



# 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 2014-2015**

### **Report of the Advisory Committee on Administrative and Budgetary Questions**

#### **I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the integrated budget estimates for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the biennium 2014-2015 ([UNW/2013/7](#)). During its consideration of the report, the Advisory Committee met with the representatives of UN-Women, who provided additional information and clarification.

#### **II. Integrated budget**

2. UN-Women projects an integrated budget of \$690 million for the biennium 2014-2015, representing a reduction of \$10 million from its resource mobilization targets for the biennium 2012-2013. In this regard, it requests the Executive Board to approve an appropriation of \$174.9 million (gross), representing an increase of \$27.0 million from its appropriation request of \$147.9 million for 2012-2013.

3. The report indicates that the proposed budget is guided by the priorities of the strategic plan, 2014-2017 ([UNW/2013/6](#)) and Executive Board decision 2012/7 on the progress report towards a harmonized cost-recovery policy. In view of the financial context, it is stated that UN-Women exercised prudence in implementing Executive Board decision 2011/5 on the institutional budget for 2012-2013 and Executive Board decision 2012/6 on the regional architecture. UN-Women thus adopted an incremental and cautious approach in establishing its structure through its approved successive budgets (see [UNW/2013/7](#), para. 35).



4. In paragraph 6 of the report it is stated that, as in the biennium 2012-2013, UN-Women prepared the integrated budget on the basis of the harmonized results-based budgeting and cost classification methodology applied by the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA). The cost classification allocates costs to (a) development activities (split between programme and development effectiveness); (b) United Nations development coordination; (c) management activities; and (d) special-purpose activities (see [UNW/2013/7](#), para. 40).

5. The report also indicates that the Executive Board approved a new methodology for the calculation of cost recovery and a new base rate of 8 per cent will be introduced on 1 January 2014. As part of the cost recovery methodology, centrally managed costs that could be directly identified to programmes and projects are being reviewed for potential direct attribution, rather than being completely funded through cost recovery. Estimated cost recovery arising from the implementation of projects funded from other resources is credited to the budget, which is approved by the Executive Board on a gross basis. The report states that in the event that actual cost recovery is higher than the estimates included in the budget proposal, the additional amount will be used for management activities in accordance with Executive Board decision 2013/2. UN-Women is proposing a prudent approach with regard to the amounts included within the integrated budget, which is calculated including a lower rate than the full 8 per cent charge. A review of the actual cost recovery rate will be included within the preparation of the budget for the biennium 2016-2017 (see [UNW/2013/7](#), paras. 41 to 43).

6. The report states that Executive Board decision 2013/2 sets out the road map towards an integrated budget. With the aim of aligning with the draft strategic plan, 2014-2017, UN-Women will present two separate integrated budgets over the four year period, as the Entity considers it more appropriate to maintain the current two-year approach, given the recent establishment of UN-Women and the limited historical information available for reliable projections, and in order to align this with the regular budget for the biennium 2014-2015 (see [UNW/2013/7](#), paras. 12 and 13). **The Advisory Committee notes that UN-Women intends to continue presenting two-year integrated budgets for the 2014-2017 period, unlike UNDP, UNICEF and UNFPA, which have presented four-year integrated budgets for the same period. As UN-Women looks ahead towards alignment with the other agencies, funds and programmes in presenting a four-year integrated budget, the Committee recommends that UN-Women factor in the potential challenges in estimating resource requirements as well as projected income over a four-year period. The Committee also stresses the importance of building into the four-year integrated budget regular oversight by legislative bodies through a midterm review every two years.**

