

Chapter III

Certification of the financial statements

Letter dated 27 April 2017 from the Director of the Division of Management and Administration of the United Nations Entity for Gender Equality and the Empowerment of Women addressed to the Chair of the Board of Auditors

Pursuant to Financial Rule 1201, I certify that, to the best of my knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements for the year ended 31 December 2016.

I, acknowledge that:

The management is responsible for the integrity and objectivity of the financial information included in these financial statements;

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and include certain amounts that are based on the management's best estimates and judgments;

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that, overall, policies and procedures are implemented with an appropriate segregation of duties. The internal auditors continually review the accounting and control systems;

The management provided the internal auditor with full and free access to all accounting and financial records.

The recommendations of the United Nations Board of Auditors and internal auditors are reviewed by the management. Internal control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

I am in receipt of a letter of certification from the Deputy Assistant Administrator, Deputy Director and Chief Finance Officer, Bureau of Management, United Nations Development Programme (UNDP), which provides the same assurances with respect to UNDP accounting procedures and related systems of control to the extent that services are provided by United Nations Development Programme to UN-Women, as per the service level agreements currently in force.

(Signed) Moez **Doraid**

Director
Division of Management and Administration
United Nations Entity for Gender Equality
and the Empowerment of Women

Chapter IV

Financial report for the year ended 31 December 2016

A. Introduction

1. The Executive Director of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) has the honour to submit the financial report for the year ending 31 December 2016, together with the audited financial statements and the report of the Board of Auditors. This submission is made in compliance with regulations 12.1 and 26.2 of the Financial Regulations and Rules of UN-Women. The annual financial statements cover all the resources for which the Executive Director is responsible.

2. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and were transmitted to the Board of Auditors on 28 April 2016. The Advisory Committee on Administrative and Budgetary Questions has received the financial statements of UN-Women for 2016, as required by financial rule 1202. The Board of Auditors has given its opinion and report on the 2016 financial statements, both of which are also submitted to members of the Executive Board.

3. The pursuit of gender equality, the empowerment of women and girls and the realization of their human rights are objectives in themselves as well as prerequisites and drivers for sustainable development, peace and security and human rights and humanitarian action. UN-Women has completed its fifth year of operating as a composite entity since its creation by the General Assembly in resolution 64/289. The Assembly, the Economic and Social Council and the Commission on the Status of Women provide guidance for the normative functions of UN-Women; the Assembly and the Executive Board provide guidance for its operational activities.

B. Resource mobilization and funding status

4. Since its inception in 2011, UN-Women has continued to strive towards the critical level of \$500 million per annum, and resource mobilization remains a corporate organizational priority. Resource mobilization projections were articulated in the Entity's updated strategic plan for 2014-2017 and established in the institutional budget for 2016-2017 at the level of \$880 million for the biennium. For 2016, the resource mobilization projections were set at \$410 million, \$180 million for regular resources (unearmarked/core) and \$230 million for other resources (earmarked/ non-core).

5. UN-Women is funded mainly by voluntary contributions (97.67 per cent in 2016), comprising regular resources and other resources to finance its operational activities. Assessed contributions (2.33 per cent in 2016) are received from the United Nations Secretariat to contribute to the normative functions of UN-Women.

6. Voluntary contributions in 2016 comprised \$141.7 million in regular resources (2015: \$136.1 million) and \$178.1 million in other resources (2015: \$170.9 million). Although in 2016, budget projections totalling \$410 million did not materialize,

with shortfalls in regular resources of \$38.3 million and in other resources of \$51.9 million, voluntary contributions grew by \$12.8 million (\$5.6 million in regular resources and \$7.2 million in other resources) compared with the previous year.

7. UN-Women focused its efforts in 2016 on deepening its partnership base. The number of Member States contributing to UN-Women in 2016 stood at 108. The top 20 government donors increased their contributions to core resources over their 2015 contributions. Four Member States contributed over \$10 million to core resources, including Finland, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland. Ten Member States contributed over \$10 million in total (regular resources and other resources combined).

8. In order to secure the Entity's cash inflows, Member States are requested to pay early in the financial year, so that operations funded by regular resources can be effectively implemented. For programme activities funded by other resources, timely payments by Member States will ensure that project implementation commences and proceeds as planned.

9. Resource mobilization and fundraising activities are continuously intensified, guided by a strategic partnership and resource mobilization strategy that: (a) targets traditional and non-traditional donors, including the private sector and foundations; (b) builds partnerships and access to donor funds at the programme country level; (c) widens and deepens the donor base, including encouraging double digit (over \$10 million) regular resource pledges to enhance the sustainability and predictability of regular resources funding; and (d) utilizes diverse communications platforms to broaden outreach to the general public.

10. UN-Women appeals to all its stakeholders to contribute a higher level of resources, commensurate with the strong political will expressed by Member States in support of UN-Women, thus enabling it to better deliver on its mandate to attain its minimum capitalization target of \$500 million per annum.

C. Major achievements, institution-building and progress on organizational effectiveness and efficiency in 2016

1. Implementation of strategic priorities

11. UN-Women continued to support the strengthening and implementation of global norms and standards for gender equality and women's empowerment in 2016. The Political Declaration adopted at the fifty-ninth session of the Commission on the Status of Women on the 20-year review of the implementation of the Beijing Platform for Action and the fifteenth-anniversary review of the implementation of Security Council resolution 1325 (2000), together with the adoption of resolution 2242 (2015) on women and peace and security provided important roadmaps for UN-Women's work.

12. Building on that foundation, the 2030 Agenda for Sustainable Development, with its emphasis on gender equality and women's empowerment as a stand-alone goal and reflected throughout the agenda, reinvigorates efforts to end gender inequality by 2030. In addition, commitments contained in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the Paris Agreement on climate change emphasize the importance of gender equality

and women's empowerment for sustainable change. There is also greater recognition of the importance of women's engagement in humanitarian action, including in the World Humanitarian Summit.

13. The year 2016 represented the third year of implementation of the UN-Women strategic plan 2014-2017 and its six impact areas within the context of increased demand: (a) women lead and participate in decision-making at all levels; (b) women, especially the poorest and most excluded, are economically empowered and benefit from development; (c) women and girls live a life free from violence; (d) peace and security and humanitarian action are shaped by women's leadership and participation; (e) governance and national planning fully reflect accountability for gender equality commitments and priorities; and (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.

14. Based on those priorities, UN-Women delivered programme support in 107 countries in 2016. Programme expenditures reached a record of \$254 million, a 13 per cent increase over 2015 (\$225 million). Total programme expenditure in the field was 13 per cent higher in 2016 than in 2015, demonstrating improvements in business processes and operational effectiveness.

15. At the end of the third year of its strategic plan, UN-Women's performance against its targets, including targets revised in the midterm review, is positive. In total, 71 per cent of development targets are achieved or on track. Despite resource constraints, performance is strong at the outcome and output levels with 79 and 76 per cent achieved or on track respectively.

16. UN-Women continued to advocate and raise visibility of gender perspectives in intergovernmental processes and outcomes, produce and disseminate knowledge, convene stakeholders and provide policy analysis and expertise building on regional and national experiences. Special focus was given to ensuring that norms and standards advance the gender-responsive implementation of the 2030 Agenda. UN-Women supported the inclusion of gender perspectives in major intergovernmental outcomes, including the "New Urban Agenda" adopted at Habitat III, the Political Declaration of the Comprehensive High-level Mid-term Review of the Istanbul Programme of Action for Least Developed Countries, the Political Declaration on HIV/AIDS, and the New York Declaration on Refugees and Migrants.

17. UN-Women supported preparations for the 60th session of the Commission on the Status of Women, including drafting the Secretary-General's report on the priority theme and supporting informal consultations. UN-Women convened regional preparatory meetings in Africa, Asia-Pacific and Latin America, and a global multi-stakeholder forum. A record number of over 120 government ministers and deputy or vice ministers, 1,825 officials and parliamentarians from capitals, and more than 4,200 civil society representatives participated in the session. UN-Women facilitated the holding of almost 200 side events and convened the first-ever Youth Forum with more than 300 young leaders from over 65 countries adopting a Youth Declaration relayed during the CSW opening by a young woman leader.

18. UN-Women played a central role in supporting Member States in the full, effective and accelerated implementation of the Beijing Declaration and Platform for Action and the gender-responsive implementation of the 2030 Agenda for

Sustainable Development. Together with the UN system, UN-Women supported governments to integrate gender perspectives in their development plans, budgets, institutions and statistical systems in support of the Sustainable Development Goals in 70 countries.

19. In 2016, UN-Women in collaboration with partners contributed to major achievements towards gender equality and women's empowerment. Across all areas, UN-Women contributed to the adoption or amendment of 72 laws to strengthen women's rights in 61 countries. It trained 4,000 aspiring and elected women leaders in 51 countries and supported 8 countries in adopting temporary special measures for women's political participation. Women's economic empowerment was strengthened through more effective policy frameworks in 9 countries, with a combined female population of over 168 million, and more than 311,000 practitioners accessed knowledge and good practices at EmpowerWomen.org. More than one billion women and girls benefit from strengthened legislation to address violence against women and girls in 24 countries and over 2.4 million practitioners accessed expert knowledge at endVAWnow.org.

20. The year 2016 saw dramatically increased recognition of the importance of prioritizing women's needs and agency in peace and security and humanitarian response, including at the World Humanitarian Summit. Seventy percent of UN-supported peace agreements included provisions improving security and status for women and girls, many of which following UN-Women's advocacy and technical support. The proportion of women military experts deployed to UN peacekeeping missions doubled. Through its humanitarian action, UN-Women delivered support for economic empowerment and skills-building to more than 125,000 women and girls and managed 66 safe spaces and 38 multi-purpose centers.

21. In 2016, UN-Women continued its progress to roll out its 12 Flagship Programme Initiatives (FPIs) to: (i) achieve greater programmatic focus by consolidating a large number of small-scale, short-duration projects into a small number of larger transformative programmes; (ii) fully leverage UN-Women's unique composite nature, its three functions and multi-stakeholder partnerships; (iii) generate economies of scale to reduce operational transaction costs; and (iv) access high-quality non-core funding to complement core resources. In 2016, 38 percent of field offices immediately aligned their work plans to FPIs. Design and operational kits, including template project documents, were developed to assist UN-Women offices in developing and operationalizing FPIs. A community of practice was initiated for each FPI. UN-Women's results management system was updated to track and report on FPIs. A series of leadership development trainings were also provided to 117 staff to equip them with skills to build partnerships and formulate FPIs.

22. UN-Women continued to lead, coordinate and promote the accountability of the UN system on gender equality and women's empowerment in 2016. Over 90 percent of UN entities and departments report on the UN System Wide Action Plan on gender equality and women's empowerment, with the proportion of ratings meeting or exceeding requirements up by 7 percent in 2016. UN-Women developed two online courses on gender markers to track resources dedicated to gender equality. The number of entities meeting requirements in this area increased by 5 entities in 2016. UN-Women leveraged its presence in interagency mechanisms to strengthen gender perspectives in system-wide processes, including as Chair of the

Global Migration Group and through its participation in the Inter-Agency Support Group for the Convention on the Rights of Persons with Disabilities and the Inter-Agency Network on Youth Development. UN-Women continued its efforts to promote gender parity in the UN system with the launch of an online platform for web-based gender reporting on representation, appointments, flexible work arrangements and other areas. It participated in the development, field testing and finalization of the new UN Development Assistance Frameworks (UNDAF) guidance and its companion manuals. Overall, 63 percent of UNDAFs now feature gender-specific results and 90 percent of UNDAFs launched in 2016 feature at least one gender equality outcome.

2. Organizational effectiveness and efficiency

23. Organizational effectiveness and efficiency have continued to show significant progress. After five years of operations, UN-Women continues to improve systems for performance management and reporting, financial accountability, audit, human resource management, risk management and operational infrastructure, and has a strong independent evaluation function. In 2016, it received a fifth consecutive unqualified audit report, confirming that the financial statements are in accordance with IPSAS and that transactions tested as part of the audit have in all significant respects been in accordance with the financial regulations and rules of UN-Women.

