

Board of Trustees

Sixty-Fourth Session

16 – 17 November 2023

UNITAR/BT/64/5

26 June 2024

Geneva, Switzerland

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

1. The Board of Trustees of the United Nations Institute for Training and Research (UNITAR) convened from 16 to 17 November 2023 for its Sixty-Fourth 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

His Excellency Mr. Chen Xu

His Excellency Mr. Luis Gallegos (Chair)

His Excellency Mr. Gennady Gatilov

Ms. Dorothea Gieselmann

Mr. Nikolaj Gilbert (via video conference)

Her Excellency Ms. Terhi Hakala

Her Excellency Ms. Anna Jardfelt, represented by Mr. Oscar Ekéus

Her Excellency Ms. Mathu Joyini

Dr. Deisi Kusztra

His Excellency Mr. Jürg Lauber
(In his absence, represented by Mr. Samir Yeddes)

His Excellency Mr. Indra Mani Pandey

Dr. Patti Phillips (Vice Chair)

Professor Akiko Yuge (Chair, Finance Committee)

Ex Officio:

Mr. Nikhil Seth, Executive Director, UNITAR

Secretary of the Board:

Mr. Brook Boyer, UNITAR

Observers – UN Research and Training Institutes:

Mr. Adam Day, Head of Geneva Office, United Nations University

Ms. Antonia De Meo, Director, United Nations Interregional Crime and Justice Research Institute

Observers – UNITAR:

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

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

Ms. Akiko Perona, Chief, Communications and Information Technology Support Unit (Item 7)

Mr. Jao Ratsifandrihamanana, Chief, Finance and Budget Unit (Item 12)

3. Under item 1, Opening of the session, the Chair welcomed the Trustees to the session and extended a particularly warm welcome to Ms. Dorothea Gieselmann, Head of Division for United Nations Economic and Social Issues of the German Foreign Office who the Secretary-General appointed to the Board in 2023. The Chair announced that quorum was established, extended full powers to the alternates of members who may be absent during the course of the session and welcomed the observers from the United Nations Interregional Crime and Justice Research Institute (UNICRI) and the United Nations University (UNU) and UNITAR.
4. The Executive Director also welcomed the members of the Board and the representatives of other training institutions. He delivered a statement highlighting the significance of 2023 and the Institute's sixtieth anniversary. He provided an overview on different events organized in Geneva and elsewhere and invited the Trustees and observers to the evening's concert and reception. Reflecting on UNITAR's 60-year journey, the Executive Director underscored the Institute's global impact in empowering individuals, communities and governments in addressing diverse challenges. Providing a snapshot of UNITAR's current state, he emphasized the importance of beneficiaries and budget growth as indicators of the organization's health, revealing a 7 per cent increase in beneficiaries in 2022. He discussed UNITAR's financial stability, with a proposed budget of \$89.282 million for 2024-2025 and highlighted growth in various programmatic areas. He outlined UNITAR's divisions, detailing accomplishments and initiatives under each thematic pillar. Focusing on the future, the Executive Director discussed priorities, emphasizing the threat to the implementation of the Sustainable Development Goals (SDGs) as the result of wars and other conflicts, and the effects of the COVID-19 pandemic and climate change. He highlighted the upcoming Summit of the Future, scheduled for September 2024, and the need to align UNITAR's priorities with global agendas such as the expected outcomes of the Summit. The Executive Director further elaborated on UNITAR's health portfolio, including the now independent status of The Defeat-NCD Partnership, and emphasized the importance of partnerships and resource mobilization. He

emphasized accountability, programme quality and organizational learning through evaluations and partnerships. The Executive Director also highlighted the challenges of reaching countries in special situations and the continuation of the Leave No One Behind (LNOB) Fund due to the discontinuation of funding from its largest donor. In conclusion, he expressed gratitude to the Trustees, other United Nations training institutions, donors and Switzerland (as the host country) for their support.

5. The Board commended the Executive Director and his staff for the work accomplished and expressed gratitude and support to the Institute during its sixtieth anniversary. The Board made a number of observations, including on the importance of learning and knowledge in addressing global challenges such as wars, conflicts, food security and the climate crisis. The Board commended UNITAR for its continued focus on the SDGs, encouraged the Institute to continue efforts in enabling diplomats and stressed the need to foster innovation and the importance of addressing digital security risks, including through new artificial intelligence (AI) applications. Stressing the importance of UNITAR's support to implement the Summit of the Future's outcomes, the Board also supported the Executive Director's recommendation to align UNITAR's future priorities with the expected outcomes of the Summit. The Chair thanked the Board for its reflections and comments and recalled that there would also be a separate discussion on the Summit under agenda item 6. **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 and, referring to the report of the Finance Committee, proposed to add an item on elections. **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 Ms. Dorothea Gieselmann, effective 1 October 2023 and His Excellency Mr. Jürg Lauber, Permanent Representative of Switzerland to a second term, effective 1 October. The Chair also announced that His Excellency Mr. Michael Frierer von Ungern-Sternberg, Ms. Diana Chavez and Ambassador Nazhat Shameem Khan have completed their respective terms and that the Executive Director had expressed his appreciation for her service on the Board. Ms. Gieselmann expressed her honour to serve on the Board and her appreciation to the Secretary-General for the appointment. **The Board welcomed the new Trustee.**
9. Under item 5, Follow-up from the Sixty-Third Session, the Chair recalled that the Board had previously discussed ideas on how UNITAR could commemorate the Institute's sixtieth anniversary in 2023 and that the item's annotation provided a list of objectives, together with activities and other initiatives held over the year. The Executive Director reviewed highlights from some of the activities organized in Geneva and elsewhere, including Bonn, Hiroshima, New York and Tokyo. He expressed his appreciation to the UNITAR New York Office for contributing to the organization of events, including the concert in Carnegie Hall and the photo exhibit in the Dag Hammarskjöld Library. In Tokyo, the Executive Director indicated that a commemorative event took place at the United Nations University with the Foreign Minister of Japan. He expressed his gratitude to Japan for its support to UNITAR and noted that it is also the twentieth anniversary of the Institute's Hiroshima Office. In Bonn, the Executive Director mentioned the roundtable organized with wide participation, as well as the photo exhibit in Geneva and other events organized by the Institute's different UNITAR divisions. **The Board congratulated the Executive Director, Management and staff on UNITAR's sixtieth anniversary, expressed its deep satisfaction on the diverse array of activities and initiatives that have been organized to commemorate this occasion, including the efforts made to include stories and testimonials from beneficiaries and partners, and extended its deep appreciation to the various partners that have funded and provided other support to the activities. The Board also congratulated the CIFAL Global Network on the commemoration of its twentieth anniversary.**
10. Under item 6a, Briefing on the Sustainable Development Goals Summit and the Climate Ambitions Summit and item 6b, Preparations for the 2024 Summit of the Future, the Chair noted that the Executive Director requested the Board's input and the other substantive sub-items in conjunction