#### **A. Allocation between regular and extrabudgetary resources**

7. The Advisory Committee recalls that in its resolution [65/259](#), the General Assembly requested the Secretary-General to further elaborate, in the proposed programme budget for the biennium 2012-2013, on the normative intergovernmental processes undertaken by UN-Women to implement its mandate, in order to specify whether the activities of the Entity, including administrative, evaluation, coordination, research and analytical policy functions, would support or be

considered normative intergovernmental processes; operational intergovernmental processes and operational activities; or a combination thereof. The Assembly also requested the Secretary-General to reflect, in the proposed programme budget for the biennium 2012-2013, the necessary budget allocation resulting from the information requested in paragraph 8 of the resolution, so as to ensure an appropriate source of funding of the financial resources required, including the funding of senior-level posts. In his proposed programme budget for 2012-2013, the Secretary-General indicated that the analysis requested in resolution [65/259](#) would be provided in the proposed programme budget for the biennium 2014-2015 (see [A/66/6 \(Sect. 17\)](#), para. 17.13).

8. The Committee noted in its report on the proposed programme budget for the biennium 2014-2015 that the analysis provided in the proposed programme budget for 2014-2015 (see [A/68/6 \(Sect. 17\)](#), paras. 17.8 and 17.9) does not constitute a satisfactory response to the request of the General Assembly. The Committee also noted in that report that the evaluation function serves both operational and normative processes, yet funding to date has been solely from integrated budget resources. The Committee further noted that only three posts under Programme Support would be funded from the regular budget, out of a total of 51 posts under Programme Support, according to the supplementary information provided to the Committee. The Committee therefore recommended that the General Assembly request the Secretary-General to further develop the analysis requested in its resolution [65/259](#) and to present his findings in the context of the proposed programme budget for the biennium 2016-2017 (see [A/68/7 \(Sect. 17\)](#)). **In this connection, the Advisory Committee also recommends that the Executive Board request UN-Women to further develop the analysis requested in General Assembly resolution [65/259](#) and to present its findings to the Board at its next session.**

## B. Resource mobilization

9. UN-Women states that based on the current global financial context, financial performance in 2012 and 2013, and its resource mobilization strategy, the following targets are proposed for 2014-2017: (a) targets for 2014-2015 are slightly reduced to \$690 million, comprising \$340 million in regular resources and \$350 million in other resources; and (b) initial estimates for 2016-2017 are increased to \$900 million, comprising \$400 million for regular resources and \$500 million for other resources. The estimates will be reviewed and adjusted as necessary during the midterm review of the strategic plan, 2014-2017 (see [UNW/2013/7](#), para. 15). Furthermore, UN-Women will continue to target both traditional and non-traditional donors including the private sector and foundations; expand partnerships and access to donor funds at the programme country level; and broaden supporting constituencies through outreach to the general public (see [UNW/2013/7](#), para. 18). It is also indicated that UN-Women will focus on attracting and retaining multi-year donors in order to enhance the predictability and stability of funding; should UN-Women fall significantly short of its resource mobilization targets, it will prioritize programmatic support to developing countries (see [UNW/2013/7](#), paras. 21 and 22).

10. Upon enquiry, the Advisory Committee was informed that UN-Women is financed almost entirely by voluntary contributions from Governments. Funding sources include Governments, the private and voluntary sectors, foundations,

national committees, individual donors, other United Nations entities and international organizations. The Committee was further informed that, to date, in 2013, 94 Member States had pledged support to UN-Women core resources. As at 30 June 2013, UN-Women had a total of \$112,830,209 in revenue from contributions. **The Advisory Committee encourages UN-Women to increase its resource mobilization efforts in order to meet its target for the biennium 2014-2015.**

### C. Regional architecture

11. Paragraph 38 of the report states that the current status of the regional architecture is as follows: four out of the six regional offices have been set up, with different levels of staffing completed; six multi-country offices have been set up; and the 15 subregional offices have either already transitioned to country offices and multi-country offices or are in the process of transitioning. UN-Women expects to have, by the end of 2013, six regional offices, six multi-country offices, 48 country offices and a programme/policy advisory presence in 28 countries.

