

# Board of Trustees

## Sixty-Fifth Session

21 - 22 November 2024

UNITAR/BT/65/5

29 January 2025

Geneva, Switzerland

---

### CONCLUSIONS AND RECOMMENDATIONS OF THE SIXTY-FIFTH SESSION OF THE BOARD OF TRUSTEES

1. The Board of Trustees of the United Nations Institute for Training and Research (UNITAR) convened from 21 to 22 November 2024 for its Sixty-Fifth 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:**

Dr. Adriana Abdenur (via video conference)

His Excellency Mr. Ali Ben Feitas Al-Amarri

His Excellency Mr. Arindam Bagchi, represented by Her Excellency Ms. Priyanka Chauhan

His Excellency Mr. Luis Gallegos (Chair)

Ms. Dorothea Gieselmann

Mr. Nikolaj Gilbert

Mr. Petr Illichev, represented by Mr. Anton Minaev

Her Excellency Ms. Mathu Joyini

His Excellency Mr. Jürg Lauber, represented by Mr. Samir Yeddes

Her Excellency Dr. Amina Mohamed

His Excellency Mr. Ib Petersen

His Excellency Mr. Jian Shen

His Excellency Mr. Bosum Tijani

Professor Akiko Yuge (Chair, Finance Committee)

**Ex Officio:**

Mr. Nikhil Seth, Executive Director, UNITAR

**Secretary of the Board:**

Mr. Brook Boyer, UNITAR

**Observers – UNITAR:**

Ms. Ana Figueira, Senior Personal Assistant, Office of the Executive Director

Mr. Jonas Haertle, Chief, Office of the Executive Director and Deputy Secretary of the Board

For Item 5b:

Ms. Marion Barthelemy, Acting Director, Division for Satellite Analysis and Applied Research

Mr. Mukul Bholra, Director, Division on NCD, Digital Health and Capacity Building

Mr. Frank Borchers, Head, UNITAR Bonn Office

Mr. Evariste Karambizi, Director, Division for Peace

Ms. Mihoko Kumamoto, Director, Division for Prosperity

Mr. Angus Mackay, Director, Division for Planet

Mr. Alex Mejia, Director, Division for People

For items 7, 8 and 10:

Mr. Jao Ratsifandrihamanana, 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 those who the Secretary-General appointed to the Board in 2024. The Chair announced that quorum was established and extended full powers to the alternates of members who were absent at the session.
4. The Executive Director also welcomed the Board members, emphasizing the importance of their expertise and expressing gratitude to departing and new members for their service. He noted that 2023 marked a record-breaking year for UNITAR, with over 544,785 beneficiaries reached - a 38 per cent increase from 2022. The organization had shown growth in key programmatic areas, with financial stability reflected in an 8.7 per cent budget increase for the revised 2024-2025 programme budget. The Executive Director further highlighted achievements across UNITAR's Divisions, such as significant impacts in peacebuilding, social inclusion, climate resilience and economic development. Notable initiatives included the Road Safety Global Training Initiative, partnerships in digital health and advancements in disaster risk reduction. He stressed UNITAR's inclusive and innovative approach to training, with a focus on expanding youth and elderly participation and achieving gender balance. The statement also outlined strategic priorities aligned with global frameworks, including the outcomes of the Summit of the Future. The Executive Director acknowledged challenges such as funding constraints, particularly for the Leave No One Behind (LNOB) Fund, and emphasized the importance of partnerships, accountability and program quality. As this was his final BOT session as Executive Director, he reflected on UNITAR's milestones and expressed confidence in his successor, Ms. Michelle Gyles-McDonnough, to lead UNITAR into the

future. He concluded by thanking the Trustees, donors and Switzerland for their unwavering support.