with the Institute's strategic framework and the objectives that the framework sets out to achieve under the peace, people, planet prosperity and crosscutting pillars of UNITAR's programme of work. Reflecting on the current political crisis and the highs and lows of multilateralism over time, the Executive Director expressed optimism on the recent SDGs Summit, noting its outcome document and the endorsement of the need for institutional reform and financial stimulus. He observed the forces of youth and civil society and how this activism supports multilateralism. He felt that UNITAR needed to do much more in helping developing countries on the question of accessing international finance.

11. The Board put forward a number of observations, noting the existing alignment with many of the thematic thrusts of the Summit of the Future; the importance of youth at all levels of governance and to engage youth through surveys to help better design learning opportunities and materials; the need for the Institute to adapt to maintain relevance with global demands and to adjust to local contexts and requirements; the recognition to give special attention to digital technologies and AI, focusing not only on the advances in their use, but also on what risks such technologies may introduce (i.e. information security should remain at the forefront of UNITAR activities); the need to incorporate into UNITAR's portfolio behavioral science (and how it can impact development and governance); the need to further increase UNITAR's beneficiary reach with goals and indicators; and the need to continue to forge cooperation with other UN system entities.
12. The Board also recognized the importance of the political declaration of the SDGs Summit and that partnership will be essential in accelerating and scaling up the implementation of the SDGs. In terms of the Summit of the Future, it was recognized that the Summit would also be an accelerator for the SDGs and that it must build on the outcome of the SDGs Summit. The Board discussed various chapters of the Summit for the Future. On the topic of financing for development (FFD), the importance of accessing international finance was underscored as was the role of the private sector for FFD (e.g. understanding how the private sector functions, and that there would be much space for UNITAR programming). The Board also discussed the areas under the new agenda for peace, including the new threats and strategic risks, preventing conflict and violence and the importance of shifting towards prevention and peacebuilding, strengthening peace operations, novel approaches to peace, and strengthening international governance. The Board recognized that there is much room for UNITAR programmatic engagement under the five areas of the new agenda for peace. The Board also discussed briefly some of the other chapters of the Summit for the Future, including AI and the Global Digital Compact, and transforming global governance structures.
13. The observers from UNU and UNICRI made suggestions, including on the Global Digital Compact and AI; the importance of partnership and cooperation and opportunities for leveraging; and on the need for greater cooperation across the six research and training institutes (e.g. perhaps by organizing an annual research symposium). Reflecting on the importance of data, the representative from UNICRI also indicated that there needs to be a way to raise the visibility of data and that the research and training institutes could potentially play a role.
14. The Executive Director acknowledged that the capacity development and research parts of the United Nations needed to have strengthened ties, so that the recommendations from research can be implemented, and that this was very relevant for the Summit of the Future. He also recognized the importance of stronger links among the research and training institutes. The Executive Director questioned whether an outcome document was needed for UNITAR to work more on the new thrust areas, such as cybersecurity, information security, and that UNITAR could move forward now by developing learning opportunities around these and other topics emanating from discussions on the new thrust areas.
15. The Chair recalled the rich discussion that the Board had in November 2022 on UNITAR in our changed world, and the pessimistic messages conveyed on the occasion of the 2022 High Level Political Forum, given the impact that the accumulated crises were having. He underscored the importance of the discussions in the context of the Institute's strategic planning exercise that would get underway in 2024 and early 2025. The process moving forward, from consultations to the zero draft, as well as the publication of the Report of the High-level Advisory Board on Effective Multilateralism, and the May 2024 Conference on Civil Society, were briefly discussed, and that these efforts would hopefully strengthen the implementation of the SDGs. UNITAR Management was encouraged to further align its programming with the implementation of the SDGs and that this

would be further enriched with the Summit of the Future. **On item 6a, the Board took note of the observations made and the outcomes of the Sustainable Development Goals Summit, the Climate Ambition Summit and other pertinent meetings, and requested that UNITAR participate in an ample way. On item 6b, the Board took note of the 2024 Summit of the Future and the observations made on UNITAR's work and the planning exercise for the 2026-2029 strategic framework, and requested that Management report back to the Board at its Sixty-Fifth Session.**

