



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

Summary

The General Assembly, in its resolution 64/289 of 2 July 2010 on system-wide coherence, established the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and provided it with a mandate to assist countries and the United Nations system to progress more effectively and efficiently towards the goals of achieving gender equality and women's empowerment and upholding women's rights.

Taking into consideration this unique mandate, UN-Women is proposing an integrated budget with projected voluntary contributions of \$690 million for 2014-2015 and requests an appropriation of \$174.9 million (gross).

The integrated budget is the financial plan that allows the organization to have the financial and institutional capacity to achieve the results set out in its draft strategic plan for 2014-2017 and covers all cost categories and funding sources (both regular and other resources) within a single, consolidated proposal.

The integrated budget focuses on fully implementing decisions 2011/5, 2012/6 and 2013/2 of the Executive Board, by which a total of 426 posts were approved to support the decentralized organization. By the end of 2013, UN-Women will have 6 regional offices, 6 multi-country offices, 48 country offices and a programmatic and/or policy advisory presence in 28 countries.

* UNW/2013/L.3.



UN-Women has drafted the proposed integrated budget fully understanding the financial constraints that Member States currently face. As a result, it has maintained the organization's existing structure, which was approved in the institutional budget for 2012-2013 and updated by Executive Board decision 2012/6. While there are minimal growth requests, during the biennium 2014-2015 UN-Women will embed the approved regional architecture (see Executive Board decision 2012/6) into the organization, fully implement all internal controls and procedures and allow itself the time to mature.

The integrated budget for UN-Women is grounded in results-based management principles and aligned with the integrated results framework of its draft strategic plan for 2014-2017. In order to deliver on the integrated results framework, UN-Women will continue to engage Member States and other partners, in particular to increase regular resources, the bedrock of its activities, as underscored in the quadrennial comprehensive policy review.

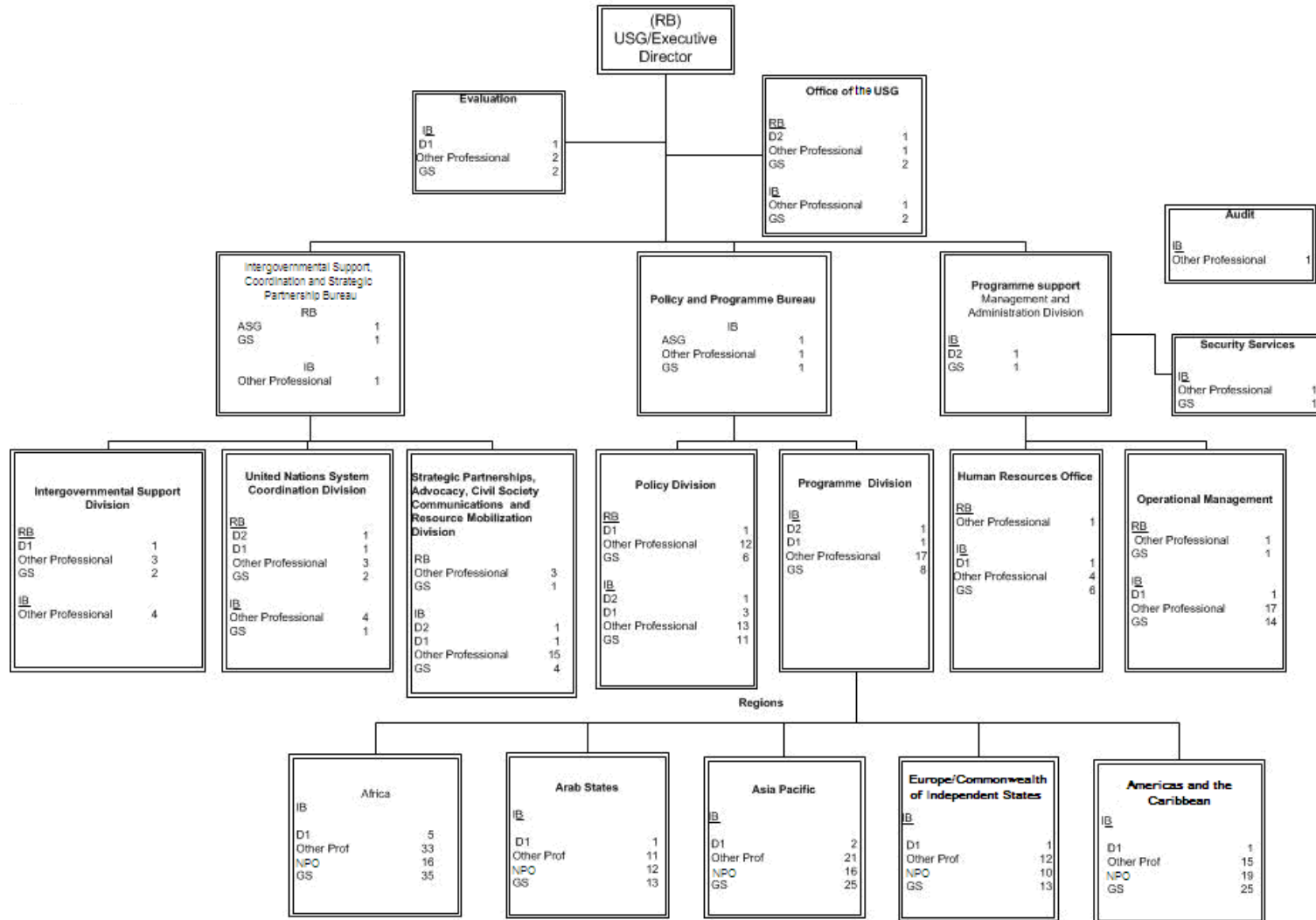
UN-Women will continue to present a two-year integrated budget. At the present stage of its development, UN-Women has limited analysis to support reliable cost projections for the integrated budget beyond 2015. Furthermore, since UN-Women is also funded from assessed contributions through the regular budget for 2014-2015, it is appropriate to maintain for the time being the alignment of these two budgets. The organization will therefore submit an integrated budget for 2016-2017 to support the second half of the draft strategic plan.

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Organization chart

United Nations Entity for Gender Equality and the Empowerment of Women
Proposed organizational structure and post distribution for the biennium 2014-2015



Abbreviations: ASG, Assistant Secretary-General; GS, General Service; IB, institutional budget; NPO, National Professional Officer; RB, regular budget; USG, Under-Secretary-General.

I. Overview

1. The General Assembly, in its resolution 64/289 of 2 July 2010 on system-wide coherence, established the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and provided it with a mandate to assist countries and the United Nations system to progress more effectively and efficiently towards the goals of achieving gender equality and women's empowerment and upholding women's rights.
2. Taking into consideration this unique mandate, the integrated budget of UN-Women has been prepared based on the experience gained during the biennium 2012-2013 and on an assessment of the critical resources required to implement existing decisions of the Executive Board, meet demands from Member States and fulfil the Entity's mandate.
3. The integrated budget sets out the resources needed to achieve the results laid out in the integrated results framework of UN-Women and should be considered in conjunction with the draft strategic plan for 2014-2017, of which it is an integral part. The projections are for a biennial integrated budget of \$690 million in voluntary contributions, with \$174.9 million (gross) requested as an appropriation.
4. The General Assembly will continue to consider the resources required to service the normative intergovernmental processes in the context of its consideration of the proposed programme budget for the biennium 2014-2015, totalling \$15.3 million for UN-Women, and received as assessed contributions.
5. UN-Women recognizes that there is a gap between the budget presented and the current level of resources available to it, and is accelerating resource mobilization efforts to ensure that a sufficient resource base is available.
6. As in 2012-2013, UN-Women has 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). In developing the present proposals, UN-Women has been guided by the overarching need to deliver measurable development results, in particular at the country level. It will aggressively pursue the draft strategic plan resource mobilization target of \$900 million in contributions over the biennium 2016-2017. However, given global economic conditions, the 2014-2015 budget has been planned on the basis of projections of \$690 million. If the level of resources presented in this budget document is not reached, the ability of UN-Women to deliver results for women and girls will be compromised.
7. The following principles have guided the preparation of the integrated budget proposal for 2014-2015:
 - (a) Focusing on efficiency while embedding and operationalizing the structure for the implementation of the regional architecture approved in Executive Board decision 2012/6;
 - (b) Financial and institutional capacity to implement the priorities of the draft strategic plan for 2014-2017;
 - (c) Alignment with Executive Board decisions and UN-Women mandates set out by the General Assembly in its resolution 64/289 on system-wide coherence and

reiterated by the Assembly in its resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;

(d) Articulating the importance of achieving a critical mass of funding to enable a newly established entity to continue to fulfil its mandated role through its normative, operational and coordination functions.

8. UN-Women will continue to strengthen its field capacity to support countries in their pursuit of gender equality and women's empowerment, further strengthen its effectiveness and efficiency by responding to independent evaluations and internal and external audit recommendations, and streamline programming and business processes in line with United Nations system-wide coherence principles and General Assembly resolution 67/226.

9. UN-Women will continue to prioritize programmatic work that delivers results for women and girls. Hence, 82 per cent of resources will be devoted to development activities, 14 per cent to management and 4 per cent to United Nations development coordination. Given the Entity's unique mandate, which includes its normative role, and the relative youth of the organization, the ratio of resources required for the institutional budget is higher than for funds and programmes. However, as indicated in annex I to the present report, the management costs ratio for 2014-2015 remains constant compared to the current projected estimates for 2012-2013.

