



**Executive Board of the
United Nations Entity
for Gender Equality and the
Empowerment of Women**

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Financial, budgetary and administrative matters

**Draft Integrated budget estimates for the United Nations Entity for
Gender Equality and the Empowerment of Women for the biennium
2020-2021**

Summary

The Strategic Plan, 2018-2021, of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) articulates the Entity's strategic direction, objectives and approaches to support efforts to achieve gender equality and empower all women and girls, including women's full enjoyment of their human rights.

The two-year integrated budget is aligned with the four-year Strategic Plan and is complemented from assessed contributions funding under the Regular Budget of the United Nations.

The integrated budget reflects the projected financial resources allowing the Entity to have the financial and institutional capacities to implement its mandate, in line with the Strategic Plan 2018-2021 and covers regular and other resources. The estimated resources are presented in line with the harmonized approach agreed by UNDP, UNFPA, UNICEF and UN-Women.

To deliver on the last two years of the Strategic Plan 2018-2021, UN-Women is proposing an integrated budget with estimated voluntary contributions of \$970.0 million for 2020-2021 and requests an institutional budget appropriation of \$204.4 million.

The proposed institutional budget reflects a cost increase of \$2.6 million to meet the doubling of UN-Women's share to the United Nations Development Group cost sharing arrangement as mandated in the General Assembly resolution 72/279.

I. Overview

1. The General Assembly, in its resolution 64/289 of 2 July 2010 on system-wide coherence, established the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) as a composite entity, with a mandate to provide guidance and technical support to all Member States, at their request, on gender equality, the empowerment and rights of women and gender mainstreaming through its normative support functions and operational activities.

2. To deliver on this mandate, the Strategic Plan, 2018-2021 articulates the Entity's strategic direction, objectives and approaches to support efforts to achieve gender equality and empower all women and girls, including women's full enjoyment of their human rights. It outlines how UN-Women will leverage its normative support functions, UN system coordination and operational activities in an integrated and mutually reinforcing manner in support of transformative results.

3. This integrated budget sets out the resources needed to achieve the results laid out in the Strategic Plan's integrated results and resources framework for the final two years of the Strategic Plan (2020-2021). The biennial integrated budget includes contribution estimates of \$970.0 million in voluntary contributions, with \$204.4 million requested as an institutional budget appropriation.

4. Complementing this integrated budget, the General Assembly will continue to consider the resources from the regular budget required to service the normative intergovernmental processes, policy and UN system coordination work in the context of its consideration of the proposed programme budget for the year 2020 totaling \$8.9 million as funded from assessed contributions

5. UN-Women continues to be aligned with the harmonized results-based budgeting and cost classification methodology applied by the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA). However, it is distinct from these three entities in that it continues to present a two-year budget. The integrated budget for 2020-2021 maintains this two-year approach to facilitate a more frequent review of requirements and to ensure that the work of UN-Women remains aligned with its 2018-2021 Strategic Plan.

6. In developing the present proposal, UN-Women continues to be guided by the overarching need to deliver measurable development results, particularly at the country level. The following major principles have guided the preparation of the integrated budget proposal for 2020-2021:

- a. Maintaining estimates of contributions at similar levels as in the 2018-2019 biennium for Regular Resources while aligning estimates for Other Resources to reflect the growing trend. This will allow UN-Women to build on realistic planning projections while ensuring that institutional capacity is commensurate with expected results as set out in the Strategic Plan;
- b. Adopting an overall budget-neutral approach to the preparation of the budget, with a focus on cost effectiveness and identification of efficiencies to absorb anticipated non-discretionary and inflationary cost increases to maintain the current level of institutional capacities, with the exception of the \$2.6 million cost increase requested for the doubling of the United Nations Development Group cost sharing arrangement.
- c. Enhancing efficiency, transparency and accountability by improving and embedding results-based management throughout the organization;

- d. Aligning activities and funding sources, in order to ensure that each funding source bears its fair share of costs.

7. Following the adoption of General Assembly resolution 72/279, the repositioning of the UN Development System (UNDS) represents a key opportunity to strengthen systemwide coherence for gender equality and women's empowerment results. This builds on General Assembly resolution 71/243 on the Quadrennial Comprehensive Policy Review of operational activities for development of the United Nations system (QCPR), which states that 'promoting gender equality and the empowerment of all women and girls [...] is of fundamental importance and has a multiplier effect for achieving sustained and inclusive economic growth, poverty eradication and sustainable development'.

8. These developments require UN-Women to make some adjustments to its structure and processes in order to ensure that it is "fit for purpose" in a repositioned UNDS and is able to respond to the heightened demand for its support, apply findings of corporate evaluations and reviews, and deliver on its Strategic Plan 2018-2021. As previously communicated to the Executive Board, UN-Women is rolling out a change management process with four interrelated workstreams: (i) review of regional architecture and country typology; (ii) headquarters functional review and structure; (iii) business processes reengineering; and (iv) enhancing knowledge management.

9. As the process is still ongoing, the 2020-2021 Integrated Budget only reflects critical elements that have been identified in the organizational structure. These changes have no budgetary implications and include:

- The revision of the portfolios of the Assistant Secretary-Generals/Deputy Executive Directors (ASG/DED) to contribute to synergies and better integration of UN-Women functions with one ASG/DED overseeing all divisions leading specific areas of the Entity's triple mandate and the other ASG/DED overseeing resource management, sustainability and partnerships. These changes reflect recommendations in evaluations and internal/external assessments and by the Audit Advisory Committee in order to reduce silos, notably amongst normative support functions and operational activities, and strengthen UN-Women's capacity for resource management, including resource mobilization;
- Integration of the policy and programme divisions under one Director to increase synergies in programming and better support field offices;
- Increased delegation of authority to Regional Directors through direct reporting to the ASG/DED.

10. Specific details reflecting any potential change in posts within the overall parameters of a zero-growth budget in terms of recurring requirements will be included in the 2022-2023 Integrated Budget. These will reflect the views of multiple stakeholders, including UN partner entities, notably in the context of country presence. The realignment will, however, imply a one-time cost to fund the transition costs for which initial seed funding of \$1.6 million has been included under special purpose activities.

