

Board of Trustees

Sixty-Third Session

3-4 November 2022

UNITAR/BT/63/5

8 February 2023

CONCLUSIONS AND RECOMMENDATIONS OF THE SIXTY-THIRD SESSION OF THE BOARD OF TRUSTEES

1. The Board of Trustees of the United Nations Institute for Training and Research (UNITAR) convened from 3 to 4 November 2022 for its Sixty-Third Session. A list of the session's main conclusions and recommendations, as adopted at the end of the session, is attached as Annex I.
2. The following members of the Board were present or represented at the session:

Trustees:

His Excellency Mr. Ali Ben Feitas Al-Amarri

Ms. Diana Chávez

His Excellency Mr. Chen Xu

His Excellency Mr. Luis Gallegos (Chair)

His Excellency Mr. Gennady Gatilov

Her Excellency Ms. Terhi Hakala

Her Excellency Ms. Anna Jardfelt

Her Excellency Ms. Mathu Joyini

Her Excellency Ms. Nazhat Shameem Khan

Dr. Deisi Kusztra

His Excellency Mr. Jürg Lauber

His Excellency Mr. Indra Mani Pandey

Dr. Patricia Phillips

His Excellency Mr. Michael Freiherr von Ungern-Sternberg

Professor Akiko Yuge

Ex Officio:

Mr. Nikhil Seth, Executive Director, UNITAR

Secretary of the Board:

Mr. Brook Boyer, UNITAR (also in his capacity as Director, Division for Strategic Planning and Performance)

Observers – UNITAR:

Mr. Jonas Haertle, Chief, Office of the Executive Director

Akiko Perona, Chief, Communications and Information Technology Support Unit

Mr. Joel Thalla, Chief, Finance and Budget Unit

3. Under item 1, Opening of the session, the Chair welcomed the Trustees to the session and extended a particularly warm welcome to Her Excellency Ms. Mathu Joyini, Permanent Representative of South Africa to the United Nations in New York and Professor Akiko Yuge, Professor of Global Politics at Hosei University, Japan, who the Secretary-General appointed to the Board in 2022.
4. The Executive Director also welcomed Trustees to the session. He delivered a statement which provided an overview on the state of UNITAR since the Board's last session and a glimpse into what Management hoped to achieve in the years ahead. He referred to the growth in the number of beneficiaries and project budget as a simple yardstick for measuring the footprint and health of a voluntary-funded organization like UNITAR. While the growth in beneficiary outreach was impressive, he noted that this growth was asymmetrical and that the number of beneficiaries from countries in special situations (the least developed countries, the landlocked developing countries, the small island developing States, countries in Africa and countries in and emerging from conflict), while growing in absolute terms, was declining in relative terms as compared to other development groupings of countries. He found that the business model, the Partnership and Resource Mobilization Strategy, the innovation and adaptation strategies and technological adaptation have put UNITAR in a good place. However, referencing discussions in the Finance Committee, he noted that mobilizing flexible funding for the Strategic Framework Fund proved challenging and that it would be worthy of examining provisions under the UNITAR Statute that would enable UNITAR to provide increased support to these countries. He provided an in-depth review of the key work under the thematic and crosscutting programming pillars and noted that the results of the Institute's work were aligned with the objectives and sub-objectives of the Institute's strategic framework which the Board approved in 2021. The Executive Director said that the Sustainable Development Goals (SDGs) are deeply threatened from the confluence of war, COVID-19 and the impacts from climate change. He highlighted several new opportunities, including digital cooperation and the work that UNITAR has undertaken to contribute to the Common Blueprint for Digital Transformations, at the invitation of the Secretary-General's new envoy on technology. In the area of health, he also referenced the work that The Defeat-NCD Partnership had undertaken while UNITAR hosted the Partnership's Secretariat, and that the Partnership was evolving into a legal entity much like the partnerships hosted at other UN entities. He also referenced the work of the Global Surgery Foundation and how it evolved from a project under UNITAR to an autonomous not-for-profit Swiss entity. Finally, the Executive Director highlighted efforts undertaken within the Institute to enhance cooperation across divisions and among colleagues and promote systems approaches to

programming. He expressed his appreciation to generous donors from governments, the business sector, the UN system and others, and a special thanks to the Institute's host State, Switzerland.

5. The Board commended the Executive Director and his staff for the work accomplished and the capacity to adapt to COVID-19 and promote internal collaboration and cohesion. The Board made a number of observations, including on the Institute's good performance and referenced continued donor support from governments such as Germany, Qatar and Sweden. In addition to war and conflict and associated problems such as food insecurity, environmental emergency and health, other problems marking today's world were cited, including the fall of global economic growth, the debt crisis, inflation, the energy crisis, interruptions in global supply chains, deficits in public financing, migration and refugees, growth in inequality and poverty, and a decline in political and social stability. It was noted that the demand for international cooperation has increased dramatically, but that this demand was not matched with resources. It was emphasized that UNITAR needs to be an attractive partner offering very attractive services in donor priority areas. While the growth of UNITAR's training activities dedicated to climate change and green development was welcomed, concern was raised on how to increase beneficiary reach to countries in special situations who are underrepresented in such programmes but are often at the frontlines of the devastating impacts of climate change. It was noted that the likelihood of transformative change when working with small island developing States is huge since those taking part in activities are those involved in policy and decision-making, with reference being made to the effectiveness of the work undertaken by United Nations Satellite Centre (UNOSAT) and by multilateral diplomacy in the field of climate change.
6. The need to continue to pay attention to gender equality was mentioned, as well as the need to include programming targeting youth. Germany's priority to supporting peace related programming in Sub Saharan Africa was highlighted, with over EUR 10 million disbursed in 2022, as well as programming in other areas such as energy. It was suggested that UNITAR consider developing programming in other thematic areas in cooperation with UN and other partners related to the present crisis, such as food insecurity, as well as to contribute to the global digital compact. The need for UNITAR to continue to target beneficiaries from developing countries and help them integrate into global processes in the thematic areas in which UNITAR trains was also mentioned. The Institute's history, the steady growth in the number of beneficiaries and the introduction of new technologies and training methods indicate that UNITAR successfully copes with challenges and needs to continue to remain faithful to the values of the UN Charter regardless of the current situation, and that such an approach would be vital to the Institute's strategy, mission and mandate. Other observations included the connections between development and peace and that it would be of interest for UNITAR to look into the possibility of increasing courses related to peace and conflict prevention from a human rights perspective. It was noted that flexible funding is important to enable UNITAR to respond to different and new situations.
7. The Executive Director thanked the Board for its reflections and comments. He recalled the fact that 90 to 95 per cent of UNITAR's work is project driven and as such the projects define that nature of the activities and the targeted beneficiaries. He expressed his appreciation to the Swedish International Development Agency for its flexible funding towards the Strategic Framework Fund, as well as to the State of Qatar for its support in past years. Referencing the need for increased outreach to countries in special situations and in particular in the field of climate change, the Executive Director mentioned the need to be innovative and referenced the use of radio broadcasting several years ago to help expand awareness on climate change through this media. In the area of digital cooperation, he mentioned that UNITAR was contributing to a handbook and that as a result it was expected that additional work, including possible training, would be undertaken. On expanding outreach to the countries in special situations and the need for flexibility, he referenced the UNITAR Statute and the provision to use the General Fund to finance activities for developing countries in the field of multilateral diplomacy and international cooperation and that through the Finance Committee he would be seeking the Board's authority to spend one month of the operational reserve in a biennium. He mentioned that item 5 of the agenda would look more specifically on how UNITAR should respond to the current problems and crises marking today's world. **The Board took note of the introductory remarks.**
8. Under item 2, Adoption of the agenda, the Chair introduced the provisional agenda as prepared by the Executive Director in accordance with the Board's rules of procedure and, referring to the report