II. Strategic and financial context

A. Strategic context

10. The strategic context for the preparation of the present budget is framed by the following elements:

(a) The growing global momentum and consensus in favour of gender equality as both a goal and a means to all other development goals, even while major challenges remain (no country has yet achieved gender equality);

(b) The resolution of the General Assembly establishing UN-Women (64/289) and the decisions of the Executive Board that seek to transform UN-Women into a high-performing entity with the universal mandate to advocate and support gender equality and women's empowerment worldwide, as well as the progress achieved to date in this regard;

(c) The draft strategic plan for 2014-2017 of UN-Women, which reflects the organization's mandate in all its elements and lays out the organization's operational role, as UN-Women is an entity that works at the country, regional and global levels to respond to Member States' demands for support in translating international norms and standards on gender equality and women's empowerment into reality on the ground; its normative, intergovernmental support role; and its coordination role within the United Nations system and in United Nations country teams — a role reinforced by General Assembly resolution 67/226 — in terms of promoting the accountability of the United Nations system in its work on gender equality and women's empowerment.

11. The draft strategic plan describes the broad implementation modalities envisaged for achieving results. These modalities include the organizational structure of UN-Women, whereby the organization pursues all aspects of its mandate by leveraging the capacities of and synergies between the Headquarters, regional and country levels, while drawing and building on the existing capacities in gender equality of other United Nations agencies. Mindful of resource constraints, UN-Women has taken a phased approach to implementing its new regional architecture, which was approved by the Executive Board in its decision 2012/6.

12. Starting with its institutional budget for 2012-2013, UN-Women, together with UNDP, UNFPA and UNICEF, has adopted a harmonized cost classification and the results-based budgeting framework. Since 2012, in accordance with Executive Board decision 2012/7, UN-Women has been a member of the inter-agency working group of UNDP, UNFPA and UNICEF and has implemented Executive Board decision 2013/2 on a road map towards an integrated budget. It is worth noting, however, that, because of its unique mandate and composite nature, UN-Women has a cost structure that is not entirely similar to that of UNDP, UNICEF and UNFPA.

13. UN-Women is proposing that a two-year budget be adopted. With the aim of maintaining alignment with the draft strategic plan for 2014-2017, UN-Women will present two separate integrated budgets over the four-year period, as has been the case before. It is all the more appropriate to maintain the current two-year approach given that UN-Women was established only recently and that a limited amount of historical information is available for reliable projections. Such an approach is in line with the Financial Regulations and Rules. Furthermore, since UN-Women is also funded from assessed contributions through the regular budget for 2014-2015, it is appropriate to maintain the alignment of these two budgets.

B. Financial context

14. To achieve the results set out in the draft strategic plan for 2014-2017, UN-Women will require a level of funding that supports its minimum approved structure, including the implementation of the regional architecture approved in Executive Board decision 2012/6. Thus, resource mobilization remains a key priority for UN-Women. For the biennium 2012-2013, the resource mobilization targets were set at \$700 million, divided equally between regular and other resources. In 2012, the amount of voluntary contributions that UN-Women received was lower than the targets of \$114.1 million and \$93.7 million from regular and other resources respectively. The expectations for 2013 indicate growth compared to 2012.

15. Given the current global financial context, financial performance in 2012 and 2013 and the resource mobilization strategy of UN-Women, the following targets are proposed for 2014-2017: (a) 2014-2015: targets are slightly reduced, to \$690 million, comprising \$340 million for regular resources and \$350 million for other resources; and (b) 2016-2017: initial estimates are increased to \$900 million, comprising \$400 million for regular resources and \$500 million for other resources. These estimates will be reviewed and adjusted as necessary during the midterm review of the draft strategic plan for 2014-2017.

16. Encouraged by the strong indications expressed at the annual Executive Board meeting that Member States recognize their responsibility to provide sufficient funding, UN-Women will pursue a targeted approach with Member States and,

together with them, redouble efforts to attract more donors contributing \$10 million or more to the organization's core resources for the biennium.

17. Building on proven, strong results in programming and global advocacy and on progress already made in institution-building and by demonstrating the Entity's added value and unique role as a concrete example of United Nations reform, UN-Women will maximize opportunities for resource mobilization by engaging with ministers of finance and national bodies with responsibility for gender equality, women's empowerment and international cooperation at the national level and through global forums such as the annual meetings of the international financial institutions.

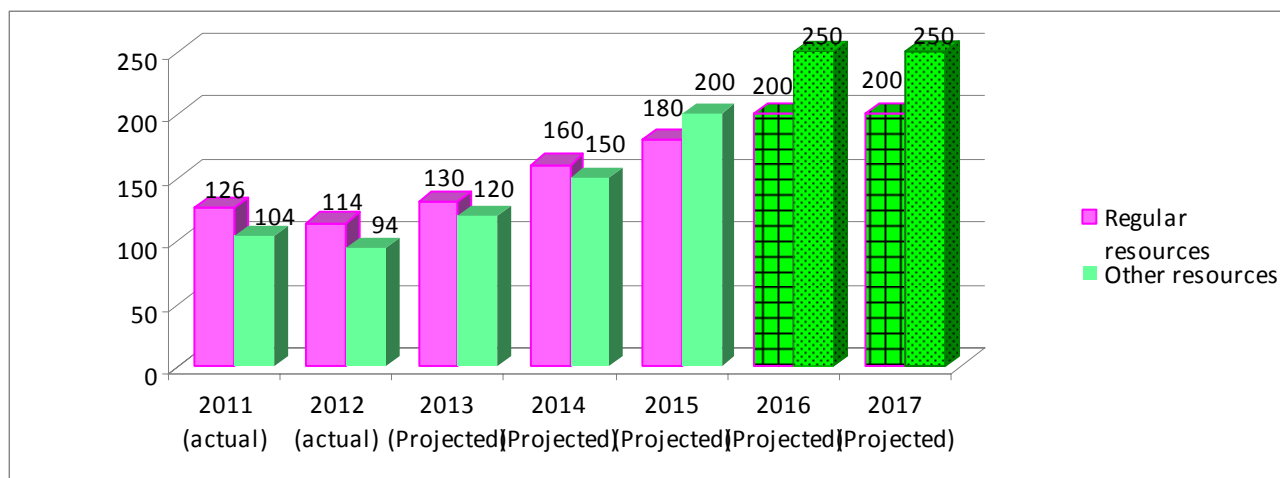
18. Furthermore, UN-Women will continue to target both traditional and non-traditional donors, including the private sector and foundations; expand partnerships and access to donor funds at the programme country level; and broaden its support base through outreach to the general public.

19. A healthy balance between regular and other resources remains critical for the future sustainability of UN-Women and for the Entity's capacity to fulfil its mandate. As acknowledged in the quadrennial comprehensive policy review, regular resources are the bedrock of the operational activities for development of the United Nations system and the Entity will continue to strive to increase its regular resource base. It is also essential, however, for UN-Women to continue to diversify its resource base, including by building a dynamic, high-quality portfolio of contributions under other resources. The bulk of non-core resources is, and will continue to be, raised in the field. In 2013, UN-Women has already successfully enhanced its efforts to mobilize other resources at the country level and is on track to meet its targets for 2013 for this category of resources.

20. Projected resource levels for the biennium 2014-2015 are shown in figure I below. The projections include initial estimates for the period covered by the draft strategic plan, from 2014 to 2017.

Figure I
Projected contributions of regular and other resources, 2014-2017^a

(Millions of United States dollars)



^a Projections for 2016-2017 are initial estimates and are subject to revision during the midterm review of the strategic plan.

21. A focus on attracting and retaining multi-year donors provides the predictability and stability that a young organization needs. Annual liquidity of UN-Women requires early payments from Member States during the first half of the financial year for regular resources so that operations can be effectively planned, budgeted for and implemented. For other resources, timely payments in line with the funding agreements will ensure project implementation can commence as planned.

22. Should UN-Women fall significantly short of its resource mobilization targets, it will ensure that programmatic support to developing countries is prioritized. It will put in place a number of specific measures to mitigate the impact of such a shortfall. Some of these measures would include: (a) managing the staff vacancy rate with a particular focus on ensuring capacity at the field level; (b) reviewing and limiting discretionary cost increases; (c) freezing recruitment against new posts; and (d) maximizing, to the extent possible and where appropriate, direct project costing.

23. Regularly assessing the projections of resources received will allow UN-Women to proactively manage the risks of such a shortfall and ensure that appropriate action is taken.

III. Institutional effectiveness and efficiency: progress made in 2012-2013

24. In its institutional budget estimates for the biennium 2012-2013 (see UNW/2011/11, paras. 34 and 35), UN-Women committed to implementing an organizational effectiveness and efficiency initiative in tandem with the new regional architecture. The Executive Board approved an amount of \$2 million to support this initiative. Major improvements were made in the areas of financial and budgetary management, reporting and auditing, the internal control framework and the delegation of authority, transparency and accountability, programme and project management and communication and knowledge sharing.

25. UN-Women reached some major milestones during the 2012 financial year in terms of enhancing transparency and accountability for results. The Executive Board approved the new regional architecture in November 2012. During the same month, UN-Women issued new frameworks for internal controls and the delegation of authority. Decentralizing the decision-making process has improved the effectiveness and efficiency of UN-Women in planning, programme and project formulation, operations management and decision-making at different levels of the organization. In December 2012, UN-Women released the programme and operations manual that supports this major organizational change. With the implementation of the regional architecture, a new way of working for UN-Women began. Country offices have been strengthened and are supporting national Governments and the United Nations system through increased capacity, training and delegation of authority. Four of the six regional offices have been established, with varying levels of capacity.

26. Three main benefits of the regional architecture are already evident: (a) consolidation of resources and economies of scale; (b) empowered decision-making in the field and improved efficiency; and (c) strengthened country offices to effectively support programme and national priorities on gender equality and women's empowerment.

27. In October 2012, UN-Women established its Audit Advisory Committee, comprising five independent members from business and academia, to assist the Under-Secretary-General/Executive Director in her oversight duties. The Committee has met regularly with senior management and contributes to promoting a culture of good governance. In harmony with sister agencies of the United Nations, the Executive Board of UN-Women decided to publish internal audit reports starting on 1 December 2012. The publication of internal audit reports enhances the transparency to Member States on country activities. In addition, UN-Women launched its anti-fraud hotline to permit the reporting of any wrongdoing by both personnel and third parties outside the organization.