II. Strategic and financial context

A. Strategic context

11. The UN-Women Strategic Plan 2018-2021 is anchored in the long-term vision of achieving gender equality and the empowerment and rights of all women and girls by 2030. It sets ambitious targets and innovative strategies to achieve significant results by 2021, just nine years before the deadline for the achievement of the SDGs. UN-Women plays a central role in promoting gender equality and the empowerment of women and girls; in supporting Member States, at their request, in their efforts to achieve gender equality and women's empowerment; in coordinating the UN system and in mobilizing civil society, the private sector and other relevant stakeholders in support of the full, effective and accelerated implementation of the Beijing Declaration and Platform for Action and the gender-responsive implementation of the 2030 Agenda.

12. The priorities outlined in the Strategic Plan 2018-2021 provide the Entity with strategic direction, necessary tools and estimated resources to play this role effectively. The Strategic Plan 2018-2021 provides the Entity with greater focus through the identification of UN-Women's comparative advantages, a better articulation of how UN-Women leverages its triple mandate in support of results, and through the prioritization of five outcomes: (a) A comprehensive and dynamic set of global norms, policies and standards on gender equality and the empowerment of all women and girls is strengthened and implemented; (b) Women lead, participate in and benefit equally from governance systems; (c) Women have income security, decent work and economic autonomy; (d) Women and girls live a life free from violence; (e) Women are engaged in, and benefit equally from, peace, security and humanitarian interventions to prevent crisis and build resilience.

13. The year 2018 was the first year of implementation of the Strategic Plan, showing overall positive results in UN-Women's performance. The Entity provided support to 107 countries and territories, including high-income countries. Despite funding shortages, in total, 75 per cent of all indicators in the Strategic Plan have reached their expected milestone and 86 per cent of development results milestones at the output level have been achieved. The first-year results of the implementation of the Strategic Plan are provided in the Annual Report of the Under-Secretary-General/Executive Director on the implementation of the Strategic Plan 2018-2021 (UNW/2019/2). The mid-term review of the Strategic Plan will be initiated in the fourth quarter of 2019 and presented to the Executive Board in June 2020 to propose necessary adjustments.

14. The implementation of the Strategic Plan takes place in an increasingly complex environment. International normative standards on gender equality and the empowerment of all women and girls have been further strengthened in recent years, notably at the Commission on the Status of Women. In the last biennium, the Commission has provided comprehensive roadmaps for the empowerment of women and girls living in rural areas (2018) and for gender-responsive social protection systems, access to public services and sustainable infrastructure (2019). However, the implementation of normative frameworks at the national level continues to be hampered by a number of structural issues, including inadequate financing. Women and girls continue to face major obstacles to equal rights and opportunities around the world, challenges to civic engagement are pervasive, and progress continues to be slow, uneven and subject to regression. To this date, no country has fully achieved gender equality. At the same time, political support and social mobilization for gender equality and women's empowerment is high, creating an unprecedented momentum to accelerate the implementation of the Beijing Declaration and Platform for Action and achieve the Sustainable Development Goals for women and girls.

15. UN-Women has been continuously strengthening its institutional performance through a number of interrelated initiatives. Independent reviews, such as the Multilateral Organisation Performance Assessment Network (MOPAN), have underlined UN-Women's strategic vision, strong alignment with national development

priorities, and the establishment of effective systems for results, project and financial management, which are increasing efficiency, reducing delays and increasing accountability.

16. The current context is also marked by profound change for the UN system. Recognizing that a strong, coherent and coordinated UNDS can accelerate the achievement of gender equality and women's empowerment, UN-Women has advocated for proposals in various aspects of the UNDS reform, including supporting a more empowered Resident Coordinator system in the context of the new generation of United Nations Sustainable Development Cooperation Framework (UNSDCF) and United Nations Country Teams (UNCTs). UN-Women has contributed to mainstreaming a gender perspective in the guidance for the new generation of UNSDCF and gender equality and women's empowerment have been recognized as guiding principles for the UNSDCF. Through the UNCT-SWAP Scorecard and other tools, including engagement in UNSCDF processes, UN-Women will support efforts for coherence and accountability on gender equality and women's empowerment of a repositioned UNDS at country level.

17. The period of the 2020-2021 Integrated Budget is also critical for UN-Women from an institutional perspective: 2 July 2020 will mark the ten-year anniversary of the adoption of General Assembly resolution 64/289, which established UN-Women. It is also the historic conjunction of major anniversaries, including the 25-year review and appraisal of the Beijing Declaration and Platform for Action (Beijing+25), the five-year mark of the implementation of the Sustainable Development Goals, and the twenty-year review of the implementation of Security Council resolution 1325 (2000) on women, peace and security. These processes directly support the achievement of results in the Strategic Plan 2018-2021. Their outcomes will constitute a roadmap for the accelerated implementation of the Strategic Plan in the second biennium.

B. Financial context

18. Total resources estimated for 2020-2021 are \$1,244.3 million, inclusive of \$970.0 million of voluntary contributions and \$4.0 million in other income and reimbursements to be received in 2020-2021, along with the carried forward unspent balance of \$270.3 million. Out of the \$1,244.3 million total estimated resources, \$457.3 million is regular resources (inclusive of \$53.3 million of unspent balance) and the balance of \$787.0 million is comprised of other resources (inclusive of \$217.0 million of unspent earmarked multiyear balance to be spent in subsequent years). The total use of resources for the same period is \$1,002.7 million.

19. In this Integrated Budget, 84.9 per cent of resources will be devoted to development activities (including development effectiveness), 11.6 per cent to management and 3.2 per cent to United Nations development coordination, and 0.3 per cent for special purpose activities. The management cost estimated for 2020-2021 of 11.6 per cent compared to 12.8 per cent estimated for 2018-2019

20. For 2018, voluntary contributions were projected at USD 440 million. UN-Women achieved 87 per cent of estimated voluntary contributions, with a total of USD 384.3 million, including USD 149.0 million in regular resources representing unearmarked voluntary contributions (39 per cent share) and USD 235.3 million in other resources representing earmarked voluntary contributions (61 per cent share). This is an improvement from the last biennium (2016-2017), where the Entity achieved 77 per cent of its projections.

21. Based on unearmarked voluntary contributions received in 2018, the past trend and on-going partner engagement, the organization proposes to maintain the same level of contribution estimates of \$400.0 million for 2020-2021 as included in the 2018-2019 Integrated Budget for Regular Resources. For the earmarked voluntary contributions (Other Resources), the 2020-2021 Integrated Budget reflects a contribution projection of \$570.0 million compared with the \$480.0 million used in the last Biennium for Other Resources.