of the Finance Committee, proposed to add an item on elections. **The Board adopted the agenda as proposed.**

9. Under item 3, Organization of work, the Chair proposed that the Board conduct its business according to the schedule in the item's annotation. **The Board agreed and adopted the organization of work.**
10. Under item 4, Membership matters, the Chair announced that the Secretary-General had appointed two new Trustees as announced in the session's opening and that the Secretary-General had exceptionally extended the terms on the Board of Ambassador Khan and Ms. Diana Chávez to 11 November 2022 since the session coincided with the end of their tenure. The Chair also announced that Ambassador Rugwabiza had resigned from the Board following her appointment by the Secretary-General as Special Representative to the Central African Republic and Head of the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic and that the Executive Director had expressed his appreciation for her service on the Board. **The Board welcomed the new Trustees.**
11. Under item 5a, UNITAR in our changed world, the Chair recalled the input the Board gave to Management in extending the 2018-2021 strategic framework to also cover the period of 2022 to 2025, with the inclusion of new sub objectives, one on promoting health for all, particularly the most vulnerable people and countries, and one on promoting technologies for the realization of the SDGs and in reducing the many divides in the digital space. The Executive Director acknowledged that the Board had already given some thought to this topic during the opening session. He referred to his opening statement and his participation at the General Assembly and earlier at the High-Level Political Forum, and that the messages received were pessimistic, with the accumulated crises having impacts on food security, water security, energy security and social and economic issues, including the risks of imminent recession, violence against women and girls, and increasing inequalities. He noted that there was, however, optimism around the SDGs and the potential of technology. The Executive Director underlined the importance of UNITAR as a small organization being in step with the contemporary world. Noting that the Institute's 2022-2025 strategic framework was approved by the Board at the last session and that the framework is rooted in the SDGs, he invited the Board to reflect on where the Institute should be going, what needs to be done differently, who should the Institute reach and how can UNITAR mitigate the challenges of being project-driven.
12. The Chair recognized the magnitude and uncertainties of today's challenges, echoed observations made on poverty and inequality levels increasing dramatically, and that the crises call for a new multilateralism. Also recognizing the voluntary-funded and project-driven character of the Institute, he commended the Executive Director and his team for the work accomplished.
13. The Board made various comments and observations, including acknowledging funding constraints, the need to identify new funders and also the need to pursue flexible funding; the continued relevance of the 2022-2025 strategic framework and the need to remain focused on the existing objectives and sub-objectives; the need to consider how to deal with the intersections of the various crises and whether the existing training programmes adequately address the multitude of crises and their intersections and, if not, if they need to be modified or if new ones need to be established; the need to strengthen preventive measures and engage with multiple stakeholders; recognizing youth as important agents for transformational change and whether the training programmes harness and empower youth from this angle; exploring the possibility of replicating the UNCC: Learn model as a one-stop-shop to other thematic areas of programming; and considering whether new programmes could be established e.g. based on the results of the High-Level Advisory Panel on Multilateralism which is scheduled to issue its report in April 2023, the Mid-term Review of the Sendai Framework or the Summit for the Future in 2024. It was observed that UNITAR's role for knowledge sharing and learning is perhaps now more important than ever as discussions in the multilateral arena are becoming more complex, controversial and ideological, and the capacity to craft and implement common solutions is decreasing, and that stakeholders engaged in decision making need to have knowledge and information. UNSDG: Learn was also recognized, with the suggestion that the platform should be further developed and extended, as was the observation for UNITAR to consider balancing both breadth (e.g. extended reach) and depth (e.g. country specificities) of its programming, and to take advantage of the Geneva ecosystem of organizations.