28. In November 2012, UN-Women became the 100th organization to publish information through the International Aid Transparency Initiative. UN-Women has adopted a phased implementation approach and will enhance the information it publishes on programme activities on the website of the Initiative.

29. In 2012, the United Nations Board of Auditors issued 28 recommendations for the year ended 31 December 2011. UN-Women has implemented 25 and the remaining 3 are on track for completion in accordance with the timelines set out in the relevant report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (see A/67/319/Add.1).

30. UN-Women fully implemented the International Public Sector Accounting Standards in 2012 and has produced its first financial statements that are compliant with the Standards. The implementation of the Standards has allowed UN-Women to introduce new standard operating procedures and instructions to promote and demonstrate a better management of the assets and resources under its control.

31. In addition, UN-Women has adopted a new approach for the annual audit of selected non-governmental, governmental and intergovernmental organizations that implement UN-Women projects. New guidelines and terms of reference for the audit of such projects were issued and the services of an international audit firm were engaged to carry out the audit of selected UN-Women projects worldwide. To date, 33 projects and 119 partners in 20 countries have been audited.

32. UN-Women launched and implemented an ambitious, targeted training programme for all its leaders and senior managers in the field. In collaboration with the United Nations System Staff College, UN-Women senior managers were trained in leadership skills, operations management, resource mobilization and results-based management. These training sessions were extended to operations managers and middle-level staff through a series of webinars.

33. All these successful initiatives illustrate that the organization is making efforts to operationalize the principles of accountability, transparency, effectiveness, efficiency and value for money. UN-Women is requesting the Executive Board to allocate \$2 million to respond to increasing demands from its stakeholders for continued efficiency and effectiveness in the context of the United Nations system-wide reform agenda.

34. Organizational effectiveness and efficiency will remain a key priority for the biennium. The proposed allocation of \$2 million will support the continuous improvement of UN-Women working modalities, on the basis of lessons learned from audits and evaluations, as well as in the areas of programme and project management, field office capacities, streamlined business processes, leveraging

information systems technology (i.e. investing in building a knowledge management platform and extranet and intranet connectivity in the field) and consolidating functions and transactions in specific locations in collaboration with other United Nations agencies. UN-Women will informally brief the Executive Board on the status of implementation of efficiency and effectiveness initiatives.

IV. Proposed integrated budget for 2014-2015

A. Basis for budget formulation

1. Focus and priorities of UN-Women budgets

35. The proposed budget is guided by the priorities set out in the draft strategic plan for 2014-2017 and Executive Board decision 2012/7 on the progress report towards a harmonized cost-recovery policy. In view of the financial context, UN-Women exercised prudence in implementing Executive Board decision 2011/5, on the biennial institutional budget for UN-Women for 2012-2013, and Executive Board decision 2012/6, by which the regional architecture was approved. UN-Women has thus adopted an incremental and cautious approach in establishing its structure through the successive budgets approved by the Board, as set out below.

36. The first year of operations for UN-Women was 2011. The Executive Board approved, in its decision 2011/1, an interim budget for the transitional phase of \$51.5 million (gross). In the report of the Under-Secretary-General/Executive Director on proposals for the use of voluntary resources for the support budget for the biennium 2010-2011 (UNW/2011/3), UN-Women envisaged organizational changes through a phased expansion of its capacity, with a focus on building capacity at the field level and taking into account inflows from resource mobilization efforts. The focus of the transitional/interim budget for 2011 was on (a) consolidating the mandates and functions of the four entities that had been concerned primarily with gender equality and the advancement of women; (b) putting in place a senior management team and relevant structures at Headquarters; and (c) implementing the first phase of the road map for strengthening capacity in the field. In this budget, the transfer of funding of critical posts from the programme to the institutional budget was initiated. A shift in funding from programme resources to the institutional budget for 160 posts (approximately \$26 million) was proposed.

37. The institutional budget for 2012-2013 was the first such budget of UN-Women that could be considered as the baseline for building the organization. The Executive Board approved \$140.8 million (gross) and \$132.3 million (net). The priorities for the budget for 2012-2013 were the following: (a) to further the gradual strengthening and expansion of the presence of UN-Women in the field, including by putting in place, in line with the field capacity assessment, the minimum capacity (between three and five staff funded from the institutional budget) in 21 countries and strengthening an additional 17 country offices; and (b) to launch the regional architecture. In addition, the budget provided limited resources to strengthen certain functions at Headquarters and a specific allocation of \$2 million to support organizational change by improving effectiveness and efficiency. The budget also proposed a limited shift, from programme resources to the institutional budget, for the funding of 19 posts.

38. Subsequently, in order to implement the regional architecture, UN-Women proposed a revision to the budget for 2012-2013, with a very limited increase. The budget was restated at \$147.9 million (gross), with the addition of 39 new posts, mainly at the country and regional levels. The current status of the regional architecture is summarized as follows: four of the six regional offices have been set up, with varying 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. By the end of 2013, UN-Women will have 6 regional offices, 6 multi-country offices, 48 country offices and a programme/policy advisory presence in 28 countries.

39. Through the draft integrated budget for 2014-2015, the aim is to fully implement Executive Board decisions 2011/5, 2012/6 and 2013/2, by which a total of 426 posts were approved to support the new structure of the organization. This would mean putting in place in 2014 all the institutional arrangements approved by the Executive Board to support the implementation of the draft strategic plan for 2014-2017. In addition, UN-Women is proposing targeted strategic investments by strengthening capacity in resource mobilization, the intergovernmental support and coordination divisions, and accountability and effectiveness.

2. Cost classification and cost recovery

40. As a member of the inter-agency working group of UNDP, UNICEF and UNFPA, UN-Women has adopted the cost classifications agreed by those entities. This allocates funds to (a) development activities (split between programme and development effectiveness); (b) United Nations development coordination; (c) management activities; and (d) special-purpose activities. The integrated budget is consistent with this classification and UN-Women is continuously reviewing its cost categories to ensure that expenses are allocated to the correct area.

41. The proposal contained in the draft integrated budget for 2014-2015 is also in line with Executive Board decision 2013/2 on cost recovery, by which the Board approved a new methodology for the calculation of cost recovery and a new base rate of 8 per cent, to be introduced on 1 January 2014.

42. As part of the cost recovery methodology, centrally managed costs are being reviewed to assess whether they can be attributed directly to programmes and projects rather than seeking to fund those activities completely through cost recovery. Direct attribution of centrally managed costs will enable budget owners and donors to be better informed regarding the costs of projects, thus facilitating decision-making that is more conducive to generating efficiencies. This is an ongoing process and will be implemented throughout the 2014-2015 budget period.

43. 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. 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 line with the decision of the Executive Board. As it did for the period 2012-2013, UN-Women is proposing a prudent approach with regard to the amounts included in the integrated budget, being lower than the full 8 per cent charge. A review of the actual cost recovery rate will be included when preparing the budget for 2016-2017.

44. The harmonized cost recovery methodology applied in the integrated budget is based on the fundamental principle that regular resources should not subsidize other resources, as mandated by the General Assembly in its resolution on the quadrennial comprehensive policy review. As such, it is important that all direct costs arising from the use of other resources be included in the corresponding project budgets. UN-Women will engage with donors to ensure that this principle is abided by in the development and negotiation of project proposals.

3. Regular budget and functional analysis

45. In accordance with General Assembly resolution 64/289 (para. 75), the resources required to service the normative intergovernmental processes should be funded from the regular budget and approved by the Assembly; the resources required to service the operational intergovernmental processes and operational activities at all levels shall be funded from voluntary contributions and approved by the Executive Board. For the biennium 2014-2015, the Secretary-General proposed a programme budget of \$15.3 million for UN-Women (see A/68/6 (Sect. 17)), including for a total of 45 posts. This is a reduction of two posts compared to the previous biennium.

46. In paragraph 13 of its decision 2011/1, the Executive Board requested that the institutional budget for 2012-2013 reflect the analysis conducted pursuant to section VI, paragraphs 8 and 9, of General Assembly resolution 65/259.

47. In 2012, UN-Women undertook a further analysis of its functions, by division. The objective of the analysis was to provide a comprehensive assessment of the activities of UN-Women, including its administrative, evaluation, coordination, research and analytical policy functions, and to determine whether they are of a support nature or are to be considered normative intergovernmental processes, operational intergovernmental processes and operational activities, or a combination thereof. The analysis was also intended to review the funding arrangements of the Entity's normative intergovernmental processes, operational intergovernmental processes and operational activities.

48. The outcome of the review was that, in the majority of instances, all functions defined above contribute to a combination of normative intergovernmental processes, operational intergovernmental processes and operational activities. There is clear evidence of linkages and complementarity between functions and activities across the three pillars of UN-Women. Given its unique mandate and nature as a composite entity, UN-Women believes that this cross-functional support is the optimal and most effective method to deliver the priorities of the strategic plan and the strategic framework.

49. With regard to the source of funding for the functions under consideration, it is clear that resources from the regular budget, i.e. assessed contributions, and from the integrated budget are intertwined in supporting normative intergovernmental processes, operational intergovernmental processes and operational activities. In the case of the evaluation function, it is clear that while it serves both operational and normative processes, funding to date has come solely from the integrated budget. UN-Women will continue to review its requirements and assess its funding sources on an ongoing basis to ensure that they are as closely aligned with paragraph 75 of General Assembly resolution 64/289 as possible.

4. Allocation of regular resources to programme activities

50. UN-Women allocates the balance of its regular resources after utilization by the institutional budget to programme activities. This allocation is based on the methodology that was used by the United Nations Development Fund for Women.

51. The current methodology for allocating regular resources for regional and thematic distribution is based on a straightforward percentage point, kept simple and straightforward, assigned for each programming category. Distribution of regular resources for programme activities is done by assigning a percentage share of programmable regular resources to each programming category. UN-Women will review this methodology in time for the integrated budget 2016-2017, coinciding with the midterm review of the strategic plan.