22. To reach the 2020-2021 biennium estimates targets, UN-Women will continue implementing its resource mobilization and partnership strategy and engage with the Executive Board in the context of the structured dialogue on financing. It will focus on deepening engagement with partners, providing evidence of its institutional strength and results achieved, and leveraging United Nations reform vehicles, such as the Secretary-General's Funding Compact, and pooled funding mechanisms, including the SDG Fund. UN-Women is investing in growing private individual giving, through a strengthened National Committee network, and generating revenue from its advocacy activities, including its campaigns such as 'HeforShe'. The Beijing+25 commemoration provides a key opportunity for UN-Women to make a strong case for enhanced financing for gender equality and women's empowerment, including by funding UN-women.

23. UN-Women underscores the continued importance of voluntary contributions for the sustainability of the Entity, as they represent more than 98.2 percent of UN-Women's total income. UN-Women welcomes the emphasis in resolution 72/279 on the need to rebalance regular and other resources, a point that UN-Women has systematically pointed out in structured dialogues on financing with the Executive Board. An adequate level of regular resources is critical for the sustainability of the Entity, the integrity of the Strategic Plan and UN-Women's ability to mobilize other resources.

24. Regular resources provide the Entity with adequate, predictable base of resources required to fulfill its mandate, continue to support programme countries in achieving their development goals, contribute to strengthening UN system coherence and coordination for gender equality and women's empowerment, and leverage other resources to enhance programmatic efforts.

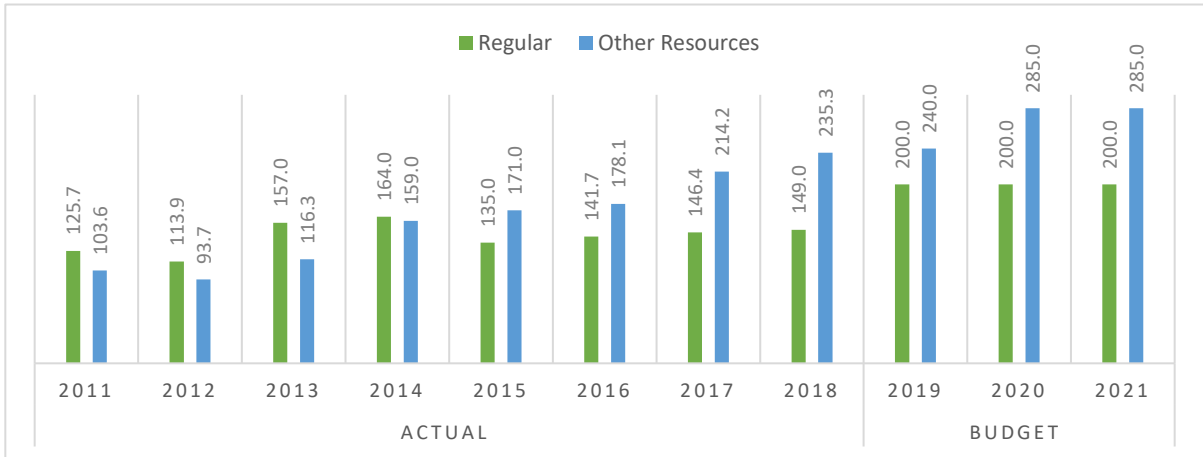
25. Other resources complement regular resources towards achieving results of the Strategic Plan. In line with recommendations from the Quadrennial Comprehensive Policy Review (QCPR), such resources should be predictable, timely and flexible to minimize transaction costs and the risks of strategic distortions. In accordance with these principles, UN-Women is focusing on attracting high-quality, soft-earmarked other resources, especially for Flagship Programming Initiatives (FPIs) and direct funding of Strategic Notes and Annual Work Plans at the country and regional levels. It will explore establishing thematic pooled funding windows from 2020 onwards, in line with the Secretary-General's Funding Compact. In line with UN reform initiatives, UN-Women will support the promotion and effective management of inter-agency funding arrangements.

26. The proportion of regular resources to total voluntary contributions has decreased in the last three years, from 44 per cent in 2016 to 39 per cent in 2018. UN-Women is committed to ensuring an appropriate balance between regular and other resources in order to enhance impact of interventions and their sustainability. The change in financial resources since the establishment of UN-Women and projected 'Regular Resources' and 'Other Resources' are reflected in Figure 1 below.

27. Governmental partners have been stalwart supporters of UN-Women. In 2018, 104 Member States supported the Entity with voluntary contributions. The top eight contributors, Sweden, United Kingdom, Norway, Japan, Multi-Partner Trust Fund Office (MPTFO), Switzerland, Finland, Australia, the United States of America, and Denmark, provided 61.8 per cent of the total voluntary contributions. UN-Women also enjoys a strong partnership with the European Union, particularly in context of the recently established EU-UN Spotlight Initiative, focused on ending violence against women. The Entity seeks to continue to nurture and broaden its partnership with governments and inter-governmental organizations, including emerging partners.

Figure I

Regular and Other Resources, 2011-2021
(Millions of United States dollars)



III. Institutional effectiveness and efficiency: progress made and future outlook

28. UN-Women has made steady progress in strengthening its institutional performance over the last biennium. Effective UN system coordination, partnerships and communications, high-quality programmes, strong oversight mechanisms and improved management of human and financial resources supported the achievement of results for women and girls.

29. UN-Women continued to strengthen its work on UN system-wide coordination, coherence and accountability for gender equality and women’s empowerment. The Entity rolled out updated versions of two accountability frameworks for gender equality and women’s empowerment for the UN: a second generation of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP 2.0) to promote corporate-level accountability and an updated UNCT-SWAP Gender Equality Scorecard to promote accountability within UNCTs. The Entity continues to support gender mainstreaming in the UN system, by providing advice and guidance, knowledge generation and capacity building. It has also supported the Secretary-General’s efforts towards gender parity. Looking forward, UN-Women will take full advantage of the UN-SWAP 2.0 as a concrete tool to support coherence in the context of the UNDS repositioning. It will further strengthen UN coordination as a key

approach of its programming, including at country level and as part of UNSDCF processes.