14. The Executive Director agreed that the strategic framework is serving its purpose and expressed his appreciation for the comments related to resilience and the intersections between crises. He noted that food security is complex and is linked to e.g. water, supply chains, pesticides, etc. He noted the importance to twin knowledge and emotions with the need to involve youth and encouraging them to become powerful agents of change. He mentioned that UNSDG: Learn is a replication of UNCC: Learn and that in the field of chemicals and waste management, UNITAR was engaged as a member of the Inter-Organizational Programme for the Sound Management of Chemicals. He pleaded for more funding for leveling the playing field. On the meetings scheduled for 2023 and 2024, he agreed that there were opportunities that UNITAR needed to seize, both in terms of offering training and in developing programmes from the meetings' outputs. **The Board took note of the observations made and requested that Management consider incorporating the suggested areas for programme growth and innovation.**

15. Under item 6, Risk assessment report, the Chair recalled that Management presented its first risk report to the Board at its Sixty-Second Session, following the Board's request in 2020 that risk be placed on the agenda as a standing item. The Director for Strategic Planning and Performance introduced the risk report and highlighted the risks which were added to the risk register in 2022, including IT systems breach; uncertainty over lack of coverage for staff in the event of service-incurred injury, illness or death; liability and/or reputational damage resulting from misrepresentation; noncompliance of UNITAR outposted offices, and financial liabilities and losses incurred as the result of inadequate management of EU-funded projects. It was noted that the report was comprehensive and that it was clear that Management pays serious attention to this important management tool in different areas. The IT security risk was highlighted given the growth in beneficiaries from online training events and it was requested that Management increase the priority to addressing the related risks, not only those related to the security of personal data, but also the protection of financial information, mitigation of vulnerability of ERP systems and maintenance of UNITAR reputation as a reliable institution. It was proposed that Management may wish to bring the matter to the attention to the UN Board of Auditors for its consideration with a view to possibility undertaking a stress or resilience test on IT to assist UNITAR on identifying IT security enhancements if needed. Management noted that it regularly shares the risk register with the auditors, and that there are current risk mitigation efforts related to IT, such as the data protection policy and requirements to inform beneficiaries what personal data and for how long UNITAR maintains such data in its relevant IT systems. Management informed the Board that that it does need to undertake a risk assessment on IT-related security and that such an exercise was planned for 2023. In response to a question related to the potential costs of addressing IT-related risks and the costs of risk management in general as well as the extent to which UNITAR cooperates with partners including in the UN (e.g. UN International Computing Centre), Management noted that risk management was a maturing function at UNITAR, that the Institute had resource constraints and that Management had liaised with other risk management functions in the UN with the aim to possibility piggyback on risk management IT systems to improve on the monitoring and reporting on risks. The importance of continuing to prepare and submitting risk reports to the Board at future sessions was noted. **The Board took note of the observations made and the 2022 risk report.**

16. Under item 7, Programme Performance Report for the Biennium 2020-2021, 2021 Results Report and key performance indicators, the Director for Strategic Planning and Performance referred to the Programme Performance Report under annex 2 of the Board's documents. He said that the report records actual performance against the indicators from the 2020 to 2021 programme budget which the Board adopted. He noted the limitations to the exercise, including the self-assessment methodology used for measuring performance, but that the self-assessment nature of the report could also be seen as a strength as it places Directors and Managers who are closest to their programming with the responsibility for assessing performance. He summarized the achievement of results at both the outcome and output levels, and noted the similarity with the performance recorded for the 2018-2019 report. Referring to trained beneficiaries as the Institute's leading, final output, he indicated the UNITAR registered close to 700,000 beneficiary participations, which exceeded by far the number of planned beneficiary outputs for the biennium as well as an increase over the recorded number for the 2018-2019 cycle. He reviewed the breakdowns of the learning-related beneficiaries, noting in particular the decline in the portion of beneficiaries from the countries in special situations and the reversal of the gender balance with a relative increase in the outreach

to female learners. He drew the Board's attention to unplanned programming, the alignment of the result areas to the SDGs, the leave no one behind principles and performance challenges and lessons to be learned.

17. The Board thanked Management for the report and made a number of observations, including recognizing the link between programme performance and item 5 of the agenda on UNITAR in a changing world, particularly given the interconnectedness of issues. Other observations included the need to continue efforts to broaden programme portfolios, ensure programme relevance with contemporary challenges, continue to enhance awareness of current global crises, the importance of UNCC: Learn to overall UNITAR output achievement, the need to be prepared for the post-pandemic world, the relative decline in outreach to countries in special situations and the marginal drop in usefulness from beneficiary feedback were noted. On this last observation, Management commented that this drop could have been the result of the increase in online learning combined with the relative decline in outreach to beneficiaries from countries in special situations, but that deeper analysis would need to be undertaken for a more complete picture of this change. In response to questions on unfunded result areas and lack of adequate coverage of SDGs 1 and 10, Management made reference to the project-based business model and the reality that some projects under the result areas recorded in the programme budget may end up unfunded, such as the case during the 2020-2021 biennium. On alignment to SDGs 1 and 10, the Director underscored the fact that the alignment is based on primary SDGs and that the limited scale of programming under the prosperity pillar was likely the main reason. Observations were also made on the importance of having a combination of both online and in-person events and on the importance of ensuring that the integration of SCYCLE into UNITAR would bring benefits to the broader work of the Institute. The Director reviewed the key performance indicators (KPIs) under annex 3 of the Board's documents and noted that while a number of indicators were met, some were not such as outreach to beneficiaries from countries in special situations. On the finance related KPIs, the Director informed the Board that Management had reviewed the relevance of the existing indicators and that moving forward, proposed to replace them with three new indicators which were deemed to be of greater use (i.e. maintenance of 12 months minimum operational reserve; biennium growth rate based on expenditures/delivery on an actual to action, cash basis; and annual budgetary performance measured by financial delivery against budget, with a minimum of 95 per cent).
18. The Executive Director emphasized that there is no substitute for in-person learning and that this training delivery modality is much more effective in the long term than online learning. He hoped that in the post COVID pandemic world, UNITAR will find a resurgence of in-person training and hybrid learning which combines the advantages of both types of training delivery. On the observation made about SCYCLE, the Executive Director expressed the importance that SCYCLE makes its research products relevant to training and by doing so SCYCLE will be of much greater benefit for UNITAR. On KPIs, it was suggested that income from fee-based training remain among the indicators to be tracked, although it does not necessarily need to be understood as a KPI. **The Board took note of the observations made and welcomed 2020-2021 Programme Performance Report, the 2021 Results Report and the update on the key performance indicators, as well as took note of the changes to the indicators to measure the Institute's financial performance, as proposed.**
19. Under item 8a, Communications, the Chair announced that Management has been working on the development of a new Communications Strategy to replace the 2017 to 2021 strategy. The new strategy, covering the period from 2022 to 2027, aims to enhance communication about the value of UNTAR's training and capacity development and to position UNITAR as a centre of excellence in adult learning and capacity building in the United Nations system. The Executive Director echoed the importance of such a strategy for the success of a project-funded organization like UNITAR. The Chief of the Communications and Information Technology Support Unit reviewed the draft strategy as contained under annex 4 of the Board's documents, covering its overarching purpose to contribute to helping the Institute achieve its strategic objectives through communication; the process in developing the strategy, including an exercise to identify strengths, weaknesses, opportunities and threats; the context and landscape in which UNITAR operates, including the increasing trends in social media and need for UNITAR to create high quality bite-sized content; the strategy's purpose to enhance external visibility and internal alignment; the strategy's five interlinked objectives; and the key planned actions that UNITAR intended on undertaking to achieve