24. In line with UN-Women's results-based management standards, an independent assessment of the quality of field-level plans and reports showed steady improvement, from 64 to 67 percent for strategic notes and from 60 to 65 percent for annual reports. The results management system (RMS) was linked to UN-Women's enterprise resource planning system, enabling real-time tracking of budgets, expenditures and funding gaps and providing data on linkages between results and resources. Headquarter units also started planning through the RMS, providing for the first time an organization-wide overview of workplans. Data across all systems are now linked and accessible through dashboards, establishing an integrated system for planning, management and results reporting. UN-Women's adoption of cloud technologies and online meeting facilities resulted in significant savings. An estimated 6,970 tons of Co2 and about \$5 million were saved by using online meeting facilities instead of travel.

25. The business process re-engineering initiative significantly improved and streamlined fast-track procedures for humanitarian response, project design and donor reporting. The Donor Agreement Management System was established as a repository of donor agreements and a central tool for donor reporting. 116 procurement staff were certified through a programme between UN-Women and the Chartered Institute of Procurement and Supply. UN-Women delivered anti-fraud training for managers and staff. Strategic procurement sourcing through long-term agreements led to a reduction in costs associated with solicitation by 50 percent globally. UN-Women rolled out its cost-recovery policy through webinars, training sessions and guidance to offices.

26. UN-Women's first corporate risk register was completed in 2016. The 100 percent submission rate to the enhanced online security compliance survey resulted in an exceptional rating of 97 percent with the country-level minimum operating security standards. UN-Women developed a global workforce database and validation system to improve audit compliance and reporting. A new performance management dashboard provides compliance statistics for all units. New

programmes were introduced to support leadership development and mentoring. A values and competencies framework was launched. The first round of staff rotations was successfully completed.

27. UN-Women's visibility in the media continued to increase with 18,000 media reports featuring UN-Women. Social media followers increased from 3 to 5 million with platforms available in 14 languages. International Women's Day and the CSW generated record visibility with coverage in 100 countries, over 5,000 media reports, and reached 3 billion social media users.

3. Transparency and accountability

28. UN-Women upgraded to the latest version of the International Aid Transparency Initiative (IATI) standard and increased the quality and depth of data released to the IATI registry.

29. In line with the corporate evaluation plan, two corporate evaluations and one meta-analysis of evaluations managed by UN-Women were completed. Thirty-six decentralized evaluations took place with 83 percent assessed as 'good' or 'very good'. The submission of management responses reached 94 percent and 94 percent of committed actions in management responses were implemented.

30. Through its chairmanship, UN-Women led the UN Evaluation Group in including a stand-alone norm on human rights and gender equality in updated UNEG Norms and Standards. UN-Women continued to be a leader in EvalPartners and co-chairing EvalGender+, a global partnership to strengthen gender-responsive evaluations.

31. The Audit Advisory Committee of UN-Women reported to the Executive Board at its annual session in 2016 and provided independent feedback to Member States. The Committee has met regularly with senior management and contributes to the promotion of a culture of governance. Its members assist the Executive Director in her oversight duties. In its 2016 report, the Committee commended UN-Women on receiving an unqualified audit opinion from the Board of Auditors for the fifth consecutive year since its inception. The financial reporting for UN-Women continues to improve, and refinements continue to be made as necessary. The Committee also commended UN-Women on the increase of its non-core resource portfolio in 2016, but noted the ongoing challenges regarding resource mobilization in 2016.

32. In 2016, UN-Women published seven internal audit reports on its public website that had been issued by the Office of Audit and Investigations. The publication of internal audit reports enhances the transparency of the Entity's activities for donors and Member States. In its 2016 report, the Office of Audit and Investigations provided its opinion that, based on the scope of work undertaken, the adequacy and effectiveness of the governance, risk management and control in the audits issued in 2016 were in aggregate satisfactory, which meant that they were generally established and functioning well. As at 31 December 2015, the implementation rate of internal audit recommendations was 98 per cent, which exceeded the target of 90 per cent.

4. External audit recommendations

33. The management of UN-Women is committed to taking action to address the implementation of the external audit recommendations issued by the Board of Auditors. For the financial year 2015, 4 of the 17 recommendations issued by the Board were implemented and 13 are under implementation. For the financial year 2014, 4 of the 12 recommendations were implemented and 8 are under implementation.

D. Financial performance

34. As total revenue for UN-Women was \$334.6 million and total expenses were \$340.0 million, the Entity recorded a deficit of \$5.5 million for the year ended 31 December 2016, compared with a surplus of \$4 million for 2015.

Financial performance by funding source

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>2016</i>	<i>2015</i>
Total revenue	146 090	193 468	7 615	(12 604)	334 569	318 988
Total expenses	142 441	201 541	8 663	(12 604)	340 041	314 974
Surplus/(deficit) for the year	3 649	(8 073)	(1 048)	–	(5 472)	4 014

35. The increase in voluntary contributions from donors in 2016 of \$12.74 million was represented by an increase in regular resources of \$5.6 million and an increase in other resources of \$7.18 million. Regular resource contributions benefited from increased contributions from ten major donors.

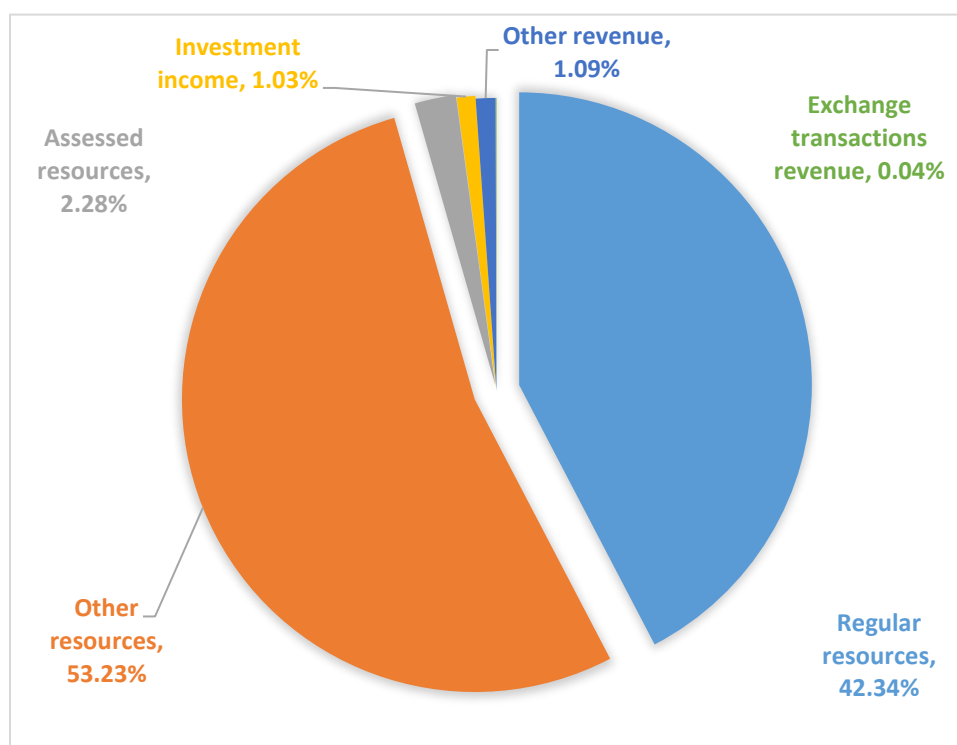
Revenue analysis

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>2016</i>	<i>2015</i>
Contributions	141 660	178 078	7 615	–	327 353	314 485
Investment revenue	1 251	2 181	–	–	3 432	2 840
Other revenue	3 179	13 061	–	(12 604)	3 636	1 543
Exchange transactions revenue	–	148	–	–	148	120
Total	146 090	193 468	7 615	(12 604)	334 569	318 988

36. The total revenue for 2016 includes revenue received and receivable, in accordance with IPSAS. UN-Women recognizes regular resource revenue when funds are received from the donor. UN-Women recognizes other resource revenue from non-exchange transactions when written confirmation in the form of a signed donor agreement is received from a donor. Revenue is recognized in the financial statements in the period to which they relate. The matching principle of revenue and expense does not apply for non-exchange transactions.

Figure IV.1
2016 revenue by nature



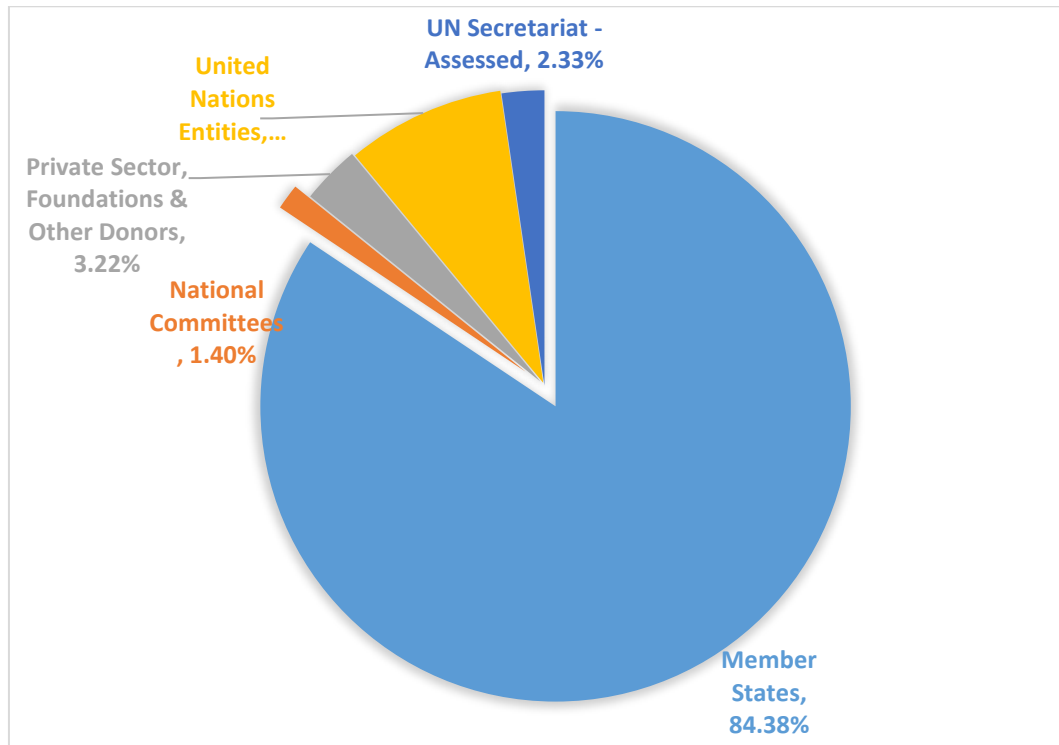
37. Of the total revenue of \$334.6 million (2015: \$319.9 million), contributions accounted for \$327.3 million (2015: \$314.5 million) and comprised:

(a) Voluntary regular resources of \$141.7 million, or 42.34 per cent, of all contributions (2015: \$136.1 million, or 42.3 per cent), which are unearmarked and fund the operational requirements and projects and programmes of UN-Women;

(b) Voluntary other resources of \$178.1 million, or 53.23 per cent (2015: \$170.9 million, or 53.58 per cent), which are earmarked for specific programmes and projects;

(c) Assessed resources from the United Nations regular budget of \$7.6 million, or 2.28 per cent (2015: \$7.6 million, or 2.35 per cent), which fund the normative and intergovernmental work of UN-Women (see figure IV.1).