30. The Independent Evaluation and Audit Services (IEAS) was successfully established in January 2018, bringing the Independent Evaluation Service (IES) with the new in-house Internal Audit Service (IAS). A new governance framework including the Charter of the Independent Evaluation and Audit Services and the Charter of Internal Audit Service were also presented to Executive Board. Responding to the UN-Women Executive Board, UN-Women provided regular updates on the establishment of IEAS. The Board was briefed on steps taken to ensure adequate coverage and functional independence of both the Independent Evaluation Service and the Internal Audit Service. In 2018, the Director of IEAS assumed the role of Responsible Official for liaison on matters pertaining to Investigation Services provided by the Office of Internal Oversight Services of the United Nations to UN-Women.

31. The Charter of the Independent Evaluation and Audit Services sets out that IEAS shall provide credible evidence on the performance of UN-Women to support the achievement of gender equality and the empowerment of women; and assurance that UN-Women's governance, risk management and control processes are adequate, effective and functioning as intended to meet the strategic and organizational objectives. Independent Evaluation and Internal Audit are two distinct Services but with one overarching goal: to assist UN-Women to achieve its strategic, programmatic and organizational objectives.

32. IEAS has put in place processes to enhance synergies such as collaboration between the two Services in the planning and reporting, effective knowledge sharing, as well as some provisions for specific joint work. Efficiencies have been achieved by streamlining the management and operations of audit and evaluation services.

33. UN-Women is seeing a continuing trend towards a stronger culture of evaluation, which is exhibited through improved performance against the nine evaluation key performance indicators. In conformity with the evaluation policy, 87 per cent of regional and country offices have carried out at least one evaluation during 2014-2018. About 85% of the evaluation reports were externally assessed to be either good or very good, with significant improvements noted in country portfolio evaluations and regional evaluations.

34. UN-Women has received its seventh consecutive unqualified audit opinion from the United Nations Board of Audit since 2011 for its corporate financial statements. The yearly implementation rate of audit recommendations from the United Nations Board of Audit has significantly increased from 32% in 2015 to 84% in 2017. The number for audit recommendations issued by the United Nations Board of Audit has declined from 20 in 2016 to 12 recommendations in 2017. A central audit database greatly facilitated analyses of commonly identified high risk areas to guide management, prioritize and focus the use of its limited resources to implement needed improvements.

35. UN-Women is fully committed to transparency and accountability. Following UN-Women's signing up to International Aid Transparency Initiative (IATI) in 2012, UN-Women ranked in 6th place among 22 UN agencies that publish their aid information in the IATI Registry in 2018, which is a significant improvement from previous scores.

36. As part of the Inter-Agency Security Management Network, UN-Women significantly contributed to the development of UN system policies, guidelines and manuals focused on the inclusion of gender considerations within the UN Security Management System. UN-Women engaged in the joint development and delivery of crisis management training, ensuring that gender considerations, as a primary objective, are and continue to be fully integrated into UN System planning, decision-making and response aspects of crisis management.

37. In 2018 UN-Women developed a customized end-to-end e-Procurement system, a time and cost savings system that enables the automation of processes, and their consistent application, the first of its kind in the UN. UN-Women also leads inter-agency collaboration on gender-responsive procurement, with gender-responsive procurement provisions incorporated in; a) UN-Women solicitation documents, b) UNGM -a supplier registration platform- used by more than 40 UN entities, c) the United Nations supplier's code of conduct, and d) UN-Women internal policies. These measures drive positive gender equality outcomes and urge suppliers to develop and offer products/services that are in line with gender equality objectives.

38. UN-Women has included technology and innovation as one of the “drivers of change” in its Strategic Plan 2018-2021. The UN-Women ICT Strategy 2018-2021 sets the direction for enabling UN-Women to fully leverage technology to deliver on its mandate.

39. In 2018-2019, investments in the integration of programme information management systems have enabled better organizational planning, project management, financial management, results management, human resource management and donor management functions. With the full implementation of this initiative, UN-Women will be able to capture the measurable progress of its programme work, draw lessons and make decisions that will help to further improve its performance and delivery as a development partner. When complete, these systems will not only support the Structured Dialogue on Financing with the Executive Board but will also allow UN-Women to fully meet its commitments under the International Aid Transparency Initiative (IATI). The addition of two new posts approved in the 2018-19 Integrated Budget for managing information security and web architecture have contributed to reducing risk by further strengthening efforts to actively combat cyber threats.

40. During the previous biennium, UN-Women fully instituted a dedicated Workplace Relations function to address, prevent and create awareness around the code of conduct, sexual harassment and sexual exploitation and abuse, ethics and other workplace relations issues. UN-Women has conducted global awareness campaigns on prevention of sexual exploitation and abuse and sexual harassment, developed a dedicated intranet site and e-course along with a guide on sexual misconduct. The Entity has issued new and revised policies on Harassment, Sexual Harassment, Discrimination and Abuse of Authority, Protection against Retaliation. UN-Women will implement a new performance management system aligned to the recently launched performance management policy, which will include all personnel for better performance management and oversight.

41. Existing use of the Donor Agreement Management System (DAMS) dashboard is a key monitoring and tracking tool that is being used across the organization to manage donor reporting obligations. UN-Women has seen a reduction by 73 per cent of projects pending closure in 2017, which resulted in retirement of 5-year-old audit recommendation. In 2018, the timely closure of projects has reduced overdue projects for closure by 80 per cent when compared to 2017.

42. The Policy, Procedure and Guidance Framework was launched in 2018 to establish an internal framework that provides a coherent approach and mechanism to develop, approve, promulgate and manage policies and related guidelines. This has led to organizational benefits and improvements in a number of areas; (a) the creation of an online portal and platform that provides a sole authoritative source for these documents, (b) increased visibility and retrieval of relevant documents, (c) bridging of gaps in policy comprehension and (d) strengthening accountability for document ownership, and (e) enhancing compliance at various levels, all of which are intended to enhance business performance and effectiveness.

IV. Proposed integrated budget for 2020-2021

A. Integrated Budget 2020-2021

43. The proposed budget is guided by the priorities set out in the Strategic Plan 2018-2021 and the provisions of Executive Board decision 2013/2 on an integrated budget and cost recovery. The integrated budget provides the projected income and use of resources for the Entity's programme component and institutional components funded from regular resources, per the harmonized cost classification categories.

