United Nations Institute for Training and Research

Board of Trustees

Sixty-Seventh Session UNITAR/BT/67/FC/20/3

Finance Committee
Twentieth Session

24 June 2026

REPORT OF THE TWENTIETH SESSION OF THE FINANCE COMMITTEE OF THE BOARD OF TRUSTEES

1. The Finance Committee convened on 22 June 2026.

2. The following Committee members and observers were present at the session:

Committee members:

Ms. Akiko Yuge (Chair)
Mr. Nikolaj Gilbert
Mr. Ib Petersen

Ex Officio:

Ms. Michelle Gyles-McDonnough, Executive Director, UNITAR

Secretary of the Committee:

Mr. Brook Boyer, Secretary of the Board

Observers:

Ms. Marina I. Dinca Vasilescu, Director, Division for Operations (items 4b and 4c)
Mr. Jao Ratsifandrihamanana, Chief, Finance and Budget Section (items 4b and 4c)
Mr. Jonas Haertle, Chief, Office of the Executive Director, Deputy Secretary, Board of Trustees

3. The Chair called the meeting to order and welcomed Committee members, as well as the Executive Director as *ex officio*, the Secretary of the Board of Trustees and observers. The Chair then introduced the provisional agenda as contained in UNITAR/BT/67/FC/20/1, covering the following three items of the provisional agenda of the Sixty-Seventh Session of the Board of Trustees: Update

on the implementation of the programme budget (item 4b), update on the Partnership and Resource Mobilisation Strategy (item 4c) and UN80 Initiative Action 68: Merger of the United Nations System Staff College into the United Nations Institute for Training and Research (item5). **The Committee adopted the agenda as proposed.**

4. Under item 4b, "Update on the implementation of the programme budget 2026-2027", the Chair recalled that the Board adopted the programme budget for the biennium 2026-2027 of $106.055 million and requested Management to keep the Board apprised on its implementation at its Sixty-Seventh Session. The Executive Director reported that Management is advancing implementation of the Strategic Framework while simultaneously preparing for the Secretary-General's proposed merger of the United Nations System Staff College (UNSSC) into UNITAR. Business continuity remains top central priority. To this end, personnel and partners have been sensitized on the Strategic Framework, and work planning has been aligned. The Executive Director informed the Finance Committee that implementation of the programme budget 2026–2027 approved by the Board of approximately $106 million is on track. As of 15 May 2026, UNITAR has mobilized $19.8 million, or about 19 per cent of projected income, and cost recovery revenue stands at $3.5 million, consistent with historical patterns. Management and support expenditures remain below proportional allocations, reflecting prudent financial management. Following prior Board guidance, the Executive Director reported that the revised cost recovery framework, including the fee-for-service modality, has been operationalized, enhancing flexibility while ensuring full cost recovery. Initial uptake has been smooth. In terms of delivery, UNITAR conducted 345 training and related events during the first four and a half months of 2026, reaching over 141,000 beneficiaries worldwide. This accounts for nearly half the biennium target. Eighty-one per cent of learners come from developing countries, with more than a quarter from least developed countries, landlocked developing countries, and small island developing States. The Executive Director informed the Committee that Management will continue to closely monitor financial performance, while actively pursuing additional resources to ensure full implementation of the approved programme of work.

5. The Committee welcomed Management's continued focus on implementation, delivery, and resource mobilisation despite the complex and evolving context, and noted that more than half of the planned training outputs had already been achieved at this stage of the year. The Committee also acknowledged the importance of ongoing engagement with staff and partners to ensure clarity regarding plans and new developments, including in relation to the proposed merger. At the same time, the Committee requested additional information, in particular, a more detailed breakdown of contributions by partner category, especially bilateral donors and their respective contributions. The Committee noted that similar information, in addition to that provided by UNITAR, would be welcomed from UNSSC. Members also requested clarification on the amount of cost recovery collected; greater insight into variations in contribution patterns reflected in the financial tables, including whether these differences are primarily due to the timing of donor payments or to underlying funding dynamics across programme areas; the funding and resource mobilization projections of the merged entity; and the overlap of donor funding between the two entities, noting that UNITAR's main donor is also the principal donor of UNSSC. The Committee noted that such information would be useful to better assess the overall financial picture, including considerations related to cost structures, efficiency gains and the magnitude of proposed changes in the context of the Board's upcoming discussions.

