



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

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Financial, budgetary and administrative matters

Integrated Budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2024–2025

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report on the integrated budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the biennium 2024-2025. During its consideration of the report, the Committee was provided with additional information and clarification, concluding with written responses received on 21 July 2023.

II. Integrated Budget and institutional budget

A. Overview

2. The Executive Director is presenting an integrated budget with projected voluntary contributions of \$1,030,000,000 for the biennium 2024-2025, which represents an increase of \$30,000,000, or 3 per cent, compared with the projection of \$1,000,000,000 for the biennium 2022-2023. Within the integrated budget, the Executive Director requests the Executive Board to approve an institutional budget of \$204,400,000, representing the same amount as the approved institutional budget for 2022-2023 (see Integrated Budget 2024-2025, Tables 1 and 2).

3. The report indicates that the total resources for 2024-2025 of \$1,208,700,000 would include \$473,500,000 from regular resources (unearmarked voluntary contributions), \$694,000,000 of other resources (earmarked voluntary contributions) and \$41,200,000 of cost recovery (ibid, Table 1).

4. The report also indicates that the total estimated voluntary resources available for use, inclusive of estimated opening balances, is \$1,361,400,000; out of which a total of \$503,700,000 is from regular resources and a total of \$857,700,000 is from other resources.

5. The total estimated allocation of resources in the 2024-2025 budget is presented in the table below, based on the cost classification category, in line with the harmonized funding framework approved for UNICEF, UNDP, UNFPA and UN-Women. The proposed allocation to development activities represents an increase from the previous biennia where the total allocated to development activities was 85.6 percent.

Type of Activity	Amount (in millions, USD)	Per Cent
Development	1,057.8	87.5
United Nations coordination	37.6	3.1
Management	95.7	7.9
Independent oversight and assurance	11.7	1.0
Special purpose	6.2	0.5
Total	1,209	100%

6. For the current biennium 2022-2023, resources are estimated at \$1,040.6 million, including \$400.0 million in regular resources and \$640.6 million in other resources. Annex IV of the budget document provides a statement of comparison of budget and actual amounts for the year ended 31 December 2021. **Upon enquiry, the Advisory Committee was informed that the total estimated 2023 extrabudgetary expenditures at the end of 31 June 2023 amounts to \$217.4 million. The total 2022 expenditures per the UN-Women Audited Financial Statement for the year ended 31 December 2022 is \$540.3 million. The Advisory Committee trusts UN-Women will present detailed and updated information on expenditure levels for 2023, both with regards to integrated and institutional budget, to the Executive Board at the time of consideration of the present report. Upon enquiry as to the implementation of its previous recommendation on the inclusion of the evolution of expenditures (actual and projected) by object or categories of expenditures against planning estimates and justification for projected resource requirements in the presentation of integrated budgets, the Advisory Committee was informed that a comparison of budget and expenditures by cost classification, as already included in the Annual Financial Statements, will be shared in future submissions. The Committee trusts that such information will be provided in the next budget report.**

7. The proposed institutional budget for the biennium 2024-2025 amounts to \$204.4 million which is the same amount as in the previous two biennia budgets. The

institutional budget will provide funding for the 471 institutional budget posts, of which there are six additional posts (P-4) for the 2024-2025 period. The budget document indicates that an average vacancy rate of 9 per cent has been applied to all institutional budget posts. Upon enquiry, the Advisory Committee was informed that the vacancy rate as at 31 May 2023 was 16 per cent.

