

United Nations



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

Distr.:

25 May 2021

Original: English

Annual session of 2021

21-23 June 2021

Item 4 of the provisional agenda

Financial, budgetary and administrative matters

**Integrated Budget estimates for the United Nations Entity for
Gender Equality and the Empowerment of Women for the
biennium 2022–2023**

Summary

The integrated budget 2022-2023 is an integral complement to the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) Strategic Plan 2022-2025 which articulates the Entity's strategic direction, objectives, and approaches to support efforts to achieve gender equality and to empower all women and girls by 2030, including women's full enjoyment of their human rights.

The integrated resources plan of the Strategic Plan and the integrated budget define the estimated financial resources that will enable UN-Women to have the financial and institutional capacities from both regular (core) and other (non-core) resources to implement its mandate in line with the Strategic Plan.

To deliver on its commitments during the first two years of the Strategic Plan 2022–2025, UN-Women proposes the adoption of an integrated budget, with estimated total voluntary contributions of \$1.0 billion for the 2022–2023 period and requests a zero – growth institutional budget gross appropriation of \$204.4 million.

These estimates are presented in line with the harmonized approach agreed by UNDP, UNFPA, UNICEF and UN-Women. The two-year integrated budget is aligned with the four-year strategic plan and is complemented by funding through assessed contributions under the Regular Budget of the United Nations.

Table of Contents

I. Introduction	3
II. Strategic and financial context	5
A. Strategic context	5
B. Financial context	6
III. Institutional effectiveness and efficiency: progress made and future outlook	9
IV. Integrated budget for 2022–2023	11
C. Integrated Resource Plan	11
Table 1: Integrated Resource Plan	12
D. Integrated Budget Components: 2022–2023	14
Table 2: Summary of increases and decreases	15
Table 3: Institutional Budget posts, by location	15
E. Integrated results and resources framework	16
Table 4: Integrated results and resources framework 2022-2023	17
F. Special purpose: capital investments	20
G. Cost Recovery	22
V. Elements of a decision	23
Annex I: Proposed Organizational Chart for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2022–2023	24
Annex II: UN – Women notional indirect Cost recovery	25
Annex III: Definitions	26

I. Introduction

1. This document presents the integrated budget, 2022-2023, of the United Nations Entity for Gender Equality and Women’s Empowerment (UN-Women), in support of the implementation of the UN-Women Strategic Plan 2022-2025 and should be considered in conjunction with the Strategic Plan and accompanying annexes. The integrated budget sets out the voluntary resources needed to achieve the results laid out in the integrated results and resources framework for the first two years of the Strategic Plan (2022–2025).

2. The Strategic Plan 2022-2025 and the Integrated Budget 2022-2023 are formulated during an unprecedented time as the world is still in the acute phase of the COVID-19 pandemic, which is disproportionately affecting women and girls globally. These times demand bold action and an urgent need for increased investment in gender equality and women’s empowerment, to support the results as set out in the Strategic Plan of ensuring that no woman or girl is left behind. The recovery presents opportunities to “build back better” from the pandemic in ways that advance gender equality, social justice and sustainable development, but this will depend not only on the commitment of governments, but also on the availability of funding, especially for low and middle-income countries.

3. Against the backdrop of the COVID-19 pandemic and in light of the evolving resource base, UN-Women has set realistically ambitious targets for 2022-2023 of \$400 million in regular resources and \$600 million in other resources. UN-Women’s voluntary contributions have been rising over the last six years, mainly driven by growth in other resources.

4. UN-Women uses an integrated resource plan for the presentation of budgetary information, defined cost-classification categories, as well as cost-recovery methodologies and approaches to cost attribution that have been approved for harmonized use by the Executive Boards of the United Nations Children’s Fund (UNICEF), the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and UN-Women.

5. Complementing the integrated budget, the General Assembly will continue to consider the resources from the Regular Budget required to service the normative intergovernmental processes, policy and the United Nations system coordination work in the context of its consideration of the proposed programme budget for 2022, totaling \$9.7 million for UN-Women.

6. This integrated budget proposal is guided by the overarching ambition for UN-Women to continue its ongoing business transformation as outlined in the UN-Women Strategic Plan to achieve impact at scale and deliver measurable development results. In line with the needs of a repositioned United Nations development system in a post-COVID-19 world, this relates in particular to strengthening investments at the country level. The following main principles have guided the preparation of the integrated budget proposal for 2022-2023:

- a. Enhancing effectiveness, transparency and accountability by optimizing UN-Women’s field presence through country office typologies, including at the regional level;
- b. Optimizing UN-Women’s headquarters structure and functions, including continuous improvement encompassing knowledge management, improving and

streamlining business processes and workflows, and integrated information systems;

- c. Focusing on cost-effectiveness, value for money and the identification of efficiencies to absorb anticipated non-discretionary inflationary cost increases and volume increases within an overall budget-neutral approach;
- d. Prioritizing resources for programmatic work that delivers results for women and girls. Hence, 85.6 per cent of resources will be devoted to development activities (including development effectiveness), 3.3 per cent to United Nations development coordination, 9.3 per cent to management, 1.2 per cent to oversight and assurance, and 0.6 per cent to special purpose. As indicated in Table I of the present report, the management costs ratio for 2022-2023 is 9.3 per cent compared to 11.6 per cent of the last 2020-2021 biennia.

7. Over the course of the last Strategic Plan (2018-2021), UN-Women has seen a large increase in other resources and programme delivery, and UN-Women expects this trend to continue. In response, UN-Women has improved and evolved its organizational effectiveness and efficiency approaches to underpin the achievement of gender equality and women's empowerment and to adapt to changing outside contexts as well as evolving needs and expectations, including from Member States. At the same time, there is a pressing need for UN-Women to strengthen regional and country level capacity to deliver results and strengthen its leadership, management, and oversight capacities, including through joint programming and UNSDCF processes. This is underpinned by UN reform efforts, a greater focus on UN Coordination at country level and the heightened focus on "local action" as part of the Decade of Action to achieve the Sustainable Development Goals.

8. Furthermore, a key focus of UN-Women's Strategic Plan 2022-2025 is to achieve impact at scale for gender equality and women's empowerment including through enhanced focus on financing and partnerships as well as through a more field-focused approach and better synergies between global, regional and country-level work.

9. In 2020, UN-Women further defined the Entity's typologies of country presences and functional setup. The country office typology supports the Entity to be 'fit for purpose' as it continues to decentralize delegated authority, accountability and oversight closer to country-level operations, to effectively respond to Member States' requests for support, accelerate delivery of results and improve UN coordination. The typology is a growth-focused modality based on financial as well as non-financial criteria cutting across delivery and revenue targets, resource mobilization, the implementation of full cost recovery on applicable direct costs relating to implementation of non-core funded programme/projects. At Headquarters, as part of change management initiative and as previously communicated to the Executive Board, the revision of the portfolios of the Assistant Secretary-Generals/Deputy Executive Directors have contributed to synergies and other benefits such as:

- a. reduction of silos, notably among normative support functions and operational activities, and to strengthening the capacity of UN-Women in the area of resource management, including resource mobilization;
- b. integration of the former policy and programme divisions to increase synergies between policy and programming and better support to field offices;
- c. Increased delegation of authority to Regional Directors through direct reporting to the Assistant-Secretary-Generals/Deputy Executive Directors.