5. The Board expressed gratitude and admiration for the outgoing Executive Director's leadership, emphasizing UNITAR's exceptional growth, resilience and adaptability under his tenure. The Board highlighted the organization's remarkable increase in beneficiaries and financial stability and growth amidst global challenges, including the pandemic and geopolitical tensions. Trustees acknowledged the unique operational model of UNITAR, noting its donor-driven nature and the challenges in reaching countries in special situations. They emphasized the importance of a smooth leadership transition, urging support for the incoming Executive Director to ensure continuity in UNITAR's critical capacity-building mission. Many expressed confidence in UNITAR's ability to navigate future challenges, praising its alignment with the Sustainable Development Goals (SDGs) and its role in the multilateral system. The Chair thanked the Board for its reflections and comments. **The Board took note of the introductory remarks of the Executive Director.**
6. 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. **The Board adopted the agenda as proposed.**
7. 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.**
8. Under item 4, Membership matters, the Chair announced that the Secretary-General had appointed Dr. Adriana Abdenur, His Excellency Mr. Bosun Tijani and His Excellency Mr. Ib Petersen, effective 1 August 2024 and Her Excellency Dr. Amina Mohamed, His Excellency Mr. Arindam Bagchi, Mr. Petr Illichev and His Excellency Mr. Jian Shen, effective 25 October 2024, to a first term on the Board. The Chair also announced that the Secretary-General had appointed His Excellency Mr. Ali Ben Fetais Al-Marri and Mr. Nikolaj Gilbert to a second term, effective 1 March 2024, and that His Excellency Mr. Chen Xu, His Excellency Mr. Gennady Gatilov, Her Excellency Ms. Terhi Hakala, Her Excellency Ms. Anna Jardfelt, Dr. Deisi Kusztra, His Excellency Mr. Indra Mani Pandey and Dr. Patti Phillips had completed their respective terms and that the Executive Director had expressed his appreciation for their service on the Board. **The Board welcomed the new Trustees.**
9. Under item 5a, 2022-2023 Programme Performance Report, 2023 Results Report and key performance indicators, the Chair recalled that Management regularly reports to the Board on results and organizational performance. The Director for Strategic Planning and Performance referred to the Programme Performance Report under annex 1 of the Board's documents. He said that the report records actual performance against the indicators in the revised 2022-2023 programme budget which the Board adopted. He noted that the exercise was based on self-assessment, placing the Directors and Managers with the responsibility for assessing performance. He summarized the achievement of results at both the outcome and output levels under the budget's strategic and functional objectives. Referring to trained beneficiaries as the Institute's leading, final output, he indicated the UNITAR recorded close to 941,000 beneficiary participations, which exceeded by far the number of planned beneficiary outputs for the biennium as well as an increase over the number for the 2020-2021 cycle. He reviewed the breakdowns of the learning-related beneficiaries, noting in particular the LNOB principles and the portion of beneficiaries from the countries in special situations, gender equality and the empowerment of women (GEEW) and alignment with the SDGs. He also drew the Board's attention to UNITAR's research-related outputs, unplanned programming, performance challenges and lessons learned. He indicated that the 2023 Results Report provided a more granular analysis on 2023 results with testimonials from selected beneficiaries, and he reviewed the 2023 key performance indicators and mentioned in particular the measures on certification rates.
10. The Board congratulated UNITAR for the growth and put forward various observations and questions, including on overall beneficiary growth (and the variation across sectors), the limits to beneficiary growth, beneficiary growth projections, accessibility, certification rates, programme quality and qualitative indicators, cooperation with other UN and international organizations in the training sector, artificial intelligence (AI), the importance of linking with Member States' strategies or initiatives, GEEW, LNOB, the possibility of an independent evaluation/impact evaluation on

programme performance and longitudinal tracking to measure impact over time. Management responded to the Board's observations and questions. On the possibility of beneficiaries plateauing (or declining) in the future, Management recognized that while numbers are impressive, there was much more behind statistics, such as the qualitative changes that occur in the beneficiaries' lives and professions as the result of training and that this is captured through impact stories and testimonials. The Executive Director indicated that UNITAR needs to do more on the qualitative aspect in the learning dimension, and that it would be important for Management to better showcase this in future reports. **The Board took note of the observations made and welcomed the results achieved, as reflected in the 2022-2023 Programme Performance Report, the 2023 Results Report and the update on the key performance indicators.**