B. Integrated resource plan

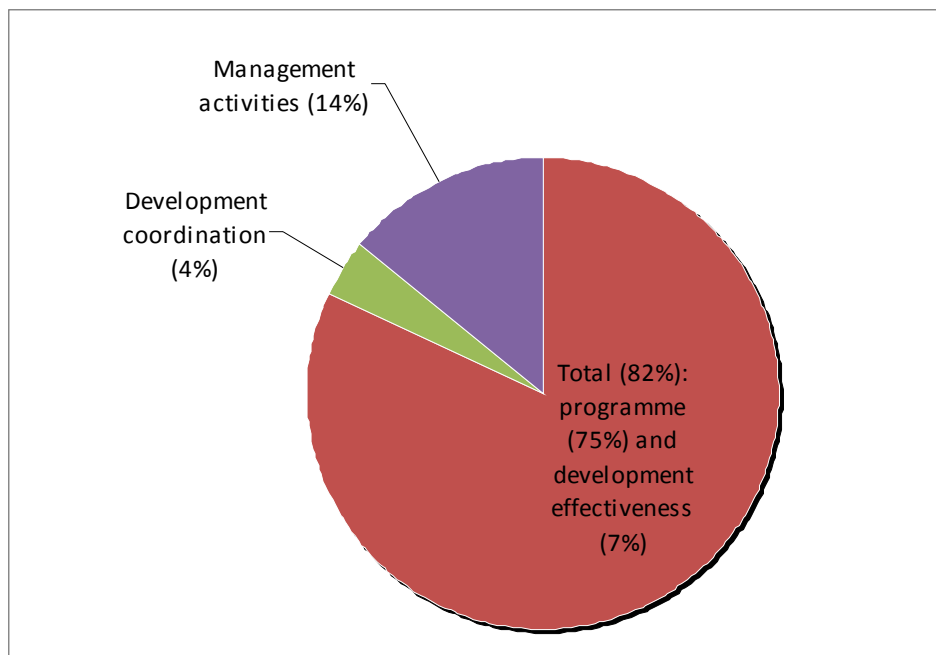
52. Table 1 shows the integrated resource plan for 2014-2015 for all cost categories, including for regular resources and for other resources (annex I compares the integrated resource plan for 2014-2015 against the actual and estimated figures for 2012-2013).

Table 1
Financial framework
(Millions of United States dollars)

	2012-2013 budget						2014-2015 estimates					
	Regular resources		Other resources		Total		Regular resources		Other resources		Total	
			Programme	Cost recovery					Programme	Cost recovery		
	Percentage	Programme	Cost recovery	Percentage	Percentage	Percentage	Percentage	Programme	Cost recovery	Percentage	Percentage	
1. Resources available												
Opening balance	47.9	12.0	208.7	14.8	271.4	27.9	52.5	13.4	153.8	29.3	235.6	25.5
Income												
Contributions	350.0	87.5	327.1	22.9	700.0	71.9	340.0	86.6	324.1	25.9	690.0	74.5
Other income and reimbursements	2.0	0.5	–	–	2.0	0.2	–	0.0	–	–	–	0.0
Total available	399.9	100.0	535.8	37.7	973.4	100.0	392.5	100.0	477.9	55.2	925.6	100.0
2. Use of resources												
A. Development activities												
A.1 Programme	215.0	–	382.0	–	597.0	–	185.1	–	330.0	–	515.1	–
A.2 Development effectiveness	35.9	–	–	4.0	39.9	–	45.5	–	–	5.3	50.8	–
Subtotal (development activities)	250.9	72.2	382.0	4.0	636.9	86.3	230.6	67.8	330.0	5.3	565.9	82.0
B. United Nations development coordination	20.9	6.0	–	–	20.9	2.8	27.3	8.0	–	–	27.3	4.0
C. Management activities												
C.1 Recurring	73.6	–	–	4.4	78.0	–	82.1	–	–	14.7	96.8	–
C.2 Non-recurring	2.0	–	–	–	2.0	–	–	–	–	–	–	–
Subtotal (management activities)	75.6	21.8	–	4.4	80.0	10.8	82.1	24.2	–	14.7	96.8	14.0
D. Special purpose activities												
D.1 Capital investments	–	–	–	–	–	–	–	–	–	–	–	–
D.2 Other activities	–	–	–	–	–	–	–	–	–	–	–	–
Subtotal (special purpose activities)	–	0.0	–	–	–	0.0	–	0.0	–	–	–	0.0
Total institutional budget (A.2+B+C+D)	132.4	38.1	–	8.4	140.8	19.1	154.9	45.6	–	20.0	174.9	25.4
Total use of resources (A+B+C+D)	347.4	100.0	382.0	8.4	737.8	100.0	340.0	100.0	330.0	20.0	690.0	100.0
Balance of resources (1-2)	52.5	–	153.8	29.3	235.6	–	52.5	–	147.9	35.2	235.6	–

53. Figure II illustrates the proportion of resources that are devoted to development activities, management activities and United Nations development coordination activities. UN-Women remains committed to focusing on its development activities while ensuring that it has in place the operational support needed to optimize its programmatic work and should spend 82 per cent of its resources on development.

Figure II
Use of resources, 2014-2015



C. Integrated results and resources framework

54. Table 2 presents the integrated results and resources framework for 2014-2015. This is the first period for which the framework includes both development activities and organizational efficiency and effectiveness (previously “management results framework”) activities. The proposed integrated budget supports the achievement of the six development outcomes and the four output clusters of organizational effectiveness and efficiency results set out in the draft strategic plan for 2014-2017: (a) to drive more effective and efficient United Nations system coordination and strategic partnerships and to act as a knowledge hub on gender equality and women’s empowerment; (b) to develop a strong learning culture founded on results-based management, reporting, knowledge management and evaluation; (c) to enhance organizational effectiveness with robust capacity at the country, regional and corporate levels; and (d) to mobilize and leverage significantly greater resources for gender equality and women’s empowerment.

55. The results and resources framework for the biennium 2014-2015 is presented in table 2. For each cost classification category, linkages are made between organizational outputs, performance indicators and targets, functional clusters and proposed resource requirements. The outputs, the indicators of performance and the baselines and targets in the table are drawn from the draft strategic plan for 2014-2017.

Table 2
Integrated results and resources framework 2014-2015

(Millions of United States dollars)

<i>Outcome/output — development results framework</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)</i>	<i>Target 2015</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
Women lead and participate in decision-making at all levels	–	–	–	–	40.7	72.6	–	113.3
Women, especially the most excluded, are economically empowered and benefit from development	–	–	–	–	40.7	72.6	–	113.3
Women and girls live a life free from violence	–	–	–	–	42.6	75.9	–	118.5
Peace and security and humanitarian action are shaped by women's leadership and participation	–	–	–	–	31.5	56.1	–	87.6
Governance and national planning fully reflect accountability for gender equality commitments and priorities	–	–	–	–	24.1	42.9	–	67.0
A comprehensive set of global norms, policies and standards on gender equality and women's empowerment is in place that is dynamic, responds to new and emerging issues, challenges and opportunities and is applied through action by Governments and other stakeholders at all levels	–	–	–	–	5.6	9.9	–	15.5
Total	–	–	–	–	185.1	330.0	–	515.1
<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
1. More effective and efficient United Nations system coordination and strategic partnerships on gender equality and women's empowerment								
1.1 UN-Women effectively leads, coordinates and promotes accountability for the implementation of gender equality commitments across the United Nations system	Percentage of remedial plans submitted by United Nations entities under the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women reviewed with UN-Women	75%	80%	United Nations coherence and cluster coordination	27.3	–	–	27.3

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
	Number of agencies that track and report on allocations and expenditure using gender markers validated by a quality assurance process (measured by United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women) [quadrennial comprehensive policy review]	3 United Nations agencies are currently reporting using the gender marker	8 United Nations agencies by 2017	–	–	–	–	–
	Number of United Nations country teams that implement performance indicators on gender equality (gender scorecards or similar accountability tools to track the commitments and performance of the United Nations Development Assistance Framework or United Nations strategic frameworks in country)	25 United Nations country teams	37	–	–	–	–	–
	Percentage of United Nations Development Assistance Frameworks and common country programmes finalized with measurable and dedicated results and resources for gender equality [quadrennial comprehensive policy review]	40% of United Nations Development Assistance Frameworks finalized between 2011 and 2012 have strong results on gender equality	60% of approved United Nations Development Assistance Frameworks and common country programme documents approved	–	–	–	–	–
1.2 Effective partnerships between UN-Women and major stakeholders, including civil society, the private sector and regional and international organizations	Number of civil society advisory groups set up	30 civil society advisory groups in place	51 civil society advisory groups established and functioning	Corporate external relations and partnership	1.2	–	–	1.2
	Number of private sector partnerships set up	8 private sector partnerships at a corporate level	12 private sector partnerships at a corporate level	–	–	–	–	–
Total	–	–	–	–	28.5	–	–	28.5

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
2. Institutionalized strong culture of results-based management, reporting, knowledge management and evaluation								
2.1 UN-Women practices results-based management	Percentage of country/multi-country programmes showing a clear results chain from the United Nations Development Assistance Framework and showing use of common United Nations Development Group results-based management principles [quadrennial comprehensive policy review]	To be confirmed	80%	Programme planning, technical programme guidance and support	9.2	–	5.3	14.5
	Availability of baselines and targets for all strategic plan indicators at corporate, regional and country levels [quadrennial comprehensive policy review]	About 75% of the indicators of the strategic plan development results framework and management results framework have baselines and targets for 2014-2017	100% by the end of 2014	Field/country offices oversight, management and operations support	23.0	–	–	23.0
	Percentage of programme funds dedicated to strengthening national capacities [quadrennial comprehensive policy review]	To be confirmed	To be confirmed	–	–	–	–	–
2.2 UN-Women is recognized as a hub of knowledge on achieving gender equality and women's empowerment around the world	Number of citations of UN-Women's flagship products (<i>Progress of the World's Women</i> and <i>World Survey on the Role of Women in Development</i>)	Baseline: <i>Progress of the World's Women</i> : no data; <i>World Survey</i> : 332	10% increase	Policy advocacy and knowledge management	13.3	–	–	13.3
	Number of unique visits to virtual platforms ^c	Baseline 81,000	245,000	–	–	–	–	–
	Number of United Nations agencies using training programmes developed by UN-Women	0	20	–	–	–	–	–
	Number of countries supported by UN-Women to engage in knowledge exchange (including through South-South or triangular cooperation) [quadrennial comprehensive policy review]	Baseline: to be determined (based on first year of reporting)	To be determined	–	–	–	–	–