10. As the County Office typology matures, its organizational effectiveness and efficiency will be continuously monitored during the 2022-2023 biennia to ensure that UN-Women is 'fit for purpose' and is able to respond more effectively to Member States requests for support to deliver on the Strategic Plan results. This will require the organization not only to align the staff capacities required with a view to rebalancing further to the field, but also to look at ways to finance personnel costs that is more accurately reflective of the type of support for activities as aligned with the Strategic Plan and the Executive Board approved cost recovery policy.

II. Strategic and financial context

A. Strategic context

11. As a framing vision, the Strategic Plan 2022-2025 aims to achieve gender equality, the empowerment of all women and girls, and the fulfilment of their human rights, in support of the implementation of the 2030 Agenda. The Strategic Plan is anchored in the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), the Beijing Declaration and Platform for Action, UN Security Council resolutions on Women, Peace and Security, and other global normative frameworks. It articulates how UN-Women will leverage its universal mandate to mobilize urgent and sustained action to support the implementation of these and other global norms and standards for gender equality and women's empowerment.

12. The Strategic Plan 2022–2025 provides UN-Women with strategic direction, approaches and estimated resources required to carry out its mandate. The plan also provides the Entity with greater focus through the identification of its comparative advantages, a better articulation of how it leverages its mandate in support of results, and through the prioritization of the following four thematic impact areas:

- 1) Governance and Participation in Public Life
- 2) Economic Empowerment and Resilience
- 3) Ending Violence Against Women and Girls
- 4) Peace and Security, Humanitarian Action and Disaster Risk Reduction

13. To address the root causes that underpin gender inequalities, UN-Women, in collaboration with other actors, contributes to the following systemic outcomes:

- 1) Gender-responsive normative frameworks, laws, policies, and institutions;
- 2) Financing for gender equality;
- 3) Positive social norms;
- 4) Women's equitable access to services, goods and resources;
- 5) Voice, leadership and agency of women and girls;
- 6) Production, analysis and use of gender statistics and data; and
- 7) UN system coordination for gender equality.

14. The following five organizational effectiveness and efficiency outputs underpin the achievement of gender equality and align internal and external goals, incentives, management approaches and reporting:

- 1) Assuring an accountable organization through Principled Performance;
- 2) Advancing partnerships & resourcing;
- 3) Advancing business transformation in pursuit of feminist excellence;

- 4) Nurturing a diverse and empowered workforce and advancing an inclusive UN-Women culture;
- 5) Effective normative, operational and coordination products, services and processes

15. The implementation of the Strategic Plan 2022-2025 takes place in an increasingly complex environment, demanding urgent acceleration of progress and reaffirmed commitment to gender equality and women's empowerment. The Beijing+25 review reiterated persistent and emerging challenges to the full realization of women's rights, gender equality and women's empowerment, which threaten to reverse hard-won gains, with particular impact on women and girls experiencing multiple and intersecting forms of discrimination. Further, the COVID-19 pandemic and consequent global crisis have had far-reaching social, economic, health, and human consequences on women and girls, threatening to compound and deepen gender inequalities.

16. The current context is also marked by the urgency to deliver joint results in line with the repositioning of the United Nations Development System (UNDS). In 2020, the Secretary-General launched the Decade of Action to accelerate the achievement of the Sustainable Development Goals (SDGs). This call for action highlights the imperative of further embedding gender equality and women's empowerment in the sustainable development agenda and fully leveraging the UNDS reform process to this effect. General Assembly resolution 71/243 on the Quadrennial Comprehensive Policy Review (QCPR) of operational activities for development of the UN system reaffirms the importance of gender equality, women's empowerment and of gender mainstreaming, as well as UN-Women's central role to this effect.

17. In response, and recognizing that a strong, coherent, and coordinated UN system can accelerate the achievement of gender equality and women's empowerment, UN-Women continues to promote coherence and accountability for joint results within the repositioned system at all levels, leveraging its UN coordination mandate.

B. Financial context

18. Over the previous six years, UN-Women experienced a steady rise in voluntary contributions, mainly driven by growth in other resources. In 2020 alone, UN-Women received a total of \$539 million in voluntary contributions, 11 per cent or \$54 million over the projected amount of \$485 million. This is an improvement over the last biennium (2018–2019), in which UN-Women received a total of \$885 million, which represented 1 per cent or \$5 million over its projections. Other resources (earmarked voluntary contributions) represented a 69 per cent share, totaling \$373 million, \$88 million above the \$285 million projected amount, a 31 per cent increase. Regular resources (unearmarked voluntary contributions) represented a 31 per cent share, totaling \$166 million, \$34 million below the \$200 million projected amount however, still reflecting a 16.9% increase compared to the 2019 regular resource contributions of \$142 million.

19. Despite the challenging global financial context, which continues to be negatively impacted by the COVID-19 pandemic, UN-Women proposes to maintain the same estimated level of contributions of \$400 million for regular resources for the 2022-2023 biennium as it has for the current biennium, including by leveraging both ongoing partner engagement and innovative financing strategies, UN-Women recognizes this as an ambitious and forward-looking projection, however this resource level is the optimum required for the organization to reach the critical mass required to deliver on its full composite mandate, particularly its

normative support and United Nations system coordination functions that are specifically dependent on regular resources. This aligns with the QCPR as well as the Structured Dialogue on Financing. Other resources in the integrated budget for 2022-2023 reflect a projected contribution of \$600 million, as compared with contributions of \$570 million estimated for the biennium 2020–2021.

20. To ensure the Entity is adequately resourced to deliver at the level of impact and scale envisaged in the Strategic Plan, UN-Women will continue to demonstrate its institutional strength, results achieved and value for money in line with UN reform. To achieve transformational results for gender equality and women’s empowerment, UN-Women will strengthen existing donor partnerships and nurture relations with emerging partners, International Financial Institutions, and the private sector, including through strengthened dialogue with Member States through the Executive Board in the context of the Structured Dialogue on Financing. UN-Women will engage in timely and effective high-level annual consultations with key funding partners, improve results reporting and enhance its overall support across the partnership value chain, and increase visibility and recognition of partners for their contributions.

21. The private sector is playing an increasing role in implementing the 2030 agenda, including in areas such as health and education, SME development, infrastructure investments and technology, and is also broadening its investment focus to include a number of new and innovative financial instruments that seek to achieve social as well as financial goals. Therefore, UN-Women will continue to advance public-private partnerships and will complement efforts to increase national-level financing with new and innovative financing approaches such as gender bonds, in collaboration with IFIs, the private sector and institutional investors. UN-Women continues to enhance its internal expertise on these innovative financing approaches and is further deepening partnerships with development banks in specific countries.

22. UN-Women relies on voluntary contributions to carry out its mandate, as they represent 98 per cent of total contributions revenue, with the other 2 per cent from assessed contributions. Regular resources (unearmarked voluntary contributions) are the bedrock of UN-Women’s work worldwide. In addition to providing catalytic funding for programme activities, they support a range of essential institutional functions, including leadership and representation, independent assurance, strategic and programme direction setting, programme formulation and implementation, operations and fiduciary duties, corporate communications, resource mobilization, partnerships development, external relations and corporate security. Other resources (earmarked voluntary contributions) complement regular resources by supporting the achievement of programme results and allowing the scale up of programme interventions from the foundation enabled by regular resources, as well as the expansion and replication of best programme practices and capacity development in countries.