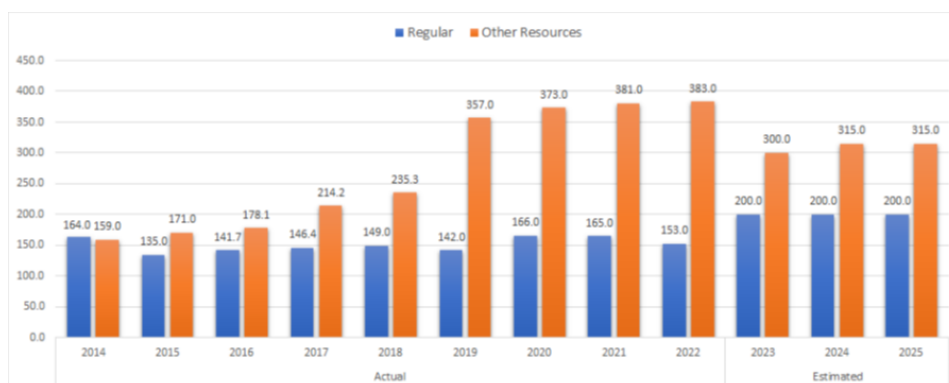
8. The financial impact of the six additional coordination posts (P-4) is estimated to be \$1.35 million per annum and will be fully offset through cost savings and efficiencies (para 45). Table 2 of the budget document indicates that the cost savings and efficiencies are related to volume driven reductions on account of ICT project costs and rental expenses. Upon enquiry, the Advisory Committee was informed the 6 additional P-4 coordination posts, one in each UN-Women regional office, are to support UN-Women's broader efforts to leverage coordination in the field as one tool for building system-wide action and accountability for gender equality. The cost of these additional 6 posts of \$2.7 million for the biennium has been offset through cost savings and efficiencies through direct cost apportionment of \$1.5 million in Headquarter's rent costs and \$1.2 million in the provision of corporate information technology and communications costs. There will be one placed in each of the UN-Women regional offices in Panama, Egypt, Thailand, Kenya, Turkey, Senegal. **The Advisory Committee notes that the indicated savings used to offset the requirements for additional staffing for the 2024-25 period reflect a change in apportionment of costs (rent and ICT) from regular resources to other resources instead of a real saving. The Advisory Committee trusts that further information on what criteria was used/changed that resulted in the indicated change in apportionment of resources will be provided to the Executive Board at the time of consideration of this report (see also para. 14 below).**

B. Voluntary Contributions

9. Upon enquiry, the Advisory Committee was informed that from 2021 to 2022 UN-Women revenue remained stable, with total revenue from all sources decreasing by 1.8 percent to \$559.8 million. With total revenue in 2022 lower than levels reached in 2021 and 2020, a seven-year positive trend of year-over-year growth came to an end. In 2021 and 2022, the regular resources shortfall against the integrated budget estimates stood at \$34.9 million and 46.7 million respectively, while other resources surpassed integrated budget projections for a third and fourth consecutive year. Upon enquiry, the Advisory Committee was provided with the below table comparing for the biennium's 2018-2019, 2020-2021 and 2022-2023 estimates and actual income for regular resources and for earmarked resources.

	Regular		Other Resources	
	Estimated	Actuals	Estimated	Actuals
2018	200.0	149.0	240.0	235.3
2019	200.0	142.0	240.0	357.0
2020	200.0	166.0	285.0	373.0
2021	200.0	165.0	285.0	381.0
2022	200.0	153.0	300.0	383.0
* 2023	200.0		300.0	

* current year



10. **The Advisory Committee notes the ongoing trend of overall reduction of regular resources as a percentage of total budget, as well as regular resources continuously falling short of the estimated inflow. The Committee reiterates its call for UN-Women to diversify the donor base and engage with the private sector with the aim of increasing the level of available unearmarked contributions.** The Committee trusts efforts will be made to strengthen the risk management and evaluation process for private sector engagement, as recommended by the United Nations Board of Auditors (A/78/5/Add.12, paras 81-96)

C. Cost recovery

11. Upon enquiry, the Advisory Committee was informed that in the formulation and presentation of the institutional budget UN-Women uses a harmonized Cost Recovery policy that defines the methodology and cost classification as reflected in the UNDP, UNICEF, UNFPA and UN-Women 'Joint comprehensive proposal on the Cost Recovery Policy' (ref: [DP/FPA-ICEF-UNW/2020/1](#)) approved by the respective agency Executive Boards (ref: UN-Women Executive Board decision [UNW/2020/8](#)). As reflected in Table 1, 'Integrated Resource Plan' of the Integrated Budget Document, the total proposed Institutional Budget 2024-25 resources is \$204.4

million, out of which \$163.2 million is estimated to be funded from regular resources and \$41.2 million from cost recovery income. The UN-Women Executive Board decisions on the Integrated Budget for 2018/2019 and 2020/2021 authorizes the use of the support cost incomes as it approves the institutional budget as a gross appropriation, inclusive of the estimated cost recovery (2017/6 and 2019/10).