the objectives. The Chief invited the Board to provide feedback on the priorities that would be important for UNITAR to address.

20. The Chair observed the interconnectedness of the world, the growing impact of social media, rapidly evolving communication systems, the competitive atmosphere in which UNITAR works and how important this item is to UNITAR. The Board thanked Management for the presentation, commended UNITAR for the strategy and put forward a number of observations, questions and suggestions, including expanding cooperation with United Nations Information Centres and CIFALs, the importance of communication in fundraising efforts and the challenges in balancing the need for tailored action with time and resource requirements; the importance of aligning the action plan to the needs for fundraising and targeted audience; the need to balance the need for greater transparency with some degree of confidentiality as well as the need to consider tradeoffs between the need to market the strategy to attract donor interest vs. communicating on programming that might not necessarily attract donor interest; and the need to consider preparing for difficult scenarios requiring damage control and identifying who can or should speak. Reflecting on the Institute's low profile, as compared to other entities in the United Nations system, the Executive Director reflected on the challenge to use the strategy to create a 'buzz' around UNITAR and to be able to identify what needs to be showcased to create that 'buzz'. Other observations made by the Board included making a clear connection to the UNITAR brand; the need to communicate short, visual and attractive contents (with reference to the bite-sized reality of today's communications); not being necessarily concerned for not being in the headlines, as these often reflect problems and crises; and the importance of focusing on the intellectual capital and making UNITAR the partner of choice, as opposed to focusing on numbers of social media followers. In response to a question from the Executive Director to target communications to e.g. the 15 most important donors and another 15 potential donors, the Board thought that it would be worthy of testing this approach. **The Board took note of the observations made, welcomed the proposed Communications Strategy, requested that Management incorporate its suggestions in the strategy's final version and circulate the finalized strategy to the Board as a follow-up to the session.**
21. Under item 8b, Celebrating 60 Years of UNITAR, the Chair indicated that UNITAR will be celebrating 60 years of its existence and that Management had initiated discussions internally on the objectives of marking this occasion and possible ideas on how these objectives could be achieved through targeted actions and opportunities to showcase the diverse portfolio and results achieved from programming. The Executive Director expressed his enthusiasm and expectations that the marking would help sort out some of the communications issues discussed under the previous item in terms of visibility and donor and beneficiary recognition. He shared several possible ideas with the Board, including placing poster boards along the lake in Geneva; holding a concert in New York around the theme of sustainability and harmony; and engaging the Board of Trustees and the Directors of the CIFALs, possibly organizing the two annual meetings back to back. He noted that Management was still in the conceptual stage and that he looked forward to ideas from the Board.
22. The Chair noted the opportunity that this occasion represents in terms of highlighting the work that UNITAR has done and will do and to showcase UNITAR as the entity of the United Nations for training and research and to do this in Geneva, New York, at the other significant presences of the UN and with the CIFAL network. Building on the item's introduction and the ideas listed in the annotation, the Board welcomed the occasion and made a number of observations, including the importance of lifting the targeted audiences of the various actions; capturing the voices of beneficiaries to tell stories in terms of how lives have been changed; inviting beneficiaries/alumni as speakers; mobilizing partners; creating UN postal stamps commemorating 60 years; working with UNITAR's host country, Switzerland, and with the authorities from the cities hosting UNITAR offices (e.g. Bonn) to have events supported; considering to convene the Board outside of Geneva on the invitation of Trustees, such as the standing invitation to convene in Curitiba or to convene in Iguazu Falls, with its borders of Brazil, Uruguay and Paraguay; use the 60 years commemoration to test the Communications Strategy, to seize the occasion to give back to beneficiaries and to look at the calendar of events in New York and plan activities to position UNITAR; and to expand the geographical scope of UNITAR and use the occasion to attract new donors and partners. **The Board took note of the observations made and requested Management to incorporate its**

suggestions and to report to the Board on the various activities undertaken to mark the 60th anniversary of UNITAR at the Board's Sixty-Fourth Session.