23. UN-Women recognizes that a healthy balance between regular and other resources remains critical for its capacity to fulfil its triple mandate and for its future sustainability. With the support of its funding partners, UN-Women continues to aspire to maintain or exceed the funding compact threshold, as an adequate level of regular resources is essential for the integrity of the Strategic Plan and the ability of UN-Women to mobilize other resources¹. UN-Women aims to attract high-quality other resources that are predictable, timely and flexible, for example, multi-year funding towards thematic initiatives, and the direct funding of multi-

¹ [UNW/2020/7](#) (p5) UN-Women estimates that a minimum of 40 per cent of regular resources is necessary for UN-Women financing to be compatible with its mandate, and further considers 50 per cent to be optimal.

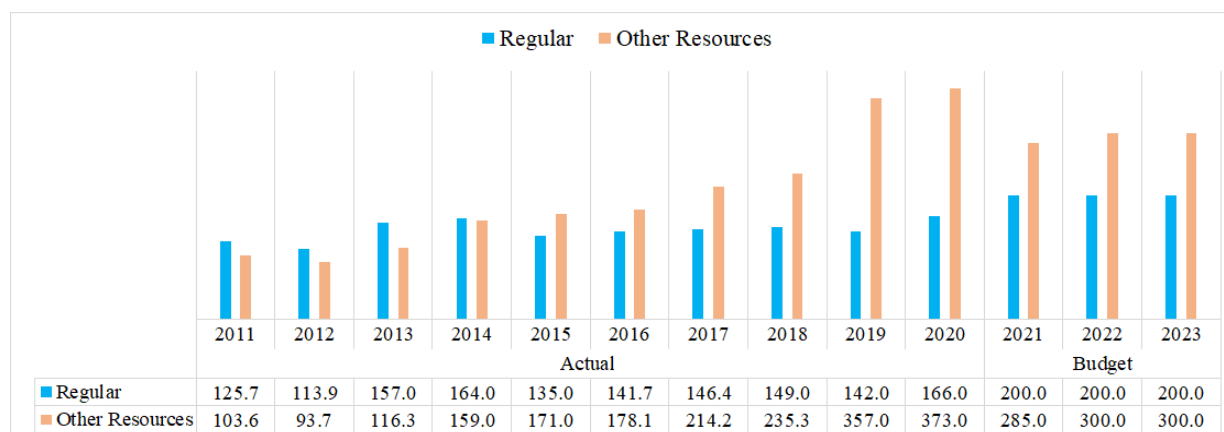
year strategic notes and annual workplans at the country and regional levels. In line with the Funding Compact, UN-Women will continue to work toward establishing thematic funds, aligned with the Strategic Plan 2022-2025 thematic impact areas.

24. The actual level of voluntary contributions for the 2011-2020 and projected resource levels for 2021 and the biennium 2022-2023 are shown in figure I below.

Figure I:

Regular and Other Resources, Actual 2011-2020, Projections 2021-2023

(Millions of United States dollars)



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

25. UN-Women has continued to strengthen its institutional performance over the biennium 2020–2021. Effective United Nations system coordination, partnerships and communications, high-quality programmes, strong oversight mechanisms and improved management of human and financial resources underpinned the Entity’s ability to deliver planned results for women and girls.

26. UN-Women continued to strengthen and steadily increase its work on United Nations system-wide coordination, coherence and accountability for gender equality and women’s empowerment, including the roll-out of two United Nations gender mainstreaming accountability frameworks: (a) the second generation of the UNCT SWAP Gender Equality Scorecard and the Empowerment of Women to promote corporate-level accountability; and (b) the System-Wide Gender Equality Scorecard to promote country-level accountability within the United Nations. UN-Women also supported the efforts of the Secretary-General towards the achievement of gender parity within the UN system. Looking forward, UN-Women will take full advantage of gender mainstreaming accountability frameworks and work through interagency coordination mechanisms such as Gender Theme Groups, as concrete tools to support coherence in mainstreaming gender perspectives into the joint processes of the UNCT in the context of the repositioning of the United Nations Development System. It will further strengthen United Nations coordination as a key approach of its programming, including at the country level through an increased focus on joint programming and joint results and as part of the United Nations Sustainable Development Cooperation Framework process.

27. In 2022-2023, the Independent Evaluation and Audit Service (IEAS) will continue to provide high quality independent evaluation, internal audit, and advisory services. In late 2021, IEAS will develop longer-term strategies for both of its services, in line with the new Strategic Plan priorities and related risks, challenges and opportunities, and will keep it under review and update to incorporate significant emerging issues. IEAS will also strengthen and support UN-Women’s integrity and counter-fraud culture.

28. A testament to UN-Women’s operational maturity, UN-Women has received its ninth consecutive unqualified audit opinion from the United Nations Board of Auditors (UNBoA) for its corporate financial statements since its establishment. UN-Women is fully committed to addressing the audit recommendations from UNBoA and significantly improved the implementation rate, which rose by 30 percentage points in just a one-year period: to 68% in 2019 from 38% in 2018. UN-Women strategically implements audit recommendations and continues to reinforce internal governance and accountability within the organization through strengthening uptake mechanisms for audit and assessment findings. Looking forward to the next Strategic Plan, UN-Women is committed to further enhance the internal framework of governance, risk management and internal controls for a business model that supports the vision of UN-Women 2.0.

29. During 2019-2020, UN-Women Security & Safety Services continued and finalized the development of its Business Continuity & Crisis Management Smart Application (BCCMA); currently being rolled-out globally across the UN-Women programmatic footprint during 2021 with full implementation by 2022. The BCCMA provides real-time crisis management function, both a plan and document repository, in addition to automatic reporting and notification functions. This smart application is estimated to reduce current process engagement by 80% in addition to increased effectiveness at times of crisis.

30. UN-Women procurement has introduced the 1st Rapid Response Procurement Procedures (RRPP) designed to improve UN-Women's responsiveness during crises and provide increased operational flexibility guided by the highest standards of ethical conduct, without compromising accountability. UN-Women continued to capitalize on the existing strategic partnership with the Chartered Institute of Procurement and Supply (CIPS-UK), trained and externally certified over 300 UN-Women personnel in Procurement and Supply Chain.

31. Continuous investments in Information Communication and Technology provided UN-Women a forward-looking and resilient cloud-based information and communications strategy platform allowing offices transition to remote working during the COVID-19 pandemic. While cloud-based tools and platforms for automation and collaboration were established before the pandemic, the transition to remote work spurred a significant leap forward in adoption of these tools and hence in UN-Women’s digital transformation. Replacement of the current and increasing outdated ERP system (ATLAS) with an updated Cloud-based ERP solution is also a step in this direction.

32. Since 2018, UN-Women has continued to work towards a stronger risk management culture to facilitate better risk informed decision making. This includes, among others, stronger governance and oversight through the Risk Management Committee, concerted efforts to build risk management capacity throughout the organization for all relevant personnel, roll out of a customized Enterprise Risk Management platform that ensures that Risk Owners/Managers and Risk Focal Points play an active role in monitoring, evaluating and managing risks related to each office or business unit on an ongoing basis, and furthermore, enhanced measures in respect of risk escalation protocols that are fed into the organization’s performance management mechanisms. UN-Women remains committed to continuous improvement initiatives in this area that will be aligned with other organizational efforts to strengthen oversight and accountability.