12. According to UN-Women, support cost income earned in excess can be used to fund additional management costs at the discretion of the UN-Women Executive Director without additional prior approvals. UN-Women's support cost income exceeded estimates for the first time during the 2018-2019 biennia and the 2020-2021 biennia. The support cost income is reported in the UN-Women annual audited Financial Statements. **The Advisory Committee trusts that UN-Women will provide information on estimates of cost-recovery for 2022-2023, in particular on potential excess, its use to fund additional management costs and the consequent release of regular resources to fund development activities, in accordance with the Board's decisions.**

13. The Committee was further informed that UN-Women in collaboration with UNDP, UNFPA and UNICEF, will present a comprehensive review of the cost-recovery policy and its implementation for decision at the second regular session in 2024, and the harmonized agencies will organize a joint briefing in 2023 to present a joint timeline for the review and preliminary observations and findings from the implementation of the cost-recovery policy.

14. **The Advisory Committee notes the trend where regular resources continuously fall short of estimates, while earmarked contributions remain above projections, having generated excess in cost-recovery for 2018-2019 and 2020-2021. The Committee further notes the proposed change in apportionment of costs (rent and ICT) from regular resources to other resources in the context of the indicated efficiencies found in the institutional budget for 2024-2025. The Advisory Committee is of the view that the presentation of the institutional budget and its financing by the different sources of funding should be improved and provide more accurate estimates and criteria between the allocation among regular resources and cost-recovery. The Committee trusts that discussions on the review of cost-recovery policy will elaborate on what management costs should be covered by indirect support costs (cost-recovery), in view of the trend where regular resources continuously falling short of estimates. The Committee looks forward to the inclusion of updated information on the review of the cost recovery policy in the next budget report.**

D. Staffing structure

15. Upon enquiry, the Committee was provided with the table below showing total UN-Women staff and disaggregation (also percentage) of staff in headquarters, regional offices, and country offices for biennium's 2018-2019, 2020-2021 and for 2022.

	2018	2019	2020	2021	2022
Total Staff	1,011	1,124	1,184	1,229	1,237
HQ**	360 (35%)	404 (36%)	403 (34%)	437 (36%)	434 (35%)
Regional Offices	149 (15%)	160 (14%)	166 (14%)	162 (13%)	161 (13%)
Country Offices	502 (50%)	560 (50%)	615 (52%)	630 (51%)	642 (52%)

**Includes all staff regardless of status*

***HQ includes staff in HQ and Liaison Offices and staff reporting to HQ and outposted in Field offices.*

16. The Committee was further informed that a guiding aim of UN-Women’s Strategic Plan 2022-25 is the achievement of impact at scale which in turn requires a more field-focused approach and the strengthening of investments at the country level close to the point of delivery and the Entity is holding itself accountable for continuing business transformation and has included indicators on rebalancing towards the field which will be reported annually to the Executive Board.

17. The Advisory Committee recalls its earlier recommendation for UN-Women to give adequate consideration in the placement of resources to address the needs of the more vulnerable and those in need of support. The Committee encourages UN-Women on its change management initiatives and looks forward to seeing the future budgets reflect the outcomes of the initiatives, in particular strengthening of investments at the country level.

E. Establishment

18. Upon enquiry, the Advisory Committee was informed that the Institutional Budget 2024-25 reflects 6 additional P4 coordination posts, one in each UN-Women regional office to support UN- Women’s broader efforts to leverage coordination in the field as one tool for building system-wide action and accountability for gender equality. The cost of these additional 6 posts of \$2.7 million has been offset through cost savings and efficiencies through direct cost apportionment of \$1.5 million in Headquarters’ rent costs and \$1.2 million in the provision of corporate information technology and communications costs. (see also para. 8 above)

19. The Advisory Committee notes the cooperation of UN-Women with the United Nations development system. The Committee is of the view that such cooperation can be further enhanced with a view to avoiding duplication and promoting further effectiveness and efficiency in the delivery of its mandate, and trusts that the six new positions will contribute towards that end.

