

Background Note for the Executive Board **“Options to Improve the Structured Dialogue on Financing”**

First Regular Session of the Executive Board
14th February 2020

This note has been prepared in response to Executive Board decision UNW/2019/11, which requested that UN-Women present “options on improving the quality of the Structured Dialogue on Financing.” Structured dialogues are taking place in the context of an agreed Funding Compact that clarifies the interdependent responsibilities and commitments of Member States and the UN development system to improve funding in support of the achievement of the 2030 Agenda. In line with the Compact, this background note puts forward several options, as the basis for further discussions with the Executive Board, towards the efficient and effective financing of the UN-Women Strategic Plan.

A. Purpose

Financing gender equality and women’s empowerment outcomes is critical to the achievement of the Sustainable Development Goals (SDGs). UN-Women’s current Strategic Plan has a 2020-2021 biennium budget of US \$970 million (\$400 million in regular resources and \$570 million in other resources) to support global efforts to achieve the SDGs and deliver concrete progress for billions of women and girls.

The purpose of this note is to present options to the Executive Board on improvements to structured dialogues on financing. UN-Women identified these options in consultation with Member States and based on lessons from and benchmarking against other UN funds and programmes. These options are expected to: (a) strengthen productive exchanges with the Executive Board; (b) support the operationalization of the Funding Compact; and (c) facilitate financing dialogues that contribute to a revitalized financing approach for UN-Women and its partners.

B. Options to improve financing dialogues

1. Strengthen the link between results and resources

UN-Women has taken steps to improve the availability and quality of information that links results to resources. This includes a stronger 2019 official structured dialogue on financing report (UNW/2019/8) that analyzes regular and other resource revenue trends, the complementarity between the two funding types, impact of funding gaps on results, and strategies to grow flexible and predictable resources from a broader funding base. UN-Women produced the [Core Resources Report 2017](#) that recognizes funding partners’ contribution to

results and examines how regular resources are allocated and drive results, and the [*Compendium of Financial Partner Contributions 2018*](#) that gives visibility to funding partners and outlines the results enabled by financial contributions, especially regular resources and flexible other resources.

Going forward, UN-Women will strengthen the link between results and resources by better integrating results-based budgeting in financing dialogues, and improve transparency, to make financial information more accessible. Results-based budgeting will be better reflected in structured dialogue reports by linking annual outcome expenditure to the multi-year indicative Integrated Results and Resources Framework and by identifying funding gaps. Structured dialogues will present the rationale for resource allocation decisions and re-prioritizations based on funding gaps. In 2020, UN-Women will: (a) launch an interactive Results Transparency Gateway that reports development results and organizational performance globally against Strategic Plan indicators and offers an overview of expenses by outcome and region; and (b) publish the forthcoming *Regular Resources Report 2018* that outlines expenditures by function and results delivered across UN-Women's normative, coordination and operational mandate at global and field level, increasing accessibility of information on results enabled by partner investments.

2. Align financing dialogues with the Funding Compact

Structured dialogues should clearly align with the Funding Compact ambition to increase the flexibility and predictability of funding in order to maximize the impact of Member State contributions. UN-Women is already working in partnership with UN funds and programmes to harmonize approaches to the Funding Compact, including by participating in the 28 August 2019 joint briefing with UNDP, UNFPA, UNOPS, and UNICEF on the status of the Compact and through reporting on entity-specific commitments in Annex I to the 2019 official structured dialogue on financing report (UNW/2019/8).

In alignment with the Compact, UN-Women proposes to improve strategic discussions on funding predictability and flexibility in financing dialogues by presenting data and information on: the complementarity and required balance of regular and other resources; flexible financing instruments, such as interagency pooled funds and UN-Women's progress on the establishment of thematic funds; multi-year funding agreements; engagement with the private sector; and innovative financing. Harmonized annual reporting on Funding Compact commitments will continue to be provided in the official report on the structured dialogue on financing.

3. Enable participatory dialogue

Moving forward our vision is to enable more holistic and participatory engagement of Member States and UN-Women in financing dialogues. This can be nurtured through guided discussions based on framing questions shared in advance with Member States to

facilitate preparation and consultation with respective capitals. UN-Women would like to invite delegations to share the driver's seat during informal dialogues to foster more interactive exchanges. For example, Member States could co-lead parts of the dialogue, based on Funding Compact funding priorities, act as champions of a theme or issue, and help to convene a broader range of interlocutors. Alongside UN-Women, Member States could be given the opportunity to report on how they are fulfilling their Funding Compact commitments. UN Women will continue a dialogue with Member States to explore these options and identify those considered agreeable.

4. Encourage diverse perspectives in financing dialogues

To encourage depth of discussion and diversity of perspectives, UN-Women proposes additional Member State participation in informal structured dialogues, as a complement to the participation of delegates of Permanent Missions to the UN. Representatives of ministries of foreign affairs and international development cooperation agencies have participated in several UN-Women bilateral annual consultations and in the financing dialogues of other UN entities, such as the World Health Organization. UN-Women would like to invite these funding partners to contribute their perspectives at informal structured dialogues throughout the year. UN-Women can take advantage of interconnectivity services offered at the UN Secretariat building to facilitate diverse Member State participation in structured dialogue sessions. To strengthen conversations on fundraising, UN-Women emphasizes the need for the further engagement of programme countries to better reflect the importance of regular resources and work in partnership (including joint programming) to the delivery of shared results. UN Women also recommends further discussion on potential modalities for the engagement of National Committees, in line with the practice in other UN entities, such as UNICEF, to encourage a broader donor base and better demonstrate the impact of investments to grow revenue, especially regular resources.

5. Ensure continuity of financing dialogues

UN-Women has already made efforts to enrich dialogue with Member States. In 2019 we pursued a more continuous engagement by holding two informal structured dialogues on financing for the Executive Board on 9 May and 28 August, in addition to bilateral meetings with Member States. Additionally, Executive Board informal regional briefings were held on 21 June to increase awareness of UN-Women results in the field and strengthen engagement and partnerships.

Recognizing that financing dialogues must be ongoing and strengthened throughout 2020 and beyond, UN-Women recommends the following sessions to ensure continuous engagement:

- (a) An interagency joint informal session, scheduled for 23 January 2020 to discuss options to improve the structured dialogue on financing. This background note will be revised based on the outcomes of that meeting;
- (b) Presentation at the first regular session of the Executive Board (14 February 2020) to formally discuss options put forward in this background note;
- (c) Annual UN-Women regional briefings for Member States, held in June on the sidelines of the Executive Board annual session to strengthen awareness of UN-Women's results in the field and engagement with Member States;
- (d) In the context of consideration and decisions on the establishment of thematic funds during Mid-Term Review of the Strategic Plan 2018-2021, annual informal briefings in June on the sidelines of the annual session of the Executive Board, aligned with the outcome areas of the Strategic Plan;
- (e) Annual informal and formal structured dialogue on financing sessions in August and September, respectively, aligned to the second regular session of the Executive Board;
- (f) Annual bilateral consultations with Member States; and
- (g) Invitation of top regular resource partners to country and regional office programme information sessions, as appropriate.

C. Next Steps

This background note encourages discussion with and input from the Executive Board on a series of options that are mutually reinforcing in strengthening the quality of future financing dialogues. As an immediate next step, UN-Women, alongside UNDP, UNICEF and UNFPA will participate in a joint interagency session for the Executive Boards on options to improve structured dialogues on 23 January 2020. UN-Women will also continue the dialogue with its Executive Board at the First Regular Session on 14 February 2020.