Figure IV.2
2016 contributions by donor type



38. The chart above indicates contributions revenue by donor type for 2016.
- (a) UN-Women revenue is mostly sourced from government and intergovernmental agencies, which contributed \$276.2 million or 82.6 per cent (2015: \$253.9 million, or 80.73 per cent) of the revenue;
 - (b) United Nations entities contributed \$28.4 million or 8.5 per cent (2015: \$39.4 million, or 12.3 per cent);
 - (c) the private sector, National Committees, foundations and other donors contributed \$15.1 million or 4.5 per cent (2015: \$13.6 million, or 4.3 per cent); and
 - (d) Assessed revenue from UN Secretariat contributed \$7.6 million, or 2.3 per cent (2015: \$7.5 million, or 2.3 per cent);

Expenditure analysis

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>2016</i>	<i>2015</i>
Employee benefits	73 072	33 127	8 072	–	114 271	111 110
Contractual services	22 204	68 607	16	–	90 827	79 974
Grants and other transfers	63	9 318	–	–	9 381	11 019
Supplies and maintenance	1 327	7 525	68	–	8 920	8 126
Operating costs	30 917	58 470	286	(12 604)	77 069	71 000
Travel	11 637	19 468	197	–	31 302	27 314
Depreciation and amortization	2 146	763	3	–	2 912	2 385
Finance costs	57	128	–	–	185	110
Other expenses	1 018	4 135	21	–	5 174	3 936
Total	142 441	201 541	8 663	(12 604)	340 041	314 974

39. In accordance with IPSAS, the total expenses for 2016, \$340.0 million (2015: \$314.9 million), and represent expenses incurred, both paid and payable. Of the total expenses, regular resources represent \$142.4 million, or 41.9 per cent (2015: \$149 million, or 47.3 per cent), other resources (after reduction for elimination items) represent \$188.9 million, or 55.6 per cent (2015: \$157.3 million, or 50 per cent), and assessed expenses represent \$8.7 million, or 2.5 per cent (2015: \$8.6 million, or 2.7 per cent). The other resource expenses for the year include programme and project delivery during the year from unspent 2015 budgets, as well as current-year budgets.

Financial position by funding source

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
Total assets	167 232	286 760	3 497	457 489	449 181
Total liabilities	73 590	30 519	5 709	109 818	90 669
Total net assets/equity	93 642	256 241	(2 212)	347 671	358 512

40. Total net assets/equity by segment (see note 5 to the financial statements) comprise:

(a) Regular resources, the cash required to fund operations for the first few months of the new financial year while UN-Women awaits new voluntary contributions from donor Governments, funds for employee benefits and liabilities;

(b) Other resources, the unspent budgets for earmarked projects and programmes, which will be expensed in future periods in accordance with donor agreements;

(c) Other items in relation to the financial position by segment as at 31 December 2016 include:

- (i) Current assets of \$331.2 million exceeding current liabilities of \$41.7 million by \$289.5 million, indicating that the liquidity of UN-Women is very strong (current assets ratio of 7.9:1; 2015: 8.8:1), with regular resources representing \$117.3 million and other resources \$211.4 million;
- (ii) Investments and cash and cash equivalents amounting to \$387.1 million (2014: \$381.4 million), with cash and short-term investments of \$272.6 million for less than 12 months and \$114.4 million for long-term investments;
- (iii) Accounts receivable or unpaid voluntary contributions agreements amounting to \$9.9 million (2015: \$13.1 million), are 100% from other resources for earmarked projects and programmes. The consequence of unpaid voluntary contributions for other resources, is that the implementation of projects and programmes is delayed;
- (iv) Employee benefits (contractual obligations to employees, both current and retired) in the amount of \$78.75 million (2015: \$74.5 million). The main liability relates to after-service health insurance of \$55.4 million (2015: \$46.7 million), which has been funded in the amount of \$40 million, or 72.2 per cent (2015: \$35.3 million, or 75.5 per cent). The portion of the liability for after-service health insurance for the category of active employees not yet fully eligible is \$35.6 million, or 64.2 per cent of the total accrued liability for after-service health insurance;
- (v) Reserves include operational reserves of \$24.9 million and field accommodation reserves of \$1 million, as approved by the Executive Board in its decision 2012/8.

Chapter V

Financial statements for the year ended 31 December 2016

United Nations Entity for Gender Equality and the Empowerment of Women

I. Statement of financial position as at 31 December 2016

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
Assets			
Current assets			
Cash and cash equivalents	Note 6	100 979	41 741
Investments	Note 7	171 792	189 067
Accounts receivable	Note 8	9 929	13 130
Advances	Note 9	38 224	39 354
Other assets	Note 10	10 226	3 715
Inventories	Note 11	76	93
Total current assets		331 226	287 100
Non-current assets			
Investments	Note 7	114 414	150 543
Property, plant and equipment	Note 12	11 547	11 299
Intangible assets	Note 13	291	237
Other assets	Note 10	11	2
Total non-current assets		126 263	162 081
Total assets		457 489	449 181
Liabilities			
Current liabilities			
Accounts payable	Note 14	9 491	10 584
Employee benefits	Note 15	10 606	16 312
Other liabilities	Note 16	21 576	5 624
Total current liabilities		41 673	32 520
Non-current liabilities			
Employee benefits	Note 15	68 145	58 149
Total non-current liabilities		68 145	58 149
Total liabilities		109 818	90 669
Net assets		347 671	358 512
Net assets/equity			
Accumulated surplus/(deficit)	Note 17	321 607	332 612
Reserves	Note 18	26 064	25 900
Total net assets/equity		347 671	358 512

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

II. Statement of financial performance for the year ended 31 December 2016

(Thousands of United States dollars)

	<i>Reference</i>	<i>2016</i>	<i>2015</i>
Revenue			
Voluntary contributions	Note 19	319 738	306 980
Assessed contributions	Note 20	7 615	7 505
Investment revenue	Note 21	3 432	2 840
Other revenue	Note 22	3 636	1 543
Exchange transactions revenue	Note 23	148	120
Total revenue		334 569	318 988
Expenses			
Employee benefits	Note 24	114 271	111 110
Contractual services	Note 24	90 827	79 974
Grants and other transfers	Note 24	9 381	11 019
Supplies and maintenance	Note 24	8 920	8 126
Operating costs	Note 24	77 069	71 000
Travel costs	Note 24	31 302	27 314
Depreciation and amortization	Note 24	2 912	2 385
Finance costs	Note 24	185	110
Other expenses	Note 24	5 174	3 936
Total expenses		340 041	314 974
Surplus/(deficit) for the year		(5472)	4 014

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

III. Statement of changes in net assets/equity for the year ended

31 December 2016

(Thousands of United States dollars)

	<i>Reference</i>	<i>2016</i>	<i>2015</i>
Net assets/equity at the beginning of the year		358 512	345 647
Movement during the year			
Current year surplus/(deficit)		(5 472)	4 014
Refunds to donors	Note 17	(2 213)	(3 303)
Transfer from accumulated surplus	Note 17	-	(1 100)
Transfer to operational reserve	Note 18	-	1 100
Changes in fair value of available-for-sale investments	Note 18	164	-
Actuarial gains/(losses)	Note 17	(3 320)	12 154
Net assets/equity at the end of the year		347 671	358 512

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

IV. Statement of cash flow for the year ended 31 December 2016

(Thousands of United States dollars)

	<i>Reference</i>	<i>2016</i>	<i>2015</i>
Cash flows from operating activities			
Net surplus/(deficit) for the year		(5 472)	4 014
Investment revenue	Note 21	(3 432)	(2 840)
Unrealized (gain)/loss on foreign exchange		(2 492)	2 061
Depreciation and amortization expense	Note 24	2 912	2 385
(Increase)/decrease in accounts receivable		3 201	(4 817)
(Increase)/decrease in other assets		(5 224)	4 246
(Increase)/decrease in inventories		16	115
(Increase)/decrease in advances		1 130	(2 390)
Increase/(decrease) in accounts payable		(1 094)	4 754
Increase/(decrease) in employee benefits		4 290	1 300
Increase/(decrease) in other liabilities		15 951	2 920
(Gains)/losses on sale of property, plant and equipment		25	60
Refunds to donors	Note 17	(2 213)	(3 303)
Actuarial gains/(losses)	Note 17	(3 320)	12 154
Net cash generated from operating activities		4 278	20 659
Cash flows from investing activities			
Purchases of property, plant and equipment		(3 150)	(5 840)
Purchases of intangible assets		(121)	(272)
Proceeds from sales of property, plant and equipment		34	18
Purchases of investments – held to maturity	Note 7.1	(185 005)	(278 473)
Maturities of investments – held to maturity	Note 7.1	276 402	287 874
Interest received		1 944	611
Dividend received		193	-
Investments – available-for-sale	Note 7.2	(37 993)	-
Change in fair value of available-for-sale investments	Note 18	164	-
Net cash generated from investing activities		52 468	3 917
Net (decrease)/increase in cash and cash equivalents		56 746	24 576
Cash and cash equivalent at beginning of year		41 741	19 226
Effect of exchange rate changes on cash and cash equivalents		2 492	(2 061)
Cash and cash equivalent at end of year	Note 6	100 979	41 741

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women
V. Statement of comparison of budget and actual amounts for the year ended 31 December 2016

(Thousands of United States dollars)

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual expenditure on comparable basis</i>	<i>Difference between final budget and actual amounts</i>
Regular budget activities	7 615	7 664	8 660	(996)
Development activities:				
Programme	336 640	290 040	265 106	24 934
Institutional budget:				
Development effectiveness	26 800	25 484	21 151	4 333
United Nations coordination	13 585	13 821	12 153	1 668
Management activities:				
Evaluation	3 175	3 369	2 333	1 036
Total	440 915	390 889	352 474	38 415

The accompanying notes are an integral part of these financial statements; see also note 26.

United Nations Entity for Gender Equality and the Empowerment of Women

Notes to the financial statements

Note 1

Reporting entity

The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established by the General Assembly in its resolution 64/289 of 2 July 2010 and became operational in January 2011. Grounded in the vision of equality enshrined in the Charter of the United Nations, UN-Women works towards the elimination of discrimination against women and girls; the economic empowerment of women; the achievement of equality between women and men as partners and beneficiaries of development, human rights, humanitarian action and peace and security.

UN-Women is mandated to support intergovernmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global norms and standards. The Entity mobilizes political will and resources to help Member States implement those standards, standing ready to provide suitable technical and financial support to those countries that request it, and to forge successful partnerships with civil society. Furthermore, UN-Women has been assigned the mandate to hold the United Nations system accountable for its own commitment on gender equality through the system-wide action programme.

UN-Women is governed by its Executive Board, which consists of representatives of its Member States. The Executive Board guides the strategic direction and policies of the Entity to ensure that all operational aspects of the activities of UN-Women are executed effectively by the Executive Director and Under-Secretary-General.

UN-Women is headquartered in New York and is expanding its presence at the regional and country levels. The roll-out of the regional architecture, with 6 regional offices, 6 multi-country offices and 47 country offices, is designed to ensure that UN-Women has the presence and field capacity to deliver against its mandate. UN-Women also has programme presence in 30 countries to pursue its goals of achieving gender equality and the empowerment of women. UN-Women serves the donor community with liaison offices in Brussels, Copenhagen, Tokyo, Abu Dhabi and Geneva.

Note 2

Significant accounting policies

(a) Basis of preparation and authorization for issue

Authorization for issue

In accordance with financial regulation 12.1 of UN-Women, the Executive Director is responsible for the financial statements of the Entity. The Director, Division of Management and Administration, has certified that, to the best of his knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the financial statements and supporting schedules. The Executive Director authorized these financial statements on 28 April 2017 to be submitted for audit.

**Statement of compliance with the International Public Sector
Accounting Standards**

The financial statements of UN-Women have been prepared on an accrual and going concern basis in accordance with the International Public Sector Accounting Standards (IPSAS). Where an IPSAS pronouncement does not address a particular issue, the appropriate International Financial Reporting Standard has been applied.

Basis of recognition of revenue and expenses

Under the accrual basis of accounting, revenue and expenses (except for non-exchange transactions) are recognized in the financial statements in the period to which they relate.

Revenue

Voluntary contributions for regular resources are recognized on a cash basis at the time that funds are received. Cash received relating to future financial years is recognized as deferred income at year-end.

Voluntary contributions for other resources are recognized as revenue when written confirmation is received from a donor during the financial year, based on the fair value of the benefit received unless any stipulation defers this recognition. Multi-year agreements are apportioned by calendar year over the period of the agreement and recognized when conditions are met.

Assessed contributions are issued as an annual allotment from the United Nations regular budget and are assessed and approved for a two-year budget period. The amount of those contributions is then apportioned between the two years and recognized on a monthly basis.

In-kind contributions, except services, that directly support approved operations and activities, which have budgetary impact and can be reliably measured, are recognized at fair value as expense and contribution. Those contributions include use of premises and utilities.

In-kind contributions of services are not recognized, but the estimated cost saving is disclosed.