33. UN-Women continued to streamline human resources processes and systems as well as enhance the skills of managers and staff and improve performance management by: implementing a new performance management system that links individual goals to strategic plan outputs; partnering with UNICEF for a learning management system that resulted in

significant savings for the organization; launching Regional Central Review Boards, HR Fast Track Procedures and Virtual Deployment Rosters to address urgent recruitment needs; and signing an MOU with UN Volunteers to strengthen commitment to supporting volunteerism in the work toward gender equality. UN-Women also contributed to systemwide efforts to launch the National Officer pool to support Secretary-General's efforts to achieve gender parity.

34. During the COVID-19 crisis there has been a strengthened focus towards duty of care and provision of HR services, revised policies, and guidance to enable our managers and workforce to cope with this crisis. UN-Women strengthened its well-being and mental health offerings to ensure dedicated support for all personnel. The need to adapt to a new post-COVID way of working will influence change in policies, processes, ways of engaging personnel and delivering the work from different and hybrid workplaces.

35. Addressing sexual exploitation and abuse (SEA) and sexual harassment (SH), amongst other forms of prohibited conduct and strengthening its zero-tolerance and victim-centered approaches will continue to be a high priority for UN-Women.

IV. Integrated budget for 2022–2023

C. Integrated Resource Plan

36. The integrated budget reflects the projected total available resources and the proposed use of resources for all cost classification categories for the thematic impact areas and organizational effectiveness and efficiency outputs for 2022-2023 as aligned with the Strategic Plan.

37. The integrated resource plan presented in Table 1 below shows budgetary information under the cost-classification categories, as well as cost-recovery methodologies and approaches to cost attribution, harmonized and approved by the Executive Boards of UN-Women, UNDP, UNFPA and UNICEF.

Table 1:

Integrated Resource Plan

Millions of United States dollars)

	2020-2021 Approved						2022-2023 Estimates					
	Other Resources						Other Resources					
	Regular resources	%	Programme	Cost Recovery	Total	%	Regular resources	%	Programme	Cost Recovery	Total	%
1. Resources available												
Opening balance	53.3	11.7%	217.0		270.3	21.7%	61.3	13.1%	163.8		225.1	18.3%
Income												
Contributions	400.0	87.5%	532.7	37.3	970.0	78.0%	400.0	85.8%	560.7	39.3	1,000.0	81.3%
Other Income and reimbursements	4.0	0.9%			4.0	0.3%	5.0	1.1%			5.0	0.4%
Total Available	457.3	100.0%	749.7	37.3	1,244.3	100.0%	466.3	100.0%	724.5	39.3	1,230.1	100.0%
2. Use of Resources												
A. Development activities												
A.1 Programme	232.9		565.4		798.3		234.9		601.3		836.2	
A.2 Development effectiveness	46.4			7.4	53.8		46.0			8.1	54.1	
Subtotal Development Activities	279.3	69.8%	565.4	7.4	852.1	84.9%	280.9	70.2%	601.3	8.1	890.3	85.6%
B. United Nations development coordination	32.0	8.0%			32.0	3.2%	34.7	8.7%			34.7	3.3%
C. Management Activities												
C.1 Recurring	73.4			29.9	103.3		66.0			31.2	97.2	
C. 2 Evaluation	6.3				6.3							
C. 3 Audit and Investigation	6.0				6.0							
Subtotal Management Activities	85.7	21.4%	-	29.9	115.6	11.6%	66.0	16.5%		31.2	97.2	9.3%
D. Independent Oversight and Assurance Activities												
D.1 Evaluation							6.5				6.5	
D. 2 Audit and Investigations							5.8				5.8	
Sub Total Independent Oversight and Assurance Activities							12.3	3.1%			12.3	1.2%
E. Special-purpose activities												
E.1 Resource Mobilization			-	-								
E.2 Capital Investments: ICT Transformation	0.5		-	-	0.5		5.0				5.0	
E.3 Beijing +25	0.9				0.9							
E.4 Change Management	1.6				1.6		0.3				0.3	
E.4 Capital Investments: Moss Compliance							0.9				0.9	
Subtotal Special Purpose Activities	3.0	0.8%	-	-	3.0	0.3%	6.2	1.6%			6.2	0.6%
Total Institutional Budget (A.2+B+C+D+E)	167.1	41.8%	-	37.3	204.4	20.4%	165.1	41.3%	-	39.3	204.4	19.6%
Total Use of resources (A+B+C+D+E)	400.0	100.0%	565.4	37.3	1,002.7	100.0%	400.0	100.0%	601.3	39.3	1,040.6	100.0%
Balance of resources (1-2)	57.3		184.3	(0.0)	241.6		66.3		123.2	(0.0)	189.4	

38. Total estimated voluntary resources available for use, inclusive of estimated opening balances, is \$1,230.1 million, out of which a total of \$466.3 million is from regular resources and a total of \$763.8 million is from other resources.

39. In terms of the use of resources, a total of \$890.3 million (85.6 per cent) is dedicated to the use of development activities; 34.7 million (3.3 percent) is dedicated to United Nations coordination activities, \$97.2 million (9.3 per cent) is dedicated to management activities; \$12.3 million (1.2 per cent) is dedicated to independent oversight and assurance activities and \$6.2 million (0.6 per cent) is dedicated to special purpose activities.

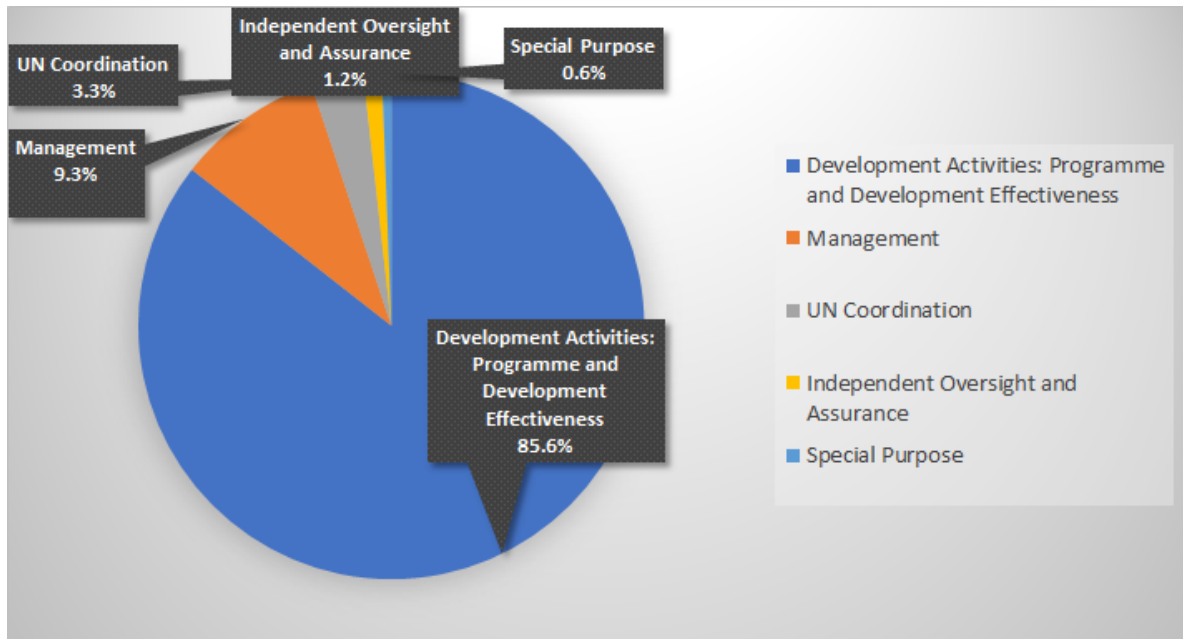
40. Compared to the integrated budget for 2020–2021 and based on the 2022-2023 total estimated voluntary contributions, inclusive of opening balances, the proposed use of estimated resources represents an overall 3.8 per cent increase from the 2020-2021 Integrated Budget.