23. Under item 9, Partnerships and item 10, Finance and budget, the Chair drew the Board's attention to the work of the Finance Committee and its remit to review matters related to finance and resource mobilization and invited the Chair of the Finance Committee to present its report with the various sub-items introduced in sequence.
24. Under item 9a, Update on the European Union pillar assessment of UNITAR, the Chair of the Finance Committee recalled that the pillar assessment was a requirement for UNITAR to be eligible for funding under the European Union's indirect modality of its financial regulations. She indicated that the pillar assessment was conducted during the second and early third quarter of 2022 and that the draft report was at present before the European Commission. The report contained a number of recommendations, and that Management was already taking action to implement some of the recommendations, including the recommendation on establishing a policy on electronic signatures under annex 6 of the Board's documents. **The Board took note of the Finance Committee's observations and Management's update on the European Union pillar assessment, approved the policy on electronic signatures, and requested Management to report to the Board on the implementation of the recommendations from the pillar assessment at the Board's Sixty-Fourth Session.**
25. Under item 9b, Due diligence requirements, the Chair of the Finance Committee reported that Management had reviewed the Policy Guidelines on Grants to Implementing Partners during the course of 2022 in conjunction with the pillar assessment exercise and that the proposed revisions to the guidelines were attached as annex 5 of the Board's documents. The Chair of the Finance Committee also indicated that in conjunction with the proposed revision to the programme budget for 2022-2023, Management decided to restructure the Partnerships and Resource Mobilization Unit as the Partnerships and Grant Oversight Unit with two new posts budget pending availability of funds. She indicated that the Executive Director highlighted the increase in volume of grants to implementing partners as well as the requirements to put in place adequate controls to ensure compliance. She indicated that some of the proposed changes in the policy guidelines were the result of Management's review e.g. the requirement that declarations of honor for partners and the formalization of the procedures for competitive selection in the guidelines, and that others were the result of the recommendations from the pillar assessment e.g. due diligence requirements of nongovernmental organizations, requirements for eligible and ineligible costs and financial verification, and revisions to financial reporting requirements.
26. The Board made several observations, including welcoming the strengthening of the Institute's corporate governance and Management's decision to increase staffing and funding of the unit. **The Board took note of the Finance Committee's observations and approved the revised Policy Guidelines for Grants to Implementing Partners**
27. Under item 9c, Partnerships and Resource Mobilization Strategy, the Chair of the Finance Committee reported that the Executive Director made reference to the projected growth of 15 per cent with the proposed revision to the programme budget. While this was an optimistic scenario, the Executive Director acknowledged that the strategy covers six years and that the growth could be less with the financial uncertainties and climate to which UNITAR is exposed. She indicated that the Executive Director also noted that projected growth was from three divisions and that UNITAR needed to do more to leverage UN agencies at the country level noting the decentralized decision-making that is done at the level of both the UN and the EU. With respect to pooled funding, the Executive Director recognized the challenges in mobilizing interest in supporting the Strategic Framework Fund and that while partnership with the Swedish International Development Agency was both beneficial and greatly appreciated the Executive Director also recognized the trend of development assistance to reflect tightly earmarked funding. In conjunction with the SFF it was suggested that Nordic countries have traditionally supported more flexible forms of assistance and it would be important to showcase results despite the instrument being relatively young. **The Board took note of the Finance Committee's observations and Management's report, congratulated Management on the projected growth during the present biennium, and requested Management to report to the Board on the strategy's implementation at its Sixty-Fourth Session.**

28. Under item 10a, Financial statements for the year-ended 31 December 2021 and Report of the Board of Auditors, the Chair of the Finance Committee drew the Board's attention to the financial statements and the report of the Board of Auditors under annex 7, and reported that the Executive Director drew the Committee's attention to the unqualified opinion of the financial statements, and noted that the statements show an increase in net assets of \$16.105 million from a net assets balance of \$30.831 million as at 31 December 2020 to \$46.936 million as of 31 December 2021. The Executive Director referenced the opinion of the Board of Auditors that the financial statements present fairly, in all material aspects, the financial position of UNITAR as at 31 December 2021 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards. On the 2021 external audit, the Committee sought some elaboration on the recommendations from the previous years that have not been fully implemented, including the roster of consultants and revisions to the agreement review tool. **The Board took note of the Finance Committee's observations and the audited financial statements for the year-ended 31 December 2020 and the Report of the Board of Auditors.**
29. Under item 10b, Report on the application of the cost recovery approach and update on the General Fund, the Chair of the Finance Committee said that the Executive Director indicated that in 2021, UNITAR stabilized its cost recovery rate at 17.39 per cent vs 16.48 per cent for 2020, that the result the cost recovery gap was contained and that operational reserves had increased to 13.89 months in contrast to 7.81 months in 2020, against the norm of between 12 and 24 months maximum. She also indicated that he referenced the 15.23 month operational reserve as projected in the proposed revision to the 2022-2023 programme budget. Referencing past discussions in the Finance Committee and the Board on the matter, as well as comments from the Advisory Committee for Administrative and Budgetary Questions, she said that the Executive Director mentioned that operational reserves were desirable up to a point after which he through that they could be put to better use. The Executive Director referred to discussions on the need to review the cost recovery in light of the pillar assessment and the requirement from some donors such as the European Union for transparency and traceability of direct activity and direct service costs. **The Board took note of the Finance Committee's observations and Management's report on the application of the cost recovery approach and the update on the General Fund.**
30. Under item 10c, Report of the Advisory Committee on Administrative and Budgetary Questions, the Chair of the Finance Committee reported the Executive Director reviewed the findings and recommendations in the Advisory Committee's report, commenting on beneficiaries and the importance for UNITAR to continue efforts to focus on countries in special situations; the need to provide the Advisory Committee with an update on the development of an alternative cost recovery model, as well as the need to provide an update on action taken should the level of operational reserve be realized at the project equivalent of beyond 12 months; the need to provide the Advisory Committee with an update on after-service health insurance; the Advisory Committee's recommendation that greater efforts are needed to diversify the UNITAR pool of consultants and individual contractors and for an update to be provided in the next report; that greater proactiveness is required by UNITAR to meet the training mandate to include decision-making and diplomacy programmes with a greater focus on gender; to improve the geographical distribution of its workforce and to use in future programme budget proposals the overall agreed categorization of the groups of Member States, as appropriate; and for UNITAR to provide the Advisory Committee with an update on the policy and budget formulation regarding the sale of data in its next report. The Finance Committee discussed the nationality of consultants, including a suggestion that the roster under development that links performance evaluation include information why certain consultants are hired over others, with reference made to language skills or knowledge of local contexts, for example. In making reference to a list of consultants circulated by the Executive Director for the period of 1 January to 15 August 2022, the Finance Committee observed that the number of consultants from a handful of developed countries, including Switzerland, the United Kingdom and the United States, outnumbered the number of consultants from developing countries and felt that some action was required to address this unequal distribution. **The Board took note of the report of the Advisory Committee on Administrative and Budgetary Questions.**
31. Under item 10d, Proposed revision to the programme budget for the biennium 2022-2023, the Chair of the Finance Committee said that the Executive Director qualified the budget as a prospective budget. He said that of the total project budget of \$83.311 million, \$70.590 million corresponded to