Donated property, plant and equipment are valued at fair market value and recognized as fixed assets and contribution. The donated right to use an asset is valued at the fair market value of the right to use. The excess of the fair market value of the right to use over any sums actually paid is shown as contribution income together with a matching expense. When transferred assets are received as contributions in-kind and conditions requiring their return upon non-performance are disclosed in the agreements, a liability is initially recognized. When these conditions are satisfied, the revenue is recognized. When restrictions are disclosed in the agreements which do not require their return, the revenue is recognized upon confirmation of contributions.

Revenue from exchange transactions is recognized when it is probable that future economic benefits or service potential will flow to UN-Women and those benefits can be measured reliably. Revenue should be measured at the fair value of the consideration received or receivable. When the consideration is cash or in a monetary amount, measurement shall be at this amount.

Expenses

Expenses are recognized when goods are delivered and services are rendered. Project expenses are recognized once UN-Women receives a financial report from the partner in order to evidence the completion of activities.

Under IPSAS, the matching principle of revenue and expense does not apply for non-exchange transactions. The focus of IPSAS is the financial position, which is evidenced by the recognition of assets when there is sufficient control and of liabilities when the criteria to recognize liabilities exist. As a consequence, the excess of revenue over expenses results in a surplus (or the excess of expenses over revenue results in a deficit), which is carried forward to the accumulated surplus or deficit. Accumulated surplus represents the unexpended portion of contributions to be utilized for future operational requirements of UN-Women.

(b) Foreign currency transactions

The functional and reporting currency of UN-Women is the United States dollar. Where transactions have been made in currencies other than the United States dollar, the amounts are translated into United States dollars at the prevailing United Nations operational rates of exchange at the date of the transaction. Monetary assets and liabilities in currencies other than the United States dollar are translated into the United States dollar at the prevailing United Nations operational rate of exchange in effect at the reporting date. Non-monetary assets and liabilities denominated in a currency other than the United States dollar that are measured at historical cost are translated at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses, both realized and unrealized, resulting from such transactions are accounted for in the statement of financial performance.

(c) Financial instruments

Financial instruments are recognized when UN-Women becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and UN-Women has transferred substantially all the risks and rewards of ownership.

Financial assets classification

UN-Women classifies financial assets into the following categories: held-to-maturity; available-for-sale; loans and receivables; and fair value through surplus or deficit in the statement of financial performance. The classification depends on the purpose for which the financial assets are acquired, and is determined at initial recognition and re-evaluated at each reporting date. All financial assets are initially measured at fair value. UN-Women initially recognizes loans and receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date UN-Women becomes party to the contractual provisions of the instrument.

Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements, and assets denominated in foreign currency are translated into the United States

dollar at the United Nations operational rate prevailing at the reporting date with gains and losses recognized in surplus or deficit in the statement of financial performance.

All categories of financial assets are assessed at each reporting date to determine whether there is objective evidence that an investment or group of investments is impaired. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in surplus or deficit in the statement of financial performance (directly or through the use of an allowance account) in the year they arise.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturities that UN-Women has the positive intention and ability to hold to maturity. They are initially recorded at fair value plus transaction costs and subsequently recognized at amortized cost calculated using the effective interest method. UN-Women classified its investment portfolio as held-to-maturity assets.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets either designated in this category or not classified in any of the other categories. They are initially recorded at fair value plus transaction costs and subsequently reported at fair value with any resultant fair value gains or losses recognized directly in net assets/equity. Interest on available-for-sale financial assets is calculated using the effective interest method. When an available-for-sale financial asset is derecognized, the gain or deficit accumulated in net assets/equity is reclassified to surplus or deficit in the statement of financial performance. Fair values used for subsequent measurement are based on quoted market prices from reputable vendors.

Loans and receivables

Cash and cash equivalents include cash, short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value, net of impairment for restricted-use currencies. Financial instruments classified as cash equivalents include investments with a maturity of three months or less from the date of acquisition.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

Accounts receivable are stated at fair value, comprising nominal value less allowance for estimated irrecoverable amounts. An allowance is established when there is objective evidence, based on a review of outstanding amounts at the reporting date, that UN-Women will not be able to collect all amounts due according to the original terms of the receivable.

Advances and other receivables are stated at fair value, comprising nominal value less allowance for estimated irrecoverable amounts. Advances represent cash advance payments to partners contracted in the context of programme execution. These advances are recognized at fair value as a receivable. The expense is recognized in the statement of financial performance once UN-Women receives a financial report from the partner to evidence completion of activities. Advances also include payments on behalf of United Nations agencies and staff members are also issued cash advance payments which are recognized at fair value as receivables. The expense is recognized when the advance is liquidated through a claim or repayment of the advance. Other receivables represent prepayments on contracts where goods or services are yet to be delivered or rendered.

Fair value through surplus or deficit financial assets

Fair value through surplus or deficit financial assets are so designated on initial recognition or are held for trading. They are initially recorded at fair value and any transaction costs are expensed. The assets are measured at fair value at each reporting date, and any resultant fair value gains or losses recognized through surplus and deficit. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with UNDP Investment Guidelines. UN-Women classifies derivatives as financial assets at fair value through surplus and deficit in the statement of financial performance. The fair value of derivatives is obtained from counterparties and is compared to internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Assets in this category are classified as current assets if they are expected to be realized within 12 months of the reporting date. UN-Women does not apply hedge accounting treatment for derivatives.

(d) Inventories

Inventories held for distribution at no charge are stated at the lower of cost and current replacement cost. As there is no related revenue for inventory distributed, the expense is recognized when the goods are distributed. No-charge publication materials that would be defined as inventory are technical publications that relate directly to the programmatic and normative operations and are under the control of UN-Women. These publications must also have longevity where their content remains relevant and valid for more than a 12-month period to be defined as inventory. Publications produced by partners and held for distribution or used by them are not considered to be under the control of UN-Women and therefore are not inventory. No-charge publication materials and campaign brochures prepared by UN-Women for only advertising and promotional information purposes are not inventory. These items normally do not have longevity and are generally used within a 12-month period, as they are produced for a one-off event or purpose, and therefore the value of any remaining materials on hand at year-end would be significantly depreciated. Accordingly, the cost of publication material and campaign brochures used for advertising and promotional information is recognized as an expense when incurred.

Inventories held for sale are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs

necessary to make the sale, exchange or distribution. Cost is determined using the first-in, first-out inventory valuation method. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories acquired through a non-exchange transaction (e.g., donated goods) is measured as their fair value at the date of acquisition. As at 31 December 2016, UN-Women did not have any inventories held for sale and had not acquired any inventory through a non-exchange transaction.

(e) Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and any impairment losses. The capitalization threshold for property, plant and equipment for which UN-Women has control is a total cost of at least \$1,000 per unit. Depreciation is provided for property, plant and equipment over the estimated useful life of each asset using the straight-line method, except for land, which is not subject to depreciation. Historic cost includes expenditure directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to UN-Women and the cost can be measured reliably. The estimation of the useful life of the asset is a matter of judgment based on the experience of UN-Women with similar assets. Therefore, the useful life of an asset may be shorter than its economic life. Repair and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

UN-Women is deemed to control an asset if it can use or otherwise benefit from the asset in pursuit of its objectives and if the Entity can exclude or regulate the access of third parties to the asset. This can be the case when UN-Women is implementing a project directly. Project assets that are not controlled by UN-Women are expensed as incurred. Leasehold improvements are recognized as assets, valued at cost and depreciated over the lesser of the remaining useful life of the improvements or the lease term. Impairment reviews are undertaken for all assets at least annually.

The estimated useful life ranges in years for property, plant and equipment classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Land	Not applicable
Buildings	
Permanent	50
Temporary	10
Furniture and fixtures	8
Communications and information technology equipment	5-6
Vehicles	7
Machinery and equipment	5
Security equipment	5

(f) Intangible assets

Under IPSAS, intangible assets with a finite life are carried at cost less accumulated amortization and any impairment loss. Intangible assets are capitalized provided they have a useful life of more than one year and a cost exceeding \$5,000 for externally acquired and a cost exceeding \$100,000 for internally generated. Amortization is provided on a straight-line basis on all intangible assets of finite life in accordance with its useful life. Where the intangible asset has an indefinite useful life, it will not be amortized but will be reviewed for impairment by comparing its recoverable service amount with its carrying amount.

The estimated useful life ranges in years for intangible asset classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Externally acquired	5
Internally developed	5
Copyrights and patents	3

(g) Leases

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease. The value of the future lease payments within the current lease term is disclosed in note 28.

Leases where the lessee retains a significant portion of the risks and rewards inherent to ownership are classified as finance leases. UN-Women has not entered into any finance leases.

(h) Employee benefits

UN-Women recognizes the following employee benefits:

(a) Short-term employee benefits, which fall due wholly within 12 months after the end of the accounting period in which employees render the related service;

(b) Long-term employee benefits, which are due to be settled beyond 12 months after the employees render the related service and include:

(i) Post-employment benefits (see Pension and After-Service Health Insurance below);

(ii) Other long-term employee benefits;

(c) Termination benefits.

Short-term employee benefits are measured at their nominal value based on accrued entitlements at current rates of pay. These benefits may include, at year-end, remuneration, accrued annual leave, home leave liability and other short-term benefits.

Post-employment benefits include pension plans, post-employment medical care, repatriation benefits and other lump sums payable after the

completion of employment. Post-employment benefit plans are classified as either defined contribution or defined benefit plans.

UN-Women is a member organization participating in the United Nations Joint Staff Pension Fund (the UNJSPF or the Fund), which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified by article 3 (b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. UN-Women and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify the Entity's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UN-Women has treated this plan as if it were a defined contribution plan in line with the requirements of International Public Sector Accounting Standard 25. The contributions of UN-Women to the Fund during the financial period are recognized as expenses in the statement of financial performance.

The after-service health insurance plan extends subsidized health insurance coverage to retirees and their dependants under the same health insurance schemes as for active staff based on certain eligibility requirements. The after-service health insurance plan is a defined benefit plan.

Other long-term employee benefits are employee benefits that do not fall due wholly within 12 months after the end of the financial period and include long-term compensation in the event of death, injury or illness.

Termination benefits generally include indemnities for voluntary redundancy and are expected to be settled within 12 months of the reporting period.

(i) Financial liabilities

Other financial liabilities

Other financial liabilities are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method. Financial liabilities entered into with duration of less than 12 months are recognized at their nominal value.

Payables and accruals arising from the purchase of goods and services are recognized initially at fair value and subsequently measured at amortized cost when goods are delivered or services are rendered and accepted by UN-Women. Liabilities are stated at invoice amounts less payment discounts at the reporting date. The liability is estimated where invoices are not available at the reporting date.

Other liabilities include deferred income, representing funds received in advance for future years from multi-year donor agreements which are apportioned by calendar year over the period of the agreement and recognized when conditions are met. Other payables represent reimbursable services rendered by the United Nations and United Nations agencies.

Fair value through surplus or deficit financial liabilities

Fair value through surplus or deficit financial liabilities are liabilities that are designated on initial recognition or are held for trading. They are initially recorded at fair value, and any transaction costs are expensed. The liabilities are measured at fair value again at each reporting date, and any resultant fair value gains or losses are recognized through surplus and deficit.

UN-Women classifies derivatives as financial liabilities at fair value through surplus and deficit in the statement of financial performance. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties. These include derivatives embedded in time deposits that permit the instrument to be repaid by counterparties in an alternative currency in exchange for a higher yield. The fair value of derivatives is obtained from counterparties and is compared to internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Liabilities in this category are classified as current liabilities if they are expected to be settled within 12 months of the reporting date. At 31 December 2016, UN-Women had no open foreign exchange derivative instruments positions in this category and did not have any embedded derivatives requiring separate accounting at fair value through surplus or deficit in the statement of financial performance. UN-Women does not apply hedge accounting for derivatives.

(j) Provisions and contingent liabilities

Provisions are made for future liabilities and charges where UN-Women has a present legal or constructive obligation as a result of past events, it is probable that UN-Women shall be required to settle the obligation and a reliable estimate can be made of the obligation.

Other obligations, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of UN-Women and the liability can be reliably estimated.