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
2.3 A clear evidence base generated from high-quality evaluations of strategic plan implementation for learning, decision-making and accountability	Rate of management responses to agreed recommendations	93% management response completion rate in 2012	100% of evaluations completed have a management response within six weeks	Corporate oversight and assurance	1.6	–	0.8	2.5
	Percentage of programme budget earmarked for evaluation	1.5% (2011)	3%	–	–	–	–	–
	Number of strategic plan-relevant decentralized evaluations completed each year	29 decentralized evaluations were completed in 2012, including 11 joint evaluations	30 decentralized evaluations completed annually	–	–	–	–	–
	Number of strategic plan-relevant corporate evaluations completed each year	3 corporate evaluations, 2012-2013	2 corporate evaluations completed annually	–	–	–	–	–
Total					47.1	–	6.1	53.2
3. Enhanced organizational effectiveness, with a focus on robust capacity and efficiency at country and regional levels								
3.1 Effective leadership and direction to advance the mandate and mission of UN-Women	Percentage of strategic plan outputs and outcomes on track [quadrennial comprehensive policy review]	79% of development results framework outcome indicators for 2012-2013 were on track at the end of 2012	80%	Leadership and corporate directions	5.7	–	0.3	6.0
		58% of management results framework indicators were on track at the end of 2012						
3.2 UN-Women staff have the capacity and are accountable for delivering results in gender equality and women's empowerment	Rates of programme expenditure (core and non-core)	73% Core 72% Non-core	Delivery of at least 75% against benchmark (excluding advances)	Corporate human resources management	4.8	–	1.1	5.9

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
3.3 UN-Women promotes a culture of risk management, accountability, harmonization of business practices and transparency in its operations	Percentage of UN-Women offices that are assessed to be at high risk that are subject to either internal or external audit	78%	100%	Corporate financial, information systems and telecommunications and administrative management	3.8	–	0.3	4.1
	Percentage of internal audit recommendations implemented by target completion dates	78%	90%	Global staff and premises security	5.2	–	–	5.2
	Percentage of external audit recommendations implemented by target completion dates	89%	100%	–	–	–	–	–
	Percentage of all UN-Women operations that comply with the United Nations security management system	81% compliance in 2012	90% compliance in 2012	–	–	–	–	–
	UN-Women publishes its programme data with the International Aid Transparency Initiative	Phase 1 completed in November 2012	Completion of all phases and routine reporting of programme information to donors through the International Aid Transparency Initiative	–	–	–	–	–
	Simplified and harmonized internal programming process is adopted for UN-Women country offices [quadrennial comprehensive policy review]	System of strategic notes and annual workplans adopted as interim measure	By the end of 2017, all country office programming processes have been simplified and harmonized with United Nations Development Assistance Frameworks and the common country programme documents	–	–	–	–	–

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
	Percentage of UN-Women country offices that adopt common services on procurement, human resources and information technology [quadrennial comprehensive policy review]	To be confirmed	To be confirmed in line with the targets of the United Nations Development Group	–	–	–	–	–
Total	–	–	–	–	19.5	–	1.6	21.2
4. To leverage and manage resources								
4.1 Improved stewardship of resources through budget, financial, human resources and information technology management	Percentage of UN-Women donor reports meeting quality standards	To be confirmed by the end of 2013	80%	Management of operations and field offices, including corporate financial, information systems and telecom and administrative management	50.5	–	11.2	61.8
	Average turnover time for the identification of qualified candidates and complete recruitment	16 weeks	15 weeks	Field office oversight, management and operations support	–	–	–	–
	Percentage availability and uptime of corporate information and communications technology systems	To be determined (fourth quarter of 2013)	99%	Corporate external relations and partnerships, communications and resources mobilization	–	–	–	–
	Percentage of total core expenditures directed to programme expenditure as opposed to non-core expenditure [quadrennial comprehensive policy review]	To be confirmed	To be confirmed	–	–	–	–	–
4.2 Resource base is expanded and diversified to meet the demand for UN-Women catalytic and technical support and strategic grant-making	Amount of total regular resources raised	\$113.9 million in 2012	To be determined based on final integrated budget document	–	5.4	–	0.5	5.9
	Amount of other resources raised	\$93.7 million in 2012	To be determined based on final integrated budget document	–	–	–	–	–
	Number of Member States that contribute to UN-Women core resources	At the end of 2012, 113 Member States contribute to UN-Women	A minimum of 120 government donors secured and maintained, 20% of which is in line with a multi-year format	–	–	–	–	–

<i>Outcome/output — Organizational effectiveness and efficiency</i>	<i>Key performance indicator</i>	<i>Latest data (baseline)^a</i>	<i>Target for 2015^b</i>	<i>Functional cluster</i>	<i>Regular resources</i>	<i>Other resources</i>	<i>Cost recovery</i>	<i>Total</i>
4.3 UN-Women communications capacity and systems provide a foundation for effective advocacy of gender equality and the empowerment of women	Percentage increase of global media coverage of UN-Women, its priorities and programmatic work	1,500 unique news reports in leading news media in 2012	15% increase	Corporate external relations and partnerships, communications and resource mobilization	3.9	–	0.5	4.4
	Percentage increase in the number of unique visitors to UN-Women and Womenwatch websites	1.4 million in 2012	10% increase		–	–	–	–
	Percentage increase in the number of followers on UN-Women managed social media networks around the issue of gender equality and women's empowerment	430,000 followers in 2012	100% increase		–	–	–	–
Total	–	–	–	–	59.8	–	12.2	72.0
Total, Organizational effectiveness and efficiency	–	–	–	–	154.9	–	20.0	174.9
Grand total	–	–	–	–	340.0	330.0	20.0	690.1

^a Baselines are as at the end of 2012 unless otherwise indicated.

^b Targets and baselines will be reviewed and updated during the midterm review of the strategic plan for 2016-2017.

^c UN-Women's virtual platforms include the knowledge gateway for women's economic empowerment, the UN-Women global virtual campus, the community of practice for training on gender equality, the UN-Women roster of experts and trainers, the gender equality and HIV/AIDS web portal, the gender responsive budgeting website (iknowpolitics.org).

1. Allocation of resources to development outcomes

56. The allocation of resources to the six impact areas of the draft strategic plan for 2014-2017 is being submitted for the first time for consideration by the Executive Board as part of the present integrated budget proposal.

57. It is important to note that the figures in the proposals below are indicative and will continue to be reviewed and updated on the basis of the actual requirements. By definition, these are not fully costed estimates of what is necessary for the achievement of each impact, since many other elements (e.g. national Governments) contribute towards attaining the results. These are UN-Women estimates of their contribution to achieving these targets.

58. As a recently established entity, UN-Women approaches resource allocation to development impact areas by taking into account two primary criteria. First, it allocates resources on the basis of the results envisaged in the draft strategic plan, noting such factors as the anticipated country coverage under each area and the inherent costs associated with the types of inputs and activities associated with those areas. Second, it uses prior demand and expenditures as a guide for calculating future demand.

59. A review of expenditures in 2012 showed that: (a) 22 per cent of programme funds were spent on women's leadership; (b) 21 per cent of programme funds were spent on women's economic empowerment; (c) 24 per cent of programme funds were spent on ending violence against women; (d) 14 per cent of programme funds were spent on work on women, peace and security; (e) 11 per cent of programme funds were spent on governance and national planning for gender equality commitments and priorities; and (f) 1 per cent¹ of programme funds were spent on promoting global norms, policies and standards on gender equality and women's empowerment. (Some 7 per cent of programme funds were coded as "cross-thematic", meaning that they were spread across a number of priority areas.)

60. These expenditures represent the level at which UN-Women met national demand within available resources. National demand exceeds resources available and is likely to increase now that the Entity has fully implemented the regional architecture. Keeping this in mind, the previous allocation provides the primary basis by which UN-Women will determine indicative allocations between the impact areas of the strategic plan's development results.

61. The allocations are expected to be as follows:

- (a) Women lead and participate in decision-making at all levels — 22 per cent;
- (b) Women, especially the poorest and most excluded, are economically empowered and benefit from development — 22 per cent;
- (c) Women and girls live a life free from violence — 23 per cent;
- (d) Peace and security and humanitarian action are shaped by women's leadership and participation — 17 per cent;
- (e) Governance and national planning fully reflect accountability for gender equality commitments and priorities — 13 per cent;

¹ This percentage does not fully capture the work at the field level which supports the national implementation of, and contribution to, global norms and standards.

(f) A comprehensive and dynamic set of global norms, policies and standards on gender equality and women's empowerment is in place and is applied through action by Governments and other stakeholders at all levels — 3 per cent.

62. It is projected that some \$515 million will be spent on development outcomes.

2. Allocation of resources to organizational efficiency and effectiveness

63. In terms of organizational effectiveness and efficiency outputs, resources are allocated in line with the harmonized methodology approved by the Executive Board. Accordingly, funds are allocated to (a) development activities, split between development effectiveness and programmes; (b) United Nations development coordination; (c) management; and (d) special-purpose activities. The total requested gross appropriation of \$174.9 million relates to these cost classifications.