16. Under item 6c, Programme Innovation and Growth: Artificial intelligence in training and development – implications, opportunities and risk for UNITAR, the Chair recalled the Board's discussion on UNITAR programming and frontier issues at its Fifty-Ninth Session in 2018 which took place in Abuja, and that the Board made a number of suggestions on frontier issues, including that Management continue to modernize learning programmes and mainstream the use of applicable technologies in programming and continue to use virtual reality, 3D and other innovations for learning. The Chair also recognized that UNITAR is incorporating frontier issues in training and research including in the work of the United Nations Satellite Centre and the Multilateral Diplomacy Programme Unit. Given the breath of areas for AI applications, the Executive Director suggested that the Board consider i) what UNITAR can do to raise awareness on AI where such awareness raising is necessary (e.g. in some countries where there is need, and with the delegates engaged in multilateral meetings and discussions), and the applications of AI in education and learning. A representative from Microsoft gave a presentation on its work, after which the Board discussed initiatives related to AI and highlighted the importance of raising AI awareness in regions and among delegates with limited knowledge and exposure. **The Board took note of the observations made and UNITAR's considerations to incorporate artificial intelligence more broadly into its learning products and services.**
17. Under item 7a, 2023 risk report, the Chair recalled that the Board decided to place the risk report on the agenda as a standing item. The Director for Strategic Planning and Performance introduced the 2023 risk report and mentioned that since the risk register was created, 22 risks were identified and three were closed. He referred to the tables of the open, closed and proposed to be closed risks in the report, and indicated that much of the effort in 2023 focused on addressing the cybersecurity risk, which was introduced in the risk register in 2022 and would be discussed in detail under the next agenda item. In response to a query on the development of a risk appetite statement, the Director indicated that this action was pending and that while Management had reviewed some risk appetite statements in other organizations, any advice from the Board would be most welcome and that Management would report back to the Board at its Sixty-Fifth Session. **The Board took note of the 2023 risk report.**
18. Under item 7b, Cybersecurity Resilience Maturity Assessment Report, the Chair drew the Board's attention to Management's risk report presented at the Sixty-Third Session and the request for Management to increase priority on addressing cybersecurity-related risks. Management presented the report of the Information Security Maturity Assessment. Using ISO 27001:2013 and ISO 27002:2013 standards, the assessment evaluated the effectiveness of the organization's information security, identifying security risks, detection capabilities and response preparedness. Conducted in June and July 2023, the exercise assessed risks at UNITAR's Headquarters and critical business processes, with results from the assessment revealing a "defined" maturity level (2.84/5) and 90 opportunities for improvement. Management informed the Board that priority would be to address the recommendations based on criticality and cost, with a budget for an expert and technical controls included in the 2024-2025 programme budget. The Board expressed satisfaction with Management's efforts and recognized that the UNITAR rating was similar to the overall UN average. In response to questions on Management's aim to achieve a particular score, Management clarified that it aimed to increase its level from "defined" to "manage" on the rating scale, and that efforts would focus initially on addressing opportunities for improvement in areas related to the establishment of new or revised policies and procedures, as well as opportunities to strengthen staff awareness on cybersecurity threats through training. **The Board took note of the observations made and the Cybersecurity Resilience Maturity Assessment Report.**
19. Under item 8a, 2022 Results Report and key performance indicators (KPIs), the Chair recalled that Management regularly reports to the Board on results and organizational performance, and that a summary of the 2022 Results Report and an update on key performance indicators are provided

under the item's annotation. The Director for Strategic Planning and Performance summarized some of the report's key highlights, including beneficiaries, with most falling under programming delivered by the planet pillar and the CIFAL Global Network. He also referenced the gender composition that slightly favors women and girls, and the while developing countries continue to comprise most learners, outreach to the countries in special situations continues to be of concern. The Director also summarized the 2022 key performance indicators which serve as a corporate dashboard on the Institute's organizational performance. In recognizing the growth in outreach over the past several biennia, he drew a connection to the drop in outreach to countries in special situation. The Director also referenced the report of the Board of Auditors and the observation and recommendation on the declining certificate of completion rates. The Board congratulated the Executive Director and Management on the growth of beneficiaries and other key parameters, and shared concern on the decline in beneficiaries from countries in special situations. The Board recognized the reader friendliness of the Results Report and the beneficiary highlights. In response to the KPI on certificate rates, the Director said that Management was in discussions on assigning a target and that an evaluation was in progress to better understand drivers for the low rates. The Executive Director complimented Management for the report and drew the Board's attention to the historical overview of UNITAR. He also underscored the importance of addressing the decline in outreach to beneficiaries from countries in special situations and requested the Board to keep this declining trend in mind when discussing the finance-related agenda items. **The Board took note of the observations made and welcomed the 2022 Results Report and the update on the key performance indicators, as well as took note of the addition of the new KPIs on certification of completion rates, application of knowledge and skills contributing to the implementation of the 2030 Agenda/SDGS/other major multilateral frameworks and the application/ use of knowledge products, as proposed.**