11. Under item 5b, UNITAR's Division Directors were invited to join the proceedings and each Director presented key highlights from their respective areas of focus, showcasing UNITAR's broad and impactful programmes. The Peace Division emphasized its role in peacekeeping, conflict prevention and SDG 16-related activities, delivering pre-deployment training and addressing topics like counterterrorism and post-conflict recovery in 107 countries. The Planet Division highlighted its work on the "triple planetary crisis," emphasizing training in climate risk, green transitions and partnerships for adaptation finance while spotlighting the integration of peace and climate action in vulnerable regions. The People and Social Inclusion Division highlighted its extensive training impact, particularly through its CIFAL Global Network of 34 training centres, focusing on local-level capacity building in SDG-aligned areas like education, governance and environmental practices. The Prosperity Division outlined its efforts to drive sustainable economic development through entrepreneurship support, digital upskilling and frontier technologies, with plans for expansion through the Prosperity Alliance network. The Satellite and Applied Research Division highlighted its emergency mapping services and capacity-building initiatives, leveraging satellite data to support humanitarian responses and strategic planning, while emphasizing the integration of AI for anticipatory action. Lastly, the Division on Non-Communicable Diseases, Digital Health and Capacity Building detailed its strategic collaborations with the World Health Organization and others, delivering costed health action plans and training for cancer care and digital health, and strengthening UNITAR's health portfolio. These presentations underscored UNITAR's adaptive, innovative and collaborative approaches across diverse thematic areas to support Member States and address global challenges effectively.
12. The Board raised questions and comments reflecting on UNITAR's diversity of programming, the balance between demand-driven and donor-driven initiatives and the organization's unique funding model. Questions included the decline in training beneficiaries in the Peace Division, attributed to reduced peacekeeping missions and evolving training formats. Board members expressed curiosity about the sustainability of UNITAR's decentralized training centers, including their quality assurance and scaling strategy. The integration of satellite images in emergency mapping and capacity-building was praised, with questions on data ownership and access protocols. Discussions explored partnerships with private sector and nontraditional donors, concerns over reliance on global tech firms and ensuring inclusivity in digital capacity-building. Other inquiries focused on the overlap with other UN agencies, aligning training with localized needs and measuring post-training impacts. Directors emphasized UNITAR's role as a capacity-building expert, leveraging partnerships and innovative approaches to overcome challenges like lack of country presence and diversifying funding. Questions on digital learning platforms and centralized learning management systems raised the need for scalable, cohesive strategies. Board members applauded UNITAR's adaptability and impact while urging strategic focus to avoid overextension. **The Board welcomed the programme highlights presented, thanked the Directors for their engagement and took note of the observations made.**
13. Under item 6a, Briefing on the 2024 Summit of the Future, Ambassador Mathu Joyini presented her perspective from participating in the negotiations of the outcomes document, the "Pact for the Future." Ambassador Joyini underlined that the Pact for the Future should carry significant implications for UNITAR's strategic direction and programming, in particular in informing UNITAR's 2026-2029 strategic framework. Emerging from extensive global consultations and the political framework of the UN75 Declaration, the Pact for the Future outlines 58 concrete actions aimed at addressing current and future challenges. These include eradicating poverty, reducing inequality, financing the SDGs, reforming the global financial architecture, addressing climate change, fostering peace and harnessing technology responsibly. The inclusion of the Global Digital Compact (GDC) and the Declaration on Future Generations underscores priorities such as digital

governance, AI safeguards, youth empowerment and intergenerational equity. For UNITAR, these outcomes offer pathways to align its work more closely with the Pact for the Future through programme refinement, the development of innovative tools and strengthened partnerships. Potential actions include mapping current UNITAR offerings against the Pact for the Future's priorities, creating capacity-building programmes on emerging challenges like climate finance and digital transformation, and enhancing its role in equipping Member States and diplomats to navigate the evolving multilateral landscape. The Institute's continued focus on partnerships, particularly with institutions like the International Monetary Fund, the World Bank and tech industry leaders can bolster its contributions to global initiatives such as the Financing for Development framework, the New Agenda for Peace and the implementation of national climate commitments. The strategic integration of these elements into UNITAR's work will ensure its programmes remain impactful and responsive to the transformative vision of the Summit of the Future.

14. The Board put forward a number of observations, most of which emphasized the significance of the Pact for the Future and its implications for UNITAR's strategic planning. UNITAR's proactive engagement in the Summit's process was welcomed and the relevance in aligning with global priorities like the SDGs, peacebuilding and digital transformation. The GDC garnered significant attention, with Trustees advocating for digital inclusion, literacy and equitable participation in the digital economy, especially for vulnerable groups like persons with disabilities and the aging population. Discussions also focused on bridging the technological divide, ensuring safe online environments and fostering interoperable governance frameworks for emerging technologies like AI. Calls were made for UNITAR to support capacity-building in areas like mediation, post-conflict reconstruction and sustainable development, while cautioning against promoting divisive solutions such as debt swaps without broader consensus. Members emphasized UNITAR's potential role in advancing knowledge-sharing, training diplomats and enhancing policy coherence for green development, trade and energy transition. There was the general view that the Pact for the Future represents an opportunity for reform and innovation in global governance. The session concluded with a unified call for UNITAR to focus on elements of the Pact for the Future that have universal support, ensuring its programmes align with the needs of the most vulnerable while remaining pragmatic and action oriented. **The Board took note of the outcomes of the 2024 Summit of the Future and the Global Digital Compact and the observations made on UNITAR's work and the implications for the planning exercise of the 2026-2029 Strategic Framework.**
15. Under item 6b, Preliminary consultations on 2026-2029 strategic framework, the Executive Director updated the Board on initial work undertaken by a task force established to spearhead the strategic framework's development, including its cross-divisional composition and the formation of subgroups focused on stocktaking, stakeholder consultations, strategic foresight and innovation aligned with the UN 2.0 objectives. He reported that the task force had conducted an internal retreat with the support of the UN Futures Lab to review strategic foresight tools, underscoring UNITAR's commitment to forward-thinking methodologies. The Executive Director emphasized the importance of realistic, achievable goals rooted in UNITAR's core expertise as a learning and capacity-building institute.
16. The Board stressed that the 2026-2029 Strategic Framework must focus on practical contributions, avoiding overextension into areas outside UNITAR's scope, while addressing pressing global issues like digital transformation, social inclusion and climate action. Key priorities for the framework should include addressing the digital divide by training government officials and fostering knowledge-sharing among countries, empowering youth as agents of change and enhancing training for diplomats to navigate multilateral decision-making processes effectively. The Board underscored the importance of focusing on peacebuilding, security and humanitarian training, particularly in fragile contexts, while ensuring that UNITAR remains financially stable by diversifying its donor base and pursuing innovative partnerships. The organization's role as a facilitator and content developer was reaffirmed, emphasizing its strength in delivering impactful learning experiences rather than implementing substantive reforms.
17. The Board proposed a structured process for developing the framework, with a draft to be circulated to the Board in mid-2025 to be able to provide feedback before the Sixty-Sixth Session. By focusing on its comparative advantages, aligning with donor and beneficiary needs and addressing contemporary challenges, UNITAR should aim to enhance its impact and continue empowering vulnerable populations worldwide. The discussion reinforced UNITAR's unique value as a