(k) Commitments

Commitments are future expenses to be incurred by UN-Women on contracts entered into by the reporting date and that the Entity has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to UN-Women in a future period, non-cancellable minimum lease payments and other non-cancellable commitments. The value of commitments as at 31 December is not recognized in the statement of financial position but is disclosed in the notes to financial

statements. Commitments related to employment contracts are excluded from this disclosure.

Note 3

Change in accounting policy

UN-Women amended its revenue recognition policy for non-exchange transactions for regular resources so that revenue will be recognized on a cash basis at the time that funds are received. For multi-year regular resources contributions, revenue is recognized in the financial statements for the period to which the funds relate to in accordance with the payment schedule in the agreement, or in the absence of a payment schedule revenue will be recognized equally over the period of the agreement. Letters of exchange / pledges are not legally enforceable documents and as such the probability of inflow is not certain. UN-Women no longer recognizes pledges as regular resources revenue. This policy was applied prospectively from 1 January 2016.

Note 4

Critical accounting estimates and judgments

The preparation of financial statements in accordance with IPSAS necessarily includes the use of accounting estimates and management assumptions and judgment. The areas where estimates, assumptions or judgment are significant to the financial statements of UN-Women include, but are not limited to, post-employment benefits obligations, provisions, financial risk on accounts receivable and advances, accrued charges, contingent assets and liabilities, and degree of impairment of accounts receivable, advances, investments and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are recognized in the period in which they became known.

Note 5

Segment reporting

Segment reporting is required to evaluate an entity's past performance and to make decisions about an entity's future allocation of resources. UN-Women reports the following segments:

(a) The regular resources segment reflects the operations of voluntarily donated funds to UN-Women to be used to achieve the mandate of UN-Women at the discretion of the Executive Director of UN-Women;

(b) The other resources segment represents earmarked voluntarily donated funds to UN-Women for specific projects;

(c) The assessed resources segment represents sums assessed on Member States and transferred to UN-Women by the General Assembly.

Inter-segment transactions are disclosed in the segment reporting but eliminated in the statement of financial position and statement of financial performance.

Statement of financial position by segment as at 31 December 2016

(Thousands of United States dollars)

	2016			Total	31 December 2015
	Regular resources	Other resources	Assessed resources		
Assets					
Current assets					
Cash and cash equivalents	36 891	63 242	846	100 979	41 741
Investments	66 502	103 636	1 654	171 792	189 067
Accounts receivable	10	9 919	-	9 929	13 130
Advances	4 233	33 969	22	38 224	39 354
Other assets	9 596	630	-	10 226	3 715
Inventories	76	-	-	76	93
Current assets	117 308	211 396	2 522	331 226	287 100
Non-current assets					
Investments	41 800	71 655	959	114 414	150 543
Property, plant and equipment	7 824	3 707	16	11 547	11 299
Other assets	9	2	-	11	2
Intangible assets	291	-	-	291	237
Non-current assets	49 924	75 364	975	126 263	162 081
Total assets	167 232	286 760	3 497	457 489	449 181
Liabilities					
Current liabilities					
Accounts payable	3 889	5 456	146	9 491	10 584
Employee benefits	6 782	3 075	749	10 606	16 312
Other liabilities	19 343	2 233	-	21 576	5 624
Current liabilities	30 014	10 764	895	41 673	32 520
Non-current liabilities					
Employee benefits	43 576	19 755	4 814	68 145	58 149
Total liabilities	73 590	30 519	5 709	109 818	90 669
Net assets	93 642	256 241	(2 212)	347 671	358 512
Net assets/equity					
Accumulated surplus/(deficit)	69 769	254 047	(305)	323 511	322 800
Current year surplus/(deficit)	3 649	(8 073)	(1 048)	(5 472)	4 014
Operational reserves	25 064	-	-	25 064	24 900
Field accommodation reserve	1 000	-	-	1 000	1 000
Actuarial gains/(losses)	(7 033)	-	-	(7 033)	(3 713)
IPSAS reserve	1 193	12 480	(859)	12 814	12 814
Refunds to donors	-	(2 213)	-	(2 213)	(3 303)
Total net assets/equity	93 642	256 241	(2 212)	347 671	358 512

Total net assets/equity in accordance with the statement of financial position by segment includes:

(a) Regular resources: the cash required to fund operations for the first few months of the new financial year while UN-Women waits for new voluntary contributions from donor Governments;

(b) Other resources: the unspent budgets for earmarked projects and programmes which will be expensed in future periods in accordance with donor agreements.

UN-Women costs for acquisitions of property, plant and equipment and intangible assets from both regular and other resources are summarized in the table below:

(Thousands of United States Dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Total</i>	<i>Total</i>
	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2015</i>
Property, plant and equipment	1 928	1 342	3 270	5 654
Intangible assets	121	–	121	272
Total	2 049	1 342	3 391	5 926

Statement of financial performance by segment for the year ended 31 December 2016

(Thousands of United States dollars)

	<i>2016</i>				<i>Total</i>	<i>2015</i>
	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed resources</i>	<i>Elimination</i>		
Revenue						
Contributions	141 660	178 078	7 615	–	327 353	314 485
Investment revenue	1 251	2 181	–	–	3 432	2 840
Other revenue	3 179	13 061	–	(12 604)	3 636	1 543
Exchange transactions revenue	–	148	–	–	148	120
Total revenue	146 090	193 468	7 615	(12 604)	334 569	318 988
Expenses						
Employee benefits	73 072	33 127	8 072	–	114 271	111 110
Contractual services	22 204	68 607	16	–	90 827	79 974
Grants and other transfers	63	9 318	–	–	9 381	11 019
Supplies and maintenance	1 327	7 525	68	–	8 920	8 126
Operating costs	30 917	58 470	286	(12 604)	77 069	71 000
Travel costs	11 637	19 468	197	–	31 302	27 314
Depreciation and amortization	2 146	763	3	–	2 912	2 385
Finance costs	57	128	–	–	185	110
Other expenses	1 018	4 135	21	–	5 174	3 936
Total expenses	142 441	201 541	8 663	(12 604)	340 041	314 974
Surplus/(deficit) for the period	3 649	(8 073)	(1 048)	–	(5 472)	4 014

The elimination items represent the indirect costs charged by UN-Women in relation to the management of other resources and are based on the rate of recovery of 8 per cent established by the Executive Board of UN-Women in its decision 2013/2 of 8 February 2013, with effect from 1 January 2014 (7 per cent in prior years). These indirect costs charged have been recognized during the year as an increase in support cost income, and at year-end those amounts comprised the elimination items.

Note 6

Cash and cash equivalents

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Cash in bank accounts	7 503	1 439
Petty cash	31	31
Money market, term deposits and commercial paper	93 445	40 271
Total	100 979	41 741

Cash and cash equivalents comprise balances held by field offices, money market account balances, term deposits and commercial paper with terms of less than three months. Cash required for immediate disbursement is maintained in cash and bank accounts. Money market and deposit accounts are available at short notice. Cash and cash equivalents relates to both regular resources and other resources.

Note 7

Investments

(Thousands of United States dollars)

	<i>Closing balance 31 December 2016</i>	<i>Closing balance 31 December 2015</i>
Current investments		
Investments – held to maturity	171 792	189 067
Investments – available-for-sale	-	-
Total current investments	171 792	189 067
Non-current investments		
Investments – held to maturity	76 421	150 543
Investments – available-for-sale	37 993	-
Total non-current investments	114 414	150 543
Total investments	286 206	339 610

Investments include held to maturity and available-for-sale financial assets that are managed by United Nations Development Programme (UNDP) and available-for-sale assets that are held and managed by external investment managers.

UN-Women had no impaired investments during the year. The exposure of UN-Women to credit risk, market risk and currency risks, and its risk management activities related to financial assets, including investments, are discussed in note 25.

The Entity's cash and cash equivalents and investments include funding for after-service health insurance, repatriation and death benefits in the amount of \$44.7 million, in accordance with note 14, operational reserve, in the amount of \$24.9 million, and field accommodation reserve, in the amount of \$1 million, in accordance with note 18. Investments relate to both regular resources and other resources.

7.1 Investments - held to maturity financial assets

(Thousands of United States dollars)

	<i>Closing balance 31 December 2015</i>	<i>Purchases</i>	<i>Maturities</i>	<i>Amortization</i>	<i>Unrealized gains/ losses</i>	<i>Reclassification non-current to current</i>	<i>Closing balance 31 December 2016</i>	<i>Fair value</i>
Current investments								
Money market instruments	–	90 004	(60 000)	(2)	–	–	30 002	30 002
Bonds and notes	189 067	39 047	(214 102)	(1 451)	–	129 229	141 790	141 714
Subtotal	189 067	129 051	(274 102)	(1 453)	–	129 229	171 792	171 716
Non-current investments								
Bonds and notes	150 543	55 954	-	(847)	–	(129 229)	76 421	76 357
Subtotal	150 543	55 954	-	(847)	–	(129 229)	76 421	76 357
Total investments held to maturity	339 610	185 005	(274 102)	(2 300)	–	–	248 213	248 073

Held-to-maturity financial assets are carried at amortized cost calculated by using the effective interest method. As at 31 December 2016, the fair value of those assets was higher than the book value by \$0.1 million. Fair values are based on quoted market prices from reputable vendors. The average yield on investments for 2016 was 0.88 per cent (2015: 0.67 per cent).

7.2 Investments – available-for-sale financial assets

(Thousands of United States dollars)

	<i>Closing balance 31 December 2016</i>	<i>Closing balance 31 December 2015</i>
Non-current investments		
Equities	22 912	-
Equities – fair value adjustments	423	-
Bonds	15 128	-
Bonds – fair value adjustments	(470)	-
Total non-current investments	37 993	-

	<i>Closing balance 31 December 2016</i>	<i>Closing balance 31 December 2015</i>
Total investments available-for-sale	37 993	-

Available-for-sale financial assets represent investments managed by external investment managers for after-service health insurance (see note 7 and 25).

Note 8

Accounts receivable

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Contributions receivable	9 929	13 216
Less: allowance for impairment of receivables	-	(86)
Total accounts receivable	9 929	13 130

Contributions receivable represents uncollected revenue committed to UN-Women by donors. The allowance for impairment on receivables is calculated based on an aged analysis of the outstanding balance.

Note 9

Advances

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Advances provided to United Nations agencies	6 841	4 757
Advances provided to other partners	30 343	33 693
<i>Shown by fund type:</i>		
Regular resources (unearmarked)	2 353	3 791
Other resources (earmarked)		
Cost-sharing	17 249	15 969
Trust Fund to End Violence against Women	7 630	10 065
Fund for Gender Equality	3 111	3 868
Less: Allowance for impairment of advances to partners	(666)	(833)
Subtotal	36 518	37 617
Advances to staff	1 706	1 737
Total advances	38 224	39 354

Advances from non-exchange transactions relates to transfers made to partners in connection with programme execution, and to staff. Such advances are recognized as an asset and are stated at historical cost less an allowance for impairment.

Advances to partners are reduced and expenses are recognized when certified expense reports are received from partners. As at 31 December 2016,

approximately 95.1 per cent of the total outstanding advances provided to partners are aged less than 12 months and relate to implementation of programmatic activities.

Advances to staff include salary and rental advances and prepaid education grants, which are generally settled within a 12-month period.

Note 10

Other assets

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Current assets		
Interest receivable and accrued interest	1 295	2 229
Derivative assets	60	-
Receivable from United Nations agencies		
United Nations Development Programme	6 973	-
United Nations Population Fund	25	-
Miscellaneous accounts receivable	1 873	1 486
Subtotal	10 226	3 715
Non-current assets		
Security deposit	11	2
Subtotal	11	2
Total other assets	10 237	3 717

Miscellaneous accounts receivable includes value added tax/sales tax, rental reimbursement due from the United Nations, security deposit on rental premises, miscellaneous receivables due and expenditure paid in advance.