20. Under item 8b, Report of the Secretary-General to the Economic and Social Council and 2023 ECOSOC resolution, the Chair recalled that the Secretary-General reports to the Economic and Social Council on the work of UNITAR every two years in pursuance of Economic and Social Council resolution 2011/11. He drew the Board's attention to the 2023 Report of the Secretary-General annexed to the documentation and which was circulated by Management. The Executive Director presented the report at the Coordination and Management Meeting in June, and the Economic and Social Council adopted resolution E/Res/2023/7. The Executive Director recalled that the obligation to report to ECOSOC is longstanding and takes the form of a report of the Secretary-General, and is usually followed by a resolution. He indicated that the report was well received and that the resolution was positive, and that there was strong support from the G77 and China, with a large number of co-sponsors.
21. The link to agenda item 8a was noted and that UNITAR performance was impressive, recognizing not just the increase in beneficiaries but also gender balance and the alignment with the 2030 Agenda. The concern with the declining number of beneficiaries from countries in special situations and the low level of learners obtaining certificates of completion was also noted and needed to be addressed. It was suggested that further cooperation with universities could be explored. The Executive Director shared the concerns on the low outreach to countries in special situations, and noted that the largest growth in beneficiaries come from green development and climate change as well as from the network of CIFAL centres, and that extra efforts to broaden the reach from these programming need to be undertaken. He also emphasized that any funds from the operational reserve that may be given would be for the benefit of the countries in special situations. **The Board took note of the Report of the Secretary-General (E/2023/70) and ECOSOC resolution E/Res/2023/7 and welcomed the achievements in the implementation of the strategic framework and supporting Member States with the implementation of the 2030 Agenda for Sustainable Development.**
22. Under item 9, UNITAR regulatory framework and guidelines on the issuance of administrative circulars and other policy documents, the Chair recalled the autonomous character of the Institute and noted that while the United Nations Financial Regulations and Rules and the United Nations Staff Regulations and Rules apply to UNITAR, as specified under the UNITAR Statute, the Statute also stipulates under Article III the role of the Board of Trustees in the formulation of principles and policies to govern the activities and operations, and the establishment of conditions and procedures for the utilization of funds from the General Fund and the receipt and disbursement of special purpose grants. The Executive Director made reference to the umbrella of rules, regulations and policies and other instructions which apply to UNITAR, with the Charter of the United Nations at the

pinnacle. He also made reference to the provisions under the UNITAR Statute and in particular the role of the Board of Trustees in the formulation of policies, as well as his authority as Executive Director in exercising overall responsibility for the organization, direction and administration of the Institute. He said that it was important to understand the hierarchy among policy documents applicable to UNITAR, and that the Institute reviewed the practice of the United Nations University (UNU) in preparing the document on the regulatory/policy environment, in so far as UNU also features among the autonomous research and training institutes. He indicated that the Board had the option of approving the proposed document now or continuing reflection and considering the document at a later time. Reflecting on the project-based character of UNITAR, the Chair noted the provisions of the UNITAR Statute and the role of the Board of Trustees in formulating policies. On the bracketed language in the proposed document on the accelerated review procedures of draft administrative circulars, the Board agreed that the Executive Director should have the flexibility to fast track policies if circumstances required. **The Board took note of the observations made and approved the UNITAR regulatory framework and guidelines on the issuance of administrative circulars and other policy documents, as proposed.**

23. Under item 10, Partnerships, item 11, Proposed country office in Doha, Qatar and item 11, 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 10a, Implementation of the Partnerships and Resource Mobilization Strategy, the Chair of the Finance Committee recalled that the item was presented at the Board's Sixty-Third Session, congratulated Management on the projected growth during the 2022-2023 biennium and requested Management to report to the Board on the strategy's implementation at its Sixty-Fourth Session. She reported that the Executive Director briefly discussed the positive backdrop to the session, including the growth in finances and beneficiaries and the reports of the Institute's oversight bodies including the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions (ACABQ). She said that the Executive Director noted that the strategy was in its second year of implementation and that UNITAR appears to be on the path to the strategy's third growth scenario ('prepare to soar') as far as finances are concerned, with a projected budget at almost \$90 million for the 2024-2025 budget cycle. The Chair of the Finance Committee said that the Executive Director reported that growth was taking place only through earmarked contributions and that while UNITAR receives a small amount of non-earmarked contributions to the General Fund, efforts to mobilize flexible programme funding through the Leave No One Behind Fund have fallen short of plans. Turning to the private sector, she said he mentioned that 5 to 6 per cent of the Institute's budget comes from this sector and that while this was positive, there were concerns and risks when engaging with the private sector. Referencing the UN Global Compact as well as the existing UNITAR private sector guidelines that have been in place for some time, he recognized the need to review the guidelines and return to the Board with a proposed revision at its next session. The Chair of the Finance Committee referenced several questions and answers in the Committee's report. **The Board took note of the Finance Committee's observations and Management's report on the implementation of the strategy, and requested that Management report to the Board at its Sixty-Fifth Session and submit a review and proposed revision to the guidelines on engaging with the business and private sectors.**
25. Under item 10b, Update on the European Union pillar assessment of UNITAR, the Chair of the Finance Committee recalled Management's update to the Board at its Sixty-Third Session and that the final pillar assessment was issued in August 2023, after the European Commission validated the draft report submitted by the pillar assessors. She said that the Executive Director informed the Committee that while the exercise has taken some time, progress was made. The final report contains 11 non-critical recommendations, some of which have already been implemented by Management. She said that Executive Director noted that in validating the report, the European Commission requires UNITAR to adhere to certain ad hoc measures until an assessment of UNITAR's implementation finds that all recommendations have been implemented, and that he was hopeful that as a result of this exercise UNITAR would be able to access increased funding for projects and that it would be good to report to the Board on this aspect. **The Board took note of the Finance Committee's observations and Management's update on the European Union pillar assessment and requested Management to keep the Board apprised as may be needed.**