41. Table 1 above includes the estimated cost recovery income related to cost recovery charges on bilateral, multilateral and programme country resources. Due to the application of differentiated rates, the effective 2020 cost recovery rate of 6.9 per cent has been used to calculate the projected cost recovery income. Out of the total projected income under other resources of \$600 million, an amount of \$39.3 million is from cost recovery.

42. Figure II below illustrates the proportion of resources that are devoted to each cost classification category, in line with the harmonized funding framework approved for UNICEF, UNDP, UNFPA and UN-Women, namely: development activities; management activities, independent oversight and assurance activities; United Nations development coordination activities; and special purpose activities.

Figure II:

Proportion of resources by cost classification category



43. UN-Women remains committed to focusing on its development activities and allocating the bulk (85.6 percent) of its resources in support of development results, while ensuring that it has in place the operational support needed to optimize the delivery of the Strategic Plan results.

44. While keeping its projected development spending at the same level, it has decreased the share of management activities from 11.6 per cent to 9.3 per cent during the biennium 2022–2023. This decrease is partially due to a combination of shifting costs from management to the new cost classification category of independent oversight and assurance and special purpose as well as due to cost savings, efficiencies and budgetary discipline further defined in below section under Institutional Budget.

D. Integrated Budget Components: 2022–2023

Programmes

45. The largest share of UN-Women resources is allocated in support of programmes for the achievement of UN-Women thematic impact areas. In terms of regular resources, after making provisions for the institutional budget, the balance available, to the maximum extent possible, goes to support programme activities. The allocation of regular resources to support programme activities is based on the methodology used by the United Nations Development Fund for Women, one of the predecessor entities of UN-Women. The methodology allocates regular resources for regional and thematic distribution based on a straightforward percentage point assigned for each programming category whereby the distribution of regular resources for programme activities is done by assigning a percentage share of programmable regular resources (core) to each programming category – geographic regions, thematic/cross-regional, outreach and business development, special programming needs and emerging issues.

46. The annual levels of programmable regular resources available for allocation are based on actual donor contributions as the resource projections in Table 1 may or may not materialize.

Institutional Budget

47. In addition to the programme resources, the institutional budget is a component of the integrated budget that includes five harmonized cost classification categories: development effectiveness, United Nations development coordination, management, independent oversight and assurance activities and special purpose. The costs under these cost classification categories are approved by the UN- Women Executive Board as a gross appropriation.

48. The proposed institutional budget of \$204.4 million reflects development effectiveness (\$54.1 million), United Nations development system coordination (\$34.7 million), management (\$97.2 million), independent oversight and assurance activities (\$12.3 million) and special purpose (\$6.2 million). The proportionate share of institutional budget resources to the total use of resources is 19.6 per cent, down from 20.4 per cent in 2020-2021 biennium.

49. The proposed institutional budget builds on the approved 2020–2021 biennium budget of \$204.4 million which had a cost increase over the 2018–2019 budget of \$2.6 million. This cost increased in 2020-2021 reflects the doubling of the share of the contribution of UN-Women to the cost-sharing arrangement of the United Nations Sustainable Development Group among the entities of the United Nations development system, effective 1 January 2019, as mandated by the General Assembly in its resolution 72/279. The doubling of its share of the contribution comes at a considerable financial cost for UN-Women especially when meeting the regular resource projection target continues to be a challenge.

50. While the proposed institutional budget is a zero-growth budget, it does include a budget-neutral move from an integrated budget perspective of \$2.3 million in special purpose costs which have been fully offset by the corresponding decrease in amounts identified as costs savings and efficiencies from the management cost classification category.

51. Table 2 reflects the details of the cost savings and efficiencies of the \$2.3 million achieved through a) direct cost apportionment of \$1.6 million in Headquarter rent costs; b) \$0.2 million in savings due to telecommuting arrangements; and c) \$0.5 million by securing a Learning Management System at a competitive price.

Table 2:

Summary of increases and decreases

(in millions of United States dollars)

		<i>Total</i>	<i>% increase/ (decrease)</i>
I.	2020-2021 Institutional Budget		
	Institutional budget gross from voluntary resources	204.4	
	Total	204.4	
II	Increases due to volume (Investing in the organization)		
	i. ICT Transformation	2.0	1.0%
	ii. Change Management	0.3	0.1%
	Total increases due to volume	2.3	0.0%
	Decreases due to volume		
	i. Cost alignment- Direct Project Costs (Non Staff)	(1.6)	-0.8%
	ii. General operating savings and efficiencies	(0.7)	-0.3%
	Total decrease due to volume	(2.3)	-1.1%
V.	Net Volume increase/decrease (III.a + III.b)	0.0	0.0%
VI.	Total 2022-2023 institutional budget	204.4	

52. All costs related to non-discretionary items relating to inflation and staff costs for the 465 institutional budget funded posts have also been absorbed within the total Institutional Budget of \$204.4 million which is inclusive of a 9 percent average vacancy rate.

53. The summary of the current 465 institutional budget funded posts is reflected in Table 3 below with no changes at category levels compared to the 2020-2021 Institutional Budget. These 465 posts are also reflected in Annex 1, the proposed UN-Women organizational chart.

Table 3:

Institutional Budget posts, by location

	<i>2020-2021 proposed posts</i>							<i>Net Changes</i>					<i>2022-2023 proposed posts</i>							
			<i>Other</i>		<i>Percentage of total</i>			<i>Other</i>		<i>Percentage of total</i>			<i>Other</i>		<i>Percentage of total</i>					
	<i>USG/ ASG</i>	<i>D-2 D-1</i>	<i>Profession al</i>	<i>All Other</i>		<i>USG/ ASG</i>	<i>D-2 D-1</i>	<i>Profession al</i>	<i>All Other</i>		<i>USG/ ASG</i>	<i>D-2 D-1</i>	<i>Professional</i>	<i>Other</i>		<i>All</i>				
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%

E. Integrated results and resources framework

54. The integrated results and resources framework for 2022-2023 reflects the four thematic impact areas and five organizational effectiveness and efficiency outputs of the Strategic Plan.