specialized training institute committed to building knowledge and capacity across diverse global contexts. **The Board took note of the observations made and requested Management to keep the Board apprised in mid-2025 and to report to the Board at its Sixty-Sixth Session with a draft Strategic Framework covering the period from 2026 to 2029 for its consideration.**

18. Under item 7, Partnerships, item 8, Offices located outside of Geneva Headquarters 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.
19. Under item 7a, Implementation of the Partnership and Resource Mobilization Strategy, the Chair of the Finance Committee made reference to the strategy's preparing to soar scenario and that the Executive Director felt this scenario reflected the Institute's current growth path, with the proposed revision to the programme budget at roughly \$97 million, some 8.7 per cent above the 2024-2025 budget. She reported that in aggregate terms, the Institute was doing very well, but that the Executive Director had highlighted the fragility of this growth, with many programme units dependent on one large donor and the concern that the resource base was not sufficiently diversified. She indicated that the Executive Director emphasized the need to further diversify the resource base and in particular with the private sector and acknowledged the inherent risks. She also reported that the Committee discussed the challenges of the post pandemic era, including the reorientation of donor priorities, the need to adapt to new realities and anticipate and mitigate potential risks. The Committee acknowledged the Institute growth and resource mobilization efforts and the importance of focusing on UNITAR's comparative advantage and nice areas and the need to be flexible, adaptable and innovative, as well as the need for targeted strategic communications and seeking out champions of multilateralism and targeting donors. **The Board took note of the Finance Committee's observations and Management's report on the implementation of the Partnership and Resource Mobilization Strategy and requested that Management report to the Board at its Sixty-Sixth Session.**
20. Under item 7b, Guidelines on Engagement with the Private Sector, the Chair of the Finance Committee reported that the Executive Director introduced the guidelines, indicating that they were produced with the help of a consultant, were based in part on a review of similar guidelines across the United Nations landscape and were aligned with the United Nations Sustainable Development Group's Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships. In response to questions on the time requirements and reporting, Management indicated that the guidelines contained three different due diligence pathways, that the vetting process should not require more than two weeks and that there would be a standardized format for streamlined reporting required under the guidelines. The Executive Director noted that the guidelines contained a provision that would enable him to revert to the Board on specific cases if needed. The Board found the guidelines to contain clear guardrails, but did not think that the Board should be involved in decision making, even in isolated cases should the Executive Director request a referral. **The Board took note of the Finance Committee's observations and approved the Guidelines on Partnership Engagement with the Private Sector, with the Executive Director having full authority for approving partnerships with the private sector.**
21. Under item 7c, Proposed Revisions to the Policy Guidelines on Agreements with Implementing Partners, the Chair of the Finance Committee reported that the Executive Director drew a reference to the fact that much of the Institute's recent growth was linked in part to working with implementing partners (IPs), that risks were high and it was important to tighten controls. The proposed revisions reflected UNITAR's experience working with IPs over the years and the findings and recommendations from the recent audits. She said that the Committee had put forward a number of questions and observations, including on the proposed rating scale for IP performance, the selection process and due diligence. In response to a query on late reporting, Management indicated that an evaluation was underway to identify the root causes for late reporting (pursuant to an audit recommendation), and that controls were put in place to mitigate against late reports by excluding implementing partners with delinquent reporting from future grant opportunities. The Board made a number of comments and observations, including welcoming the improvements contained in the proposed revisions e.g. strengthened protection against sexual exploitation and abuse and due diligence, and emphasized the importance of timely reporting. In response to a question on raising the risk threshold from low to high for civil society organizations (CSOs),