12. Upon enquiry, the Committee was informed that the regional architecture has resulted in the following economies of scale. The consolidation of resources at the regional level from 15 subregional offices to six regional offices has enabled stronger policy and programmatic engagement in every region. The consolidation of senior leadership and capacity in the regional offices enables UN-Women to support and influence the intergovernmental agenda as well as respond to multiple national priorities without replicating staff and resources within each country. The Committee was further informed upon enquiry that consolidation of the four former entities that make up UN-Women has also resulted in economies of scale.

13. Upon enquiry as to the division of responsibility between the regional and multi-country offices, the Committee was informed that regional offices provide oversight and technical support to UN-Women country and multi-country offices and supervise their work. Country and multi-country offices have no supervisory role, and undertake advocacy and programmatic functions.

### D. Staff costs

14. Staff costs are projected to increase by a net total of \$21.0 million from \$104.8 million in the institutional budget for 2012-2013 to \$125.8 million, owing mainly to the full implementation of the original agreed post table for 2012-2013 and the regional architecture structure (see [UNW/2013/7](#), para. 71).

15. UN-Women proposes to establish five new posts that are required to implement the provisions of the strategic plan, 2014-2017, as well as two upgrades for the leadership posts in evaluation and human resources management (see [UNW/2013/7](#), para. 73). Upon enquiry, the Committee was provided with a staffing table of the institutional budget posts by location (see annex I) and a table showing the senior-level posts (see annex II).

## E. Non-staff costs

16. Non-staff costs increase by a total of \$13.1 million from \$36 million in the institutional budget for 2012-2013 to \$49.1 million in 2014-2015. It is indicated that the majority of this growth is driven by non-discretionary costs, although UN-Women is also proposing an increase in the operating budget from \$60,000 to \$100,000 per annum per field office (see [UNW/2013/7](#), para. 72).

17. Upon enquiry, the Committee was provided with a table showing a summary of proposed budget estimates by expenditure category (see annex III).

## F. Other matters

18. The Advisory Committee notes that table 1 of the report, which presents the financial framework of UN-Women, does not reflect income received from interest. Upon enquiry, the Committee was informed that such income is not reflected as it is a relatively small proportion of funding, estimated at approximately \$4 million, which is credited both to core and non-core resources based on investment and cash balances, totalling approximately 0.6 per cent of funds received. **The Advisory Committee recommends that income from interest be reflected in future budget documents.**

19. The Advisory Committee recalls that it noted, in its report on the institutional budget estimates for 2012-2013, that UN-Women would launch an organizational efficiency initiative to review human resources and resource consolidation, with a view to improving business and operational processes. The Committee also noted that the outcome of the initiative may have an impact on the institutional budget of UN-Women, and therefore looked forward to seeing the results of the initiative and its impact on the budget for 2014-2015, if any (see [UNW/2011/12](#), para. 12). In the integrated budget estimates for 2014-2015, UN-Women states that the Executive Board approved an amount of \$2 million to support the organizational effectiveness and efficiency initiative, through which UN-Women reports major improvements in areas of financial and budgetary management, reporting and auditing, the internal control framework and delegation of authorities, transparency and accountability, programme and project management and communication and knowledge-sharing (see [UNW/2013/7](#), para. 24).

## III. Conclusion

20. **The Advisory Committee has no objection to the integrated budget estimates of UN-Women for the biennium 2014-2015 and recommends that the Executive Board approve an appropriation in the amount of \$174.9 million (gross), including \$20 million for cost recovery for other resources. The Committee further recommends that the Executive Board authorize UN-Women to allocate \$2 million to continuing improvement of its organizational effectiveness and efficiency initiative.**