44. Table 1 shows the integrated resource plan for 2020-2021 for all cost classification categories funded from voluntary resources (regular and other). Total estimated voluntary resources available for use, inclusive of estimated opening balances, are \$1,244.3 million, out of which \$457.3 million are regular and \$787.0 million are from other resources. In terms of use of resources, a total of \$852.1 million (85%) is dedicated to the use of development activities, \$115.6 million to management activities (11.6%), \$32.0 million (3.2%) to UN Coordination activities and \$3.0 million to special purpose activities (0.3%). Compared to the previous 2018-2019 integrated budget, the proposed use of estimated resources represents a 7 percent increase for development activities, a 4.9 percent decrease in management and a 17.6 percent increase in UN coordination activities and no change in special purpose activities. UN-Women remains committed to ensuring that the bulk of the estimated resources are in support of development activities and ensuring that all costs are aligned to the correct classification category.

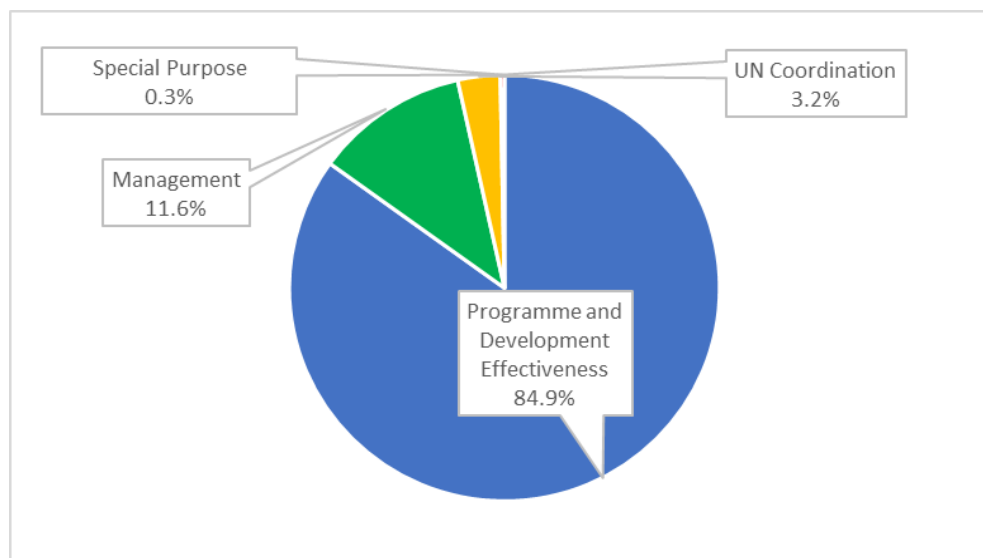
45. The total estimated available regular resource income is \$457.3 million out of which \$232.9 million (58.2 percent) is in support of programme and \$167.1 million in support of the UN coordination, management and special purpose combined (41.8 percent).

46. Total estimated other resources are \$787.0 million, inclusive of an estimated opening balance of \$217 million. Out of the estimated other contributions of \$570 million, the cost recovery income of \$37.3 million is based on the 2018 actual effective cost recovery rate of 7 per cent.

47. Figure II illustrates the proportion of resources that are devoted to the cost classification categories per the approved harmonized funding framework approved for UNICEF, UNDP, UNFPA and UN-Women namely: development activities, management activities, United Nations development coordination activities, and special purpose activities.

48. UN-Women remains committed to focusing on its development activities while ensuring that it has in place the operational support needed to optimize its programmatic work. While keeping its projected development spending at the same level, it has decreased the share of management activities from 12.8 per cent to 11.6 per cent.

Figure II



B. Institutional Budget 2020-2021

49. The proposed Institutional Budget builds on the 2018-2019 approved budget of \$201.8 million. The main increase reflected in the 2018-2019 institutional budget over the 2016-2017 budget resulted from the net addition of 3 posts, \$3 million for Special Purpose Activities, non-discretionary items relating to inflation and staff costs, as well as a minor increase in volume offset by an application of a higher vacancy rate.

50. The institutional budget 2020-2021 proposes an institutional budget appropriation of \$203.8, a cost increase over the 2018-2019 budget of \$2.6 million reflecting the doubling of the current United Nations Sustainable Development Group (UNSDG) cost-sharing arrangement among United Nations Development System entities effective 1 January 2019 as mandated in GA resolution 72/279. The doubling of the UNDG cost sharing arrangements is a considerable cost to UN-Women to absorb considering that no additional posts and/or non-discretionary items are proposed under the Institutional Budget.

51. The total estimated institutional budget component is \$204.4 million is comprised of development effectiveness (\$53.8 million), UN System coordination (\$32.0 million), management (\$115.6 million) and special purpose (\$3.0 million) activities.

52. While there are no proposed changes to the staffing structures, all costs related to non-discretionary items relating to inflation and staff costs for the 465 institutional budget posts have been absorbed with the overall same level of the 2018-2019 budget amount of \$201.8 million.

53. The summary of the current institutional budget funded posts is reflected in Table 2 with no changes proposed for the 2020-2021 budget period.

Table 1: Financial Framework

Financial Framework

(Millions of United States dollars)

	2018-2019 Approved						2020-2021 Estimates					
	Regular resources		Other Resources		Total		Regular resources		Other Resources		Total	
			Programme	Cost Recovery					Programme	Cost Recovery		
		%				%		%			%	
1. Resources available												
Opening balance	57.5	12.5%	189.8	28.4	275.7	23.8%	53.3	11.7%	217.0		270.3	21.7%
Income												
Contributions	400.0	86.9%	448.6	31.4	880.0	75.9%	400.0	87.5%	532.7	37.3	970.0	78.0%
Other Income and reimbursements	3.0	0.7%			3.0	0.3%	4.0	0.9%			4.0	0.3%
Total available	460.5	100.0%	638.4	59.8	1,158.7	100.0%	457.3	100.0%	749.7	37.3	1,244.3	100.0%
2. Use of resources												
A. Development activities												
A.1 Programme	232.6		513.6		746.2		232.9		565.4		798.3	
A.2 Development effectiveness	43.8			6.3	50.1		46.4			7.4	53.8	
Subtotal Development Activities	276.4	68.1%	513.6	6.3	796.3	84.0%	279.3	69.8%	565.4	7.4	852.1	84.9%
B. United Nations development coordination	27.2	6.8%			27.2	2.9%	32.0	8.0%			32.0	3.2%
C. Management Activities												
c.1 Recurring	83.7			25.1	108.8		73.4			29.9	103.3	
c.2 Non-recurring											-	
c.3 Evaluation	6.7				6.7		6.3				6.3	
c.4 Audit and Investigation	6.0				6.0		6.0				6.0	
Subtotal Management Activities	96.4	23.9%	-	25.1	121.5	12.8%	85.7	21.4%	-	29.9	115.6	11.6%
D. Special-purpose activities												
D.1 Resource Mobilization	1.0		-	-	1.0				-	-		
D.2 ICT Transformation	2.0		-	-	2.0		0.5		-	-	0.5	
D.3 Beijing +25							0.9				0.9	
D.3 Change Management							1.6				1.6	
Subtotal Special Purpose Activities	3.0	0.7%	-	-	3.0	0.3%	3.0	0.8%	-	-	3.0	0.3%
Total Institutional Budget (A.2+B+C+D)	170.4	42.3%	-	31.4	201.8	21.3%	167.1	41.8%	-	37.3	204.4	20.4%
Total Use of resources (A+B+C+D)	403.0	100.0%	513.6	31.4	948.0	100.0%	400.0	100.0%	565.4	37.3	1,002.7	100.0%
Balance of resources (1-2)	57.5		124.8	28.4	210.7		57.3		184.3	(0.0)	241.6	