26. Under item 10c, Guidelines on Assurance Activities, the Chair of the Finance Committee recalled that the Board approved revisions to the policy guidelines for grants to implementing partners (IPs) at its Sixty-Third Session, including the new provisions requiring IPs to undergo expenditure verifications at certain thresholds. She indicated that the item was related to implementation of a recommendation issued by the Board of Auditors (cf. item 12a of the agenda). While the policy guidelines were approved by the Board of Trustees in 2022, in addition to mandated expenditure verifications at certain thresholds, UNITAR reserves the right to undertake other assurance activities, such as spot checks or if requested by the donor of a project, an audit. She indicated that while the Board of Auditors did not find any lack of compliance with the revised policy guidelines, as they were only issued formally in January 2023, the audit team found that the provisions on assurance activities lacked clarity on the different types of activities, factors triggering such activities, recognized standards, etc. **The Board took note of the Finance Committee's observations and the Guidelines on Assurance Activities.**
27. Under item 10d, Pass-through Funding Modalities, outside of UN Joint Programmes, One UN Funds and Multi-Donor Trust Funds, the Chair of the Finance Committee indicated that Management had shared with the Board an administrative circular on pass-through modalities outside of UN joint programmes, One UN Funds and Multi-Donor Trust Funds, as contained in the Board's documentation. She indicated that the Executive Director had reported that a recent, new situation in programming required UNITAR to develop a modality to pass through funds from the donor to a partner other than an implementing partner, and that the donor's rules did not allow it to disburse the funds directly to the partner (in this case, another European country) and that at least one other European donor country had confronted a similar situation in this programming area. The Chair of the Finance Committee reported that in both instances, there were no additional financial or fiduciary responsibilities for UNITAR, based on discussions and exchanges with the donor. Prior to proposing the modality, Management consulted with the Multi Partner Trust Fund Office (UNDP) to determine if practices to manage such arrangements outside the UN already existed, which there were not. She indicated that the Executive Director felt that it was important to put the circular before the Board of Trustees to obtain approval and that he felt that risk was low, in so far as the donor had agreed with the modality prior to UNITAR concluding the pass-through agreement with the partner. As contained in the administrative circular, it was mentioned that donor approval was important prior to any pass-through transfer. In response to a query, the Executive Director confirmed that the case requiring the modality to be put in place was to facilitate programming to address the capacity development need and that donor visibility would be ensured. **The Board took note of the Finance Committee's observations and approved the pass-through fund modalities outside of UN Joint Programmes, One UN Funds and Multi-Donor Trust Funds, as contained in Administrative Circular AC/UNITAR/2023/10.**
28. Under item 11, Proposed country office in Doha, Qatar, the Chair of the Finance Committee referred to the item's annotation and indicated that Management has been engaged in dialogue with the State of Qatar on the establishment of an office in Doha, Qatar. She said that the background to this dialogue was initiated at the LDC Conference in Doha and that presently, the proposal calls for the establishment of a national office to be housed in the UN House in Doha. She indicated that the Executive Director expected that there would be another six to eight months before the idea would come to fruition, and that the State of Qatar has agreed to fund the office in the order of \$2.5 million to \$5 million over three to five years, and that the Executive Director confirmed that Management would come back to the Board (through the Finance Committee) in eight to 10 months e.g. through circulation to share the risk assessment and the agreement governing the office after having been reviewed from a legal perspective.
29. While appreciating the overture from Qatar, the importance of ensuring good programmatic links with UNITAR's Headquarters and looking for synergies in the Genva ecosystem was mentioned. The Executive Director said that the objective of the office is to be coordinated with the UN and to prospect projects with Qatar-based entities. In response to a query on the existence of guidelines on the creation of offices, the Executive Director mentioned that UNITAR had four offices based outside of Geneva's Headquarters, and that each was created differently in response to a specific request. The Executive Director said that flexibility needed to be exercised, in so far as the needs and requirements varied from case to case, and that it would be best to work on the basis of the risk assessment and that if the Board felt that a set of guidelines should be established, such would be the case. The Executive Director indicated that he would propose principles to form the basis for a set of guidelines on future offices. **The Board took note of the Finance Committee's**

observations and the proposed establishment of a UNITAR country office in Doha, Qatar and requested that Management report to the Board as soon as practicable. The Board also requested that Management prepare and submit general guidelines on offices to the Board at its next session.