Note 11

Inventories

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
No-charge technical publications	76	93
Total inventories	76	93

Note 12

Property, plant and equipment

(Thousands of United States dollars)

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

Notes to the financial statements (continued)

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	<i>Building</i>	<i>Communication and information technology equipment</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Heavy machinery/ equipment</i>	<i>Security equipment</i>	<i>Leasehold improvements</i>	<i>Total</i>
At 31 December 2015								
Cost	1 632	7 423	948	6 971	1 087	511	1 995	20 567
Accumulated depreciation	(178)	(3 945)	(392)	(3 592)	(510)	(249)	(402)	(9 268)
Net book value	1 454	3 478	556	3 379	577	262	1 593	11 299
Movements year to 31 December 2016								
Additions	15	1 222	108	1 296	85	187	356	3 269
Receipt accrual	–	(8)	17	(53)	–	23	–	(21)
Cost adjustments	–	(42)	(3)	23	(10)	1	(68)	(99)
Transfers	–	(24)	–	–	(3)	27	–	–
Transfers – accumulated depreciation	–	8	–	–	–	(8)	–	–
Retirements	–	(460)	(23)	(194)	(26)	(7)	(14)	(724)
Retirements — accumulated depreciation	–	423	10	194	24	6	10	667
Depreciation	(114)	(1 090)	(123)	(857)	(185)	(102)	(373)	(2 844)
Closing net book value as at 31 December 2016	1 355	3 507	542	3 788	462	389	1 504	11 547
At 31 December 2016								
Cost	1 647	8 111	1 047	8 044	1 133	742	2 270	22 994
Accumulated depreciation	(292)	(4 604)	(505)	(4 256)	(671)	(353)	(766)	(11 447)
Net book value	1 355	3 507	542	3 788	462	389	1 504	11 547

Assets are reviewed annually to determine if there is any impairment in their value, and as at 31 December 2016, UN-Women did not have any impairment on property, plant and equipment. UN-Women holds fully depreciated property, plant and equipment which is still in use, with a cost of \$2.4 million as at 31 December 2016.

Note 13

Intangible assets

(Thousands of United States dollars)

	<i>Externally acquired software</i>	<i>Total</i>
At 31 December 2015		
Cost	269	269
Accumulated amortization	(32)	(32)
Closing net book value as at 31 December 2016	237	237
Movements year to 31 December 2016		
Additions	121	121
Amortization	(67)	(67)
Closing net book value as at 31 December 2016	54	54
At 31 December 2016		
Cost	390	390
Accumulated amortization	(99)	(99)
Net book value	291	291

Note 14

Accounts payable

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Payables to third parties	6 865	4 817
Payables to United Nations agencies		
United Nations Development Programme	-	3 184
United Nations Office for Project Services	-	172
United Nations Capital Development Fund	-	4
United Nations Population Fund	115	71
Accruals	2 511	2 336
Total accounts payable	9 491	10 584

Payables to third parties are related to amounts due for goods and services for which invoices have been received. Payables to United Nations agencies represent expenditure incurred on behalf of UN-Women which are settled in the following year.

Accruals represents estimates for the value of goods or services received, for which invoices have not yet been received and for which the liability has occurred and can be reasonably estimated.

Note 15

Employee benefits

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Current employee benefits		
Accrued annual leave	7 981	7 480
Accrued home leave	1 413	1 363
After-service health insurance	399	315
Repatriation benefits	792	1 164
Death benefit	21	20
Other employee benefits	-	5 970
Subtotal	10 606	16 312
Non-current employee benefits		
After-service health insurance	55 353	46 376
Repatriation benefits	12 577	11 564
Death benefit	215	209
Subtotal	68 145	58 149
Total employee benefits	78 751	74 461

(a) Current employee benefits

The current portion of employee benefits includes annual leave and home leave calculated in accordance with United Nations Staff Rules and Regulations. , and Also included are the current portions of accrued after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation. Other employee benefits in 2015 represented accruals for learning and security costs and are disclosed in 2016 under Note 16 as Other accruals.

(b) Non-current employee benefits

The non-current portion of employee benefits includes the non-current portions of after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation.

Actuarial valuations

The actuarial valuation for after-service health insurance, repatriation benefits and death benefits was prepared for the purpose of providing results for financial disclosure and reporting as at 31 December 2016 in accordance with IPSAS 25: Employee benefits.

After-service health insurance

UN-Women provides end-of-service medical benefits for its eligible former staff members and their dependants in the form of insurance premiums for the medical and accident insurance plan. Eligible former staff members are 55 years of age and older and have 5 or more years of service for staff hired

before 1 July 2007, or 10 or more years of service for staff hired on or after 1 July 2007 of contributory health insurance coverage prior to retirement.

The non-current portion of after-service health insurance of \$55.4 million includes an obligation for active staff — not yet fully eligible amounts to \$35.6 million, which represents active employees who are not yet eligible as of the valuation date and are determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements.

The plan is funded to the amount of \$40 million as at 31 December 2016, and a funding plan for providing 8 per cent commenced from 1 January 2014. The majority of the assets held to support the plan are separately invested in an after-service health insurance investment account by external fund managers (see note 7 and 25).

The present value of the defined benefit obligations for post-employment medical insurance is determined using the projected unit credit method, including discounting the estimated future cash outflows.

Repatriation benefits

UN-Women provides end-of-service repatriation benefits (grant and travel and shipment of personal effects) for its eligible staff members and their dependants upon separation. Eligible staff are international appointments who have been separated from active service after qualifying service of one year or longer, who resided at the last duty station outside their country of nationality and have not been summarily dismissed or separated from service on grounds of abandonment of post.

The non-current portion of repatriation benefits of \$12.6 million includes an obligation for active staff — not yet fully eligible amounts to \$11.2 million, which represents active employees who are not yet eligible as of the valuation date and which is determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements.

The plan is funded to the amount of \$4.4 million as at 31 December 2016, and a funding plan for providing 3.75 per cent commenced from 1 January 2014. The assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

Death benefits

Death benefit is a post-employment defined-benefit plan. The obligation to provide this entitlement is generated when eligible employees report for service. The payment is made upon the death of an employee who leaves behind a surviving spouse or a dependent child. Staff members on full-time continuous service, on fixed-term, or continuing or permanent appointment are eligible to receive death benefits provided that the staff members are married or have dependent children at their death. No benefit is payable in the case of staff members who are unmarried and/or without recognized dependent children. The plan is fully funded to the amount of \$0.2 million as at 31 December 2016 and the assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

The movement in the present value of the defined benefit in accordance with the actuarial valuation was as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Death benefit</i>
Restated net defined benefit obligation at the beginning of the year	46 691	12 727	229
Increase of the obligation			
Service cost	4 201	1 157	17
Interest on obligation	2 097	468	8
Actuarial loss/(gain)	3 092	225	3
Decrease of the obligation			
Benefit payments	(329)	(1 208)	(21)
Net recognized liability at the end of the year	55 752	13 369	236

The annual expense amounts recognized in the statement of financial performance are as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>
Service cost	4 201	1 157
Interest on obligation	2 097	468
Total expenses recognized	6 298	1 625

Actuarial assumptions

The end-of-service liabilities were valued with the Citigroup Pension Discount Curve. Actuarial valuations were performed using the full discount curves, and once the results were obtained, single equivalent discount rates per scheme were determined for disclosure purposes. The single equivalent discount rates determined for each scheme are: after-service health insurance 4.28 per cent; repatriation grant 3.71 per cent; and death benefits 3.47 per cent. A review was conducted by the actuary of a number of sources and the long-term rate of inflation assumption was based on 2.22 per cent. Other actuarial assumptions were:

Health-care cost trend rates (varies by medical plan)	4-6%
Salary increase rate (varies by age and staff category)	4-9.8%
Per capita claim cost (varies by age)	\$1 052-\$15 419

Benefits under the after-service health insurance plans are attributed in proportion to the years of service from date of hire until full eligibility date, in accordance with the straight-line basis method. Repatriation benefits are attributed based on the benefit formula. Benefits under the death benefit plan

are attributed in proportion to the years of service from the date of hire until full eligibility date, in accordance with the straight-line basis method.

Assumptions regarding future mortality are based on published statistics and mortality tables. The current rates of death underlying the values of the liabilities in the after-service health insurance and repatriation calculations are as follows:

<i>Rates of death — Pre-retirement</i>	<i>At age 20</i>	<i>At age 69</i>
Male	0.00065	0.00906
Female	0.00034	0.00645

<i>Rates of death — Post-retirement</i>	<i>At age 20</i>	<i>At age 70</i>
Male	0.00072	0.01176
Female	0.00037	0.00860

<i>Rate of retirement — Professionals with 30 or more years of experience</i>	<i>At age 55</i>	<i>At age 70</i>
Male	0.16	1.00
Female	0.20	1.00

If the assumptions described above were to change, in accordance with the actuarial report, this would have an impact on the measurement of defined benefit obligations and current service and interest costs as shown in the table below.

(Thousands of United States dollars)

	<i>Change</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Death benefits</i>
Impact of change in assumptions		55 752	13 369	236
<i>Discount rate sensitivity to end-of-year liability</i>				
Increase of discount rate by	1%	(11 924)	(1 395)	(19)
As a percentage of end-of-year liability		-21%	-10%	-8%
Decrease of discount rate by	(1%)	15 657	1 605	21
As a percentage of end-of-year liability		28%	12%	9%
Effect of change in assumed health-care cost trend rates				
<i>Effect on year-end accumulated post-employment benefit obligation</i>				
Increase of health-care cost trend rate by	1%	16 166	Not applicable	Not applicable
Decrease of health-care cost trend rate by	(1%)	(11 954)	Not applicable	Not applicable
<i>Effect on combined service and interest cost components on net</i>				
Increase of health-care cost trend rate by	1%	2 530	Not applicable	Not applicable
Decrease of health-care cost trend rate by	(1%)	(1 819)	Not applicable	Not applicable

The best estimate of contributions expected by UN-Women to be paid for the next 12 months for after-service health insurance is \$0.3 million, and for repatriation benefits, \$1.2 million.

United Nations Joint Staff Pension Fund

The Regulations of the Fund state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

The financial obligation of UN-Women to the UNJSPF consists of its mandated contribution, at the rate established by the General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations), together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Fund. Such deficiency payments are payable only if and when the United Nations General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The actuarial valuation performed as at 31 December 2015 revealed an actuarial surplus of 0.16 per cent (a deficit of 0.72% in the 2013 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as at 31 December 2015 was 23.54 per cent of pensionable remuneration, compared to the actual contribution rate of 23.7 per cent. The next actuarial valuation will be conducted as at 31 December 2017.

At 31 December 2015, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 141.1 per cent (127.5 per cent in the 2013 valuation). The funded ratio was 100.9 per cent (91.2 per cent in the 2013 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the consulting actuary concluded that there was no requirement, as at 31 December 2015, for deficiency payments under article 26 of the Regulations of the Pension Fund, as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of article 26.

During 2016, UN-Women's contributions paid to UNJSPF amounted to \$14.1 million (in 2015, \$13.1 million).

The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments, which can be viewed by visiting the UNJSPF at www.unjspf.org.

(c) Future changes to employee benefits

The General Assembly adopted resolution 70/244 on 23 December 2015, deciding on a series of changes to the conditions of service and future entitlements for all staff serving in the United Nations common system, including UN-Women. The significant changes include: (a) raising the mandatory age of separation for staff recruited before 1 January 2014 to 65 years, to be implemented by 1 January 2018, taking into account the acquired rights of staff; (b) a revised base/floor scale of gross and net salaries for staff in the Professional and higher categories with effect from 1 January 2017; and (c) proposals on the United Nations common system compensation package with effect from 1 July 2016. While these decisions do not have an impact on the 2016 financial statements, the implementation of those decisions will be reflected in the 2017 actuarial valuation of employee benefit liabilities.

Note 16

Other liabilities

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Deferred income	1 340	2 781
Funds received in advance	930	1 740
Investment settlement payable	10 229	-
Other accruals	6 558	121
Other payables	2 519	982
Other current liabilities	21 576	5 624

Deferred income represents funds received in advance for future years from multi-year donor agreements, which are apportioned by calendar year over the period of the agreement and recognized when conditions are met. Funds received in advance represents funds held on behalf of donors pending conditions of allocation or payment.

Investment settlement payable represents a trade that was completed in January 2017. Other accruals represents funds accrued for payments relating to security, learning, information and communications technology, audit and reimbursements due to United Nations jointly funded activities. Other payables represent reimbursable services rendered by the United Nations and United Nations agencies and other liabilities.

Note 17

Accumulated surplus or deficit

The movement in the accumulated surplus or deficit during the year is shown below.