Management said that the previous low risk threshold for CSOs was overly rigid and that the revised threshold enabled Management to partner with CSOs provided that special conditions would be identified to mitigate against any risks identified. Management informed the Board that it was working to align its practices with those of other UN entities and planned to participate in the UN Partners Portal in 2025. On the IP performance assessment scale, Management indicated that the proposed three-point scale was based on the Secretariat's scale but that Management also found a four-point scale to be acceptable. **The Board took note of the Finance Committee's observations and approved the revisions to the Policy Guidelines on Agreements with Implementing Partners as contained under Annex 8, with the understanding that Management would assign a four-point rating scale for assessing implementing partner performance.**

22. Under item 8a, General guidelines on the opening of offices outside of UNITAR Headquarters, the Chair of the Finance Committee recalled that the Board requested Management to develop such general guidelines at its Sixty-Fourth Session. She indicated that the proposed general guidelines would be helpful in guiding the process of establishing offices in the future. The importance of having a good integration between outside offices and UNITAR Headquarters, as well as promoting synergies with the Geneva ecosystem was expressed. **The Board took note of the Finance Committee's observations and approved the general guidelines on the opening of offices outside of UNITAR Headquarters.**
23. Under item 8b, Doha Office, the Chair of the Finance Committee reported that discussions were continuing in 2024 and that the Executive Director had briefed the Committee and indicated that Management had consulted the Office of Legal Affairs and that an agreement on the establishment of the office was expected to be finalized by the end of the year. The Executive Director emphasized that the office would be administered in accordance with the United Nations Financial Rules and Regulations, that the budget of the office amounted to approximately \$5.8 million over five years and that the office would be located in the UN House in Lucille, Qatar. The Committee observed that the office would be an opportunity to test some of the assumptions that it had discussed under the Partnership and Resource Mobilization Strategy, such as creating more space for learning and UNITAR's programming. The Committee also observed that the geopolitical context and location of the office was relevant, and that peace and diplomacy were important. **The Board took note of the Finance Committee's observations and Management's update on the proposed opening of a regional office in Doha, The State of Qatar.**
24. Under item 9, 2024 Risk Report, the Chair recalled that the Board decided in 2020 to place the risk on its agenda as a standing item. The Director for Strategic Planning and Performance introduced the 2024 report and mentioned that since the risk register was created in 2018, 25 risks were identified and assessed, six have been closed and no new risks were added in 2024. He mentioned the interconnectedness of many risks and that an addition to the present report was the preparation of a draft risk appetite statement, in response to the Board's request at its Sixty-Fourth Session. He indicate that risk appetite is not absolute and may vary from low to high depending on the risk area, but that the Institute's overall risk appetite was moderate. He also referenced UNITAR's maturing risk management culture. The Board put forward various observations and questions, including how to best address the risk related to the decrease in non-earmarked funds when combined with the risk of uneven growth and overdependency on specific donors, the risk related to individual contractors (ICs) and whether an external assessment should be performed on the Institute's risk management framework or if the Board of Auditors could assess the adequacy of the framework. The formulation of the draft risk appetite statement was also recognized as an important managerial tool and that this should become an integral part of the next risk management framework. Management recognized the risk related to the lack of donor diversification and that UNITAR could benefit from having more granular resource mobilization targets. Management made reference to the UN Risk Maturity Reference Tool and indicated that it would be useful for the Institute to assess its current risk management capabilities against the tool and identify areas for improvement. **The Board took note of the 2024 Risk Report and requested Management to report to the Board at its Sixty-Sixth Session with the results of an assessment of UNITAR's risk management maturity.**
25. Under item 10a, Financial statements for the year-ended 31 December 2023 and Report of the Board of Auditors, the Chair of the Finance Committee referred to the item's annotation and the

Financial Report and Audited Financial Statements for the year-ended 31 December 2023 under of the Board's documents. She drew the Board's attention to the unqualified opinion for the financial statements and referenced the robust net asset and liquidity positions as well as the Institute's resilient financial health. In reference to the report of the Board of Auditors, the Chair of the Finance Committee summarized the status of the recommendations including those issued from previous years, as well as the recommendation that Management did not accept on setting up approved appropriations to control and monitor allocations, commitments and ceilings as adopted by the Board of Trustees in the Institute's Enterprise Resource Planning (ERP) system. She indicated that the Committee shared the view that the Board of Auditors appeared to have misunderstood the particularities of the UNITAR programme budget and business model. The Committee also put forward some observations and questions on the other audit findings and recommendations, including the one on ICs, as well as on the drop in the implementation rate of the recommendations which Management reported was due to the increase in the number and in their complexity, some of which required the development of IT tools. On ICs, reference was made to the report of the Joint Inspection Unit and its recommendations as may be relevant to UNITAR. The Executive Director provided some additional details on the recommendation that was not accepted and indicated that Management would discuss the matter with the incoming audit team. On ICs, he emphasized the Institute's earmarked and project-based nature often limits the duration of IC contracts. **The Board took note of the Finance Committee's observations and the financial report and audited financial statements for the year-ended 31 December 2023 and the Report of the Board of Auditors.**

