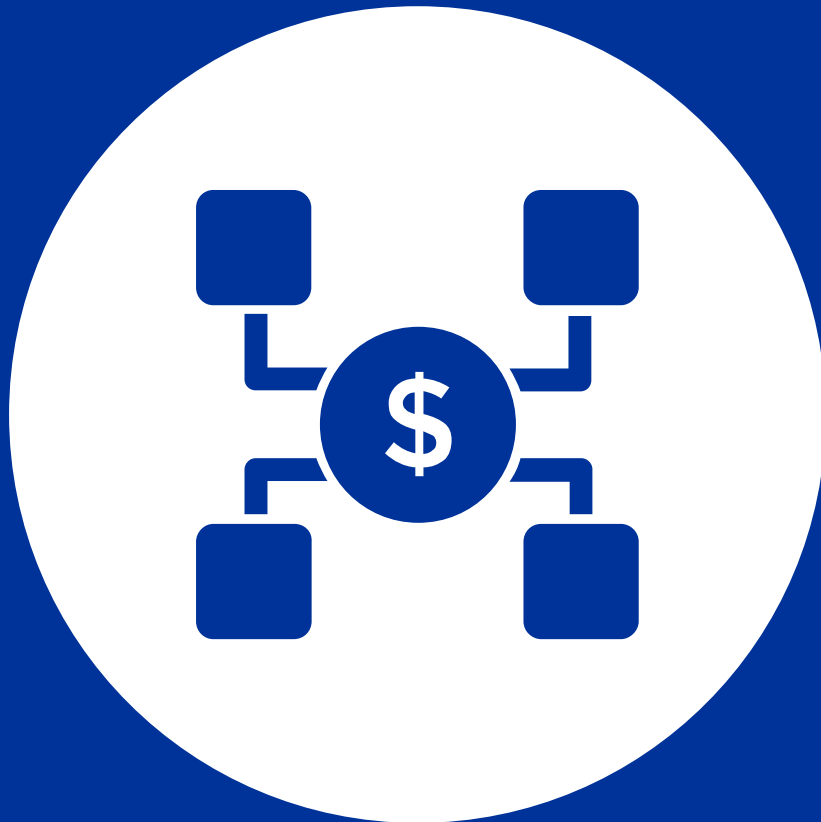





# PERFORMANCE INDICATOR 10

## FINANCIAL TARGETS



## 10. Performance Indicator: Financial Targets

 <b>Approaches requirements</b>	 <b>Meets requirements</b>	 <b>Exceeds requirements</b>
<p>10a. A financial target for gender equality and the empowerment of women is set and a plan is developed to reach it</p>	<p>10bi. A financial target for gender equality and the empowerment of women as a principal objective is met (GEM 3/2B)</p> <p><b>and</b></p> <p>10bii. A financial and narrative report linking funding to specific gender-related results and ensuring there is a justification for activities considered GEM 0 is developed</p>	<p>10ci. A financial target for gender equality and the empowerment of women as a principal objective is met (GEM 3/2B)</p> <p><b>and</b></p> <p>10cii. A financial target for activities contributing significantly to gender equality and the empowerment of women is met (GEM 2/2A)</p> <p><b>and</b></p> <p>10ciii. A financial and narrative report linking funding to specific gender-related results and ensuring there is a justification for activities considered GEM 0 is published</p>



### What is the Financial Targets indicator

The UN has pledged to address gender inequality and promote women’s empowerment but progress in achieving gender equality requires sustained and adequate financing. Accelerating progress towards gender equality requires firm commitment, bold action and predictable funding. Where this exists, notable progress is possible. Recognising the importance of financing for gender equality, in 2018, the Secretary-General’s Executive Committee, established the High-Level Task Force on Financing for Gender Equality<sup>12</sup>. Its recommendation to implement a harmonised financial tracking mechanism accelerated adoption of the GEM by UN entities. Follow-up to the Secretary-General’s ‘Our Common Agenda’ report, together with the recommendations presented by the Secretary General’s High-level Task Force for Financing for Gender Equality, has provided an opportunity to deepen and standardise the implementation of financial tracking tools and financing commitments.

<sup>12</sup> See UN Women, High-Level Task Force on Financing for Gender Equality, <https://gendercoordinationandmainstreaming.unwomen.org/building-block/high-level-task-force-financing-gender-equality>.

The financial targets indicator involves entities establishing a target percent of their funds to be spent on GEEW with a focus on ways of addressing this issue in the context of each entity's mandate. While the setting of financial targets on gender equality at the entity level became mandatory in 2012, UN-SWAP 1.0 and UN-SWAP 2.0 frameworks did not establish specific requirements on financial targets focused on GEM scores, given that the majority of UN entities were working towards the GEM's application and that there was not a standard 4-point scale GEM, UN-SWAP 3.0 takes a step further, with a focus on the need to set financial targets based on GEM scores.

