

Update on the Sustainable Human Settlements Foundation (SHSF)

Overview - SHSF

- Introduction
- Goals and Objectives
- Business Management Structure
- Fundraising
- Expenditure, Oversight, Benefits to Donors

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RESOURCE MOBILISATION OBJECTIVES & ACTIONS

Demand responsive strategy enabled by data, partners and innovation



ADEQUATE FUNDING

- Regular budget: \$ 60M
- Non-earmarked: \$ 109M
- Normative earmarked: \$ 262M
- Country programmes: \$ 607M
- **Total \$1,038 M**

- Core contribution letters
- Pledging sessions, including 2nd UN-Habitat Assembly
- Bilateral meetings
- Regional Dialogues
- Soft earmarked packages



ALIGNMENT TO STRATEGIC FRAMEWORKS

- Urban dimensions of the SDGs, NUA
- UN-Habitat Strategic Plan
- National strategic plans
- UN Sustainable Devt Cooperation Framework
- UN Funding Compact

- Regional structure
- Common Country Assessments
- Country focal points
- Regional Dialogues



STRATEGIC PARTNERSHIPS

- Joint strategy development
- Multi-year agreements
- Pooled funding
- Large scale high impact programmes

- Regional dialogues
- Top donor engagement
- Flagship programmes
- Country programmes within UN system



DIVERSIFIED DONOR BASE

- More Member States contributing
- Domestic resources
- Private Sector, Local Authorities, other
- Multi-donor pooled funds

- Private sector strategy
- Foundations and Philanthropy Platform
- Local Government engagement
- Adaptation, Green Climate etc.



INNOVATION

- Blended funding: loans, grants
- National Committees
- High Net Worth Individuals, Influencers
- Technology support, social media

- City Investment Facility
- Feasibility Fund
- Online fundraising
- Crowdfunding
- Ambassador Programme

* Sustainable Human Settlements Foundation (Endowment model)



VALUE FOR MONEY

- Results focused
- Efficient
- Transparent
- Accountable

- Monthly income updates to Member States
- Urban Impact news, new donor webpage
- SOPs & KPIs
- Solutions Start with Cities



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| SHSF – An innovative way to achieve a more diversified donor base

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DIVERSIFIED DONOR BASE

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Results

- 9 of the top 15 donors for earmarked funds in 2022 are from local governments, foundations and philanthropies, UN, academia, pooled funds or civil society, showing a diversified donor base
- Commitment from the Foundations and Philanthropy Platform to establish a Feasibility Fund as part of the City Investment Facility.
- Work with the Sustainable Human Settlements Foundation to mobilise resources from the private sector and sovereign wealth funds



INTRODUCTION – Sustainable Human Settlements Foundation (SHSF)

A **capital preservation endowment model** that will generate stable and consistent returns to supplement the funding needs of UN-Habitat, especially with regards to its **foundation non-earmarked fund**, which continues to be under-funded.

Timeline	Action
2 nd EB 2019	Executive Board (EB) called upon the Executive Director (ED) to find new ways to finance UN-Habitat’s mandate including developing a resource mobilisation strategy focusing on, among others, the private sector.
WUF 10, 2020	Roundtable - possibilities of financing the mandate of UN-Habitat including the feasibility of setting up an endowment fund. Becomes a joint Abu Dhabi Declared Action by UN-Habitat and Mr. Grant Rogan, the principal of Blenheim Capital Partners Limited (BCPL)
2 nd EB 2020	Update to the EB by the ED. Subsequently, a non-binding Letter of Intent (LOI) signed with BCPL. SHSF set up and a Memorandum of Understanding (MOU) signed on a no liability basis to UN-Habitat. Both the LOI and the MOU were reviewed and developed by the UN-Habitat Legal Unit and presented to the Controller and the Office of Legal Affairs (OLA) in New York.
Nov. 2021	On 1 November 2021, Secretariat presented the concept of the SHSF to the Geneva Group of Donor Countries.
2 nd EB 2021	Mr. Rogan makes a statement at the EB. Draft Contribution Agreement developed with Office of Legal Affairs
2 nd EB 2022	Update Presentation on SHSF to the Executive Board by Mr. Grant Rogan



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| SHSF – Goals and Objectives

- **Main Goal:** provide perpetual financial support of UN-Habitat’s “unfunded programme”



Reduced spatial inequality and poverty in communities across the urban-rural continuum