(Thousands of United States dollars)

	31 December 2016	31 December 2015
Accumulated surplus/(deficit) at the beginning of the year	332 612	320 847
Current-year surplus/(deficit)	(5 472)	4 014
Transfer to operational reserve	-	(1 100)
Refunds to donors	(2 213)	(3 303)
Actuarial gain/(loss)	(3 320)	12 154
Accumulated surplus/(deficit) at the end of the year	321 607	332 612

(a) IPSAS reserve

The accumulated surplus includes a balance of \$12.8 million relating to IPSAS reserves. There were no adjustments to the IPSAS reserves during the year.

(b) Refunds to donors

Refunds to donors represents funds returned to donors in accordance with agreements after the completion of activities for projects and programmes. In 2016, refunds to donors included: \$0.8 million to the Government of Spain relating to other resources which were converted into regular resources contribution in the same year; and \$0.5 million to UNDP and \$0.3 million to Multi-partner Trust Fund (administered by UNDP) relating to other resources.

(c) Actuarial gains or losses

Actuarial losses relating to after-service health insurance and repatriation benefit obligations in the amount of \$ 3.3 million are accounted for using the “reserve recognition” approach and are recognized through net assets in the statement of financial position and in the statement of changes in net assets in the year in which they occur (see note 15).

**Note 18
Reserves**

The movement in the reserves during the year is shown below.

(Thousands of United States dollars)

	31 December 2016	Movements	31 December 2015
Operational reserve	24 900	-	24 900
Field accommodation reserve	1 000	-	1 000
Changes in fair value of available-for-sale investments	164	164	-
Total reserves	26 064	164	25 900

(a) Operational reserve

UN-Women maintains an operational reserve of \$24.9 million, the purpose of which is to guarantee the financial viability and integrity of the

agency. The reserve is fully funded and held in irrevocable and promptly available liquid assets which are included in the pool of investments of UN-Women. The elements to be compensated for and covered by it shall be limited to downward fluctuations or shortfalls in resources: uneven cash flows; increases in actual costs as compared to planning estimates or fluctuations in delivery; and other contingencies that result in a loss of resources for which UN-Women has made commitments for programming. No increase was made to the operational reserve in 2016.

(b) Field accommodation reserve

A reserve for field office accommodation, of \$1 million, was established in accordance with Executive Board decision 2012/8. With the establishment of regional offices and the ongoing potential for increased participation in United Nations common premises, UN-Women may incur additional costs to finance its share. UN-Women can make drawdowns from the reserve which will be replenished from the accumulated surplus on an annual basis.

Note 19

Voluntary contributions

(Thousands of United States dollars)

	<i>2016</i>	<i>2015</i>
Contributions	318 254	305 895
Contributions in-kind	1 484	1 085
Total voluntary contributions	319 738	306 980

In-kind contributions representing rent provided by Governments and United Nations agencies amounted to \$1.5 million. In-kind services provided to UN-Women during the year amounted to \$8.6 million (2015 \$1.7 million) and are not recorded as income in these financial statements, in accordance with the accounting policies of UN-Women.

Note 20

Assessed contributions

(Thousands of United States dollars)

	<i>2016</i>	<i>2015</i>
Assessed contributions	7 615	7 505
Total assessed contributions	7 615	7 505

Assessed contributions are issued as an annual allotment from the United Nations regular budget.

Note 21

Investment revenue

(Thousands of United States dollars)

	2016	2015
Interest revenue	5 797	6 533
Amortization on investments	(2 365)	(3 693)
Total investment income	3 432	2 840

Amortization on investments relates to the net bond income balance from amortizing of premiums (debit) and discounts (credit). These premiums and discounts are part of the initial purchase price of bonds and, in observance of accrual accounting principle, are amortized to maturity or call. A debit has resulted because the average bond portfolio during 2016 was overwhelmingly composed of premium bonds.

Note 22

Other revenue

(Thousands of United States dollars)

	2016	2015
Currency exchange gains	3 601	1 365
Miscellaneous revenue	35	178
Fees and support services	12 604	11 529
Less elimination	(12 604)	(11 529)
Total other revenue	3 636	1 543

The elimination items represent the indirect costs charged by UN-Women in relation to the management of other resources and are based on the rate of recovery of 8 per cent established by the UN-Women Executive Board in its decision 2013/2, with effect from 1 January 2014 (see note 5).

Note 23

Exchange transactions revenue

(Thousands of United States dollars)

	2016	2015
Exchange transactions revenue	148	120
Total exchange transactions revenue	148	120

Revenue from exchange transactions represents the delivery of products and training for gender equality courses, to other United Nations entities, Governments, civil society organizations and the general public.

Note 24

Expenses

(Thousands of United States dollars)

	2016	2015
Employee benefits		
Salary and wages	79 207	74 697
Pension benefits	14 177	13 170
Post-employment and termination benefits	8 729	10 193
Leave benefits	2 024	2 789
Other employee benefits	10 132	10 255
Related agency costs	2	6
Subtotal	114 271	111 110
Contractual services		
Contract services with individuals	62 346	52 816
Contract services with companies	26 757	25 879
United Nations Volunteers costs	1 724	1 279
Subtotal	90 827	79 974
Grants and other transfers		
Grants	9 381	11 019
Subtotal	9 381	11 019
Supplies and maintenance		
Maintenance and non-capitalized property	6 219	5 131
Maintenance and non-capitalized information technology and communications equipment	107	137
Maintenance and non-capitalized software and licences	900	1 163
Consumables	1 694	1 695
Subtotal	8 920	8 126
Operating costs		
Communication costs	16 715	15 015
Learning and recruitment costs	26 562	23 863
Support services paid to United Nations agencies	7 273	8 570
Insurance/warranties	147	140
Rent, leases, utilities	16 485	15 587
Professional services	2 276	1 652
Freight costs	96	115
Other operating costs	4 977	4 655
General management costs	2 538	1 403
Subtotal	77 069	71 000
Travel costs		

	2016	2015
Tickets	13 692	11 984
Daily subsistence allowance	14 828	12 452
Other	2 782	2 878
Subtotal	31 302	27 314
Depreciation and amortization	2 912	2 385
Finance costs		
Bank charges	185	110
Subtotal	185	110
Other expenses		
Stationery and other project expenses	4 068	5 376
Currency exchange losses	1 109	3 426
Losses on property, plant and equipment	25	60
Impairment and prior and current period write-offs	(28)	(4 926)
Subtotal	5 174	3 936
Total expenses	340 041	314 974

Allowance for impairment of advances to partners under “other expenses” is a negative balance in 2016 owing to the reduction in the allowance for 2015.

Note 25

Financial risks

The investment activities of UN-Women are carried out by UNDP under a service-level agreement. Under the terms of the agreement, UNDP applies its investment guidelines and governance framework for the benefit of UN-Women. Investments are registered in the name of UN-Women with marketable securities held by a custodian appointed by UNDP.

The principal objectives of the investment guidelines (listed in order of importance) are:

(a) Safety — preservation of capital, provided through investing in high quality fixed-income securities emphasizing the creditworthiness of the issuers;

(b) Liquidity — flexibility to meet cash requirements through investments in highly marketable fixed-income securities and through structuring maturities to align with liquidity requirements;

(c) Income — maximization of investment revenue within the foregoing safety and liquidity parameters.

The UNDP investment committee, comprising senior management, meets quarterly to review investment portfolio performance and ensure that investment decisions have complied with the established investment guidelines. UN-Women receives a detailed monthly and quarterly investment performance report from UNDP which shows the composition and performance of the investment portfolio. The Director of Management and

Administration and Chiefs of Accounts and Budget meet with the UNDP Treasury each quarter to review the investment portfolio performance of UN-Women and provide updated cash flow projections.

In 2016, UN-Women outsources a portion of the investment management of its after-service health insurance (ASHI) funds. This was done in order to ensure an adequate level of investment return given the longer-term nature of the liabilities. As at 31 December 2016, this portfolio is mainly classified as available-for-sale. Holdings include cash and cash equivalents, equities and fixed income securities.

The external investment managers are governed by the ASHI Investment Guidelines. The Guidelines ensure that all of the investment activities reflect the best conditions of security, accountability and social responsibility while operating in full compliance with the highest standards of quality, efficiency, competence and integrity. These guidelines are reviewed and approved on a periodic basis by the ASHI Investment Committee, of which UN-Women is a member. The ASHI Investment Committee meets regularly and received monthly reports from the external investment managers.

UN-Women is susceptible to a variety of financial risks arising from financial instruments to which the Organization is exposed, including:

- (a) Credit risk — the possibility that third parties may not pay amounts when due;
- (b) Liquidity risk — the likelihood that UN-Women might not have adequate funds to meet its current obligations as they fall due;
- (c) Market risk — the possibility that UN-Women might incur significant financial losses owing to unfavourable movements in foreign currency exchange rates, interest rates and prices of investment securities.

The tables below show the value of financial assets outstanding at year-end based on the IPSAS classifications adopted by UN-Women.

(Thousands of United States dollars)

	<i>Held to maturity</i>	<i>Available for sale</i>	<i>Loans and receivables</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
Cash and cash equivalents	–	–	100 979	–	100 979	41 741
Investments	248 213	37 993	–	–	286 206	339 610
Accounts receivable	–	–	9 929	–	9 929	13 130
Advances	–	–	38 224	–	38 224	39 354
Other assets	–	–	10 177	60	10 237	3 715
Total financial assets	248 213	37 993	159 309	60	445 575	437 550

Held-to-maturity financial assets are carried at amortized cost and as at 31 December 2016, the market value of those assets was lower than book value by \$0.1 million. The carrying values for loans and receivables are a reasonable approximation of their fair value. As at 31 December 2016, available-for-sale assets are carried at fair market value based on quoted prices obtained from knowledgeable third parties. UN-Women had no outstanding balances of financial assets classified as fair value through surplus or deficit.

The tables below show the value of financial liabilities outstanding at year-end based on the IPSAS classifications adopted by UN-Women.

(Thousands of United States dollars)

	<i>Other financial liabilities</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2016</i>	<i>31 December 2015</i>
Accounts payable	9 491	–	9 491	10 584
Other liabilities	21 576	–	21 576	5 624
Total financial liabilities	31 067	–	31 067	16 208

As at 31 December 2016, UN-Women had no outstanding financial liabilities recorded at fair value through surplus or deficit. The carrying value of other financial liabilities is a reasonable approximation of their fair value.

Credit risk

UN-Women is exposed to credit risk on its outstanding financial asset balances, primarily cash and cash equivalents, investments, receivables from contributions, advances and other receivables.

UN-Women operates bank accounts in five currencies and in four countries, the United States of America, the United Kingdom of Great Britain and Northern Ireland, Sweden and Norway. For other currencies, UN-Women uses the bank accounts of UNDP and relies upon the risk management processes of UNDP. UN-Women is exposed to default risk of those financial institutions.

With regard to its financial instruments, the UNDP investment guidelines limit the amount of credit exposure to any one counterparty and include minimum credit quality requirements. The credit risk mitigation strategies stated in the investment guidelines include conservative minimum credit criteria of investment grade for all issuers with maturity and counterparty limits by credit rating. The investment guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments are limited to fixed income instruments of sovereigns, supranationals, governmental or federal agencies, and banks. Investment activities are carried out by UNDP and UN-Women offices are not authorized to perform investment activities.

Credit ratings from the three leading credit rating agencies, Moody's, Standard & Poor's and Fitch, are used to evaluate credit risk of financial instruments. As at 31 December 2016, the financial investments of UN-Women were in investment grade instruments, as shown in the table below (presented using Standard & Poor's rating convention).