6. The Executive Director informed the Committee that UNITAR's funding base continues to be broadly consistent with recent trends, with approximately 60 per cent of resources derived from government contributions and around 20 per cent from UN partners. She further noted that the largest overall donor is Germany, followed by university partners, and that among government contributors, the principal donors are Germany, Japan, Canada, Norway, Switzerland and Italy (2025). Private sector and academic partnerships now collectively account for roughly 20 per cent of funding—10 per cent and 8 per cent respectively—representing a comparatively high level of diversification within the UN system. Management confirmed that it would provide breakdowns, including between voluntary contributions and services. While indicating that no major shifts in this distribution are anticipated for 2027, Management said it would continue efforts to further diversify funding sources in line with Board guidance to strengthen institutional resilience. The Executive Director indicated that, while Germany is the principal donor to both entities, there is no overlap in funding priorities for resources contributed to UNITAR and UNSSC, and Management has received no indication that the respective areas of funding interest are expected to change. With regard to financial performance, the Executive Director emphasised that the current figures should be viewed in the context of a biennial

budget cycle, noting that, at this stage in the biennium, both resource mobilisation and cost recovery remain in line with historical trends and expected trajectories. Variations reflected in the financial tables, including the use of red and green indicators, were explained as part of close monitoring to ensure alignment with budgetary targets. In addition, the Committee was reminded that the negative variance observed under the health portfolio reflects the integration of this area into the Division for People and Social Development following the closure of the Division on NDC, Digital Health and Capacity Building. Management reaffirmed that, overall, performance remains consistent with past patterns and is subject to continuous and detailed oversight. **The Committee recommended that the Board review and take note of the Finance Committee's observations on Management's update on the implementation of the programme budget for the biennium 2026-2027 and make any recommendations that it deems necessary.**

7. Under item 4c, "Update on the Implementation of the Partnership and Resource Mobilisation Strategy", the Chair indicated that the Board took note of the Finance Committee's observations and requested Management to submit an updated 2022-2027 Partnership and Resource Mobilisation Strategy at the Board's Sixty-Seventh Session to serve the Institute's mission until decisions are taken regarding UN80 proposals relating to UNITAR. As contained under the item's annotation, Management has provided an update on the strategy since the Board's Sixty-Sixth Session. The update contains the funding trend across donor sectors, which reflects the importance of government and UN sources of funding. The update also includes reflections from Management on the present financial landscape, drawing on the Sevilla Commitment of the Fourth International Conference on Financing for Development and findings from the Financing the UN Development System Report, produced by the Dag Hammarskjöld Foundation and the UN Multi-Partner Trust Fund.

8. The Executive Director reported that UNITAR exceeded its most ambitious growth scenario, surpassing $100 million in annual revenue for the first time, noting that this growth has taken place within an increasingly complex and competitive financial environment marked by fragmented funding and continued reliance on earmarked voluntary contributions. At the same time, she said UNITAR has made encouraging progress in diversifying its funding base, particularly through stronger engagement with private sector, foundations and academic partners. She noted that, in the context of broader shifts in the international development financing landscape—where greater emphasis is placed on measurable impact, institutional transformation and demonstrable results rather than activity delivery—resource mobilisation is not an end in itself, but a means to strengthen programme relevance, enhance institutional impact and ensure alignment with UNITAR's mandate. To this end and guided by the new Strategic Framework, UNITAR is ensuring that in project/programme design and delivery, it is leveraging its comparative advantage to support the progressive strengthening of capacities that translate knowledge into action and support sustainable development outcomes. Looking ahead, the Executive Director said that governmental partners will remain the principal source of funding, complemented by continued diversification across strategic partners. She also noted that UNITAR is taking account of wider UN financing reforms, including greater use of pooled and joint funding mechanisms, and seeking to leverage these resources where appropriate. She said that Management will continue to refine the partnership and resource mobilization strategy in response to these evolving dynamics and looks forward to ongoing guidance from the Board.