Enhanced shared prosperity of cities and regions



Strengthened climate action and improved urban environment

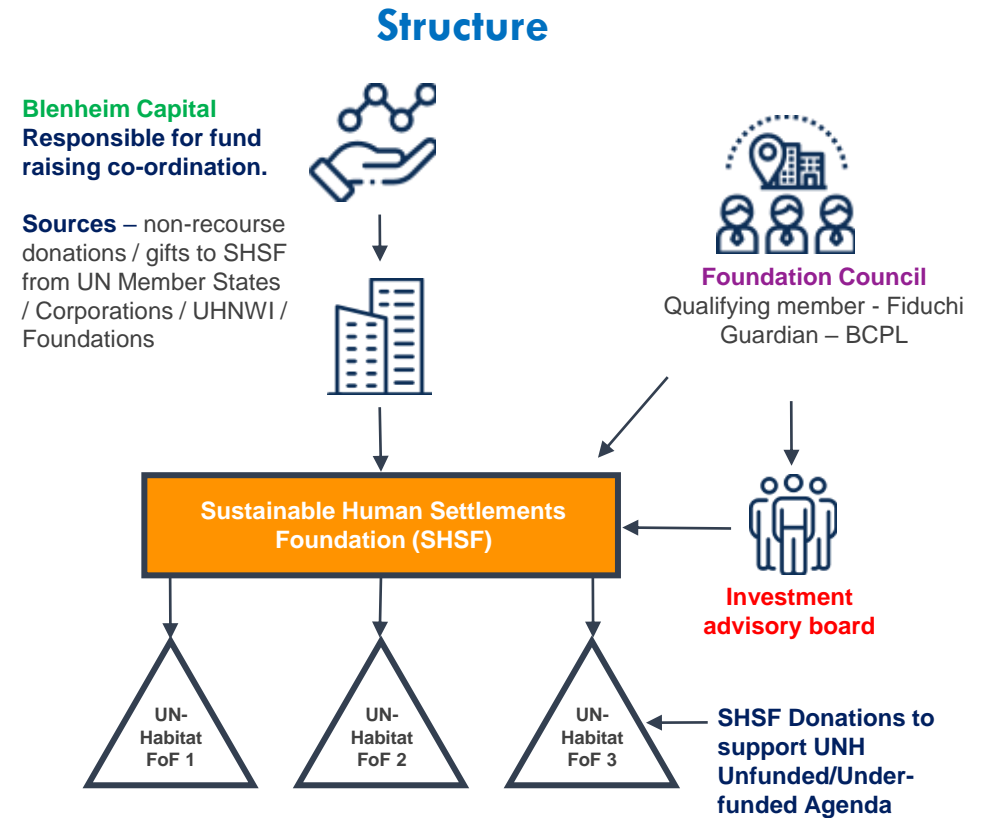


Effective urban crisis prevention and response

Integrating the social inclusion dimensions including human rights, gender, children, youth older persons, and disability.

| SHSF - Business Management Structure

- **Sustainable Human Settlements Foundation (SHSF)** - a Charity registered in Jersey or England, with the oversight of the Charities Commissioner
- SHSF managed by a **Foundation Council** composed initially of representatives of the Founder and the qualifying member. Blenheim Capital Partners Limited(BCPL) will also act as the Guardian of the Foundation. Fiduchi shall act as the Qualified Member as required under the Foundations (Jersey) Law, 2009
- **Services Agreement** with BCPL who will provide support with the design, establishment, structuring, sourcing of funding and management of the Foundation; facilitating the commitment to a dedicated US\$1bn for the Not-For-Profit Charitable Foundation to provide ongoing funding in support of UN-Habitat.
- The **Foundation Council** may invite additional suitable individuals and organisations to become members of the Foundation Council
- SHSF will adopt regulations that set out how it will operate and ensure effective ongoing governance adhering to best practice.



Non-traditional Donor Model

Fundraising goals

Phase 1 – 2022/3 **USD 15m**
Phase 2 – 2023 **USD 50m**
Phase 3 – 2026/8 **USD 1b**



Partnership with Lloyds Bank

Bond Issuance
USD 1b, 10-year hybrid bond

Other sources
Phase 2 – 2023 **USD 50m**
Phase 3 – 2026/8 **USD 1b**

Other sources of Sovereign Wealth Funds

Verbal Commitments of
USD 5.1m by **Q1 2023**



| SHSF – Expenditure, Oversight and Benefits to Donors

The operations and governance of SHSF; role of Member States and other Donors is summarized as below:

Expenditure

Three main categories

- Fundraising, including support and marketing
- Administration
- Governance including audit, legal, professional and regulatory costs

Oversight

- **Bond Issuance** - Regulatory governance will be primarily the U.K. Prudential Regulatory Agency and the Financial Conduct Authority Administration
- **Funds invested** - managed by Cazenove. Full reporting on quarterly basis will be issued by Cazenove to SHSF and bond holders. SHSF will in turn provide to UN-Habitat a copy of such reports
- **Membership** - Member States who contribute to sit on the foundation advisory board and investment subcommittee of board of trustees.

Benefits to Donors

100% Economics realised to be Member States commitment to UN-Habitat if government is unable to receive economic return

For some donors seeking a blended or hybrid participation 3% will be retained by the Foundation
(with 2.5% onward donated to UN-Habitat. 0.5% retained by the SHSF to fund proposed educational programme.)



THANK
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