the programme areas, and \$12.722 million to the functional enablers, as well as the Institutional Operating Expenses and the General Operating Expenses. The proposed revision to the budget represented the cost recover of 18 per cent, with total indirect overhead costs at 9.97 per cent and total direct costs at 6.21 percent. She said that the Committee put forward several observations and/or requests for clarifications, including if a new division was being proposed to replace the hosted arrangement of The Defeat-NCD Partnership. On The Defeat-NCD Partnership, she reported that the Executive Director had made reference to the note on the matter and informed the Committee that The Defeat-NCD Partnership has been undertaking important work including helping several countries in special situations establish national NCD strategies. He indicated that since the hosting arrangement was established at UNITAR, some exceptions were granted to the Secretariat of The Defeat-NCD Partnership which were not normally given to UNITAR divisions, and that the Executive Director urged The Defeat-NCD Partnership to set itself up as an autonomous legal entity. He indicated that it was in the process of registering as a legal entity under Swiss law and that the registration was expected by 31 December 2022. Consequently the hosting arrangement afforded to the Secretariat of The Partnership would cease by that date. The Executive Director mentioned that The Defeat-NCD Partnership would continue undertaking activities more closely related to the types of training and capacity building activities undertaken by UNITAR, including diversifying the activities such as in the fields of digital health and training of public servants. He referred to the fact that the health-related activities in UNITAR were scattered, and that it was the hope that the creation of a Division on NCDs, Digital Health and Capacity Building would enable UNITAR to carry on its work in the field, including with special purpose grant agreements with The Defeat-NCD Partnership. He informed the Committee that this has come after Management had submitted the proposed revision to the programme budget to the Advisory Committee, and that the imminent changes could not afford Management to wait until the next Board session, which is why the submission was being made as such to the Board at the present time.

32. The Board made several observations, including commending Management for the projected growth, continued delivery of activities during the pandemic in 2022 and the transition of hosted arrangement of The Defeat-NCD Partnership. The Board also requested clarification on new learning programmes to be created with the new resources, an update on the development of a new, alternate cost recovery model, and Management's plans on the nine new posts created (e.g. if the posts are expected to be filled without any delay) and comments on the points raised by the Advisory Committee on Administrative and Budgetary Questions. The Executive Director referred to the projected nature of the budget and that the increase is related to new learning activities planned based on consultations with partners and donors. He also referred to the larger increase of learners, partly due to technology and online learning, and that each dollar does not necessarily equate to the same increase in beneficiary. On the alternative cost recovery model, the Executive Director reference the present cost recovery model approved by the Board of Trustees in 2013 based on 18 per cent comprising both direct and indirect support cost and that the model has been working well. He spoke to the new challenges, particularly when the donors have requirements that UNITAR cannot at present meet, such as traceability of indirect costs, and that these challenges required Management to rethink the model. He also referenced the migration to the new Enterprise Resource Planning, and that the pilot for calculating traceability would need to change, and that this would be done only once the migration was complete, with Management reporting back to the Board. On the nine new posts, he indicated that Management expected to fill them during the financial year, with the understanding that the posts were dependent on funding being materialized. **The Board took note of the Finance Committee's observations and adopted the revision to the programme budget for the biennium 2022-2023, as proposed, including the proposed changes to The Defeat-NCD Partnership and the incorporation of the Division for NCDs, Digital Health and Capacity Building, as reflected in the note circulated to the Board.**
33. Under item 10e, Establishment of Strategic Business Continuity Funds, the Chair of the Finance Committee reported that the Executive Director wanted to have a transparent and detailed discussion on the matter and that the proposal that he wanted to make for the use of the General Fund was complicated and could be subject to different interpretations based on the provisions in the UNITAR Statute and Article VIII, paragraph 8a on using the General Fund to finance activities for developing countries for multilateral diplomacy and international cooperation. She reported that the Executive Director noted that the concept of international cooperation in the context of the United Nations is broad and that he had also referred the Committee to the report of the Advisory Committee and the need for UNITAR to increase its outreach to countries in special situations, and

that he had proposed to establish a list of 10 such countries which meet more than one of the criteria of this development country sub-grouping (e.g. Africa, LDC and emerging from or in conflict) that could benefit from the use of the General Fund. Again referencing the report of the Advisory Committee, internal discussions and the 15.23 months of project operational reserves, the Executive Director had proposed that one month of reserves could be used for these 10 countries that are severely distressed. The Finance Committee Chair said that Executive Director acknowledged that many of the issues discussed were linked to the proposed communications strategy that the Board would be discussing at its session. He asked the Committee if the three uses of the operational reserve made sense. On business development and innovation, he indicated the various possibilities, such as focusing on methodology, technology, best practices or talent development within UNITAR. On criteria, she said the Executive Director referred to the Statute's use of the term developing countries, but that he would focus purely on a subset of this grouping and prioritize countries that meet as many special situation country characteristics as possible. **The Board took note of the Finance Committee's observations and established the requested innovation and business continuity fund and the legal liability fund, as well as approved the proposed use of the operational reserve of the General Fund to support programming in accordance with Article VIII paragraph 8a of the UNITAR Statute, subject to the operational reserves being used to respond to needs of countries in special situations (Africa, LDCs, LLDCs, SIDS and countries in or emerging from conflict) up to a maximum of one month of operational reserves per biennium.**

