

## **Background Note for informal Briefing of the Executive Board on the Unallocated Regular Resources**

June 9, 2023

Given the increased unpredictability of the funding environment for multi-lateral organizations in 2020 and 2021, due largely to the COVID-19 pandemic, UN-Women had considered it prudent not to draw significantly on its regular resources until there was greater certainty around funding prospects. This position was reinforced by a significant cut from one of UN-Women's top core donors in 2021. However, despite the unpredictability of the funding environment, UN-Women regular resource contributions in 2020 and 2021 exceeded previous years' levels', which led to higher than anticipated regular resource balances. As a result, UN-Women's opening balance in 2022 was \$107 million.

These accumulated resources are not reflective of UN-Women's absorptive capacity; in 2020, UN-Women's delivery rate for budgeted regular resources was 94.7%, in 2021 it was 93.8% and 97.1% in 2022.

UN-Women is now systematically drawing down on this resource and in doing so. This drawdown is in line with the appropriations as approved by the Executive Board and in compliance with UN-Women's Financial Rules and Regulations.

An estimated \$20 USD million of the balances will be spent in 2023. To date, UN-Women has issued resources to support our Ukraine response, our Turkey and Syria earthquake response, the Sudan response, and has made allocations for our Haiti operation.

UN-Women is undertaking a structured process in overseeing the reduction of this balance, assessing where allocations are needed to leverage longer term results, in line with the expected results set out in the UN-Women Strategic Plan 2022-2025 and in compliance with the Executive Board-approved Integrated Budget appropriations. To support those efforts, especially in the context of pivoting to the field, capacity has been deployed from the field, tasked with working across divisions in headquarters and the field to move this process forward. UN Women has also established the Budget Allocation Committee, who has a remit of advising the Executive Leadership Team and the Executive Director on budgetary matters, including the use of these resources as part of the total yearly allocation.

In the first quarter of this year, more than 15 internal consultations were undertaken, examining Strategic Plan priorities, as well as outstanding audit recommendations, Executive Board decisions and other findings from independent oversight providers that require investment to drive Strategic Plan implementation and deliver results for women and girls. As of June 9, UN Women has clear priorities for allocation, developed by UN Women's senior leaders, to support the delivery of Strategic Plan results over the period up to 31 December 2025.

The allocations are, and will continue to be, in line with approved Executive Board ceilings of Regular Resources as provided in the Integrated Budget, and the core distribution criteria of 80%

to the field and 20% to HQ. They allow the organization to better deliver for women and girls, and to advocate consistently for gender equality.

The priorities for the allocations are:

- First, enhance field capacity and accelerate implementation of the organization's commitment of 'pivot to the field' to drive the delivery of results at the country level and ensure impact at scale.
- Second, to increase investment in the Entity's UN system coordination mandate to place UN-Women at the heart of a repositioned UN development system, particularly at the field level.
- Third, to bolster organizational capacity in crisis response and increase investments in crisis-affected countries and regions.
- Fourth, in line with EB decision 2021/7 and 2022/7, to further invest in mobilizing individual giving, which we believe can help rectify the imbalance between regular and other resources.
- And finally, to strengthen organizational effectiveness and efficiency, oversight, and transparency, including by developing a Statement of Internal Control (SIC) in line with Executive Board Decision 2022/5, 2021/4 and 2020/5, and enhancing and ensuring integration of systems for managing and transparently reporting on results and resources

In particular, field investments seek to shore up UN Women's ability to deliver across its triple mandate, including strengthening UN Women's ability to respond to crisis, in light of the organization's ascension to the IASC, and to strengthen field coordination capacity.

UN Women will be drawing down on these resources over this year, and throughout 2024 and 2025, in line with the draft Institutional Budget for 2024-25. Consequently, the draft Integrated Resource Plan for the coming biennium reflects an expected closing balance of \$30.2 USD million as of 31 December 2025, compared to an opening balance of \$87.2 USD million<sup>1</sup> as of 1 January 2024.

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<sup>1</sup> The draft Integrated Budget shared shows an opening balance of \$97.2 million which be amended to reflect the updated forecast for planned spend in 2023 as per ED priorities.