Credit rating under UNDP management

(Thousands of United States dollars)

<i>31 December 2016</i>	<i>AAA</i>	<i>AA+</i>	<i>AA-</i>	<i>AA</i>	<i>A+</i>	<i>A</i>	<i>Total</i>
Term deposit	–	–	40 000	–	19 000	–	59 000
Money market instruments	–	–	–	–	15 002	–	15 002
Bonds and notes	115 020	6 530	51 424	32 620	12 617	–	218 211
Total	115 020	6 530	91 424	32 620	46 619	–	292 213

<i>31 December 2015</i>	<i>AAA</i>	<i>AA+</i>	<i>AA-</i>	<i>AA</i>	<i>A+</i>	<i>A</i>	<i>Total</i>
Bonds and notes	158 883	88 919	38 650	–	43 166	9 992	339 610
Total	158 883	88 919	38 650	–	43 166	9 992	339 610

Credit rating under external investment managers

(Thousands of United States dollars)

<i>31 December 2015</i>	<i>AA+</i>	<i>AA-</i>	<i>A+</i>	<i>A</i>	<i>BBB+</i>	<i>BBB</i>	<i>US Treasury</i>	<i>Not Rated</i>	<i>Total</i>
Bonds and notes	263	208	326	368	1 222	231	1 954	10 086	14 658
Total	263	208	326	368	1 222	231	1 954	10 086	14 658

For other resources, the Financial Regulations and Rules of UN-Women require that expenditure be incurred only after receipt of funds from the donor, thereby considerably reducing the financial risk to the organization with regard to contributions receivable.

Liquidity risk

Liquidity risk is the risk that UN-Women will encounter difficulty in meeting its obligations associated with accounts payable, other liabilities and promised transfers of cash to programmes. UN-Women does not have significant liquidity risks, as its operations and investments are managed in accordance with its budget and with due consideration of cash requirements for operating purposes.

Investments are made with due consideration to cash requirements for operating purposes based on cash flow forecasting. The investment approach considers the timing of future funding needs of the organization when selecting investment maturities. UN-Women maintains a portion of its cash and investments in cash and cash equivalents (26 per cent) and current investments (44 per cent) sufficient to cover its commitments as and when they fall due, as shown in the table below and in notes 6 and 7.

(Thousands of United States dollars)

	31 December 2016	Percentage	31 December 2015	Percentage
Cash balances	7 534	2	1 470	1
Cash equivalents	93 445	24	40 271	10
Total cash and cash equivalents (net)	100 979	26	41 741	11
Investments				
Current investments	171 792	44	189 067	50
Non-current investments	114 414	30	150 543	39
Total current and non-current investments	286 206	74	339 610	89
Total investments cash and cash equivalents	387 185	100	381 351	100

Market risk

Market risk is the risk that UN-Women is exposed to potential financial losses owing to unfavourable movements in market prices of financial instruments, including movements in interest rates, exchange rates and prices of securities.

Interest rate risk

Interest rate risk arises from the effects of market interest rates fluctuations on:

- (a) Fair value of financial assets and liabilities;
- (b) Future cash flows.

A portion (13.3 per cent) of UN-Women's investment portfolio is classified as available for sale investments that are carried at fair value through net assets/equity, which expose UN-Women to interest rate risk. However a significant portion (86.7 per cent) of the investment portfolio of UN-Women is classified as held to maturity which is not marked-to-market. Changes in interest rates do not have an impact on held-to-maturity book carrying values, and therefore changes in interest rates will have no significant impact on net assets and surplus or deficit reported in the financial statements.

UN-Women invests in United States dollar-denominated floating rate debt, which exposes it to fluctuations of future cash flows. This exposes the organization to a decrease in future cash flows of interest income in a declining interest rate environment and an increase in future cash flows of interest income in an increasing interest rate environment. As at 31 December 2016, UN-Women had no outstanding floating rate fixed-income securities.

Equity price risk

In 2016 Un-Women held equity investments in its externally management portfolio of after-service health insurance funds. The table below presents the price sensitivity of equity investments to a 5 per cent change in equity prices. The sensitivity pertains to equity investments classified as available-for-sale, which are marked to market through net assets/equity and

changes in prices would therefore have no impact on the UN-Women surplus or deficit.

(Thousands of United States dollars)

31 December 2016 Market value	Sensitivity variation	Impact on the financial statements	
		Net assets	Surplus or deficit
23 335	5 per cent increase	1 167	–
23 335	5 per cent decrease	(1 167)	–

Foreign exchange risk

UN-Women is exposed to currency risk arising from financial assets that are denominated in foreign currency and financial liabilities that have to be settled in foreign currency.

UN-Women receives donor contributions primarily in United States dollars, but also in a number of major currencies, including pounds sterling, the euro, the Swedish krona and the Norwegian krone. On an ongoing basis, UN-Women evaluates its need to hold cash and other assets in foreign currencies against its foreign currency obligations during the quarterly meetings with the UNDP Treasury. UN-Women has commenced a hedging strategy from March 2015.

At 31 December 2016 all investments of UN-Women were denominated in United States dollars. However, cash balances were held in several non-United States dollar currencies, representing 98.5 per cent of total cash balances.

The UNDP Treasury uses derivative instruments, such as foreign exchange forwards, options and structured options to manage the Entity's foreign exchange exposure. These derivatives are marked-to-market with gains or losses recognized in surplus and deficit in the statement of financial performance. At 31 December 2016 UN-Women had open derivative positions, see note 10.

Other price risk

UN-Women is exposed to price risk arising from movement in the prices of financial instruments which might fluctuate owing to factors other than changes in interest rate or currency fluctuations. The conservative nature of the UNDP investment guidelines mitigates potential exposure to other price risk.

Note 26 **Budget reconciliation**

The statement of comparison of budget and actual amounts (statement V) is prepared in the same format as the original approved institutional budget 2016-17, with the additional inclusion of assessed contributions (regular budget activities). As the financial statements are prepared in accordance with IPSAS and the budget is prepared on the modified cash basis, the reported financial results (actual) are adjusted to provide for a comparison to the budget as presented in the statement of comparison of budget and actual amounts. The main changes between the IPSAS financial results and the results on a budget

basis relate to difference in the treatment of cost of assets and treatment of cash advances to partners and staff members.

The integrated budget is prepared and presented on a biennial basis. The year 2016 represents 50 per cent of the integrated budget for the biennium 2016-2017.

(a) Regular budget activities — assessed contributions 2016

For the biennium 2016-2017, there is a total variance showing over expenditure of \$1million due to after-service health insurance reserve contributions, which UN-Women is required to make under its end-of-service liabilities funding plan, while the assessed budget only provides for a pay-as-you-go basis.

(b) Development activities — voluntary contributions 2016

(i) Programme

The original budgets were based on the original estimates used in the 2016-2017 integrated budget, which was based on total projected resources of \$880 million in voluntary contributions for the biennial period. Total voluntary contributions originally budgeted for 2016 were \$380 million.

Total programme variances are \$24.9 million, split between regular and other resources as follows:

(a) Programme expenditures from regular resources are \$3.8 million lower than the budget. For programmatic activities, budgets are updated throughout the year, taking into account the most recent estimates of expenditure, in line with project deliverables and authorized spending limits composed of available resources and expected funding receipts. The budgets are also aligned to the extent possible with the annual workplans. The differences between the planned and actual expenditures are to be expected, as project scope, deliverables and milestones are subject to change over the course of the year. There is also the possibility to carry unspent funds over into the following year, depending on the overall level of available regular contributions. Actual delivery rates for the core programme averaged 87 per cent;

(b) Programme expenditures from other resources are \$21.1 million lower than the budget. The total budget for programme activities funded from donor contributions may reflect the total expected revenue for the year. Furthermore, project deliverables are also subject to change and unspent project resources are carried forward into the following year. The delivery rate averaged 79 per cent. A number of programmes also budget over a multi-year period but show expenses only for the current year, in particular the global trust funds. That reduces spending against total budget and hence increases the variance.

(ii) Institutional budget (development effectiveness, United Nations coordination and management activities)

The institutional budget comprises the following classifications: development effectiveness; United Nations development coordination; and management activities, including change management. The original institutional budget for 2016 was prepared during the formulation of the 2016-

2017 integrated budget based on total projected staff costs and full utilization of non-staff costs, while the final 2016 budget reflects updated staff pro forma costs. Any variance is due mostly to lower actual staff costs than pro forma costs and post vacancies. The delivery rate for the institutional budget was 84 per cent. Any unspent budgets at the end of 2016 rolls forward to 2017 and hence can still be fully utilised in the last period of the biennium

Basis adjustments

The budget is prepared on a modified cash basis and the financial statements are prepared on a full accrual basis in compliance with IPSAS requirements. In order to reconcile the budgetary result with the cash flow statement, the non-cash elements are removed as basis differences. The principal adjustments that have an impact on the reconciliation between the budget and the statement of financial performance are as follows:

- Capital expenditures capitalized and depreciated over their useful life under accrual accounting (generally recorded as current year expenses in the budget);
- Under accrual accounting, employee benefit liabilities are reported in the statement of financial position, and movements in liabilities have an impact on the statement of financial performance;
- Unliquidated obligations are included in budget reporting but are not recognized under accrual accounting.

Timing differences

There are no timing differences in the reconciliation.

Presentation differences

Presentation differences are those differences in the format and classification schemes used in the statement of cash flow and in the statement of comparison of budget and actual amounts. As such, the presentation differences in the reconciliation relate to revenue.

Reconciliation: budgetary result with net cash flow

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Total</i>
Actual amount on comparable basis, as presented in the budget and actual comparative statement	(352 474)	–	(352 474)
Basis differences	22 183	52 468	74 651
Presentation differences	334 569	–	334 569
Actual amount in statement of cash flow	4 278	52 468	56 746

Note 27

Related party transactions

Governing bodies

UN-Women is governed by an Executive Board on the basis of General Assembly resolution 64/289, which stipulates in paragraph 57 (b) that the Assembly, the Economic and Social Council and the Executive Board of the Entity shall constitute the multi-tiered intergovernmental governance structure for the operational activities and shall provide operational policy guidance to the Entity. The Executive Board comprises 41 members (elected from five regional groups and one contributing group), who do not receive any remuneration from UN-Women.

The Executive Board of UN-Women also engages with the Executive Boards of other United Nations operational entities in an effort to harmonize approaches to operational activities. Those engagements also provide opportunities for sharing experiences and coordinating programme work on gender equality and gender mainstreaming throughout the United Nations system. The work of the Executive Board is guided by its rules of procedure.

Key management personnel

Key management personnel are the Executive Director, two Assistant Secretaries-General and six senior Directors, as they have the authority for planning, directing and controlling the activities of the Entity and executing the mandate of UN-Women.

(Thousands of United States dollars)

<i>Number of individuals</i>	<i>Compensation and post adjustment</i>	<i>Entitlements</i>	<i>Pension and health plans</i>	<i>Total remuneration 2016</i>	<i>Outstanding advances</i>	<i>Outstanding loans</i>
9	1 690	36	689	2 415	25	–

The aggregate remuneration paid to key management personnel includes: net salaries; post adjustment; entitlements, such as allowances, grants and subsidies; and employer pension and health insurance contributions. Advances are those made against entitlements in accordance with staff rules and regulations. As at 31 December 2016, after-service health insurance and repatriation and death benefits for key management personnel included in employee benefits liabilities amounted to \$3.2 million, as determined by actuarial valuation.

Note 28

Commitments and contingencies

(a) Open commitments

As at 31 December 2016, commitments of UN-Women for the acquisition of various goods and services contracted but not yet received amounted to \$6.6 million.

(b) Lease commitments

As at 31 December 2016, UN-Women had future obligations for minimal lease payments as presented in the table below.

(Thousands of United States dollars)

	<i>31 December 2016</i>	<i>31 December 2015</i>
Obligations for property leases:		
Within 12 months	8 001	7 680
1-5 years	21 656	24 272
Beyond 5 years	242	1 347
Total property lease obligations	29 899	33 299

The typical contractual leases of UN-Women are between 1 and 10 years, but some of the leases permit early termination within 30, 60 or 90 days. The lease for headquarters at the Daily News Building allows for termination seven years after commencement where UN-Women has no other office within the United States and makes a cancellation payment of \$3.2 million. Leases often include provisions that allow for multiple renewals and are at rates considerably lower than the existing market rates. The aggregate difference between the leases at contract rates and their respective market rates is recognized as contribution-in-kind revenue.

(c) Legal or contingent liabilities

As at 31 December 2016, UN-Women had no contingent liabilities.

Note 29

Events after the reporting date

The reporting date of UN-Women is 31 December of each year. The date of certification and transmittal of the financial statement is 30 April of the year after the financial year-end. On the date of signing these financial statements, there had been no material event, favourable or unfavourable, that had occurred between the balance sheet date and the date on which the financial statements were authorized for issue that would have affected the present statements.