Table 2: Institutional Budget by Posts

	2018-2019 proposed posts							Net Changes						2020-2021 proposed posts						
	USG/		Other		All	Percentage		USG/		Other		All	USG/		Other		All	Percentage		
	ASG	D-2	D-1	Professional	Other	Total	of total	ASG	D-2	D-1	Professional	Other	Total	ASG	D-2	D-1	Professional	Other	Total	of total
Field			10	179	117	306	66%	-	-	-	-	-	0		10	179	117	306	66%	
Headquarters	1	4	10	94	50	159	34%	-	-	-	-	-	0	1	4	10	94	50	159	34%
Total	1	4	20	273	167	465	100%	-	-	-	-	-	0	1	4	20	273	167	465	100%

C. Cost recovery

54. Table 1, on the financial framework, includes the estimated cost recovery income which relates to the cost recovery charges on bilateral, multilateral and programme country resources. UN-Women applies cost recovery rates in compliance to Executive Board decision 2013/2 on cost recovery, which recognizes differentiated rates. Due to the application of differentiated rates, the 2018 effective rate of 7% has been used to calculate the projected cost recovery income. Out of the total projected other resources income of \$570.0 million, \$37.3 million is due to cost recovery.

55. In 2018, UN-Women granted 10 indirect cost recovery waivers that would have generated a \$0.348 million in indirect other resources income if an 8 per cent cost recovery rate was applied instead. With the reduced cost recovery rate of 7.0 per cent the indirect other resources income is \$0.307 million, which represents an overall reduction of \$0.041 million (\$0.014 million in 2017). Detailed information on the waivers is included as an annex to the Annual Report of the Under-Secretary-General.

D. Allocation of regular resources to programme activities

56. UN-Women allocates the entire balance of its regular resources (core) after utilization by the institutional budget to programme activities. This allocation is based on the methodology that was used by the United Nations Development Fund for Women, one of the predecessor entities of UN-Women.

57. The current methodology for allocating regular resources for regional and thematic distribution is based on a straightforward percentage point, assigned for each programming category. Further distribution within the category is then based on programmatic needs and priorities. UN-Women continues to assess this methodology for relevance.

E. Integrated results and resources framework

58. Table 3 presents the integrated results and resources framework for 2020-2021. The proposed integrated budget supports the achievement of the five development outcomes and the four outputs of organizational effectiveness and efficiency results set out in the Strategic Plan for 2020-2021, which are:

- a) Enhanced coordination, coherence and accountability of the UN system for gender equality commitments;
- b) Increased engagement of partners in support of UN-Women's mandate
- c) Enhanced quality of programmes through knowledge, innovation, Results-based Management (RBM) and evaluation and
- d) Improved management of financial and human resources in pursuit of results

59. For each cost classification category, linkages are made between organizational outputs, functional clusters and proposed resource requirements.

Table 3: Integrated Results and Resources Framework, 2020-2021 (Millions of United States dollars)

Outcome/Output	Cost Classification	Functional Cluster	2020-2021			
			Regular Resources	Other Resources	Cost Recovery	Total
A comprehensive and dynamic set of global norms, policies and standards on gender equality and the empowerment of all women and girls is strengthened	Programme		17.8	43.3	-	61.1
Women lead, participate in and benefit equally from governance systems	Programme		41.8	101.5	-	143.4
Women have income security, decent work and economic autonomy	Programme		50.4	122.4	-	172.8
All women and girls live a life free from all forms of violence	Programme		76.5	185.6	-	262.1
Women and girls contribute to building sustainable peace and resilience, and benefit equally from crisis prevention and humanitarian action	Programme		46.4	112.5		158.9
Enhanced coordination, coherence and accountability of the UN system for gender equality commitments	United Nations Coordination	UN Development Coordination	32.0	-	-	32.0
Increased engagement of partners in support of UN Women's mandate	Management	Corporate external relations and partnerships, communications and resource mobilization	7.9		3.4	11.3
	Development Effectiveness	Alliance Building and Youth Engagement	-	-	-	-
High quality of programmes through knowledge, innovation, RBM and evaluation	Development Effectiveness	Innovation and technology, knowledge hub, knowledge management, South-South cooperation, RBM	46.5	-	7.4	53.9
	Management	Corporate Oversight and Assurance	12.3	-		12.3
		Corporate financial, information and communication technology and administrative management	16.5		6.9	23.4
Improved management of financial and human resources in pursuit of results		Corporate human resources management	1.3	-	3.9	5.2
	Management	Staff and premises security	1.8	-		1.8
		Leadership and Corporate Direction	2.6	-	4.9	7.5
		Field/country office oversight, management and operations support	43.3	-	10.7	54.0
	Special Purpose	ICT Transformation, Resource Mobilization Initiative	3.0	-	-	3.0
Total			400.0	565.4	37.3	1,002.7

F: Allocation of resources to development outcomes

60. UN-Women's 2020-2021 Integrated Budget will cover the second biennium under UN-Women's strategic plan, 2018-2021. Indicative allocations of resources to development outcomes under the strategic plan are informed by the following criteria: (1) 2018 expenditure; (2) expenditure trends by outcome area for the past 3 years; and (3) expected future demand based on existing pipeline.

