



unitar

United Nations Institute for Training and Research

Board of Trustees
Forty-eighth session
Committee on Finance
First session

UNITAR/BT/CF/2009/1

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CONCLUSIONS AND RECOMMENDATIONS OF
THE FIRST SESSION OF THE COMMITTEE ON FINANCE
OF THE BOARD OF TRUSTEES

1. The Committee on Finance of the Board of Trustees of the United Nations Institute for Training and Research (UNITAR) convened in Geneva on 10 November 2009 for its first session.
2. The following members of the Committee on Finance were present at the session:

Ms. Shirley FRANKLIN (Local authority)

Mr. Valery LOSHCHININ..... (Russian Federation)

Mr. Jean-Baptiste MATTÉI (Chairman).....(France)

Ex Officio:

Mr. Carlos LOPES, Executive Director, UNITAR

Secretary:

Ms. Charlotte DIEZ

Observers:

Mr. K. Offei Dei, Chief, Finance and Administration Section, UNITAR

Mr. Jocelyn Fenard, Chief, Partnerships and Resource Mobilization Section, UNITAR

3. In accordance with the terms of reference of the Committee on Finance, the Chairman proposed that the Committee review five sub-items under Item 6,

Administration and Finance, from sub-item 6a to sub-item 6e. It was proposed that sub-item 6a also include information on the financial situation for the current year, 2009 so as to have an overview of the full 2008 – 2009 biennium.

4. On sub-item 6a of the Board of Trustees' agenda, Unaudited Interim Financial Statements for the year ending 31 December 2008, members inquired about UNITAR's budget for 2008 – 2009 meeting the target for the level of income and expenditures by the end of the biennium. It was emphasized that predictability was a critical issue for fast-growing organizations such as UNITAR and that, in spite of the global economic crisis having an impact on the Institute and reducing the projected income, the 2008 – 2009 budget should be balanced taking into account significant contributions expected to be received by the end of the year.
5. **The Committee on Finance took note of the financial information submitted by UNITAR for 2008 and 2009, requested and obtained clarification on the expected level of income and expenditures by the end of 2009, especially in the context of the financial crisis. The Committee recommends that the Board takes note of the information provided under this item.**
6. Under sub-item 6b, proposed programme budget for the biennium 2010 – 2011, members focused their discussion on the overall balance of the budget and the likelihood of the expected increase in income in the context of economic volatility. They also inquired about the difference between the proposed level of income and expenditures, and the decrease in the financial reserve. It was explained that the difference was justified by the need to invest in infrastructure improvements to enable UNITAR to move towards a more predictable business model based on self-generated income. It was further mentioned that infrastructure investments would be initially covered by funds from the reserve, which would then be replenished by self-generating income and other unexpected contributions.
7. **The Committee on Finance noted a difference between the level of income and expenditures and obtained the clarification that UNITAR intends to temporarily reduce the reserve to cover infrastructure improvements and replenish it upon the increase in income. Following the discussion, it was agreed that an informal note on planned infrastructure investments will be made available to the Board of Trustees. Based on the above, the Committee recommends that the Board approves the 2010 – 2011 proposed programme budget and asks the Board's authority to follow-up on this matter and formulate further recommendations after the ACABQ's opinion has been issued.**
8. Under sub-item 6c, Update on external audits at UNITAR, an update on the status of the current external audit and the implementation of recommendations from past financial periods was provided.
9. **The Committee on Finance received a satisfactory explanation on the current interim external audit of UNITAR for the 2008 – 2009 biennium as well as for previous financial periods and recommends that the Board takes note of this point.**
10. Under sub-item 6d, Update on services provided by OIOS, it was announced that OIOS had planned to conduct a risk assessment of UNITAR which terms of reference should be approved by the Board in line with its decision at its 45th session.
11. **The Committee suggests that the Board amends the Board's rules of procedure by adding a rule 28bis that would read as follows: " The Board delegates to the**

Committee on Finance the approval of the terms of reference for services provided by the UN Office of Internal Oversight Services”.

12. Under sub-item 6e, Update on partnerships and resource mobilization, it was mentioned that several partnership models were being implemented in order to increase funding predictability, including a cost-recovery scheme and participation in global initiatives with other UN agencies such as the one-UN Training Service Platform on Climate Change. The unpredictability due to the involvement of other UN agencies in the field of training was underlined. Some members encouraged UNITAR to develop multi-year partnerships with donors.
13. **The Committee congratulates UNITAR for its effective implementation of the resource mobilization strategy and invites the Board to take note on the update of the Institute’s resource mobilization strategy and its implementation.**