F. Reclassification

20. The budget report (para 50) indicates that in addition to the establishment of six new P-4 posts, the Entity is proposing an upward classification and relocation of P5 humanitarian post of the Director of Normative and Humanitarian Coordination in the Policy, Programme and Intergovernmental Division in New York to a D1 Chief of Humanitarian Action/Director of Geneva Office, due to the increased scope and responsibility of the function resulting from UN-Women's IASC membership and growing demand for support from crisis-affected countries. This is accommodated through the corresponding downward reclassification of the Representative post in the Democratic Republic of Congo from a D1 to a P5. The Committee was informed, upon enquiry, that there are 9 D1 level posts funded by the proposed Institutional Budget 2024-2025 heads of regional/country offices, of which the details of location and titles are below:

Location	Title
Panama City, Panama	Regional Director
Cairo, Egypt	Regional Director
Bangkok, Thailand	Regional Director
Nairobi, Kenya	Regional Director
Istanbul, Turkey	Regional Director
Dakar, Senegal	Regional Director
Kabul, Afghanistan	Representative
Addis Abba, Ethiopia	Special Representative
Pretoria, South Africa	Representative

21. **The Advisory Committee trusts that further information on the additional requirements and increase in workload and complexity of work justifying the relocation and upward reclassification will be provided to the Executive Board at the time of consideration of the present report. The Committee also trusts that further clarity on the criteria and classification information used by UN-Women to decide which country offices have D1s as representative/special representative will be provided to the Executive Board and in the next budget report.**

G. Gender and geographic representation

22. Upon enquiry, the Advisory Committee was informed that as at May 31 2023 UN-Women staff was composed of a total of 1,243 staff and the gender breakdown is 75% female and 25% male. In 2022, the number of applications for UN-Women positions at professional level were 63% from women and 36.7% from men. The table below provides gender breakdown of staff in 2022.

	Total Staff	F	M	%F	%M
Total Staff	1,243	935	308	75%	25%
Headquarters	432	337	95	78%	22%
Regional Office	168	134	34	80%	20%
Country Office	643	464	179	72%	28%

**Includes all staff regardless of status.*

***HQ includes staff in Liaison Offices and staff reporting to HQ and outposted in Field offices.*

23. **The Advisory Committee, while appreciating the importance of ensuring that the perspectives and contributions of women are fully engaged in fulfilling the mandate of UN-Women, reiterates its encouragement that the organization continue its efforts towards improving the overall gender balance of its staffing and trusts that information in that regard will be included in the next report.**

24. The Committee was further informed that as of 31 May 2023, UN-Women staff is composed of a total 134 Member States and that in terms of geographic representation, the Committee was provided with the below table showing the geographic distribution for staff and non-staff personnel.

Staff distribution by regional group	Total Staff	Total Non-Staff
African States	119 (19.3%)	649 (27.3%)
Asia-Pacific States	114 (18.5%)	671 (28.2%)
Eastern European States	34 (5.5%)	176 (7.4%)
Latin American and Caribbean States	41 (6.7%)	474 (19.9%)
Western European and other States	306 (49.7%)	373 (15.7%)
Other	2 (0.3%)	33 (1.4%)
Grand Total	616	2,376

25. **The Advisory Committee notes the imbalance in the geographical representation of its staffing resources, as well as the difference in the geographical composition between staff and non-staff. The Committee trusts that UN-Women will increase its efforts to achieve broader geographical representation among its staff and that further information will be provided to the Executive Board at the time of its consideration of the present report.**

H. Use of Non -Staff Resources

26. Upon enquiry, the Advisory Committee was provided with the below information on the composition of UN-Women personnel, staff and non-staff modalities, with information for the biennium's 2019-2018, 2020-2021 and for 2022, indicating number and percentage.

	2018	2019	2020	2021	2022
Staff*	1011 (38%)	1124 (39%)	1184 (38%)	1229 (35%)	1237 (34%)
Non-Staff	1652 (62%)	1766 (61%)	1936 (62%)	2320 (65%)	2455 (66%)
*includes all staff regardless of status.					