Overall, the establishment of financial targets and financial tracking through the GEM has shown promising progress in advancing financing for gender equality and women's empowerment. However, sustained efforts and increased dedicated financing remain critical to driving and sustaining meaningful change.

## How to use this performance indicator

By setting the goal to spend a percent of financial resources on GEEW, entities will be assuring that gender equality is incorporated into budgetary decisions and that adequate resources are allocated to gender equality. This requires an examination and inclusion of regular, core and non-core resources. Discussions both about what the appropriate financial target should be, as well as how to achieve that target are necessary to this process.

While UN-SWAP 3.0 emphasizes the set of financial targets based on GEM scores, it is essential for entities to engage in a reflective process to establish financial targets that hold meaningful significance for them. For example, if a UN entity runs training workshops for Member States and determines that achieving gender parity in these training sessions is core to their mandate, the budget process should involve identifying the resources needed to achieve this goal, with a focus on what percent of total financial resources this would require. Similarly, if a UN entity's mandate includes empowering women through greater participation in political processes, the resources required for achieving this goal should be estimated and then an appropriate target should be calculated. For example, if a UN entity runs training workshops and has tracked that ten per cent of funding allocated to these workshops was tagged as GEM 3 in 2023, meaning that their principal objective is gender equality, the entity can decide that this percentage is appropriate to set a financial target on GEM 3 and to achieve its objectives on gender equality. In this regard, it is important to keep in mind that financial targets on GEEW need to be meaningful and instrumental to attain entities' goals on gender equality. In this example, the ten percent of training workshops tagged as GEM 3 helps the entity achieve its objective of promoting gender equality in capacity-building activities.

Similarly, if a UN entity has estimated, based on the expenses by GEM scores tracked using the gender marker, that to reach their gender equality objectives, they need a fully-resourced gender unit and twenty per cent of their programmatic expenditures with gender equality as their principal objective (GEM 3), and that all this adds up to fifteen per cent of total expenses of the entity, the entity can decide to establish a 15% target on GEM 3 to ensure that there is a commitment to allocate resources to ensure that gender-equality results are met and that meaningful progress is achieved. This, in turn, can help establish a resource mobilization strategy to ensure the financial target is consistently achieved over time.

Ideally the setting of a financial target will also be informed by the gender marker data (UN-SWAP Performance Indicator 9) to approach requirements. To meet or exceed requirements, financial targets must correspond to GEM score 3/2B (for meeting) and GEM scores 2/2A and 3/2B (for exceeding). Entities will establish, through use of the gender marker system, the current allocation to promoting gender equality and the empowerment of women and be able to determine if this figure is adequate to meet their mandate. Once sufficient data are collected, the gender equality target should be adjusted accordingly, ideally becoming not only more comprehensive but also more ambitious.

While the GEAP recommends that entities allocate at least 15% of their expenditures to gender equality as a principal objective, the UN-SWAP 3.0 framework has considered the comprehensive consultation

process conducted with UN entities during 2024 to define PI 11. Given that different entities engage with the issue of gender equality and the empowerment of women more or less directly, there is not a single percentage that is recommended for all entities, however entities are expected to set financial targets to ensure adequate resources contribute to GEEW as a principal objective (GEM 3/2B) and targets for funds contributing significantly to GEEW (GEM 2/2A), paying attention not only to the need to establish financial targets but also to develop reports as an accountability tool that connects financial targets with gender results.

<b>Elements derived from the Gender Equality Acceleration Plan (GEAP)</b>	
<ul style="list-style-type: none"> <li>✓ “Establish 15% as the standard allocation for expenditures in the UN system dedicated to outputs/activities where gender equality is the principal objective (GEM3) across all pillars by 2026”.</li> <li>✓ “For entities that have already reached 15% it is strongly recommended that they consider a 20% target for expenditures on GEM3 results”.</li> <li>✓ “For entities that have not yet reached the 15% they develop a plan to do so by 2030”.</li> <li>✓ “Establish a 0% target for gender blind outputs/activities in projects not expected to contribute to gender equality. Conduct regular dialogues with donors to ensure that they are aware of the possible negative impacts of genderblind funding”.</li> <li>✓ “Propose that Funding Compact 2.0 incorporates a commitment by donors to not fund any UN work that is considered GEM 0”.</li> <li>✓ “All entities engage in donor dialogues about gender-blind funding”.</li> <li>✓ “All entity programme and fundraising departments develop plans to reach the 15% target by 2030”.</li> <li>✓ “All <b>earmarked funding</b> received should ideally <b>provide a min. contribution</b> to the receiving entities gender equality work”.</li> </ul>	

### Who is the Business owner for this indicator?

The adequate establishment and reporting on the financial target/s for gender equality and the empowerment of women would be the primary responsibility of an entity’s finance/budget unit. For entities that do not have such units, the UN-SWAP Focal Point should identify the most appropriate business owner within the entity.

