



# Sustainable Human Settlements Foundation (SHSF) Frequently Asked Questions

## Q1. What is SHSF?

SHSF is a foundation registered in Jersey on 15 February 2021 with registration number FD403. A Jersey foundation is an incorporated vehicle, with its own legal personality (i.e. it holds its own assets and can sue and be sued in its own name). Jersey foundations do not have shareholders, rather their assets are held for the benefit of specific objects or purposes. SHSF is a Foundation established with charitable purposes, and its only named beneficiary is UN-Habitat.

## Q2. What is SHSF's overall aim?

To build a \$1bn perpetual endowment fund by 2028, through donations and investments, to both remedy the current funding shortfall and to provide the basis for ongoing funding requirements and capital preservation at UN-Habitat. This perpetual financial support will allow UN-Habitat to meet the objectives of its rolling Strategic Plan.

## Q3. What does SHSF do?

SHSF is a not for profit Foundation, which sources donations from Governments, Corporations, high net worth individuals etc and invests these through professional Fund Management Companies to finance an endowment fund, the prime beneficiary of which is UN-Habitat. SHSF also provides bursaries for students, (usually nominated by donors) to undertake Bachelor and Masters degrees in Urban Regeneration type studies.

## Q4. How is SHSF funded?

SHSF will receive a maximum of 0.5% of the annual endowment fund yields for its operating budget.

## Q5. Who can apply for SHSF funding?

UN-Habitat receives the bulk of the funding. Prospective students can apply for a bursary from SHSF for urban regeneration related Bachelor and Masters degree studies.

## Q6. Why should I donate to SHSF?

To contribute towards UN-Habitat's focus on Sustainable Development Goal 11, "Sustainable Cities and Communities", as one of the 17 Goals adopted by all United Nations Member States in 2015, to "End Poverty & Protect The Planet by 2030".

## Q7. Why is UN-Habitat not funded by UN Members?

UN-Habitat is mainly supported financially by voluntary contributions from government and inter-government donors. Other parties, such as local authorities, the private sector, and other United Nations bodies and multilateral organisations, provide funding for specific programmes. In 2020, UN-Habitat's total income was \$193.7m, which was \$59.2m short of target.

## Q8. How much of my donation goes towards UN-Habitat projects?

Our target is to build a \$1bn endowment fund by 2028, with a yield sufficient to cover costs and at least a 2.5% distribution of annual value to UN-Habitat in perpetuity. Expectations are that management fees and other expenditure will be less than 3%, meaning that the Foundation will benefit from at least 97% of the donated funds. This figure compares very favourably with the average large global charity.

## Q9. How can I be sure that my donation is used by UN-Habitat to improve the world's poorer communities?

UN-Habitat has committed to use funds from SHSF to promote the development of socially and environmentally sustainable human settlements and the achievement of adequate shelter for all, in Least Developed Countries and Small Island Developing States. UN-Habitat will also use these funds for their work on emergency disasters.

## Q10. Can I work for SHSF?

SHSF is recruiting Ambassadors (likely to be high-profile individuals that will represent SHSF externally) and Advisors (e.g. experts on investment selection/management) who will advise the Council internally. These are unpaid positions.

## Q11. How does SHSF coordinate its work with the UN and other agencies, so there is no duplication?

SHSF and UN-Habitat have a weekly "Heartbeat" call to ensure alignment and progress in collaborating and working together towards the implementation of the United Nations system-wide strategy on sustainable urban development, including the New Urban Agenda and Sustainable Development Goal 11.

## Q12. What is SHSF's Tax Number?

To be advised when the USA IRS has approved SHSF's application for 501 3c and has provided our EIN number.

## Q13. What are the benefits from donating to SHSF?

To contribute to UN-Habitat's remit to drive improvements in cities in the Least Developed Countries (LDCs) and Small Island Developing States (SIDS), which currently lack the infrastructure and funding to support population growth and rapidly growing migration, resulting in 1 billion slum dwellers, the majority of whom have to survive on less than USD5/day.