61. A review of 2018 voluntary resource expenditures in UN-Women's Results Management System (RMS) showed that: (a) 21 percent of programme funds were spent on women's leadership and governance; (b) 15 percent of programme funds were spent on women's economic empowerment; (c) 27 percent of programme funds were spent on ending violence against women and girls; (d) 31 percent of programme funds were spent on work on women peace, security and humanitarian action (67 percent of which was allocated to peace and security and 33 percent of which was allocated to humanitarian action); and (e) 6 percent of programme funds were spent on support to normative intergovernmental processes. An indication of trends is reflected as a percentage change in allocation to each outcome area in 2018 as compared to 2016. A review of trends in each outcome area over the last three years has shown strong growth in UN-Women's work on women peace, security and humanitarian action, ending violence against women and girls and women's leadership and governance. UN-Women's work in women's economic empowerment has demonstrated slightly slower rate of growth. The scale and scope of UN-Women's normative support and coordination functions have expanded significantly since the Entity's founding and the recent adoption of the 2030 Agenda.

62. In addition, UN-Women predicts that overall, country level demand will continue to exceed resources available.

63. Future demand across UN- Women's development outcomes is divided in the following manner: (a) 8 percent of programme funds to support normative intergovernmental processes. ; (b) 18 percent to support women to lead, participate in and benefit equally from governance systems; (c) 22 percent to support women to have income security, decent work and economic autonomy; (d) 33 percent to support women and girls live a life free from violence; and (e) 20 percent to support women to engage in prevention, sustain peace and build resilience and to benefit equally from peace, security and humanitarian interventions.

64. In order to project allocations per outcome area for the 2020-2021 integrated budget, UN-Women applies a formula which adjusts 2018 allocations according to trends in past expenditure and expected future demand. In this calculation, UN-Women uses its programme data which is part of multi-year strategic note documents for expected demand.

65. UN-Women has also taken into consideration the following qualitative considerations in deciding on allocations across the outcome areas:

- UN-Women's support to normative intergovernmental processes (including the Commission on the Status of Women (CSW), Economic and Social Council, General Assembly, Security Council) will continue to be funded through regular budget resources and the institutional budget, as well as a small allocation of programme funds to support capacities at national level to engage in intergovernmental normative processes.
- UN-Women believes that Outcome 3 (women's economic empowerment) remains critical for UN-Women's work and, as a priority in the 2020-2021

strategic plan. UN-Women has ensured that it remains appropriately resourced.

- Given UN-Women's critical role in the area of women, peace and security, and humanitarian action, interventions in this area have increased. Nevertheless, UN-Women believes that the rate of growth of this area of work needs to remain prudent and has therefore suggested an indicative allocation that aligns with its absorptive capacity in this area.

66. Keeping these factors in mind, indicative allocations between the outcome areas of the strategic plan have been adjusted as follows:

- a) A comprehensive and dynamic set of global norms, policies and standards on gender equality and the empowerment of all women and girls is strengthened - this area of work will receive all of the regular budget resources received by UN-Women. In addition, 7 percent of programme funds are projected to be allocated to support capacities at national level to engage normative processes.
- b) Women lead, participate in and benefit equally from governance systems— 19 percent;
- c) Women have income security, decent work and economic autonomy— 18 percent;
- d) Women and girls live a life free from violence — 28 percent;
- e) Women are engaged in, and benefit equally from, peace, security and humanitarian interventions to prevent crisis and build resilience— 27 percent.

67. As part of its ongoing analysis on the link between results and resources, UN-Women remains committed to leveraging its Programme Management Information Systems in order to:

- Strengthen planning, budgeting and the tracking of resources received;
- More precisely identify funding gaps and the subsequent need for reallocation of resources across outcome areas; and
- More accurately track results obtained from its development activities.

G: Special Purpose: Capital investments

Information and communications technology

68. During the 2020-2021 biennia UN-Women shall start to implement and plan major enhancements for a group of dynamically linked Programme Information Management System modules that will strengthen the functions of planning, financial management, results management; project monitoring and reporting, human resources management and donor management. The implementation of these systems will digitize the programme management function that will improve the transparency of UN-Women programme data at project level and will also support the strategic decision-making process. This will allow UN-Women to streamline its programme information management system with country level UNDAF plans and results reporting at SDG levels. When complete, these systems will not only support the Structured Dialogue on Financing with the Executive Board but will also allow UN-Women to fully meet its commitments under the International Aid Transparency Initiative (IATI). An amount of \$0.5 million has been proposed to digitize programme management functions.

Beijing +25

69. An amount of \$0.9 million has been included to provide strategic leadership support in the management of the 25-year review and appraisal of the Beijing Declaration and Platform for Action (Beijing+25), including the design and implementation of political and social mobilization strategies; strategic support to countries and national committees on resource mobilization; outreach and coordination efforts; and communication and advocacy initiatives to give visibility to the gender equality and women's empowerment agenda, especially among youth.

Change Management

70. As reflected under para. 8, UN-Women has initiated a change management process to achieve optimized structures at Headquarters, Regional and Field Offices. While all changes are strictly being worked out within zero-growth budget in the context of recurring requirements, there will be one-time cost implications resulting from such changes, including redeployment of staff. While exact changes and associated costing are still being defined, the 2020-2021 Institutional Budget includes seed funding of \$1.6 million to fund elements of this one-time cost. The full impact of the resulting one-time investments required to meet realignment in structures will be included in the 2022-2023 Integrated Budget.

V. Regular budget

71. In accordance with General Assembly resolution 64/289 (para. 75), the resources required to service the normative intergovernmental processes should be funded from the regular budget and approved by the Assembly; the resources required to service the operational intergovernmental processes and operational activities at all levels shall be funded from voluntary contributions and approved by the Executive Board.

72. In the 2018-2019 Regular Budget, the General Assembly approved five additional posts performing normative intergovernmental functions (1 D-2, 1 D1, 1 P5, 1 P4 and 1 P-3) (GA Resolution 72/261). With this, the total number of posts funded from assessed contributions stands at 49.

73. With the biennium programme budget now moving to an annual budget exercise following the adoption of General Assembly resolution 72/266, the 2020 proposed programme Budget reflects no change in post and non-post requirements.