### What are the specific requirements for this indicator?

#### To approach requirements

**Requirement 10a:** To approach requirements, entities need to **have already set a financial target on GEEW**, which is reflected in a corporate document (Strategic Plan, Gender Policy, etc), even if the target is expressed numerically and a percentage has not yet been set. While entities can decide the GEM scores that are involved in the calculation of the target (e.g. GEM 2 or GEMs 2 plus 3), if entities seek to continue making progress and eventually meet or exceed requirements, it is recommended to establish at least one target on GEM 3 (to meet requirements) or to establish two different targets, one on GEM 2 and another on GEM 3 (to exceed requirements). If entities are still working to define their targets, the adequate rating is missing. A second criterion to approach requirements is that entities **have a plan in place to reach their financial targets**. At a minimum, the plan must incorporate the following elements: the reflections that led to the establishment of the financial target, method of calculation of the financial target (GEM scores, type of budget sources and/or type of expenditures

covered, etc) and a timeline explaining when the financial target is expected to be reached. It is advisable that the plan has been approved by the entity's governing body and that it envisages a resource mobilization strategy if needed.

## To meet requirements

To meet requirements, entities must comply with two requirements:

- 1) **Meet a financial target for GEM 3/2B (10bi)**, which implies that entities allocate a percentage of financial resources to programmes/activities/departments that have gender equality as their principal objective. If the entity has not yet transitioned to the standard 4-point scale GEM, it can meet requirements as long as the established financial target refers to the highest GEM score where GEEW is the principal objective.
- 2) **Develop a financial and narrative report (10bii):**
  - To link funding to specific gender results. While the establishment of financial targets is key to ensure adequate resources for gender equality, it is only meaningful provided that financial targets are connected to and contribute to reach specific gender results. Entities are expected to develop a report that explains how financial allocations have contributed to achieve gender-related objectives included in the Strategic Plan, the Gender Policy, etc. In some cases, a separate financial and narrative report may be not necessary as long as this information is already embedded in existing reporting.
  - To ensure there is a justification for activities that are considered GEM 0 (financial resources not expected to contribute to gender equality). While some entities discourage projects rated as GEM 0 or even GEM 1, some activities may be adequately tagged as GEM 0 as long as a gender analysis have been conducted to ensure there are no gender-blind or gender-negative consequences. To do this, programme managers are expected to apply a 'do-no-harm approach'<sup>13</sup> to ensure gender inequalities are not exacerbated or perpetuated. When it comes to the report, it is required that entities explain to what extent the activities tagged as GEM 0 have been subjected to a do-no-harm approach and/or whether other methods have been applied to estimate that GEM 0 activities are adequate and do not contribute to exacerbate gender inequalities. When designing a project/programme, GEM 0 may apply under two specific circumstances:
    - 1) When gender equality is not relevant for specific activities or projects, such as the classification of chemical substances, the development of scientific standards or improvements in scientific equipment.
    - 2) Activities where no attempt is made to incorporate gender concerns. In this case, it is recommended to return to the design stage of the project, in order to ensure that the situational analysis incorporates gender considerations, in which case the GEM 0 score could be replaced with at least a GEM 1.

## To exceed requirements

To exceed requirements, entities must comply with three requirements:

- 1) **Meet the established financial target for GEM 3/2B (10ci)**, which implies that entities have reached or surpassed the financial target for GEM 3 in the previous year, or the most recent year with available data.
- 2) **Meet the establish financial target for GEM 2/2A (10cii)**. An additional criterion to exceed requirements is that entities establish and meet a target on GEM 2/2 a (significant contribution to gender equality). While some entities have established financial targets that combine GEM 3 and

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<sup>13</sup> To learn more about the 'do no harm' approach, please see <https://www.cdacollaborative.org/wp-content/uploads/2018/04/Do-No-Harm-and-Gender-A-Guidance-Note.pdf>

GEM 2, and even GEM 1, it is advisable that entities are able to set differentiated targets to accurately measure the financial allocations whose principal objective is gender equality (GEM 3/2B) and those allocations that substantially contribute to gender equality (GEM 2/2A). If the entity has not yet transitioned to the standard 4-point scale GEM, it can meet requirements for this performance indicator as long as the established financial target refers to the GEM score equivalent to GEM 2/2a, that significantly contributes to GEEW is the principal.

- 3) **Publish a financial and narrative report (10ciii) linking funding to specific gender results and ensuring there is a justification for activities that are considered/tagged as GEM 0.** Besides developing a financial and narrative report (see description of the criterion 'Develop a financial and narrative report', in "To meet requirements"), to exceed requirements, entities need to have published the report. To provide evidence of this, entities may attach the link or the document itself.

