facility – SUF are already fully operational”.

A Catalogue of “bankable projects” with the aim to improving organizational marketing both towards the achievement of increasing core funding and at regional and country levels is being prepared. This catalogue, while showcasing UN-HABITAT comparative advantages in the areas pertaining to the organization, as well as the set of services offered towards the achievement of sustainable urbanization will also provide donors and partners with a one-stop-shop for leveraging their resources with ongoing programmes or projects at country and regional levels. A key focus of the catalogue will be on priority actions identified and approved by governments and their partners and supported by UN Country Teams as identified in the Habitat Country Programme Documents. Funding in the context would build on existing budgetary allocations and thus contribute to aid effectiveness, national ownership and system-wide coherence.

6) **Resource Mobilization as Part of MTSIP FA6 - Excellence in Management**

The RMU approach to resource mobilization is based on a few basic principles that form part of the overall pursuit of Excellence in Management (Focus Area 6) of the MTSIP. These are: building confidence; adopting corporate fund raising procedures; strengthening consistent messaging and communications, balancing core and earmarked funding; complying with MTSIP focus areas; and managing donor funded human resources.