64. The costing of organizational effectiveness and efficiency is done through functional clusters, which are groupings of organizational units that carry out activities in order to deliver intended outputs. As functional clusters group together a number of organizational units that deliver certain outputs, they constitute the conceptual link between results and resources in the Executive Board-approved results-based budgeting framework.

65. The organizational effectiveness and efficiency results of UN-Women build on the management results framework for 2011-2013 and support the harmonized inter-agency integrated results and resources framework. The four system-level output clusters outlined in the 2011-2013 management results framework remain relevant to support the Entity's normative role, coordination function and operational activities in the field and its policymaking, knowledge generation and advocacy functions.

66. Annex II details organizational efficiency and effectiveness outputs and associated allocations.

D. Summary of increases and decreases in the integrated budget

67. Since its inception, in order to optimize the use of its limited resources, UN-Women has established operational working modalities that are cost-efficient while ensuring that minimum basic capacities and systems are in place to exercise oversight and support accountability and transparency. The strategy for cost-effectiveness and containment evolved around four pillars, namely: (a) outsourcing activities and services to the United Nations Secretariat and United Nations agencies, mainly to UNDP, which have solid and adequate infrastructure, systems and capacities; (b) consolidating functions and transactions that are better performed in one location; (c) working with other United Nations agencies, including by learning from those business practices that are applicable to UN-Women and participating in inter-agency initiatives to simplify business processes and improve efficiencies; and (d) aligning costs to available resources, as with the implementation of the regional architecture. As described in section III above, UN-Women was able to implement major institutional changes, including the implementation of International Public Sector Accounting Standards, within a year with very limited resources and capacity.

68. It is, however, important to highlight the fact that this strategy carries certain risks, especially when it comes to outsourcing core functions that are essential to the well-being and integrity of an organization. Outsourcing such functions also has implications for the retention of knowledge. Mindful of the resource constraints, UN-Women proposed, in the institutional budget for 2012-2013, significant non-post reductions totalling \$12.4 million. Although these were implemented during the period, maintaining this level of reduction has proved to be unsustainable in the longer term.

69. UN-Women proposes an increase of \$27.0 million in its integrated budget appropriation request, from \$147.9 million (restated) to \$174.9 million, almost exclusively to cover costs related to the full implementation of the Entity's agreed structure and mandate, with minimal changes due to volume.

Table 3
Summary of increases and decreases

(Millions of United States dollars)

	<i>Total</i>	<i>Increase/ (decrease) percentage</i>
I. 2012-2013 institutional budget		
Institutional budget from voluntary resources	137.3	–
Security costs	2.7	–
Adoption of the International Public Sector Accounting Standards	0.8	–
Total	140.8	–
Regional architecture (staff)	6.6	–
Regional architecture (non-staff)	0.5	–
Restated approved budget (Executive Board decision 2012/6)	147.9	0.0
II. Increases and decreases owing to costs and non-discretionary costs		
1. Inflation, currency and staff costs (staff)	22.0	14.9
2. Reimbursement to the United Nations resident coordinator system/Joint Inspection Unit (non-staff)	2.3	1.5
3. Reimbursement to the Department for General Assembly and Conference Management (non-staff)	1.1	0.8
4. Reimbursement to the Department of Safety and Security (non-staff)	1.7	1.1
5. United Nations Development Programme reimbursement services (non-staff)	2.1	1.4
Net total increases due to cost and non-discretionary costs	29.2	19.7
III. Increases due to volume		
1. Strengthening internal audit capacity (non-staff)	1.1	0.7
2. Strengthening capacity for intergovernmental support, resource mobilization and communications (staff)	1.4	1.0
3. Strengthening United Nations coordination and accountability (staff)	0.5	0.3

	<i>Total</i>	<i>Increase/ (decrease) percentage</i>
4. Base operating budget for field offices and 10 offices annualized (non-staff)	3.9	2.6
5. Specific operating cost requests field offices, Headquarters, etc. (non-staff)	0.5	0.3
Total increases owing to volume	7.3	4.6
IV. Budgetary discipline		
Vacancy rate (staff)	(9.5)	(6.4)
Total other decreases	(9.5)	(6.4)
V. Net increase (decrease)	27.0	18.3
IV. 2014-2015 Institutional budget estimates	174.9	–
VII. Estimated income under institutional budget	(20.0)	–
VIII. 2014-2015 net budget estimates	154.9	–

70. The major reasons for the increase are set out below.

Staff costs

71. Staff costs increase by a net total of \$21.0 million, from \$104.8 million in the original institutional budget for 2012-2013 to \$125.8 million:

(a) Full implementation of the original 2012-2013 agreed post table accounts for \$6.1 million of this increase. Within the 2012-2013 budget proposal, posts were introduced and included in alignment with the proposed opening of new offices. Hence, the posts relating to the 10 offices that were planned to be opened in 2013 were only included in the budget for a 12-month period. In the budget for 2014-2015, these posts have been included for the full two-year period;

(b) There is also a cost increase relating to the full implementation of the regional architecture structure. As approved in Executive Board decision 2012/6, UN-Women gained 39 new posts, bringing to 426 the total number of posts funded by the institutional budget. The cost of these posts for the two-year period from 2014 to 2015 results in an increase of \$10.6 million compared to the original budget for 2012-2013, which did not include these posts;

(c) Staff salaries are aligned to the rates for location and grade approved by the International Civil Service Commission, which means that there is little flexibility for reducing the impact of salary increases. From 2012-2013 to 2014-2015, the actual increase, coupled with a generic inflationary rise of 5 per cent across the organization, results in a total increase in costs of \$11.8 million for all 426 posts;

(d) Partially offsetting these costs is a decrease in the cost base of \$9.5 million owing to the introduction of a vacancy rate of 7 per cent. UN-Women does not have sufficient historic data to accurately forecast an average rate or analyse the situation in each office. However, given its status as a relatively new

organization that is still recruiting, coupled with the normal turnover of staff, it is believed that a rate of 7 per cent is realistic. The Entity will monitor the real status and adjust the rate accordingly for the next budget proposal;

(e) The only volume increase being introduced by UN-Women is linked to the request that areas critical to the organization be strengthened (resource mobilization, accountability and effectiveness, United Nations system coordination, linkages between normative and operational work as mandated by the General Assembly in its resolution 64/289 and support to the Executive Board), the cost of which is currently estimated at \$1.9 million. In addition, it is proposed that two P-5 posts be upgraded to the D-1 level.

Non-staff costs

72. Non-staff costs increase by a total of \$13.1 million, from \$36 million in the original budget for 2012-2013 to \$49.1 million in the budget for 2014-2015:

(a) 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. This proposal results from an analysis of the actual base operating costs of the offices, which are required to cover rent, furniture and equipment, supplies, travel, training, consultants, communications and other miscellaneous expenses that cannot be directly charged to this category. According to the analysis, a level of \$100,000 per office is a more appropriate baseline. Some \$500,000 distributed throughout the organization relating to specific requests from field offices and Headquarters to cover communications, travel, training and other administrative costs has also been included;

(b) As noted above, it was proposed that 10 new approved offices would be operational during 2013. The biennial operating budgets for those offices, together with the increase in the base operating budget for all field offices proposed above, results in a total increase of \$3.9 million;

(c) The amount of \$500,000 relates to the introduction, as part of the regional architecture, of a number of offices ahead of the initial timetable;

(d) Following the United Nations Development Group review of the resident coordinator system funding modalities and agencies' contributions, the estimated proposed contribution from UN-Women is about \$2.1 million;

(e) UN-Women will now fully contribute to the cost of the Joint Inspection Unit with an increase of \$200,000;

(f) A number of internal and external reviews have resulted in requests and advice that UN-Women strengthen its audit structure. Compared to the 2012-2013 budget, therefore, there has been an increase in projected audit-related costs of some \$1.1 million to cover all related aspects: internal, the United Nations Board of Auditors and the Audit Advisory Committee;

(g) Charges from other United Nations agencies were originally estimated in the budget for 2012-2013 on the basis of existing service-level agreements signed in 2011. Given the actual charges received over the past two years and the projections for 2014-2015, the increase expected from the Department for General Assembly and Conference Management and UNDP is \$3.2 million;

(h) Security costs are based on head-count figures and, owing to the growth of UN-Women, have increased by \$1.7 million from 2012-2013.

E. Summary of post changes

73. UN-Women proposes the creation of five new posts that are required in key areas of its work to implement the provisions of the draft strategic plan for 2014-2017. In addition, it proposes that two evaluation and human resources management leadership posts be upgraded.

74. *Strengthening leadership of the evaluation function.* It is proposed that the post of Evaluation Director be upgraded to reflect the complexity of its functions, as the incumbent serves all aspects (normative, intergovernmental, programmatic and coordination) of the mandate of UN-Women and plays a key role in system-wide coordination. This key role was ascertained at the annual meeting of the Executive Board in 2013.

75. *Strengthening leadership of human resources management.* The management of human resources and the development of staff is paramount to the success of UN-Women. The Entity considers its human resources to be its key asset and its work on human resources planning, development and management is critical to organizational sustainability.

76. *Strengthening resource mobilization capacity.* The resource mobilization targets for regular resources, other resources and private sector funding were not met in 2011-2012. This was partly because of the financial crises, but also because of a lack of capacity to fully implement the resource mobilization strategy. Given the already reduced resource mobilization targets (for both regular and other resources) during these crucial formative years, it is essential to bolster resource mobilization capacity to fulfil the mandate given to UN-Women by Member States. Furthermore, UN-Women has been strongly encouraged by its Executive Board to expand its donor base and include a greater percentage of funds from the private sector. In view of the fact that this is a new area for UN-Women, a minimum investment in capacity is required to build the partnerships that will allow the Entity to tap into potentially significant non-core and core funds to support its priority areas.