34. Under item 10f, Update on the use of the revolving fund from the General Fund, the Chair of the Finance Committee reported that Executive Director informed the Committee that from 1 January 2021 to 30 September 2022, a total of 19 loans valued at \$1.066 million have been issued, out of which 13 loans amounting to \$0.791 million have been refunded, leaving a balance of \$0.275 million as outstanding as at 15 October 2021. **The Board took note of the Finance Committee's observations and Management's update on the use of the revolving fund from the General Fund.**
35. Under item 10g, Strategic Framework Fund, the Chair of the Finance Committee reported that the Executive Director made reference to the earlier discussions in the Committee and confirmed that Management has reached out to donors and will continue to do so in conjunction with the Friends of UNITAR scheduled for early in December. She indicated that he had recalled the efforts made with Sida, the loosely tied character of the Strategic Framework Fund (SFF), was grateful to Sida for its contribution and partnership, and indicated that in accordance with a recommendation from the independent evaluation of the SFF, Management was prioritizing allocations to cross-divisional projects. In 2022, two such allocations were made, one to the UNITAR Global Learning Lab for Women's Leadership and a project developing data-driven solutions to support countries in avoiding medicine shortages and stockouts. She said that the Executive Director acknowledged the difficulty in tapping into existing pooled funds and shared plans to reach out to several countries. He omitted that he did not know much more could be done to further mobilize resources for the instrument.
36. In reference to the contributions to the SFF, it was suggested that Management provide the Board with an aggregate list of contributions over time and not just restricted to one year, as contained in the list of voluntary contributions for 2021, and this would help inform the Board on contribution trends. The use of the SFF was welcomed to promote inter-divisional cooperation and organizational cohesion. The Executive Director indicated that Management would provide the Board with more complete data on funding trends, as requested. During its discussion on the draft conclusions and recommendations, the Executive Director suggested that the Board may wish to consider changing the name of the SFF to better reflect the countries and beneficiaries that the Fund targets. **The Board took note of the Finance Committee's observations and Management's update on the Strategic Framework Fund, and agreed to rebrand the Fund as the Leave No One Behind (LNOB) Fund.**
37. Under item 10h, UNITAR Investment Management and Returns Strategy, the Chair of the Finance Committee reported that the Executive Director noted that the investments are managed by UNDP and that the 2021 returns are marginally better than 2020, and that 2022 are projected to be slightly better than 2021. **The Board took note of the update on the UNITAR Investment Management and Returns Strategy.**

38. Under item 10i, Supplementary funding plan for the unfunded UNITAR ASHI liabilities, the Chair of the Finance Committee reported that the Executive Director reported that the liabilities stood in 2021 at \$18.899 million, but that he expected the liabilities to be covered over the next 20 to 25 years through investment revenue, depending on future actuarial variations. This timeline is somewhat longer timeline than most other United Nations agencies. **The Board took note of the update on the supplementary funding plan for the unfunded UNITAR ASHI liabilities.**
39. Under item 10j, Migration to QUANTUM – the new Oracle cloud-based enterprise resource planning system, the Chair of the Finance Committee reported that the Executive Director had informed the Committee that QUANTUM's staged rollout was initially planned for mid-2022 and to be fully implemented by the end of 2022, but that this schedule had been delayed to early 2023. UNITAR's share of the cost for the migration to this new ERP was expected to be in the range of \$250,000, but that every year UNITAR would be saving about \$50,000 in fees. In response to one question on risk related to the transition, Management replied that UNITAR needed to be prepared for uncertainty and that the present timing for the rollout was not ideal given that the period now coincides with the preparation of financial statements, year-end closure and the beginning of the 2022 external audit exercise. At present migration data are being prepared and balances and purchase orders are being converted. In summary, the biggest risk is managing the timing of the migration with other important financial processes with the end of the year period. **The Board took note of the Finance Committee's observations and requested Management to update the Board on the completion of the migration to QUANTUM at its Sixty-Fourth Session.**
40. Under item 10k, Delegation of authority for financial administration and procurement, the Chair of the Finance Committee informed the Board that the Executive Director made reference to the annexes 12 and 13, including the Administrative Circular which delegates this authority to the Director of the Division for Operations. **The Board took note of the Finance Committee's observations and Management's update on delegation of authority for procurement.**
41. Under item 11a, Finance Committee Elections, the Chair expressed his gratitude to the two newly appointed Trustees, Ambassador Joyini and Professor Yuge, for having expressed interest in the work of the Finance Committee. He recalled that it has been at time challenging securing participation in the Committee, and he underscored how much the Board relied on the Committee's review and recommendations on financial and related matters. The Chair indicated that the Secretariat had consulted him and the Chair of the Finance Committee on their participation at the Committee's Fifteenth Session, and that their participation would be confirmed through elections at the Board's session. **The Board elected Ambassador Mathu Joyini and Professor Akiko Yuge to the Finance Committee.**
42. Under item 11b, Elections of the Vice-Chair of the Board, the Chair announced that Ms. Chávez was elected by the Board as Vice-Chair at its Sixtieth Session and that her second consecutive term would expire at the conclusion of this session. **The Board elected Patricia Phillips as the Vice-Chair of the Board.**
43. Under item 12, Dates for the Sixty-Fourth Session of the Board and adoption of the Sixty-Third Session's conclusions and recommendations, **the Board set the dates of the Sixty-Fourth Session for 16 to 17 November 2023, adopted the key decisions and recommendations of the Sixty-Third Session, and agreed to adopt the report of the conclusions and recommendations of its Sixty-Third Session as a follow-up to the session, as has been done in recent practice.**
44. Under item 13, Any other business, the Chair recalled that Management had taken a number of actions to mitigate conflicts of interest, including conducting a review of functional conflicts of interest several years ago. The Executive Director informed the Board that Management continues to review possible areas where conflicts of interest may arise, including within the governance structure of UNITAR. He noted that the matter can be at times challenging to navigate given the important oversight role that the Board performs, as well as the more informal role that Trustees perform in helping UNITAR connect with networks and mobilize resources for its programmes and activities. Following discussion on the matter and a proposal by the Executive Director, **the Board**

amended its rules of procedure to include a new rule under Chapter III – Members and Observers:

Rule 14bis: In carrying out their duties, Members of the Board serve in their individual capacity. They shall not act as representatives of their employers or other entities with which they may be affiliated. Members of the Board shall not enter into contractual arrangements with UNITAR or receive remuneration for services rendered to UNITAR in conjunction with all assignments that they may undertake. Each Member of the Board shall inform the Chair of the Board and the Executive Director as soon as any potential or actual risk of conflict of interest arises and to recuse him or herself from any decisions that may relate to such conflict of interest.