27. **The Advisory Committee reiterates its concern that the share of non-staff personnel is on the increase and trusts that UN-Women will make efforts to reduce its increasing reliance on such personnel. The Committee trusts that information on such efforts should be provided in next budget report.**

I. Enterprise Resource Planning

28. Upon enquiry, the Advisory Committee was informed that the cloud-based ERP system named "Quantum" was launched on January 9th this year, globally and jointly with all participating Agencies. Current efficiencies include the ability of Quantum to operate in multiple languages, including in-built training materials, simplification of user interface, integration of Project Results Framework into Quantum, integration of Procurement Workflows and Tendering.

29. The Committee was further informed that investments in the upcoming 2024-25 period will support UN-Women specific requirements for full integration of Results Based Management including Results Based Budgeting (RBM/RBB); enhanced Monitoring and Reporting; and other corporate transformation and integration goals.

30. Upon enquiry, the Advisory Committee was informed that of the \$5.0 million approved in the Integrated Budget 2022-23 period for the ERP project from the Institutional Budget funded resources under the Special Purpose cost classification category, the main investments are for costs related to UN-Women's share of the joint design, development, configuration, testing and deployment. The expenditure in this category for 2022 was \$1.94 million USD, and current projections are \$2.3 million in 2023. The remaining amounts of \$563,000 expenditure in 2022 and \$200,000 projected expenditure for 2023 cover the cost of modifying existing internal corporate applications to conform with the new ERP and are also capital investments for UN-Women. Please see the breakdown in table below:

Item	2022 Actuals	2023 Planned
Capital investment in joint costs of design, development, configuration, testing and deployment	\$1.94m	\$2.30m
Capital investment in modifying existing internal corporate applications to conform with the new ERP	\$0.56m	\$0.20m
Total	\$2.50m	\$2.50m

31. **The Advisory Committee reiterates its observation that ERP systems should build capacity across the entities of the UN development system and advance common business operations, within the aim of achieving a higher level of interoperability. The Committee notes the maintenance of resource requirements to the new ERP system at \$5.0 million is of the view that total investments in ERP should reduce overtime after initial investments in a new system. The Advisory Committee trusts that further information on the costs of the ERP developments and maintenance moving forward, as well as on benefits and any efficiencies achieved after implementation of the new system be provided to the Executive Board and in the next budget report.**

32. **The Committee trusts that the roll out of the new ERP system and planned investments in customization of the system will support the entity to improve its Results Based Budgeting and Management (RBB/RBM), develop strong linkages between resources and the Strategic Framework, as well as provide more detailed information on the institutional budget estimates and expenditures. (see also para. 14 above)**

J. Collaboration with UN entities

33. Upon enquiry, the Advisory Committee was informed that UN-Women has continued to participate in the work of the Business Innovation Group (BIG) since its inception in 2018 and has remained an active participant in the rollout of BOS 2.0. UN-Women also participates in the Common Back Office (CBO) roll-out and expects to continue its participation both in the BOS as well as the CBO roll-out where it makes financial sense as a service recipient.

34. The Committee was further informed that UN-Women is committed to active engagement in the United Nations Sustainable Development Cooperation Framework (UNSCDF) development in cooperation with Resident Coordinators (RCs) and United Nations Country Teams (UNCTs) to ensure gender equality is at the center of the framework in line with national priorities. Based on United Nations Development Coordination Office's information management data, 18 out of 36 (50 per cent) country teams that developed a Cooperation Framework in 2022 included a dedicated gender equality outcome.

35. **The Advisory Committee notes the initiatives undertaken by UN-Women in coordination with the United Nations resident coordinator system and other entities and encourages UN-Women to continue to collaborate with the resident coordinator system to consolidate gender equality and women's empowerment**

efforts within the United Nations system, as well as to support Member States implement the 2030 Agenda for Sustainable Development. The Committee encourages UN-Women to explore ways of further integrating its global office footprint with the resident coordinator system, with a view to achieve greater efficiencies and balance its operational requirements with cost efficiency considerations, including seeking consolidation, wherever possible, of locations and back-office functions. The Committee trusts that more information on the common back office initiatives will be provided to the Executive Board at the time of its consideration of this present report and in the next budget report.

III. Conclusion

36. Elements of the decision to be taken by the Executive Board are contained in section X of the report on the integrated budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2024-2025.