## Annex I

## Institutional budget posts, by location

	<i>Approved posts 2013</i>							<i>Net changes</i>					<i>Proposed posts 2014-2015</i>							
	<i>Under-Secretary-General/Assistant Secretary-General</i>	<i>D-2</i>	<i>D-1</i>	<i>Other professional</i>	<i>All other</i>	<i>Total</i>	<i>Percentage of total</i>	<i>Under-Secretary-General/Assistant Secretary-General</i>	<i>D-2</i>	<i>D-1</i>	<i>Other professional</i>	<i>All other</i>	<i>Total</i>	<i>Under-Secretary-General/Assistant Secretary-General</i>	<i>D-2</i>	<i>D-1</i>	<i>Other professional</i>	<i>All other</i>	<i>Total</i>	<i>Percentage of total</i>
Field	–	–	10	165	111	286	67	–	–	–	–	–	–	–	–	10	165	111	286	66
Headquarters	1	4	6	78	51	140	33	–	–	2	3	–	5	1	4	8	81	51	145	34
<b>Total</b>	<b>1</b>	<b>4</b>	<b>16</b>	<b>243</b>	<b>162</b>	<b>426</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>3</b>	<b>–</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>18</b>	<b>246</b>	<b>162</b>	<b>431</b>	<b>100</b>

## Annex II

### Summary of senior posts

	<i>Assistant Secretary-General</i>	<i>D-2</i>	<i>D-1</i>	<i>Total</i>
Approved senior posts in 2013 funded from regular resources voluntary contributions				
Field	–	–	10	<b>10</b>
Headquarters	1	4	6	<b>11</b>
<b>Subtotal</b>	<b>1</b>	<b>4</b>	<b>16</b>	<b>21</b>
Proposed increases, 2014-2015				
Field	–	–	–	–
Headquarters (upgrade)	–	–	2	<b>2</b>
<b>Net increase</b>	–	–	<b>2</b>	<b>2</b>
<b>Total senior posts, 2014-2015<sup>a</sup></b>	<b>1</b>	<b>4</b>	<b>18</b>	<b>23</b>
Proposed senior posts 2014-2015 funded from regular resources, voluntary contributions				
Field	–	–	10	<b>10</b>
Headquarters	1	4	8	<b>13</b>

<sup>a</sup> Seven senior posts are funded from regular budget resources and are therefore not listed above, including one Under-Secretary-General, one Assistant Secretary-General and two D-2 and three D-1 posts.

## Annex III

### Summary of proposed budget estimates, by expenditure category

(Thousands of United States dollars)

Category	2014-2015						
	2012-2013 Original approved budget	Regional architecture	2012-2013 Restated approved budget (a)	Change in volume		Change in cost 2014-2015 (d)	Estimate (e)=(a)+(b)+(d)
				Amount (b)	Percentage (c)=(a)/(b)		
Post	104 756	6 580	111 336	1 912	1.7	12 516	125 764
Other staff costs	3 207		3 207		0.0	160	3 367
Consultants	2 620		2 620		0.0	131	2 751
Travel	2 347		2 347		0.0	117	2 465
Operating expenses	2 991	540	3 531	5 410	153.2	177	9 118
Furniture and equipment	1 492		1 492		0.0	75	1 567
Reimbursement to United Nations (including resident coordinators, Department for General Assembly and Conference Management)	8 775		8 775		0.0	6 005	14 780
External audit fees	838		838		0.0	42	880
Rent	9 201		9 201		0.0	460	9 661
Information and communications technology investment projects	1 048		1 048		0.0	(1 048)	–
<b>Subtotal</b>	<b>137 275</b>	<b>7 120</b>	<b>144 395</b>	<b>7 322</b>	<b>5.1</b>	<b>18 635</b>	<b>170 352</b>
Security	2 700		2 700		0.0	1 792	4 492
IPSAS implementation	800		800		0.0	(800)	–
<b>Subtotal</b>	<b>3 500</b>	<b>–</b>	<b>3 500</b>	<b>–</b>	<b>0.0</b>	<b>992</b>	<b>4 492</b>
<b>Total</b>	<b>140 775</b>	<b>7 120</b>	<b>147 895</b>	<b>7 322</b>	<b>5.0</b>	<b>19 627</b>	<b>174 844</b>