77. *Strengthening normative-operational work.* This refers to providing support for the work of UN-Women in strengthening the normative-operational link in the intergovernmental work on gender equality and logistical and organizational support for servicing and reporting on the work of the Executive Board in a timely and effective manner.

78. *Strengthening the work of UN-Women on a system-wide action plan on gender equality and women's empowerment.* Specific assistance is needed to support United Nations entities in reporting on the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women and implementing remedial plans developed through such reporting. This work involves, inter alia, supporting the preparation of a substantive, analytical and highly statistical report of the Secretary-General on the improvement of the status of women, on a biennial basis; facilitating, monitoring and tracking progress towards gender parity in the United Nations system; and developing related technical materials.

79. An overview of all posts, by location, is contained in table 4 below.

Table 4
Institutional budget posts, by location

	<i>2013 approved</i>							<i>Net changes</i>					<i>2014-2015 proposed</i>							
	<i>USG/ ASG</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>USG/ ASG</i>	<i>D-2</i>	<i>D-1</i>	<i>Other Professional</i>	<i>All other</i>	<i>Total</i>	<i>USG/ ASG</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	–	–	–	–	–	0	0	0	10	165	111	286	66
Headquarters	1	4	6	78	51	140	33	–	–	2	3	–	5	1	4	8	81	51	145	34
Total	1	4	16	243	162	426	100	0	0	2	3	0	5	1	4	18	246	162	431	100

Abbreviations: USG, Under-Secretary-General; ASG, Assistant Secretary-General.

F. Elements of a decision

80. The Executive Board may wish to:

(a) Welcome the UN-Women integrated budget for 2014-2015, which presents a single, integrated budget that includes all budgetary categories, to complement the draft strategic plan for 2014-2017;

(b) Commend the continued focus on results and the enhanced linkages with the results and harmonized methodology and presentation of the draft strategic plan, including with regard to cost classification, attribution and recovery;

(c) Take note of the results and resource requirements in the UN-Women integrated budget estimates for 2015-2017, including linkages between results and resources;

(d) Approve gross resources in the amount of \$174.9 million to support organizational effectiveness and efficiency and note that these estimates include an amount of \$20 million for cost recovery for other resources;

(e) Note that excess extrabudgetary income will be used to support management activities;

(f) Authorize UN-Women to allocate \$2 million for the continuing improvement of its organizational efficiency and effectiveness and request UN-Women to report informally thereon.

Comparison of estimated forecast figures for 2012-2013 against the proposed budget for 2014-2015

A comparison of the estimated forecast figures for 2012-2013 against the proposed budget for 2014-2015 is contained in the table below.

Financial framework

(Millions of United States dollars)

	2012 actuals-2013 estimates						2014-2015 budget					
	Regular resources		Other resources		Total		Regular resources		Other resources		Total	
			Percentage	Programme					Cost recovery	Percentage		
1. Resources available												
Opening balance	47.9	16.4	208.7	14.8	271.4	37.2	27.4	7.4	131.7	16.5	175.6	20.3
Income												
Contributions	244.0	83.6	206.1	7.9	458.0	62.8	340.0	92.6	324.1	25.9	690.0	79.7
Other income and reimbursements	–	0.0	–	–	–	0.0	–	0.0	–	–	–	0.0
Total available	291.9	100.0	414.8	22.7	729.4	100.0	367.4	100.0	455.8	42.5	865.6	100.0
2. Use of resources												
A. Development activities												
A.1 Programme	142.4	–	283.2	–	425.6	–	185.1	–	330.0	–	515.1	–
A.2 Development effectiveness	29.6	–	–	3.2	32.8	–	45.5	–	–	5.3	50.8	–
Subtotal, Development activities	172.0	65.0	283.2	3.2	458.4	82.8	230.6	67.8	330.0	5.3	565.9	82.0
B. United Nations development coordination	16.6	6.3	–	–	16.6	3.0	27.3	8.0	–	–	27.3	4.0
C. Management activities												
C.1 Recurring	74.2	–	–	2.9	77.1	–	82.1	–	–	14.7	96.8	–
C.2 Non-recurring	1.8	–	–	–	1.8	–	–	–	–	–	–	–
Subtotal, Management activities	75.9	28.7	–	2.9	78.9	14.2	82.1	24.2	–	14.7	96.8	14.0
D. Special-purpose activities												
D.1 Capital investments	–	–	–	–	–	–	–	–	–	–	–	–

	2012 actuals-2013 estimates						2014-2015 budget					
							<i>Other resources</i>					
	<i>Regular resources</i>	<i>Percentage</i>	<i>Programme</i>	<i>Cost recovery</i>	<i>Total</i>	<i>Percentage</i>	<i>Regular resources</i>	<i>Percentage</i>	<i>Programme</i>	<i>Cost recovery</i>	<i>Total</i>	<i>Percentage</i>
D.2 Other activities	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal, Special-purpose activities	-	0.0	-	-	-	0.0	-	0.0	-	-	-	0.0
Total, Institutional budget (A.2+B+C+D)	122.1	46.2	-	6.1	128.3	23.2	154.9	45.6	-	20.0	174.9	25.4
Total use of resources (A+B+C+D)	264.6	100.0	283.2	6.1	553.9	100.0	340.0	100.0	330.0	20.0	690.0	100.0
Balance of resources (1-2)	27.4	-	131.7	16.5	175.6	-	27.3	-	125.8	22.5	175.5	-

Annex II

Organizational efficiency and effectiveness outputs and associated allocations

Institutional results framework output cluster 1: to drive more effective and efficient United Nations system coordination and strategic partnerships on gender equality and women’s empowerment (total proposed allocation: \$28.5 million)

1. This cluster has two outputs, one under United Nations development coordination and one under management activities. The cluster will be strengthened through increased investment in the United Nations resident coordinator system (\$2.1 million) and the establishment of a proposed P-3 post to support the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (\$400,000).

Output 1.1. UN-Women effectively leads, coordinates and promotes accountability for the implementation of gender equality commitments throughout the United Nations system (proposed allocation: \$27.3 million under United Nations development cooperation)

2. This output focuses on how the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) will lead, expand and support greater effectiveness and promote accountability across the United Nations system at the country, regional and global levels:

(a) UN-Women will work as part of the United Nations resident coordinator system to coordinate effective system-wide responses to national priorities through joint programmes and by mainstreaming gender equality into United Nations country team priority areas. In line with General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, UN-Women will support United Nations country teams in the use of tools, such as the gender scorecard and gender marker, to strengthen accountability for gender mainstreaming. UN-Women will support the coordinated work of gender specialists to promote coherent United Nations system responses, stronger gender-equality outcomes in United Nations Development Assistance Frameworks and “One United Nations” programmes, and more systematic involvement of gender equality advocates;

(b) UN-Women will support regional United Nations Development Group teams and the regional coordination mechanisms of the regional commissions to engage more systematically in mobilizing technical expertise for United Nations country teams to assess capacity gaps and jointly support national partners in improving knowledge and evidence on gender equality;

(c) UN-Women will use its membership in high-level decision-making bodies at the global level to advocate for system-wide policies in key sectoral areas, to secure enhanced commitments to comprehensive strategies on gender equality and to support implementation of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women.

Output 1.2. Effective partnerships between UN-Women and major stakeholders, including civil society, the private sector and regional and international organizations, will continue to play a critical role in advancing the normative and implementation agenda (proposed allocation: \$1.2 million under management)

3. UN-Women will continue to forge effective partnerships with civil society and facilitate the participation of civil society in intergovernmental processes and key international policymaking forums. The national, regional and global groups of the Global Civil Society Advisory Group will be essential to building dialogue among all stakeholders to strengthen ownership of the development and normative agenda on gender equality and women's empowerment.

4. UN-Women will develop and enhance innovative partnerships with the private sector and private philanthropic foundations to diversify reliable sources of revenue and increase awareness and understanding of their role in advancing women's empowerment and gender equality. UN-Women will engage with private sector partners to influence their operations for the benefit of women. These partnerships will enable the Entity to leverage business supply chains, technology, innovation and philanthropic trends, access goods and services and pool resources to advance the empowerment of women and gender equality.

Institutional results framework output cluster 2: to institutionalize a strong culture of results-based management, reporting, knowledge management and evaluation (total proposed allocation: \$53.2 million)

5. This cluster has three outputs, two under development effectiveness and one under management. The cluster will be strengthened through the proposed upgrading of the post of Chief of Section from P-5 to D-1, in line with the importance and emphasis that Member States, the Executive Board and the Audit Advisory Committee place on the evaluation function.

Output 2.1. UN-Women practises results-based management (proposed allocation: \$37.5 million under development effectiveness)

6. UN-Women has invested significantly in the quality of results-based management since its establishment, as a prerequisite for managing for results and as part of a broader organizational orientation to improve the focus on results. Steps taken have included the development of results-based country-level plans and a new results tracking system. UN-Women will increase its investment in staff training, improve its results tracking system and introduce an external assessment of the quality of results-based management in its country workplans in order to strengthen a culture of results-based management within the organization at all stages of programming.

Output 2.2. UN-Women is recognized as a hub of knowledge for achieving gender equality and women's empowerment around the world (proposed allocation: \$13.3 million under development effectiveness)

7. UN-Women acts as a hub of knowledge on gender equality and women's empowerment and supports its partners to develop capacity, analyse critical challenges and catalyse more effective progress towards gender equality. It will conduct and share research and analysis on methods for achieving gender equality, drawing on experience, good practices, lessons learned and a robust evaluation

function. Publications, including its two flagship reports, *Progress of the World's Women* and the *World Survey on the Role of Women in Development*, will make the latest knowledge on gender equality and the situation of women easily accessible. UN-Women will work with partners to improve the availability, quality and comparability of gender-related statistics to inform gender-responsive policy and programming, including through the multi-stakeholder, inter-agency Evidence and Data for Gender Equality initiative.