55. The IRRF Table 4 below reflects the allocation of resources to results at the high level and it is the integrated results and resources framework for the 2022–2023 biennium

Table 4:

Integrated results and resources framework 2022-2023

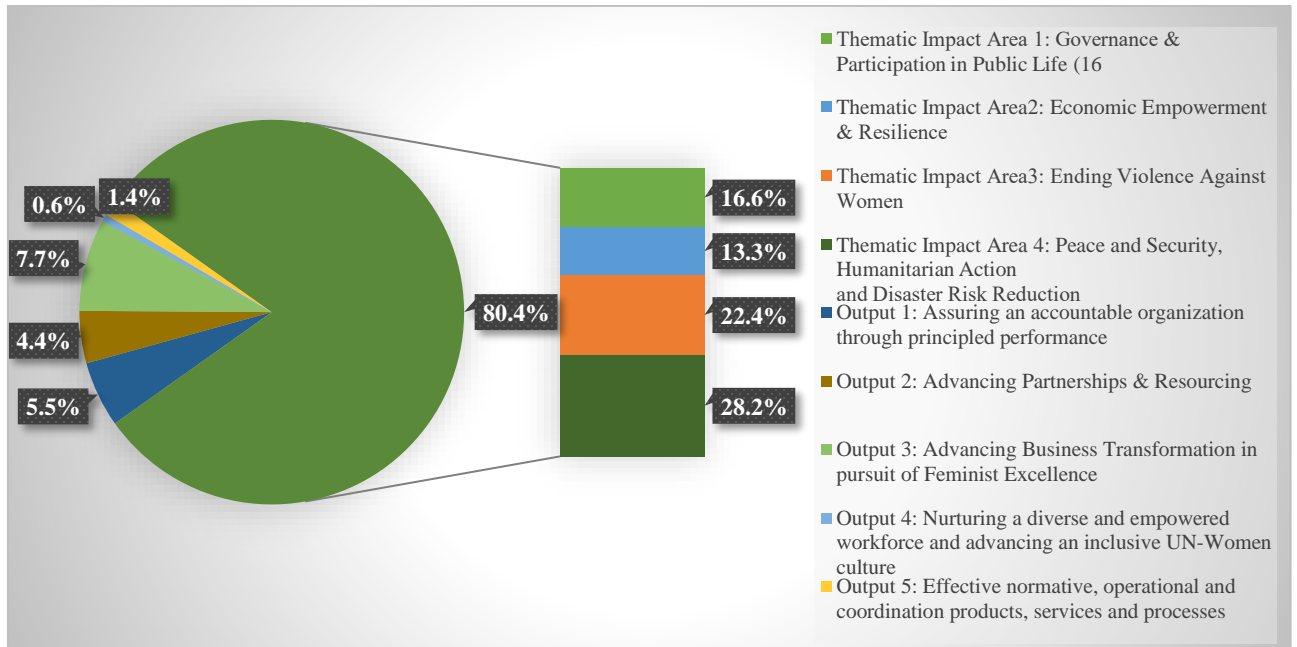
(In millions of United States dollars)

<i>Impact/Output</i>	<i>Cost Classification</i>	<i>Functional Cluster</i>	<i>2022-2023</i>			
			<i>Regular Resources</i>	<i>Other Resources</i>	<i>Cost Recovery</i>	<i>Total</i>
Governance & Participation in Public Life	Programme		48.4	124.0	-	172.4
Economic Empowerment & Resilience	Programme		38.7	99.1	-	137.8
Ending Violence Against Women	Programme		65.4	167.4	-	232.8
Peace and Security, Humanitarian Action and Disaster Risk Reduction	Programme		82.3	210.8	-	293.1
				-	-	-
Assuring an accountable organization through principled performance	Development Effectiveness	Effective Technical Response to programme and policy planning and support	35.5			35.5
	Independent Oversight and Assurance Activities	Corporate Oversight and Assurance	12.3	-		12.3
	Management	Corporate financial, ICT, Legal, field/CO oversight and management, strategic planning, strategic budgeting, risk management, intergovernmental	5.9		3.8	9.8
Advancing Partnerships & Resourcing	Development Effectiveness	Partnership Building, advocacy and alliance building initiatives	1.5	-		1.5
	Management	Corporate external relations and partnerships, communications and resource mobilization, strategic planning, strategic budgeting, risk management	7.7		1.9	9.6
	UN Coordination	UN Development Coordination	34.7			34.7
Advancing Business Transformation in pursuit of Feminist Excellence	Development Effectiveness	Strategic planning, strategic budgeting, risk management, Technical programme and policy planning and support	5.6		8.1	13.6
	Management	Field/CO oversight and management, leadership and corporate direction, strategic planning, strategic budgeting, risk management	42.2		19.4	61.6
	Special Purpose	ICT Capital Investments, Change Management	5.3			5.3
Nurturing a diverse and empowered workforce and advancing an inclusive UN-Women culture	Management	Corporate Human Resources/Staff and Premises Security	3.2		2.3	5.5
	Special Purpose	Capital Investments: MOSS Compliance	0.9			0.9
Effective normative, operational and coordination products, services and processes	Development Effectiveness	Transparent and Effective Procurement for programme delivery	3.4	-		3.4
	Management	Corporate Financial, ICT and administrative	7.0		3.8	10.8
Total			400.0	601.3	39.3	1,040.6

56. Figure 3 below reflects UN-Women’s commitment to direct most of the total resources to development outcomes (80.4 per cent of total).

Figure III:

Indicative allocations by thematic impact areas and outputs, 2022-2023



Allocation of resources to the thematic impact areas

57. The estimated allocation of resources to the four thematic impact areas of the Strategic Plan 2022-2025 is submitted for the consideration of the Executive Board as part of the present integrated budget proposal

58. The UN-Women integrated budget for 2022–2023 will cover the first biennium under the UN-Women Strategic Plan 2022–2025. Indicative allocations and use of resources to the thematic impact areas are under the Strategic Plan are informed by reviewing expenditure trends by impact areas for the past three years.

59. A review of voluntary resource expenditures for the last three years demonstrated that: (a) 20 per cent of programme funds were spent on women’s leadership and governance; (b) 16 per cent of programme funds were spent on women’s economic empowerment; (c) 27 per cent of programme funds were spent on ending violence against women and girls; (d) 34 per cent of programme funds were spent on work on women, peace and security and humanitarian action. A review of trends in each impact area over the same period demonstrated a growth trend in programme delivery in support of 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 a slightly slower rate of financial growth. Despite the slightly slower rate of growth, economic empowerment and resilience remains a priority thematic area for the UN-Women Strategic Plan 2022-2025.

60. To enable the projection of allocations per thematic impact area for the 2022-2023 integrated budget, UN-Women examined past expenditure trends and expected future demand based on country programme priorities per multi-year strategic note documents. Based on this, the proposed allocations

to the thematic impact areas in the integrated results and resources framework are indicative only and will have the following estimated proportional share of overall programme resources:

- a. Impact 1 (governance & participation in public life) 21 per cent: UN-Women works with key partners so that women and girls in all their diversity fully and equally participate in decision-making and benefit from gender-responsive laws, policies, budgets, services, and accountable institutions.
- b. Impact 2 (economic empowerment & resilience) 16 per cent: UN-Women works to advance the economic empowerment and resilience of women so that they have income security, decent work, and economic autonomy.
- c. Impact 3 (ending violence against women) 28 per cent: UN-Women promotes integrated approaches to ensure that all women and girls live a life free from all forms of violence.
- d. Impact 4 (peace, security, humanitarian & disaster risk reduction) 35 per cent: UN-Women works to ensure that women and girls contribute to and have greater influence in building sustainable peace and resilience and benefit equally from conflict and disaster prevention and from humanitarian action.

