



UN-Women Financial Review: Findings, Recommendations and Management Action Plan: Informal Briefing to the UN Women Executive Board

21 November 2022

AGENDA

1

Financial Review: Context and Overall Findings

2

Key Recommendations and Management Actions

3

Additional allocations within the EB-approved appropriation to deliver on the Strategic Plan

1. FINANCIAL REVIEW: CONTEXT AND OVERALL FINDINGS

UN Women conducted an internal review of the Entity's financial health and sustainability across all funding streams, its financial, budgetary and resource management processes, decision making, and distribution of resources.

THE REVIEW FOUND THAT:

UN-Women is in **good financial health**, and that continued judicious decisions are needed to ensure continued financial sustainability.

UN-Women's uncommitted regular resources balance was an estimated \$132.6 million at 31/12/21, of which around **\$107 million remains available** following 2022 allocations and related contingency. Approximately half of this balance was generated during the past two years.

2. KEY RECOMMENDATIONS AND MANAGEMENT ACTIONS

The Financial Review identified areas for improvement and provided recommendations with regards to:

A
INTERNAL RESOURCE
MANAGEMENT AND
ALLOCATION

B
BASE STRUCTURE/
TYPOLOGY

C
HOLISTIC RESOURCE
PLANNING

D INCREASED
TRANSPARENCY
AND INTEGRATED
INFOMRATION

A. INTERNAL RESOURCE MANAGEMENT AND ALLOCATION

MANAGEMENT ACTION PLAN



UN Women has shifted from a **predominantly RR-funded organization** to one largely **dependent on OR** (69% in 2021) – requires a **shift in operating model**.



Confirm alignment of functions with the correct funding source, to support the organizational **pivot to the field**



Good Cost Recovery Policy and guidance in place, but consistent implementation needed to ensure correct attribution of resources



Time-bound and resourced DPC initiative to be established to **accelerate implementation of the Cost Recovery Policy** at all levels.



Break silos in financial management - **integrated and cohesive structure** with enhanced cross-unit coordination



UN Women to implement **strengthened budgetary and financial management structure**.

B. BASE STRUCTURE / TYPOLOGY



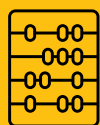
Need to update how UN Women defines base structure for funding from IB

- Maintain the overall IB ceiling, ensuring balanced use between HQ and the field (e.g., senior posts)



MANAGEMENT ACTION PLAN

UN Women introduced **Office Typologies** to systematically manage its global footprint. Introduction of **HQ Strategic Notes** support further alignment of HQ functional scope with the Strategic Plan



Consider **multi-funding of positions for P4 level and below**, for all functions that support delivering non-core programmes



Initiate **multi-source funding of posts at P4 level** and below in a phased approach, in line with the EB-approved Cost Recovery Policy

C. HOLISTIC RESOURCE PLANNING

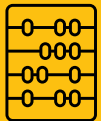


A rigorous and consultative review process to inform rationalized decisions for the yearly budgetary allocations that respond to emerging organizational priorities



MANAGEMENT ACTION PLAN

Review and adapt current workflows, including for workplanning and resource allocation: Upcoming IAS audit on resource planning, budgeting and allocation to further advise



Holistic resource planning combining core and non-core revenue streams, as well as prior year balances and other income: Need for a structured process for non-core resource mobilization and delivery target setting as part of the work planning process



All available financial resources to be considered as part of the workplanning process: All Divisions managing non-core resources to set Resource Mobilization and Cost Recovery targets
Rigorous project-level planning and appraisal, including fully costed project budgets that reflect absorption of all costs

D. INCREASED TRANSPARENCY AND INTEGRATED INFORMATION



Establish an Executive Dashboard for Senior Management to obtain automated and holistic overviews, which can be drilled down, for programmatic and operational KPIs, including financial actuals against targets/budgets



MANAGEMENT ACTION PLAN

The Quarterly Business Review (QBR) is UN Women's Executive Dashboard. It is operationalized through a cascading review process to **track and improve organizational performance** in line with key Strategic Plan OEE indicators. With Quantum, the QBR, other analytics tools, and **results-based financial reporting** will all be automated



Need for holistic and integrated reports cutting across Budget, Finance, programme performance, RM pipeline and workplanning – to be prioritized in IT budget and considered as a strategic investment



- Internally, the **QBR** integrates, corroborates and harmonizes management reporting. However, **further automation is required** post Quantum roll-out - including to link **project results to budgets**.
- Externally, the UN Women **Transparency Portal** publishes integrated and holistic reporting on results and resources.

3. ADDITIONAL ALLOCATIONS WITHIN THE EXECUTIVE BOARD-APPROVED APPROPRIATION TO DELIVER ON THE STRATEGIC PLAN

Over-arching principles to guide the increased investments:

- Be aligned with the **direction set by the UN Women Executive Board**, including the expected results of the **Strategic Plan**, the approved **funding framework** and related ceilings provided in the **Integrated Budget**
- Directly contribute to the expressed **priorities of the Executive Director**, including in the following areas:

1 Accelerate implementation of the organization's commitment of **'pivot to the field'**

2 Strengthen regional & country-level implementation of **UN system coordination mandate**

3 Bolster organizational capacity **in crisis-affected countries** (*linked to UN Women's IASC membership*)

4 Invest in **revenue-generating strategies to increase financial sustainability**:

- Invest in mobilizing **individual giving** (*EB decisions 2021/7, 2022/7*)
- Roll out a corporate approach to **Direct Project Costing in line with the Cost Recovery Policy**
- Design and implement a system to allow **multi-source funding of posts**

5 Strengthen **organizational effectiveness, efficiency, oversight and transparency** through:

- Develop a **Statement of Internal Control (SIC)** (*EB decisions 2022/5, 2021/4m 2020/5*)
- **Implement all relevant audit recommendations**
- Roll out integrated systems to **monitor, manage and transparently report on results and resources**



**THANK
YOU**