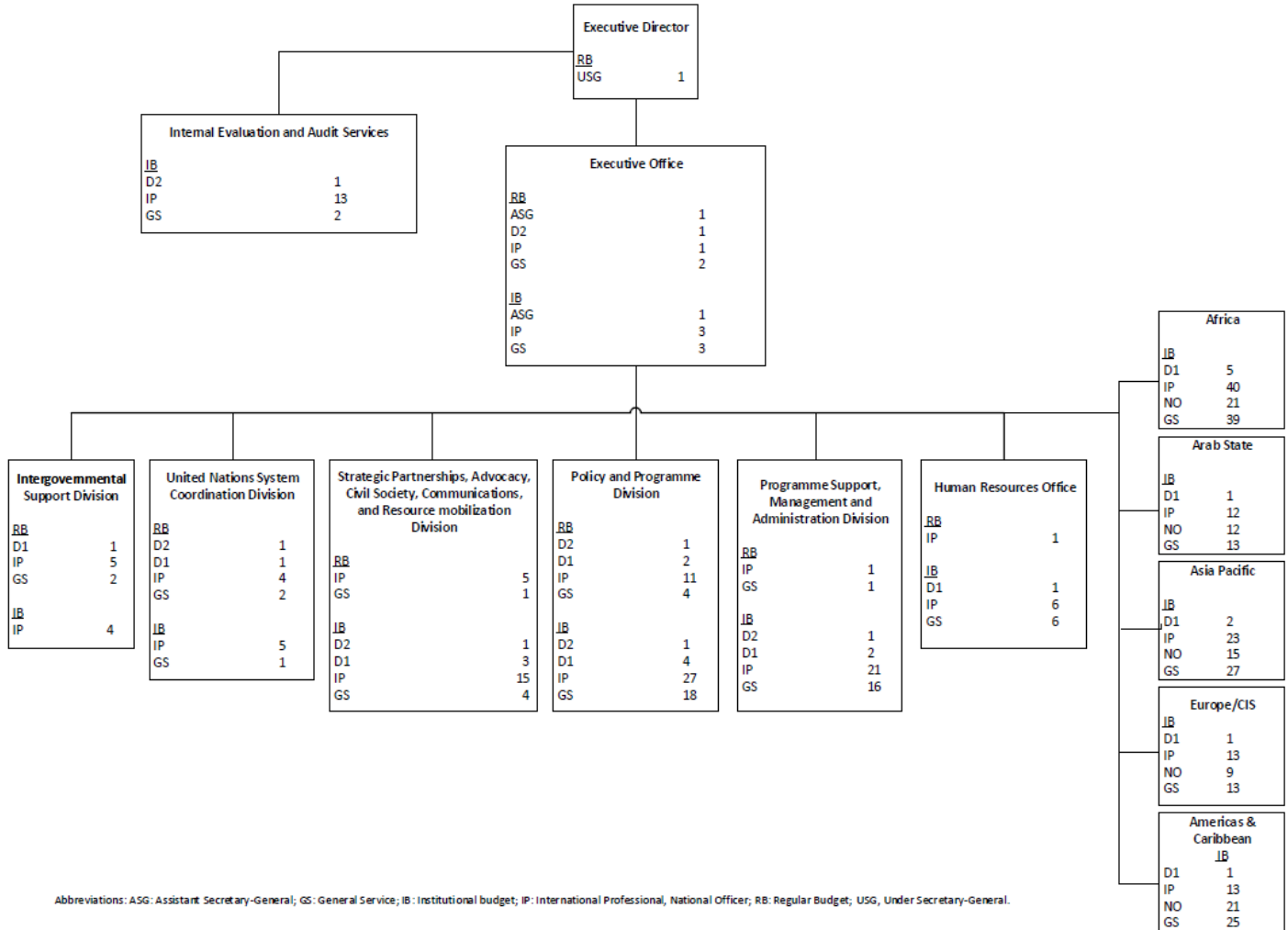
VI. Elements of a decision

The Executive Board may wish to:

- (a) *Welcome* the UN-Women integrated budget for 2020-2021, which presents a single, integrated budget that includes all budgetary categories, to complement the Strategic Plan 2018-2021;
- (b) *Approve institutional budget* resources in the amount of \$204.4 million to support organizational effectiveness and efficiency and note that these estimates include an amount of \$37.3 million for cost recovery from other resources;
- (c) *Note* that in the event that actual cost recovery is higher than the estimates included in the budget proposal, the additional amount may be used for management activities to allow more regular resources to be used for programme activities,
- (d) *Requests* the Under-Secretary-General / Executive Director to present a comprehensive update of change management initiatives underway with related resource implications aimed at increasing effectiveness and efficiency in the 2022-2023 Integrated Budget.

Annex I: UN-Women Organizational Chart 2020-21

United Nations Entity for Gender Equality and the Empowerment of Women
Proposed Organizational structure and post distribution for the biennium 2020-2021



Annex II :

Definitions

Appropriation. A specific amount approved by the Executive Board for the related period with respect to the organizational efficiency and effectiveness component of the integrated budget financed from regular resources.

Cost increase/decrease. Any increase or decrease in the cost of a resource input in a budget period compared with the previous budget period arising from changes in costs, prices and exchange rates.

Cost, non-discretionary. Cost of a resource input, or any increase thereof during the budget period, mandated by specific decisions legislated by the General Assembly and/or the Executive Board.

Development activities. Activities associated with programmes and development effectiveness activities essential for achieving development results.

Development effectiveness activities. Activities of a policy advisory, technical and implementation nature needed to achieve the objectives of programmes and projects in the areas of focus of the United Nations Development Programme (UNDP). While essential to the delivery of development results, they are not included in specific programme components or projects in country, regional or global programme documents.

Functional cluster. One or more discrete organizational units within a functional area that directly supports the management of the organization.

Institutional budget. The institutional (organizational efficiency and effectiveness) component of the integrated budget covering activities over a period based on a set of defined results from the strategic plan.

Management activities. Activities the primary function of which is the promotion of the identity, direction and well-being of an organization. They include executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human resources.

Other resources. Resources of a voluntarily funded organization that are received for a specific programme purpose (“other resources relating to programmes”) and for the provision of specific services to third parties (“other resources relating to reimbursements”).

Regular budget. Portion of assessed contributions allocated to UN-Women through the United Nations programme budget, prepared by the Secretary-General and approved by the General Assembly.

Regular resources. Resources of a voluntarily funded organization that are comingled and untied. These include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Special-purpose activities. Activities and associated costs of capital investments and non-UNDP operations administered by UNDP

United Nations development coordination activities. Activities and associated costs supporting the coordination of development activities of the United Nations system.

Volume increase/decrease. Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the subsequent budget period. Volume is expressed using the same cost factors applicable to approved appropriations, to permit direct comparison.