## Additional questions

### 1. For "Meets" and "Exceeds"

1) What is the financial target established for GEM 3/2b? *(please provide the financial target in percentage terms)* (e.g. 3%, 8%).

2) How is the financial target calculated? *(please provide a formula including budget sources and to which gender marker scores it refers (e.g., proportion of programmatic expenditure for activities classified as GEM 3/2b over total programmatic expenditure in the year)).*

3) How was the financial target established? \* (e.g., part of the Strategic Plan, in the Gender Policy, approval by the governing body, year of approval, period covered by the target).

4) Was the financial target on GEM 3/2b met or exceeded in 2024 (or the last year available)?

- It was met.
- It was exceeded.

5) Please provide the percentage that was reached (e.g. the expenditure on GEM 3/2b in 2024 constituted 2%).

### 2. Only for "Exceeds"

6) What is the financial target established for GEM 2/2a? *(please provide the financial target in percentage terms)* (e.g. 3%, 8%).

7) How is the financial target calculated? *(please provide a formula including budget sources and to which gender marker scores it refers (e.g., proportion of programmatic expenditure for activities classified as GEM 2/2a over total programmatic expenditure in the year)).*

8) How was the financial target established? \* (e.g., part of the Strategic Plan, in the Gender Policy, approval by the governing body, year of approval, period covered by the target).

9) Was the financial target on GEM 2/2a met or exceeded in 2024 (or the last year available)?

- It was met.
- It was exceeded.

10) Please provide the percentage that was reached (e.g. the expenditure on GEM 2/2a in 2024 constituted 2%).



## Evidence base

Examples of documents to attach to substantiate the entity self-assessment for this indicator:

- Document that demonstrates that a financial target is set (GEM 3/2B) / (GEM 2/2A)
- Plan to reach the financial target
- Financial and narrative report
- Document that demonstrates that financial target (s) have been met

Note: Please identify a self-explanatory title for the documents uploaded onto the platform, particularly for those shared to the UN-SWAP Knowledge Hub.

## Examples

### Establishment of financial targets

The **UNICEF** Gender Action Plan (2022 -2025) – with its focus on transformative approaches - commits to going beyond the financial benchmark of 15% of programme expenditures on advancing gender equality as a principal objective. Gender equality marker data already shows that UNICEF exceeded this threshold in 2020 and 2021. (See Figure 3 below). This target is not only set at the entity-wide level; each business unit at UNICEF is expected to meet this target as well. UNICEF has also added another benchmark on gender equality expenditures for programming in exclusively emergency contexts.

In its Strategy for Gender Equality and the Empowerment of Women (2020–2023), **UNIDO** committed to increasing the annual proportion of newly approved projects that at least significantly contribute to gender equality and the empowerment of women to 45 percent by 2023. This includes projects assigned a Gender Marker score of 2A or 2B. In 2021, 46 percent of approved UNIDO projects met this criterion, thereby achieving and surpassing the target ahead of the deadline. While UNIDO serves as a strong example of a technical entity establishing financial targets and applying the Gender Equality Marker, the UN-SWAP 3.0 framework requires entities to establish separate targets for GEM 3/2B and GEM 2/2A. It discourages entities from setting targets that combine GEM 2 and GEM 3.

### Financial and narrative report linking funding to specific gender results

**UNDP** has used gender equality marker data to measure its corporate commitment to gender equality and to monitor allocations and expenditures against its financial targets. UNDP reports on the Gender Equality Marker as part of annual, corporate reporting processes, such as the UNDP Annual Report to the Executive Board, the Results-oriented Annual Report (ROAR), and the Annual Report on the Gender Equality Strategy. Gender equality marker data is also utilized in conjunction with data from the results-oriented annual report and the Gender Equality Seal to create a ‘gender data powerhouse’ that provides reliable and timely gender-related data to UNDP regional hubs and country offices.

## Useful resources on the establishments of financial targets on gender equality and the empowerment women

- [Brief: Implementation of Financial Tracking Tools and Financing Commitments for Gender Equality in Inter-Agency Pooled Funds](#)
- [High-Level Task Force on Financing for Gender Equality page](#)
- [Tools for Gender-Responsive Budgeting in the UN System \(ITC-ILO Course 'Gender Responsive Budgeting Within Organizations'\)](#)
- [Financing the UN Development System: Joint Responsibilities in a World of Disarray \(2022\) \(Article: Financing gender equality: The role of the gender equality marker and financial targets\)](#)
- [Financing gender equality: The role of the Gender Equality Marker and financial targets \(2023\)](#)
- [Financing for gender equality and the implementation of the women, peace and security agenda: Assessment of the implementation of a minimum 15 per cent financial target](#)