30. Under item 12a, Financial statements for the year-ended 31 December 2022 and Report of the Board of Auditors, the Chair of the Finance Committee referred to the item's annotation, the Financial Report and Audited Financial Statements for the year ended 31 December 2022 under Annex 13 of the Board's documents. She drew the Board's attention to the unqualified opinion for the financial statements prepared in accordance with the International Public Sector Accounting Standards (IPSAS). She noted that the closure of 2022 accounts was particularly challenging with the migration to the new ERP and the transition in the Finance and Budget Unit. The statements show an increase in net assets of \$8.017 million from a net assets balance of \$46.936 million as at 31 December 2021 to \$54.953 million as of 31 December 2022. The liquidity position of UNITAR as at 31 December 2022 remained stable, the Institute had sufficient liquid assets to settle its obligations. Turning to the Report of the Board of Auditors, she reported that the Executive Director summarized the overall audit opinion and mentioned that the auditors issued a total of 25 recommendations, all of which are under implementation or have been implemented and Management is requesting closure. Of the outstanding recommendations from previous years, there were two recommendations under implementation and one recommendation was overtaken by events. One recommendation was not accepted by Management, and the Advisory Committee on Administrative and Budgetary Questions also enquired on the reasons for non-acceptance. The recommendation was for UNITAR to set up in the ERP the approved appropriations of the programme budget to control and monitor the allocations, commitments and ceilings by the Board of Trustees. The Chair of the Finance Committee said the Executive Director had indicated that UNITAR's project-based, projected programme budget was different from the UN Secretariat's programme budget, which is based on assessed contributions, and that UNITAR needed to first mobilize the project funds before it could be apportioned. He felt that the rigor of monitoring of the UNITAR budget was far superior to the UN Secretariat's budget, based on the agreed budgets with the project donors. **The Board took note of the Finance Committee's observations and the financial report and audited financial statements for the year-ended 31 December 2020 and the Report of the Board of Auditors.**
31. Under item 12b, Report on the application of the cost recovery approach and update on the General Fund, the Chair of the Finance Committee recalled that the Board had approved the Institute's current cost recovery formula at its Fifty-Third Session (2013) and that the formula distinguishes between programme support costs (PSC), at 7 per cent, and direct service costs (DSC), which would vary between 6 per cent for pass through funds and 11 per cent for projects managed entirely by UNITAR. She reported that the cost recovery rate was 18.80 per cent in 2022 and that the operational reserve was in 2022 at 21.48 months (2021: 13.89 months). She reported that the Executive Director stated that the agreed norm of 12 months and the maximum of 24 months of operational reserve has been and is subject to internal examination of the Board of Trustees. The Executive Director indicated that the period of 12 months was understood as prudential and that UNITAR cannot continue to increase the operational reserve indefinitely, and that utilisation of the operational reserves would be a balance of institutional expenditures, such as legal liability, innovation and business development and increasing programmatic activities in the poorest countries. The Executive Director mentioned that UNITAR was doing well in terms of having the institutional reserve over 12 months and that this is inherently linked to the PSC and DSC cost recovery rates. He reminded the Board that the rates were approved by the Board of Trustees in 2013, and that perhaps the time has come to revisit the rates, after the completion of the EU pillar assessment and need to ensure traceability on direct costs, as well as the finalization of the ERP migration from Atlas to QUANTUM. The Chair of the Finance Committee said that the Executive Director summarized the situation by emphasizing that the system is operating well, that UNITAR is growing and that it has mobilized operational reserve, but that there are divergent views within Management on cost recovery and how the operational reserve should be used. The Finance Committee recognized the increase in the operational reserve and the opportunity that the increase presented. The Executive Director indicated that he felt it important to retain an expert to examine all aspects of cost recovery and to share the results with the Board prior to its next session. The Chair felt that it was a timely moment to revisit the cost recovery approach, and that the operational reserve could be included as part of the review.

32. A Trustee observed her government's appreciation of UNITAR for being a trustworthy, flexible and professional partner for project management, administration and implementation, but expected that overhead cost should not be more than 11 or 12 per cent. It was noted that a new cost recovery formula was expected several years ago and that revisiting the matter was urgent given the growing operational reserve. The Executive Director reminded the Board that cost recovery supports key functions such as executive leadership, communication, performance monitoring, evaluation, finance, human resources, operations, etc., and that in the past non-earmarked funding defrayed the costs of such functions. In the absence of such funds, the functions are entirely dependent on cost recovery from project funds. The Executive Director found that the formula is working, that the operational reserve was a contingency but that a new formula would be sought to better manage the stock of operational reserve. **The Board took note of the Finance Committee's observations and Management's report on cost recovery including the related issues on the operational reserve and the update on the General Fund and requested that Management revisit cost recovery including the operational reserve issue and report to the Board at its Sixty-Fifth Session.**
33. Under item 12c, 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. She said that the Finance Committee congratulated the Executive Director for receiving a positive report from the Advisory Committee. **The Board took note of the report of the Advisory Committee on Administrative and Budgetary Questions.**
34. Under item 12d, Proposed programme budget for the biennium 2024-2025, the Chair of the Finance Committee noted that the proposed budget, attached as annex 16 of the Board's documents, amounts to \$89.571 million, amounting to an increase of \$6.62 million from the revised 2022-2023 budget. She reported that the Executive Director indicated that of the roughly \$90 million, \$74.844 million correspond to programme areas and \$14.727 million to the functional enablers, and that prudential spending of the functional enablers over the years contributed to the increase in the operational reserve. She also reported that programming covers a wide spectrum of SDGs with 39 per cent of the 84 programmatic result areas aligned with Goal 16 of the 2030 Agenda, and that UNITAR planned to reach 475,608 beneficiaries through its training and related services. About 50 per cent of the beneficiaries are from the planned climate change and green development online courses offered through the One CC:Learn Platform and an additional 32 per cent through the CIFAL centres.
35. The Board put forward several observations and questions, including the variation in budget across the programme units, with the Peace Division accounting for some 40 per cent of the programme budget; the termination of the operations agreement of The Defeat-NCD Partnership and the challenges and lessons learned; and the drop in the proportion of beneficiaries from countries in special situations and what measures were planned for next year to counter the trend. The Executive Director noted that the Advisory Committee also observed the variation in budget, and said that in aggregate terms, the Institute has succeeded in achieving plus or minus 5 per cent of the budget's predictions, but that it was not an exact science. On The Defeat-NCD Partnership, the Executive Director informed the Board that it was registered under Swiss law but that UNITAR continues to engage with The NCD Partnership through a special purpose grant arrangement, through the establishment of a Division on NCDs, Digital Health and Capacity Building and that the Division's funding comes in part from the Partnership, similar to the special relationship that exists between UNITAR and the Global Surgery Foundation. On the decline in beneficiary outreach to countries in special situations, the Executive Director observed that more needs to be done to disseminate the large array of learning opportunities in the area in climate change to this group of countries, as well as with the CIFAL Global Network, and he hoped that the use of the one month of operational reserve as previously authorized by the Board would contribute to reversing this trend. In response to queries on the operational reserve for the purpose of financial investment (e.g. to offset ASHI liabilities) and the decrease in general operating expenses, the Chief of Finance and Budget confirmed that the operational reserve is invested, as it is sitting in the bank account and that the UNDP investment team invests in the reserve and that part of it is used to fund the ASHI liability. As concerns general operating expenses, this includes staff salary and rent, and that rent has not increased, which is the reason that general operating expenses have not increased

with inflation). **The Board took note of the Finance Committee's observations and adopted the programme budget for the biennium 2024-2025, as proposed.**