Allocation of resources to organizational efficiency and effectiveness outputs (OEE)

61. The organizational effectiveness and efficiency outputs (OEE) are linked to resources for each cost classification category and linkages are made between organizational outputs, functional clusters and proposed resource requirements.

62. Resources allocated to organizational units are grouped into functional clusters, which provide the link between results and resources. The functional clusters are groupings of organizational units that carry out activities to deliver intended outputs; they constitute the conceptual link between results and resources in the results-based budgeting framework approved by the Executive Board.

63. The functional clusters for management activities and independent oversight and assurance are harmonized among UNDP, UNFPA, UNICEF and UN-Women. Development effectiveness activities are more closely associated with the programme outcomes and delivery modalities of each of the entities and are therefore not harmonized among them. The functional clusters for UN Coordination and special purpose are also more closely associated with the individual mandates and business models of the entities.

64. The resources allocated to the OEE reflect the total proposed institutional budget resources of \$204.4million.

F. Special purpose: capital investments

65. The total proposed institutional budget under the special purpose cost classification category is \$6.2 million, which is comprised of a) first time requirement of \$5.0 million as investment in the new ERP Cloud Solution; b) \$0.9 million in support of Minimum Operating Security Standards (MOSS) reflecting a realignment of costs per the EB approved harmonization of cost classification categories and definitions; and c) \$0.3 million in support of ongoing change management initiatives. Thus, compared to the special purpose budget of \$3.0 million in the previous Integrated Budget of 2020-2021, the real volume increase under the special purpose category is \$2.3 million which will be met through internal cost savings and efficiencies and budgetary discipline to meet the zero-growth budget target.

Investing in the organization: information and communications technology Investments

66. Working in collaboration with UNDP, UNCDF, UNITAR, UNV, UNU and UNSSC and aligned with the Entity’s ongoing business transformation through the OEE Outputs for Principled Performance and Business Transformation, UN-Women will capitalize on the new Cloud-Based ERP Solution to further improve on Results Based Management through automated linkages between the planning, budgeting, financial management and human resources processes. Continuing the partnerships with the Atlas Partner Agencies for a Cloud-Based ERP solution represented economies of scale and is aligned with the Entity’s best interest as well as the UN Reform effort.

67. In the short term, this will bring benefits in the form of a more effective and mobile technology solution which enables simpler operation and supports best practices in business processes. Over time this will bring significant benefits to the Entity in the form of laying the foundation for revised and modernized business processes that are aligned with partner UN agencies where appropriate and thus support and enable UN-Women’s Business Transformation ambitions.

68. The agreed scope for the shared new Cloud-Based ERP solution encompasses all processes supported by the current Atlas system as well as additional functionalities if and as required. The Project design and specifications began during the last quarter of 2020 and will continue in 2021, with the expectation that the system will be launched in phases over the 2022-2023 period and continuing into 2024.

69. The 2022-2023 Integrated Budget document proposes that the investment of \$5.0 million is met by applying \$2.7 million from the 2020-21 special purpose budget and the remaining balance of \$2.3 million to be funded by generating internal savings and efficiencies to remain within the overall zero-growth budget \$204.4 million. These resources will cover ERP implementation costs shared with partner agencies, UN-Women’s internal efforts to align with the new Solution as well as UN-Women’s technology costs for agency specific functionalities and integration of existing systems.

Change Management

70. As outlined in the above and in the previous 2020-21 biennia, UN-Women initiated a change management process to achieve optimized structures at headquarters and at regional and field offices. While changes are being made within a strict zero-growth budget, there are one-time cost implications resulting from coordinating and overseeing these changes for a proposed \$0.3 million.

Minimum Operating Security Standards (MOSS)

71. In prior integrated budget documents, the MOSS costs were included as recurring management costs under the management cost classification category. As approved by the Executive Board (2020/8), the reflection of MOSS costs under the special purpose cost classification category reflects the harmonized practice among UNDP, UNFPA, UNICEF and UN Women. Therefore, the reflection of \$0.9 million under MOSS is not an additional requirement, but merely a reflection of the revised harmonized cost classification definitions.

G. Cost Recovery

72. The Executive Board in the decision 2020/8 approved the joint comprehensive cost-recovery policy (DP/FPA-ICEFUNW/2020/1), which includes cost-classification categories, methodology and rates, effective 1 January 2022 and decided ‘that agreements signed prior to 1 January 2022 will be honored using the existing cost-recovery rates (per Executive Board decision 2013/2) and that new agreements as well as revisions of existing agreements that result in additional/new contributions signed after 1 January 2022, will comply with the rates in the cost-recovery policy as approved in this decision’.

73. In the same 2020/8 decision, the Executive Board requested UN-Women in collaboration with UNDP, UNFPA and UNICEF:

- (a) ‘to provide harmonized annual reporting on the progress of implementation of the cost recovery policy as an annex to their respective existing reporting, including the presentation of the financial impact of the harmonized differentiated rates and waivers granted, and to continue including, in line with the policy, inter alia an itemization of each waiver/discount listing the donor name, total contribution, programme name, cost-recovery rate and United States dollar value of the waiver/discount, as well as the resulting effective cost-recovery rates and cost-recovery amounts realized.
- (b) ‘to present in a harmonized way in their existing reporting the calculations of the notional cost-recovery rates in their respective integrated budget documents.’

74. UN-Women has responded to these requests from the Executive Board in the UN-Women 2020 Annual Report of the Undersecretary General (UNW/2021/) where the following information was provided:

- (a) details of the three (3) cost recovery waivers approved in 2020 with a total financial impact of \$0.025 million.
- (b) the 2020 financial impact of the differentiated rates, including the cost recovery waivers, is \$1.56 million.
- (c) the 2020 effective cost recovery rate is 6.9 per cent).

75. The UN-Women notional cost recovery rate for the Integrated Budget 2022-2023 period is 9.2 per cent. The details of the calculations and methodology is presented in Annex II of the current Integrated Budget 2022-2023 document.

V. Elements of a decision

76. The Executive Board may wish to:

(a) *Welcomes* the UN-Women integrated budget for 2022–2023, which presents a single, integrated budget that includes all budgetary categories, to complement the Entity’s strategic plan 2022–2025;

(b) *Note* with appreciation UN Women’s efforts in presenting a zero-growth budget while addressing the additional requirements, reflecting both inflationary cost increases and new ERP-Cloud Solution requirements, through cost savings and efficiencies;

(c) *Approves* gross institutional budget resources in the amount of \$204.4 million to support organizational effectiveness and efficiency, and notes that these estimates include an amount of \$39.3 million for cost recovery from other resources;