8. UN-Women will share and disseminate knowledge using state-of-the-art technology and through South-South and triangular cooperation, demonstrating innovative approaches that can be scaled up by national, multilateral and bilateral partners. Knowledge-sharing will link policy and programme interventions, supporting synergies between the normative, coordination and operational mandates of UN-Women. In addition, the Entity will continue to develop training programmes for partners, together with other United Nations system organizations, and will support increased capacity through the UN-Women roster of experts.

Output 2.3. A clear evidence base generated from high-quality evaluations of strategic plan implementation for learning, decision-making and accountability (proposed allocation: \$2.5 million under management)

9. The evaluation function is governed by an evaluation policy that complies with the norms and standards of the United Nations Evaluation Group. Evaluations assess the operational work of UN-Women at all levels, its intergovernmental normative support work and its coordination role within the United Nations system. All evaluations assess the coherence of normative and operational work and feed into knowledge management systems. Evaluation findings, recommendations and lessons learned are used to improve organizational and United Nations system-wide performance.

Institutional results framework output cluster 3: to enhance organizational effectiveness, with a focus on robust capacity and efficiency at the country and regional levels (total proposed allocation: \$21.2 million)

10. This cluster has three outputs, all under management. The cluster will be strengthened through the proposed addition of two P-2 posts under output 3.1 within the Intergovernmental Support Division and the upgrading of the post of Chief of Human Resources from P-5 to D-1 under output 3.2.

Output 3.1. Effective leadership and direction to advance the mandate and mission of UN-Women (proposed allocation: \$6 million under management)

11. The UN-Women executive leadership function will lead the programmes of the Entity and drive its broader leadership in the United Nations system and beyond in promoting enhanced gender mainstreaming. Costs within this output relate to the Office of the Executive Director, excluding those costs included within the regular programme budget, totalling \$6 million.

Output 3.2. UN-Women staff have the capacity and are accountable for delivering results in gender equality and women's empowerment (proposed allocation: \$5.9 million under management)

12. As part of the establishment and strengthening of its field structure, including through the Board-approved implementation of the new regional architecture,

UN-Women has strengthened and extended the accountability of representatives in the field. It has done so through enhanced delegation of authority, moving from a centralized to a more decentralized organization, with instruments detailing the expectations and responsibilities of representatives. UN-Women representatives will continue to receive leadership and accountability training, and all operations and programme managers will be trained in operational policies and programming procedures. UN-Women will strengthen mechanisms that hold representatives accountable for the achievement of results, including through quantitative and qualitative results-monitoring, linking results tracking to assessments of representatives' performance, decentralized evaluation and the use of midterm reviews of workplan achievement to assess performance. Accountability will also be addressed through broader monitoring efforts, including the UN-Women management information dashboard, which tracks performance at the country level using four key areas of performance.

Output 3.3. UN-Women promotes in its operations a culture of risk-management, accountability and transparency (proposed allocation: \$9.3 million under management)

13. This output will be strengthened through an increase in personnel, the related charges of the Department of Safety and Security of the United Nations and the requirement for extra audit support through the Audit Advisory Committee and internal auditing.

14. UN-Women is committed to organizational improvement and strengthened accountability in organizational policies and procedures. It has introduced an internal control framework for all UN-Women offices. The new internal control and delegation of authority frameworks are supported by the Entity's new programme and operations manual, which provides staff with definitive guidance on policies and procedures.

15. UN-Women continues to leverage United Nations system resources, rather than build its own full-fledged structures at Headquarters and in the field. In addition, UN-Women makes use of the long-term agreements established by the United Nations system.

16. UN-Women will introduce an enterprise-risk-management model to strengthen its governance and accountability structure. It will pay particular attention to implementing internal and external audit recommendations, while ensuring that field offices respond and take action to address audit issues for nationally implemented projects. Continued implementation of the International Aid Transparency Initiative will help the organization to be more accountable with regard to the use of resources.

17. UN-Women issued a new legal framework to address non-compliance with United Nations standards of conduct, together with accompanying policies protecting staff against retaliation and prohibiting harassment and abuse of authority.

Institutional results framework output cluster 4: leveraging and managing resources (total proposed allocation: \$72 million)

18. This cluster has three outputs, all under management. The cluster will be strengthened through the proposed addition of two P-3 posts under output 4.2 on resource mobilization, supporting foundations and partnerships.

Output 4.1. Improved stewardship of resources through budget, financial, human resources and information technology management (proposed allocation: \$61.8 million under management)

19. UN-Women will continue to manage the resources entrusted to it in accordance with the Financial Regulations and Rules adopted by the Executive Board in April 2011 by:

- (a) Strengthening and maintaining cost-effective and transparent systems of financial management and accountability;
- (b) Supporting the results-based budgeting of resources;
- (c) Allocating and distributing budgets in a timely manner;
- (d) Managing and reporting on financial transactions.

20. UN-Women implemented strong financial control processes in 2012, introducing new comprehensive year-end and month-end closure instructions, monthly management reporting, budget monitoring, donor reporting that is compliant with the International Public Sector Accounting Standards and a detailed finance manual to complement the programme and operational manual. It will continue to develop and enhance these procedures to further improve controls over its resources.

21. UN-Women ensures that human resources services are proactive, client-oriented and efficient, facilitating an enabling working environment for staff. It will employ an e-recruitment platform as part of an inter-agency initiative led by the United Nations Development Programme that will make it possible to screen and review job applications more quickly. The Entity will also introduce a mobility policy to attract and retain talent by offering career-building opportunities.

22. The UN-Women information and communications technology strategy includes three strategic initiatives: the communication, collaboration and content initiative, which will ensure that UN-Women communicates effectively and provide robust facilities for publishing web content, portals and intranet and extranet collaboration; the efficiency and transparency initiative, which will ensure that UN-Women business processes are effectively supported and streamlined and build capabilities for the disclosure of data in line with the Entity's disclosure policies; and the "robust information and communications technology infrastructure and services initiative", which will ensure that UN-Women offices have the infrastructure and support arrangements in place to allow personnel to work efficiently with minimal disruptions.

Output 4.2. Resource base is expanded and diversified to meet the demand for UN-Women catalytic and technical support and strategic grant-making (proposed allocation: \$5.9 million under management)

23. Resource mobilization has been a key challenge ever since UN-Women was established, and remains the most significant challenge going forward. In a difficult financial climate and given the very low baselines against which increases have taken place the strong support for the Entity's work has not been matched by funding. Although the targets for 2012-2013 have not been achieved, it is worth noting that the number of donors has increased and that there has been modest success in leveraging funding from the private sector and foundations.

24. The UN-Women mandate, the Entity's high dependence on voluntary contributions and the importance of delivering results in its early years, makes it critical that donors prioritize and set a new and higher baseline for resources, in keeping with their stated commitment to gender equality and women's empowerment. Without increased contributions, the level of funding provided to UN-Women will not allow it to carry out its mandate.

25. Resource mobilization and fundraising activities will be intensified and be guided by a strategic partnership and resource mobilization strategy that (a) targets a diverse donor base that includes traditional and non-traditional donors, including the private sector, foundations and individuals, and contributions to the United Nations Trust Fund to End Violence against Women, thematic funds and the Fund for Gender Equality; (b) builds partnerships and accesses donor funds at the programme country level; and (c) utilizes diverse communications platforms to broaden outreach to the general public, to make the case for gender equality and women's empowerment and to brand UN-Women globally.

Output 4.3. UN-Women communications capacity and systems provide a foundation for effective advocacy for gender equality and the empowerment of women (proposed allocation: \$4.4 million)

26. The UN-Women communications strategy aims to drive and support advocacy efforts to advance women's empowerment and gender equality, enhance public awareness of gender equality goals and the role of UN-Women in achieving them and promote positive behaviour and attitude change. UN-Women will continue to take full advantage of news and online media, securing coverage of gender-equality issues and the Entity's work in media outlets and social media at the global, regional and national levels.

Annex III

Update on progress made in the implementation of the regional architecture

1. The implementation of the new regional architecture means the beginning of a new way of working for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). Country offices have been significantly strengthened and are supporting national Governments and the United Nations system with increased staff, resources, training and delegation of authority. Experienced regional directors are able to respond with authority and resources to national and regional priorities. As day-to-day programme and operations management continues to transition to regional offices, leaders and managers at Headquarters are increasingly focusing on overall programme strategy and policies, monitoring and management. Organization-wide, critical business processes around operations, programme implementation and management have been shortened and simplified for all staff in all functions.

2. Four of the six regional offices have been set up, with varying levels of staffing in place. Six multi-country offices have been set up and 15 subregional offices have either already transitioned to country offices and multi-country offices, or are in the process of transitioning. By the end of 2013, UN-Women will have 6 regional offices, 6 multi-country offices, 48 country offices and a programme and/or policy presence in 28 countries. Regional directors have been recruited and are in place for the regional offices in Bangkok, Nairobi, Panama and Cairo. The regional director for the office in Dakar is being recruited. The office in Istanbul is in the process of being set up and its regional director is being recruited.

3. The following three main benefits of the regional architecture are already evident:

(a) Consolidation of resources and economies of scale:

(i) A total of 15 subregional offices have been consolidated into 6 regional offices, resulting in clearer reporting lines, simpler processes and more rapid decision-making;

(ii) Senior leadership can be located in the field to respond to national and regional priorities;

(b) Empowered decision-making in the field and improved efficiency:

(i) Transactions of less than \$3 million are managed in the field (previously, requests for transactions of over \$100,000 and, in some cases, \$30,000, had to be sent to Headquarters for approval, leading to delays of up to four months);

(ii) The number of offices with delegation of authority has increased by 65 per cent, from 17 in 2012 to 28 in 2013;

(c) Strengthened country offices:

(i) The number of staff in the field has increased by 57 per cent, from 213 at the beginning of 2011 to 335 in 2013;

(ii) The number of special service agreements and service contracts has decreased by over 15 per cent.

Annex IV

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.

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

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”).

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 and non-UNDP operations administered by UNDP.

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