Under item 10b, Report on 2024 internal audit, the Chair of the Finance Committee informed the Board that the audit's scope was on the human resources policy framework and implementing partners (selection, due diligence and monitoring and reporting). She indicated that the internal audit issued six sets of recommendations, which were either implemented or under implementation at the time of the session. **The Board took note of the Finance Committee's observations and the 2024 report of the internal audit and Management's response.**

26. Under item 10c, Report on the application of the cost recovery approach and update on the General Fund, the Chair of the Finance Committee indicated that the Executive Director provided an overview of the Institute's cost recovery approach and explained in simple terms that funds are raised in a project-funded entity by the initiatives that are developed and delivered by the different programme units, and that the costs associated with project implementation, which cover central administration, executive direction and support at UNITAR generally add up to 18 per cent on the aggregate. She further indicated that the Executive Director reported that the 18 per cent formula, which was determined in 2013 and was working well, now needed to be revisited and that the preference was to retain an outside expert to review costs and benefits and come up with a revised formula after internal consultations, and for the Board to decide at its Sixty-Sixth Session including the desired level of operational reserve. The Chair of the Finance Committee reported that the Committee endorsed the proposed way forward and that cost recovery formula and operational reserve were important, but complicated matters and needed to be reviewed and researched thoroughly. The Board made several observations. It was noted that cost recovery has been a pending matter since the Sixty-First Session in 2020, that it would be useful to have a timeline for the study, that a 12-month operational reserve seemed reasonable and that the current cost recovery rate of 18 per cent was high. The Executive Director noted that the Institute has been able to maintain its competitiveness over the past years but acknowledged that the optimal level of operational level needed to be determined. He explained that the operational reserve matter was a stock and flow problem, with the stock related to the number of months of operational reserve and how that reserve is spent (referencing institutional needs such as innovation, staff development and liability insurance) and the flow related to how the percentage recovery is arrived at. He mentioned that while the thinking process has been underway since 2020, it was delayed with the migration to the new ERP and the European Union pillar assessment of UNITAR. Looking forward, he said that Management would benefit from a consultant who could benchmark practices in other organizations (not necessarily in the UN system) and also guide internal discussions, noting that there are varying views within Management on the cost recovery and operational reserve matters. **The Board took note of the Finance Committee's observations and Management's report on cost recovery and the update on the General Fund as well as the observations made and requested Management to report to the Board with the results of the study on cost recovery including the operational reserve issue at its Sixty-Sixth Session.**



27. Under item 10d, Report of the Advisory Committee on Administrative and Budgetary Questions, the Chair of the Finance Committee reported that the hearing was held in October and that the Executive Director reviewed the findings and recommendations in the Advisory Committee's report, which commented on a broad range of issues, including budgeted posts, operational reserve, implementing partners, etc. In conjunction with the Advisory Committee's observation on countries in special situations, a comment was made on the difficulty addressing this imperative given the project-based funding model. There was some discussion on utilizing the CC:Learn model in other programme areas and the possibility of replicating the platform in the fields of water or plastics. **The Board took note of the report of the Advisory Committee on Administrative and Budgetary Questions.**
28. Under item 10e, Proposed revision to the programme budget for the biennium 2024-2025, the Chair of the Finance Committee noted that the proposed budget, attached as annex 15 of the Board's documents, amounts to \$97.382 million – an increase of \$7.811 million from the initial 2024-2025 budget. She reported that the Executive Director indicated that of the roughly \$97 million, \$81.691 million correspond to programme areas and \$15.692 million to the functional enablers, namely for the Division for Operations, the Division for Strategic Planning and Performance and the Office of the Executive Director. She reported that UNITAR plans to reach 486,878 beneficiaries through its training and related services. The Chair of the Finance Committee expressed her appreciation to the Executive Director for the proposed increase and resource mobilization prospects based on a comprehensive review of opportunities and challenges.
29. In response to a question whether Management foresaw any reductions in contributions from 2026, the Executive Director indicated that various scenarios were examined in developing the Partnership and Resource Mobilization Strategy and would be also reviewed in the context of preparing the 2026-2029 Strategic Framework. He indicated that diversification of donors will be a priority, as will be building stronger partnerships with the UN system and the private sector, and that at this stage he was not pessimistic about some donors having shifts in priorities. The Executive Director was optimistic that additional funding would be secured shortly into 2025, and that funding may be closer to \$110,000 million. It was suggested the Management keep the Board apprised of the funding situation with a mid-year statement on expenditures and revenue. **The Board took note of the Finance Committee's observations and the observations made. The Board adopted the revision to the programme budget for the biennium 2024-2025, as proposed, and requested Management to provide the Board with a mid-year financial update on the programme budget.**
30. Under item 10f, Update on the strategic business continuity funds, the Chair of the Finance Committee recalled discussions in 2023 on the item and said that the Board had approved the Terms of Reference (TOR) of the Innovation and Business Development Fund and the Legal Liability Fund at its Sixty-Fourth Session. She indicated that the Executive Director had summarized the status of the funds, each of which would amount to one month of operational reserve per biennium; however, the Executive Director had confirmed that he had not operationalized the funds, as the operationalization was linked to determining the optimal level of the operational reserve and that he felt that it would be best to wait until the Board had a fuller picture. On the LNOB Fund, the Executive Director informed the Board that while the TOR were drafted, he also wanted to wait until there was more clarity on the operational reserve matter. **The Board took note of the Finance Committee's observations and Management's update on the strategic business continuity funds.**
31. Under item 10g, Update on the use of the revolving fund from the General Fund, the Chair of the Finance Committee indicated that Management has been providing the Board with yearly updates on the revolving fund, and that the Executive Director had informed the Committee that the revolving fund was working well. **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.**
32. Under item 10h, UNITAR Investment Management and Returns Strategy, the Chair of the Finance Committee reported that the Executive Director noted that 2023 returns were at 4.36 per cent, yielding \$1.405 million, and that the returns are placed into After Service Health Insurance (ASHI) provisions. **The Board took note of the Finance Committee's observations and Management's update on the UNITAR Investment Management and Returns Strategy.**