45. The Executive Director thanked the Trustees for their participation and engagement. He acknowledged the commitment, advice and guidance from outgoing Trustees Ambassador Khan and Diana Chávez, whose second consecutive terms were scheduled to end on 11 November 2022. The session was closed.

Annex I

KEY CONCLUSIONS AND RECOMMENDATIONS OF THE SIXTY-THIRD SESSION OF THE BOARD OF TRUSTEES

Item 5: UNITAR in our changed world: food security, environmental emergency and health

The Board took note of the observations made and requested that Management consider incorporating the suggested areas for programme growth and innovation.

Item 6: Risk assessment report

The Board took note of the observations made and the 2022 risk report.

Item 7: Programming and reporting

Item 7a: 2021 Results Report, 2020-2021 Programme Performance Report and key performance indicators

The Board took note of the observations made and welcomed 2020-2021 Programme Performance Report, the 2021 Results Report and the update on the key performance indicators, as well as took note of the changes to the indicators to measure the Institute's financial performance, as proposed.

Item 8a: Communications Strategy

The Board took note of the observations made, welcomed the proposed Communications Strategy, requested that Management incorporate its suggestions in the strategy's final version and circulate the finalized strategy to the Board as a follow-up to the session.

Item 8b: Celebrating 60 Years of UNITAR

The Board took note of the observations made and requested Management to incorporate its suggestions and to report to the Board on the various activities undertaken to mark the 60th anniversary of UNITAR at the Board's Sixty-Fourth Session.

Item 9: Partnerships

Item 9a: Update on the European Union pillar assessment of UNITAR

The Board took note of the Finance Committee's observations and Management's update on the European Union pillar assessment, approved the policy on electronic signatures, and requested Management to report to the Board on the implementation of the recommendations from the pillar assessment at the Board's Sixty-Fourth Session.

Item 9b: Due diligence requirements

The Board took note of the Finance Committee's observations and approved the revised Policy Guidelines for Grants to Implementing Partners.

Item 9c: Implementation of Partnership and Resource Mobilization Strategy

The Board took note of the Finance Committee's observations and Management's report, congratulated Management on the projected growth during the present biennium, and requested Management to report to the Board on the strategy's implementation at its Sixty-Fourth Session.

Item 10: Finance and budget

Item 10a: Audited financial statements for the year-ended 2021 and Report on the Board of Auditors

The Board took note of the Finance Committee's observations and the audited financial statements for the year-ended 31 December 2021 and the Report of the Board of Auditors.

Item 10b: Report on the application of the cost recovery approach and update on the General Fund

The Board took note of the Finance Committee's observations and Management's report on the application of the cost recovery approach and update on the General Fund.

Item 10c: Report of the Advisory Committee on Administrative and Budgetary Questions

The Board took note of the Report of the Advisory Committee on Administrative and Budgetary Questions.

Item 10d: Proposed revision to the programme budget for the biennium 2022-2023

The Board took note of the Finance Committee's observations and adopted the revision to the programme budget for the biennium 2022-2023, as proposed, including the proposed changes to The Defeat-NCD Partnership and the incorporation of the Division for NCDs, Digital Health and Capacity Building, as reflected in the note circulated to the Board.

Item 10e : Strategic business continuity funds

The Board took note of the Finance Committee's observations and established the requested innovation and business continuity fund and the legal liability fund, as well as approved the proposed use of the operational reserve of the General Fund to support programming in accordance with Article VIII paragraph 8a of the UNITAR Statute, subject to the operational reserves being used to respond to needs of countries in special situations (Africa, LDCs, LLDCs, SIDS and countries in or emerging from conflict) up to a maximum of one month of operational reserves per biennium.

Item 10f: Update on use of the revolving fund from the General Fund

The Board took note of the Finance Committee's observations and Management's update on the use of the revolving fund from the General Fund.

Item 10g : Update on the Strategic Framework Fund

The Board took note of the Finance Committee's observations and Management's update on the Strategic Framework Fund, and agreed to rebrand the Fund as the Leave No One Behind (LNOB) Fund.

Item 10h: UNITAR Investment Management and Returns Strategy

The Board took note of the update on the UNITAR Investment Management and Returns Strategy.

Item 10i: Supplementary funding plan for the unfunded UNITAR ASHI liabilities

The Board took note of the update on the supplementary funding plan for the unfunded UNITAR ASHI liabilities.

Item 10j: Migration to QUANTUM – the new Oracle cloud-based enterprise resource planning system

The Board took note of the Finance Committee's observations and requested Management to update the Board on the completion of the migration to QUANTUM at its Sixty-Fourth Session.

Item 10k: Delegation of authority for financial administration and procurement

The Board took note of the Finance Committee's observations and Management's update on delegation of authority for procurement.

Item 11: Elections**Item 11a: Elections to the Finance Committee**

The Board elected Ambassador Mathu Joyini and Professor Akiko Yuge to the Finance Committee.

Item 11b: Elections of the Vice-Chair of the Board

The Board elected Patricia Phillips as the Vice-Chair of the Board.

Item 12: Dates of the Sixty-Fourth Session of the Board and adoption of the Sixty-Third Session's conclusion and recommendations

The Board set the dates of the Sixty-Fourth Session for 16 to 17 November 2023, adopted the key decisions and recommendations of the Sixty-Third Session, and agreed to adopt the report of

the conclusions and recommendations of its Sixty-Third Session as a follow-up to the session, as has been done in recent practice.

Item 13: Any other business

The Board amended its rules of procedure to include a new rule under Chapter III – Members and Observers:

Rule 14bis: In carrying out their duties, Members of the Board serve in their individual capacity. They shall not act as representatives of their employers or other entities with which they may be affiliated. Members of the Board shall not enter into contractual arrangements with UNITAR or receive remuneration for services rendered to UNITAR in conjunction with all assignments that they may undertake. Each Member of the Board shall inform the Chair of the Board and the Executive Director as soon as any potential or actual risk of conflict of interest arises and to recuse him or herself from any decisions that may relate to such conflict of interest.