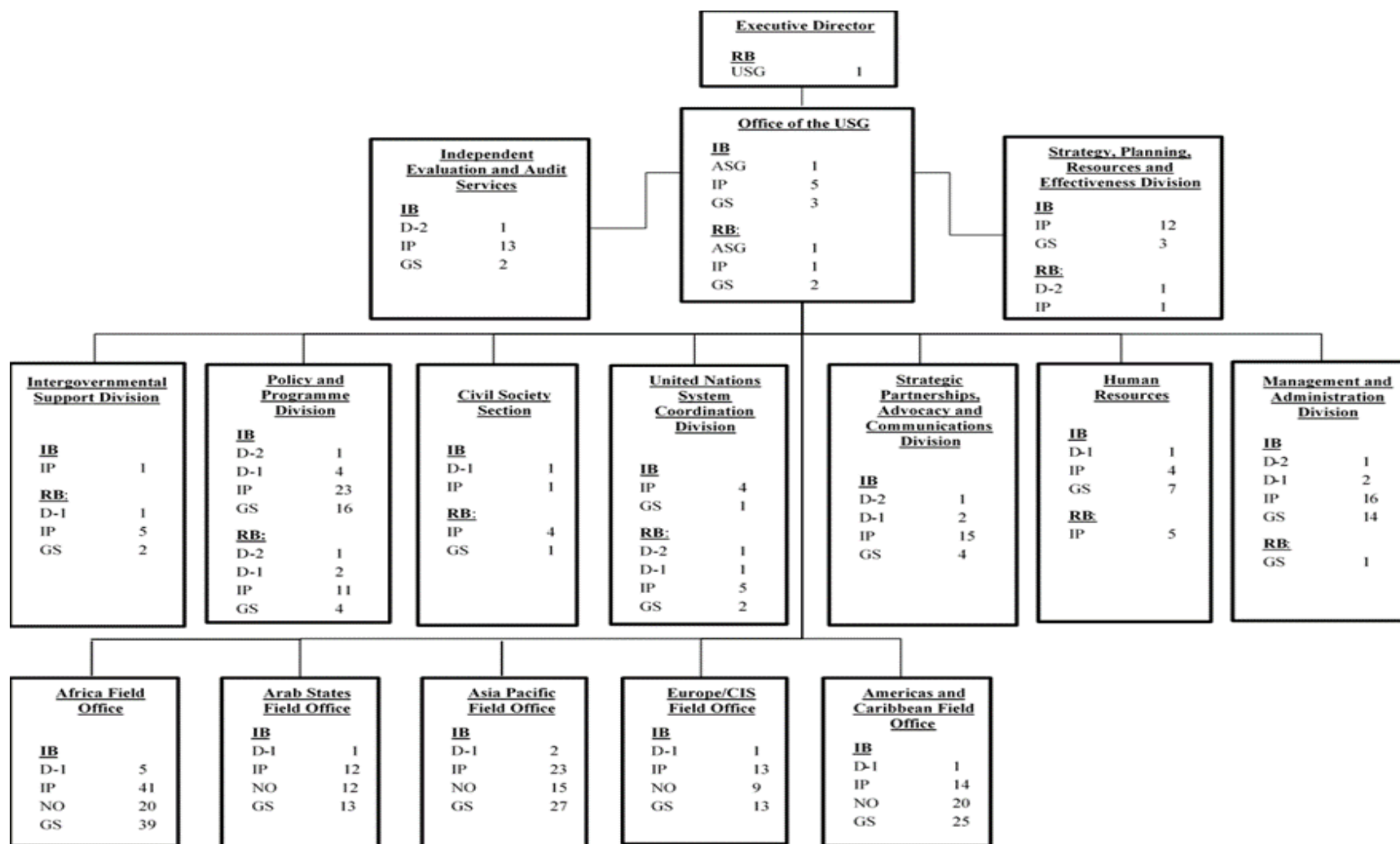
(d) *Notes* that in the event that actual cost recovery is higher than the estimates included in the budget proposal, the additional amount may be used for management activities to allow more regular resources to be used for programme activities;

(e) *Notes* the inclusion of the separate cost classification category for oversight and assurance activities further to the Executive Board 2020/8 approved joint comprehensive cost-recovery policy (DP/FPA-ICEFUNW/2020/1);

(f) *Notes* UN-Women integrated budget estimates for 2022-2023 and the urgent need for increased investment in gender equality and women’s empowerment to support the results as set out in the Strategic Plan and urges all countries in a position to do so to increase their voluntary contributions, especially in regular resources, and welcomes UN-Women's proposals to enhance its resource mobilization strategy.

Annex I:

Proposed Organizational Chart for the United Nations Entity for Gender Equality and the Empowerment of Women for the biennium 2022–2023



Annex II:

UN – Women notional indirect Cost recovery

1. The current indirect cost-recovery methodology starts by identifying the following functions as integral to the mandate of the organization and as such are to be covered solely from regular resources as part of the organizations’ institutional budgets.
 - Development effectiveness activities;
 - United Nations development coordination;
 - Critical cross-cutting management functions;
 - Critical cross-cutting independent oversight and assurance functions;
 - Non-comparable special-purpose activities.

2. The remaining balance of the institutional budget is covered by the indirect cost recovery rate, proportionally between regular and other resources.

3. The methodology to calculate the cost-recovery rate is as follows:
 - a. Calculate the proportionate percentage share of regular resources and other resources per the planned use of resources in the organizations’ integrated budgets;
 - b. Calculate the sum of the institutional budget costs that are to be funded from regular resources only and the balance to be funded proportionally from regular and other resources, and remove costs related to the mandate of the organization to be solely funded from regular resources. The starting point will always be the institutional budget;
 - c. Take the balance of the institutional budget amount calculated in step (b) to be recovered from regular and other resources and apply the percentages calculated in step (a);
 - d. Take the amount to be recovered from other resources in step (c) and calculate it as a percentage of total planned other resources;(e) The amount in step (d) equals the notional cost-recovery rate to be recovered from other resources.

(In thousands of United States dollars)

A1	Regular resources (RR)	400.0
A2	Other resources (OR)	600.0
	Total	1,000.0
1. Calculate the proportionate percentage share of RR and OR in the planned use of resources		
B1	Proportionate share of RR	40%
B2	Proportionate share of OR	60%
2. Calculate the sum of management and comparable special-purpose costs (and remove costs related to critical, cross-cutting		
C	Institutional budget	204.4
	<i>Less</i>	
C1	Development effectiveness activities	(54.1)
C2	Non-comparable special-purpose activities	(6.2)
C3	United Nations development coordination activities	(34.7)
C4	Critical cross-cutting management functions	(23.8)
C5	Critical cross-cutting oversight and assurance functions	(1.0)
	Total - institutional budget (IB) subject to cost recovery	84.6
3. Take the amount calculated in step 2 and split it proportionally according to the levels of total planned use of regular and		
D=C-(C1:C4)	IB subject to cost recovery based on approved methodology	84.6
E1=B1*D	RR proportional share of IB	33.9
E2=B2*D	OR proportional share of IB	50.8
F=E2/(A2-E2)	Notional rate	9.2%

Annex III:

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.

Differentiated indirect cost recovery rate. The rate approved by the Executive Board as percentage to be applied to direct costs, based on the funding source.

Effective indirect cost-recovery rate. The actual cost-recovery rate realized after taking into account the effect of differentiated rates, including pre-existing preferential rates and waivers granted each year

Functional cluster. One or more discrete organizational units within a functional area that directly support(s) 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. The primary purpose of which is the promotion of the identity, direction and well-being of an organization, including executive direction, representation, external relations and partnerships, corporate communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human resources.

Notional indirect cost-recovery rate. The rate as calculated by applying cost recovery methodology on planned budget and/or actual expenditures.

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”).

Oversight and Assurance activities: Independent oversight and assurance activities. This comprises activities and associated costs supporting the independent audit and investigations and corporate evaluation functions.

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

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. In order to permit direct comparison, volume is expressed using the same cost factors applicable to approved appropriations.