33. Under item 10j, Supplementary funding plan for the unfunded UNITAR ASHI liabilities, the Chair of the Finance Committee recalled that UNITAR is required to set aside funds to cover ASHI liabilities of staff, and that the item has been discussed regularly by the Board. She said that Management expected to cover the liabilities in 16 to 20 years. **The Board took note of the update on the supplementary funding plan for the unfunded UNITAR ASHI liabilities.**
34. Under item 11, Elections, the Chair announced that in accordance with Rule 18 of the Board's Rules of Procedure, the Chair and Vice Chair shall hold office until their successors are elected. As Dr. Phillips' term on the Board had expired in April 2024 and that his term would expire in May 2025, the Board was invited to elect new officers for these functions, as well as at least one new member to the Finance Committee. The Chair announced that he had engaged in consultations on elections with Trustees during the session. **The Board elected His Excellency Mr. Ib Petersen and Her Excellency Dr. Amina Mohamad as the next Chair and Vice Chair of the Board, respectively, with the term of the Chair effective 1 June 2025 and the term of the Vice Chair effective immediately. The Board elected Mr. Petersen to the Finance Committee.**
35. Under item 12, Dates of the Sixty-Sixth Session of the Board and adoption of the Sixty-Fifth's Session's conclusion and recommendations, **the Board set the dates of the Sixty-Sixth Session for 20 to 21 November 2025, adopted the key decisions and recommendations of the Sixty-Fifth Session, and agreed to adopt the report on the conclusions and recommendations of its Sixty-Fifth Session as a follow-up to the session, as has been done in the past.**
36. Under item 13, Any other business, the Executive Director recalled that UNITAR, as a Participating Organization of the Inter-Organization Programme for the Sound Management of Chemicals, has been an actively engaged in and contributed significantly to the Global Framework for Chemicals, established at the Fifth Session of the International Conference on Chemicals in Bonn, Germany in September 2023. Following the closure of the session, the Board approved the following statement through circulation: **The Board welcomed the Global Framework on Chemicals (GFC), as established at the Fifth Session of the International Conference on Chemicals in September 2023. The Board was pleased to note the engagement and contributions of UNITAR and the Executive Director in the development and final establishment of the GFC. The Board supports UNITAR's continued, active work on the GFC and the commitment to implementing its multiple elements to enhance the sound management of chemicals and waste around the world.**
37. The Executive Director expressed his deep appreciation to Ambassador Gallegos, acknowledging his leadership as Chair during his tenure on the Board. He congratulated Ambassador Petersen on his election and acknowledged his wealth of experience chairing or co-chairing intergovernmental processes. The Executive Director then expressed his gratitude to the UNITAR Directors and Managers for their steadfast commitment and hard work in mobilizing funds, acknowledging the Institute's uniqueness in the United Nations. He also expressed his much optimism on the Institute's future with its dedicated young workforce, the tremendous experience that his successor will bring and with the continued engagement of the Board. The session was closed.

## ANNEX I

### KEY CONCLUSIONS AND RECOMMENDATIONS OF THE SIXTY-FIFTH SESSION OF THE BOARD OF TRUSTEES

#### **Item 5: Programming and reporting**

##### **Item 5a: 2022-2023 Programme Performance Report, 2023 Results Report and key performance indicators**

The Board took note of the observations made and welcomed the results achieved, as reflected in the 2022-2023 Programme Performance Report, the 2023 Results Report and the update on the key performance indicators.