36. Under item 12e, Strategic Business Continuity Funds, the Chair of the Finance Committee recalled discussions in 2022 on the item and said that the Board had agreed to establish the requested Innovation and Business Development 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 reserve being used to respond to needs of countries in special situations, up to a maximum of a month of the operational reserve per biennium. She reported that the Executive Director referenced the discussions in the Committee and thought that approval on the detailed terms of reference of the three funds was important, and that the only pending issue was conformity with United Nations Financial Rules and Regulations of the Leave No One Behind Fund, which Management was awaiting confirmation from the Controller. In response to a query from the Secretary drawing the Board's attention to the brackets in the proposed terms of reference of the Legal Liability Fund, the Committee felt that the matter could be addressed by Management. **The Board took note of the Finance Committee's observations and approved the terms of reference/governing principles of the Legal Liability Fund and the Innovation and Business Development Fund. With regard to the Leave No One Behind Fund, the Board understood that further review would be made and requested Management to report to the Board as soon as practicable.**
37. Under item 12f, Update on the use of the revolving fund from the General Fund, the Chair of the Finance Committee recalled that the Board approved the establishment of a revolving loan fund of \$1 million to provide loans to programmes for cashflow support purposes to ensure programmatic activities are not interrupted by delays in donor fund transfers. She 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 fund is ringfenced with \$1 million under strict conditions. As at 30 September 2023, she said that Management reported that a total of 19 loans valued at \$0.929 million have been issued, out of which 14 loans amounting to \$0.801 million have been refunded, leaving a balance of \$0.128 million outstanding as of 30 September 2023. **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.**
38. Under item 12g, Leave No One Behind Fund, the Chair of the Finance Committee recalled that at its Sixty-Third Session, the Board took note of Management's report on the Strategic Framework Fund and agreed to rebrand the fund as the Leave No One Behind Fund. Referring to the high hopes that Management had on the fund in so far as it provided flexible arrangements, she reported that the Executive Director had regretted the present situation and announced that with the withdrawal by the fund's principal contributors, the fund balance now stood at \$44,382. She said that he had hoped that permission to use the operational reserve as approved by the Board of Trustees at its Sixty-Third Session would enable UNITAR to maintain efforts to support countries in special situations. She also reported that the Executive Director had hoped that developing countries more broadly would have contributed to the fund, in addition to the one or two developing countries that provided support. The Executive Director also discussed the fund's lack of an emotive or thematic appeal, and that issue-based funds have been more successful. **The Board took note of the Finance Committee's observations and recommendations, including the strategies for mobilizing resources and strengthening the fund, and expressed its deep appreciation to Sweden and the Swedish International Cooperation Agency in particular for the support provided to the Leave No One Behind Fund.**
39. Under item 12h, 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 2022 returns are marginally better than 2021, and that 2023 are projected to be slightly better than 2022 with yields up to 3.48 per cent. **The Board took note of the Finance Committee's observations and Management's update on the UNITAR Investment Management and Returns Strategy.**
40. Under item 12j, 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 the Executive Director had reported that the liabilities stood in 2022 at \$15.007 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 a somewhat longer timeline than that of most other United Nations agencies. **The Board took note of the update on the supplementary funding plan for the unfunded UNITAR ASHI liabilities.**

41. Under item 12j, Migration to QUANTUM – the new Oracle cloud-based enterprise resource planning system, the Chair of the Finance Committee mentioned that at its Sixty-Third Session, the Board requested Management to report on the completion of the migration to QUANTUM at its Sixty-Fourth Session. She indicated that the Director of Operations described the final phase of the migration at the end of 2022 and early 2023 as a particularly difficult and painful period as UNITAR was short staffed, with the departure of two to three staff of the Finance and Budget Unit, combined with the fact that QUANTUM was designed for UNDP Headquarters and does not address all the needs of UNITAR. The Committee congratulated Management for the migration. **The Board took note of the Finance Committee’s observations and Management’s update on the migration to QUANTUM.**
42. Under item 13, Finance Committee Elections, the Chair of the Finance Committee announced that the Committee comprised at present four members, including herself. As there would be vacancies in 2024 and in order for the Committee to maintain the minimum number, she indicated that the Board would need to elect members to the Committee, and she proposed holding consultations with the Chair of the Board of Trustees with a view to electing new members to the Finance Committee at the Sixty-Fifth Session. **The Board requested that the Executive Director continue consultations over the next several months and keep the Board apprised.**
43. Under item 14, Dates of the Sixty-Fifth Session of the Board and adoption of the Sixty-Fourth’s Session’s conclusion and recommendations, **the Board set the dates of the Sixty-Fifth Session for 21-22 November 2024, adopted the key decisions and recommendations of the Sixty-Fourth Session, and agreed to adopt the report of the conclusions and recommendations of its Sixty-Fourth Session as a follow-up to the session, as has been done in the past.**
44. The Chair thanked the Trustees for their contributions. The Executive Director thanked the Chair for his stewardship, efficiency and attention to details in leading the Board as well as thanked Trustees for their contributions to the discussions. He thanked in particular the Trustees whose terms would end before the Sixty-Fifth Session, including Ambassador Gennady Gatilov, Ambassador Chen Xu, Ambassador Terhi Hakala, Dr. Deisi Kusztra and Dr. Patti Phillips (Vice Chair) for their participation and engagement over their respective terms. The session was closed.