## Q14. Who runs SHSF?

The "SHSF Council" is the controlling body responsible for managing the assets of SHSF and carrying out its objects and purpose, i.e., the advancement of sustainable urbanization. Council members must act honestly and in good faith with a view to the Foundation's best

interests, and exercise the care, diligence, and skill that reasonably prudent persons would exercise in comparable circumstances. Current SHSF Council members are Fiduchi Trustees Limited (Fiduchi) and Catherine Derrien-Rogan, of Blenheim Capital Partners Limited. Under the terms of SHSF's regulations, the Executive Director of UN-Habitat may appoint new or additional members to the SHSF Council.

### Q15. Which countries and communities does SHSF and UN-Habitat support?

UN-Habitat will use funds raised by SHSF in the Least Developed Countries (LDCs) and Small Island Developing States (SIDS). These are defined by the UN and currently comprise 46 LDCs and 58 SIDS (7 of which are also LDCs). The lists are reviewed every 3 years by the UN Committee for Development Policy (CDP).

### Q16. Is SHSF a registered charity?

SHSF has applied for a subsidiary foundation to be registered by the England and Wales Charity Commission. SHSF itself is a charitable foundation but is not a registered charity.

### Q17. Can I choose which country or project gets my donation?

UN-Habitat is mainly supported financially by voluntary contributions from governments and inter-governmental donors. Other partners, such as local authorities, the private sector, and other United Nations bodies and multilateral organizations, provide funding for specific programmes in specified countries and projects. However there are also substantial under-funded and un-funded parts of UN-Habitat's mandate towards the implementation of the United Nations system-wide strategy on sustainable urban development, which SHSF's annual funding contribution to UN-Habitat will help remedy. The UN-Habitat Executive Director (ED) will decide where this funding should be best used. It therefore will not be possible to specify where your donation should be used.

### Q18. How can I make a donation to SHSF?

Please contact either Grant Rogan, [grant.rogan@shs-foundation.org](mailto:grant.rogan@shs-foundation.org), +44-7785-303163; or Terry Northcott, Director of the Qualified Member of the Governing Council, [terry.northcott@fiduchi.com](mailto:terry.northcott@fiduchi.com), +44-1534-755155.

### Q19. Will my donation be tax deductible?

This varies by country. For example in the USA, donations to 501(c)(3) nonprofits are tax-deductible. This means that when you make a contribution to an organization that has been designated as a 501(c)(3) by the IRS and you have not received anything in return for your gift, you are eligible for a deduction when you file your taxes. In the UK, Limited Companies can claim tax relief by deducting the value of donations from total business profits before tax.

### Q20. How will my personal information be protected?

To protect your personal information, SHSF complies with the Data Protection (Jersey) Law 2018 and the UK Data Protection Act 2018 as appropriate, together with all implementing laws and any other applicable data protection, privacy laws or privacy regulations in the relevant jurisdictions, including the EU General Data Protection Regulation.

### Q21. How does my country apply for funding?

Representations should be made to the Office of the UN-Habitat Executive Director (ED), who will decide where funding from SHSF should be best used.

### Q22. How can I be sure that donations to SHSF are ethically invested?

SHSF's Fund Manager Partners are signatories to the UN Principles for Responsible Investment (PRI). This is an organisation dedicated to promoting environmental and social responsibility among the world's investors. They are also signed up as Members to the 10 Principles of UN Global Compact.

### Q23. How can I be sure that donations to SHSF are from legitimate sources?

The Fiduchi Group, who are SHSF Partners and the Qualified Member on the SHSF Council, is subject to regulatory oversight in respect of anti-money laundering and countering the financing of terrorism and is mandated to review all donations under this framework. In addition, all donors to SHSF must be members of the UN Global Compact.

### Q24. How can I be sure that SHSF's endowment fund will deliver at least the 2.5% annual yield for UN-Habitat?

The performance of endowment funds is subject to risks like rising rates, slowing economic growth and geopolitical uncertainty. SHSF's Fund Manager Partners have undertaken Monte Carlo simulations on the proposed asset mix and model over a 20-year horizon and calculate that there is an 81.67% chance of hitting the 2.5% target return. Such a return protects the inflation-adjusted spending rate of the portfolio and covers administration and management fees.

### Q25. How can I be confident that my donation to SHSF will be used to fund UN-Habitat?

By law the SHSF Council can only apply the assets of the Foundation in a manner that will benefit the stated object of the Foundation. "Managing an endowment fund in perpetuity for the benefit of UN-Habitat so as to assist UN-Habitat in its mission to promote transformative change in cities and human settlements" is the main object of the Foundation.



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