##### **Item 5b: Programme highlights**

The Board welcomed the programme highlights presented, thanked the Directors for their engagement and took note of the observations made.

#### **Item 6: Strategic matters**

##### **Item 6a: 2024 Summit of the Future**

The Board took note of the outcomes of the 2024 Summit of the Future and the Global Digital Compact and the observations made on UNITAR's work and the implications for the planning exercise of the 2026-2029 Strategic Framework.

##### **Item 6b: Preliminary consultations on preparations for the 2026 to 2029 strategic framework**

The Board took note of the observations made and requested Management to keep the Board apprised in mid-2025 and to report to the Board at its Sixty-Sixth Session with a draft Strategic Framework covering the period from 2026 to 2029 for its consideration.

#### **Item 7: Partnerships**

##### **Item 7a: Implementation of the Partnership and Resource Mobilization Strategy**

The Board took note of the Finance Committee's observations and Management's report on the implementation of the Partnership and Resource Mobilization Strategy and requested that Management report to the Board at its Sixty-Sixth Session.

##### **Item 7b: Guidelines for Partnership Engagement with the Private Sector**

The Board took note of the Finance Committee's observations and approved the Guidelines on Partnership Engagement with the Private Sector, with the Executive Director having full authority for approving partnerships with the private sector.

##### **Item 7b: Proposed revisions to the Policy Guidelines on Agreements with Implementing Partners**

The Board took note of the Finance Committee's observations and approved the revisions to the Policy Guidelines on Agreements with Implementing Partners as contained under Annex 8, with the understanding that Management would assign a four-point rating scale for assessing implementing partner performance.

#### **Item 8: Offices located outside of UNITAR Headquarters**

##### **Item 8a: General guidelines on the opening of offices outside of UNITAR Headquarters**

The Board took note of the Finance Committee's observations and approved the general guidelines on the opening of offices outside of UNITAR Headquarters.

##### **Item 8b: Doha Office**

The Board took note of the Finance Committee's observations Management's update on the proposed opening of a regional office in Doha, The State of Qatar.

**Item 9: 2024 Risk Report**

The Board took note of the 2024 Risk Report and requested Management to report to the Board at its Sixty-Sixth Session with the results of an assessment of UNITAR's risk management maturity.

**Item 10: Finance and budget****Item 10a: Audited financial statements for the year-ended 31 December 2023 and Report on the Board of Auditors**

The Board took note of the Finance Committee's observations and the financial report and audited financial statements for the year-ended 31 December 2023 and the Report of the Board of Auditors.

**Item 10b: Report on the 2024 internal audit**

The Board took note of the Finance Committee's observations and the 2024 report of the internal audit and Management's response.

**Item 10c: 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 cost recovery and the update on the General Fund as well as the observations made, and requested Management to report to the Board with the results of the study on cost recovery including the operational reserve issue at its Sixty-Sixth Session.

**Item 10d: 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 10e: Proposed revision to the programme budget for the biennium 2024-2025**

The Board took note of the Finance Committee's observations and the observations made. The Board adopted the revision to the programme budget for the biennium 2024-2025, as proposed, and requested Management to provide the Board with a mid-year financial update on the programme budget.

**Item 10f: Strategic business continuity funds**

The Board took note of the Finance Committee's observations and Management's update on the strategic business continuity funds.

**Item 10g: 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 10h: UNITAR Investment Management and Returns Strategy**

The Board took note of the Finance Committee's observations and Management's 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 11: Elections**

The Board elected His Excellency Mr. Ib Petersen and Her Excellency Dr. Amina Mohamad as the next Chair and Vice Chair of the Board, respectively, with the term of the Chair effective 1 June 2025 and the term of the Vice Chair effective immediately. The Board elected Mr. Petersen to the Finance Committee.

**Item 12: Dates of the Sixty-Sixth Session of the Board and adoption of the Sixty-Fifth Session's conclusion and recommendations**

The Board set the dates of the Sixty-Sixth Session for 20 to 21 November 2025, adopted the key decisions and recommendations of the Sixty-Fifth Session, and agreed to adopt the report of the conclusions and recommendations of its Sixty-Fifth Session as a follow-up to the session, as has been done in the past.

**Item 13: Any other business** (approved by the Board through circulation)

The Board welcomed the Global Framework on Chemicals (GFC), as established at the Fifth Session of the International Conference on Chemicals in September 2023. The Board was pleased to note the engagement and contributions of UNITAR and the Executive Director in the development and final establishment of the GFC. The Board supports UNITAR's continued, active work on the GFC and the commitment to implementing its multiple elements to enhance the sound management of chemicals and waste around the world.