ANNEX I

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

Item 5: Follow-up from the Sixty-Third Session

The Board congratulated the Executive Director, Management and staff on UNITAR's Sixtieth Anniversary, expressed its deep satisfaction on the diverse array of activities and initiatives that have been organized to commemorate this occasion, including the efforts made to include stories and testimonials from beneficiaries and partners, and extended its deep appreciation to the various partners that have funded and provided other support to the activities. The Board also congratulated the CIFAL Global Network on the commemoration of its Twentieth Anniversary.

Item 6: Substantive matters

Item 6a: Briefing on the Sustainable Development Goals Summit and the Climate Ambition Summit

The Board took note of the observations made and the outcomes of the Sustainable Development Goals Summit, the Climate Ambition Summit and other pertinent meetings, and requested that UNITAR participate in an ample way.

Item 6b: Preparations for the 2024 Summit of the Future

The Board took note of the 2024 Summit of the Future and the observations made on UNITAR's work and the planning exercise for the 2026-2029 strategic framework, and requested that Management report back to the Board at its Sixty-Fifth Session.

Item 6c: Programme Innovation and Growth: Artificial Intelligence in training and development – implications, opportunities and risk for UNITAR

The Board took note of the observations made and UNITAR's considerations to incorporate artificial intelligence more broadly into its learning products and services.

Item 7: Risk assessment

Item 7a: 2023 Risk Report

The Board took note of the 2023 Risk Report.

Item 7b: Cybersecurity Resilience Maturity Assessment Report

The Board took note of the observations made and the Cybersecurity Resilience Maturity Assessment Report.

Item 8: Programming and reporting

Item 8a: 2022 Results Report and key performance indicators

The Board took note of the observations made and welcomed the 2022 Results Report and the update on the key performance indicators, as well as took note of the addition of the new KPIs on certification of completion rates, application of knowledge and skills contributing to the implementation of the 2030 Agenda/SDGS/other major multilateral frameworks and the application/ use of knowledge products, as proposed.

Item 8b: Report of the Secretary-General to the Economic and Social Council and the 2023 ECOSOC resolution

The Board took note of the Report of the Secretary-General (E/2023/70) and ECOSOC resolution E/Res/2023/7 and welcomed the achievements in the implementation of the strategic framework and supporting Member States with the implementation of the 2030 Agenda for Sustainable Development.

Item 9: UNITAR regulatory framework and guidelines on the issuance of administrative circulars and other policy documents

The Board took note of the observations made and approved the UNITAR regulatory framework and guidelines on the issuance of administrative circulars and other policy documents, as proposed.

Item 10: Partnerships**Item 10a: 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 strategy, and requested that Management report to the Board at its Sixty-Fifth Session and submit a review and proposed revision to the guidelines on engaging with the business and private sectors.

Item 10b: 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 and requested Management to keep the Board apprised as may be needed.

Item 10c: Guidelines on Assurance Activities

The Board took note of the Finance Committee's observations and the Guidelines on Assurance Activities.

Item 10d: Pass-through funding modalities, outside of UN Joint Programmes, One UN Funds and Multi-Donor Trust Funds

The Board took note of the Finance Committee's observations and approved the pass-through fund modalities outside of UN Joint Programmes, One UN Funds and Multi-Donor Trust Funds, as contained in Administrative Circular AC/UNITAR/2023/10.

Item 11: Proposed country office in Doha, Qatar

The Board took note of the Finance Committee's observations and the proposed establishment of a UNITAR country office in Doha, Qatar and requested that Management report to the Board as soon as practicable. The Board also requested that Management prepare and submit general guidelines on offices to the Board at its next session.

Item 12: Finance and budget**Item 12a: Audited financial statements for the year ended 31 December 2022 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 2022 and the Report of the Board of Auditors.

Item 12b: 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 including the related issues on the operational reserve and the update on the General Fund and requested that Management revisit cost recovery including the operational reserve issue and report to the Board at its Sixty-Fifth Session.

Item 12c: 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 12d: Proposed programme budget for the biennium 2024-2025

The Board took note of the Finance Committee's observations and adopted the programme budget for the biennium 2024-2025, as proposed.

Item 12e : Strategic business continuity funds

The Board took note of the Finance Committee's observations and approved the terms of reference/governing principles of the Legal Liability Fund and the Innovation and Business Development Fund. With regard to the Leave No One Behind Fund, the Board understood that further review would be made and requested Management to report to the Board as soon as practicable.

Item 12f: 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 12g : Update on the Leave No One Behind Fund

The Board took note of the Finance Committee's observations and recommendations, including the strategies for mobilizing resources and strengthening the fund, and expressed its deep appreciation to Sweden and the Swedish International Cooperation Agency in particular for the support provided to the Leave No One Behind Fund.

Item 12h: 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 12i: 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 12j: Migration to QUANTUM – the new Oracle cloud-based enterprise resource planning system

The Board took note of the Finance Committee's observations and Management's update on the migration to QUANTUM.

Item 13: Finance Committee Elections

The Board requested that the Executive Director continue consultations over the next several months and keep the Board apprised.

Item 14: Dates of the Sixty-Fifth Session of the Board and adoption of the Sixty-Fourth's Session's conclusion and recommendations

The Board set the dates of the Sixty-Fifth Session for 21-22 November 2024, adopted the key decisions and recommendations of the Sixty-Fourth Session, and agreed to adopt the report of the conclusions and recommendations of its Sixty-Fourth Session as a follow-up to the session, as has been done in the past.