9. The Committee congratulated UNITAR on surpassing the $100 million revenue milestone, recognizing this as a significant achievement in a constrained funding environment, while noting the overall progress reflected in the strategy. Members sought clarification on UNITAR's alignment with UN financing reforms, particularly the potential to access pooled and joint funding mechanisms. The Committee also raised concerns regarding the sustainability of funding from UN entities, given broader financial pressures across the system, and sought Management's assessment of how this funding stream may evolve in the near term, including its implications for overall revenue stability. In addition, the Committee requested projections on funding prospects for the remainder of 2026 and into 2027, including in the context of the planned merger, and how these would inform efforts to broaden and diversify the funding base. Members welcomed the increase in private sector contributions and encouraged further clarification on UNITAR's competitive positioning, including its value proposition, comparative advantages and strategy for attracting additional private sector partnerships amid growing competition. Questions were also raised on how UNITAR intends to maintain and strengthen its attractiveness to government donors, given declining or constrained public funding. The Committee further invited Management to elaborate on its engagement with UN

country teams, including the experience as a non-resident member, lessons learned from the Malaysia case and the potential for replicating this model in other contexts.

10. The Committee requested clarification on the balance between standardized, 'off-the-shelf' programmes and tailored, fit-for-purpose offerings, including the extent to which customized approaches resemble advisory or consulting services and the implications for delivery and pricing models. The Committee also inquired about the availability and use of client satisfaction data to assess programme performance and identify areas of strength and improvement. Finally, the Committee underscored the importance of demonstrating measurable impact and requested greater detail on how UNITAR plans to move beyond activity-based reporting to capture and evidence longer-term institutional capacity development and sustainable outcomes, including how improvements in institutional capabilities are measured and evidenced over time.

11. The Executive Director replied that, while earmarked funding is expected to remain dominant and may increase, UNITAR is focusing on expanding access to existing pooled funding mechanisms rather than anticipating significant growth in such funds. She noted that the Institute is actively engaging, including within the Joint SDG funding framework, to ensure that its capacity-building expertise is integrated from the outset in programme design, including through joint programming approaches. In this context, she emphasized that deeper engagement in UN country teams is critical to strengthening alignment with national priorities, identifying collaboration opportunities, and contributing to more sustainable system-wide results. She highlighted the experience in Malaysia as an initial example, noting that it remains too early to assess results, and underscored that UNITAR will pursue a targeted and selective approach to country team participation rather than broad expansion.

12. The Executive Director explained that UNITAR's attractiveness to both governmental and private sector partners is rooted in its agility, demand-driven model and ability to deliver concrete, solutions to specific capacity and skills gaps, complementing the efforts of other UN entities. While acknowledging financial pressures across the UN system and that funding is likely to become more earmarked and results-driven, she noted that demand for tailored, cost-effective support is increasing. She also highlighted ongoing efforts to strengthen partnerships through strategic initiatives aligned with emerging priorities. On programme delivery, the Executive Director indicated that a significant share of UNITAR's activities is delivered through tailored, fit-for-purpose programmes, while more standardized offerings are primarily concentrated in areas such as master's degree programmes and selected thematic workshops and activities that can be replicated across regions. She noted that the balance between standardized and customized delivery has not previously been formally considered by the Board but, with implementation of the service concept, has been identified as a key consideration under the new Strategic Framework. The Executive Director confirmed that UNITAR collects client satisfaction data and is strengthening its results framework through the introduction of additional indicators aimed at capturing longer-term outcomes, including institutional capacity strengthening, uptake by local actors and sustainable impact beyond immediate training outputs.

13. A discussion took place on the challenges associated with demonstrating institutional-level results and longer-term capacity changes, highlighting the distinction between lead indicators and lag indicators that capture more sustained transformations within institutions. It was noted that, given the current small scale and short duration of many UNITAR interventions, programme design going forward must prioritise approaches that contribute to deep, system-level transformation. The discussion underscored that achieving and evidencing institutional change is closely linked to scale, and given priority attention in the new Strategic Framework. It was further observed that capturing and attributing institutional-level results is a system-wide challenge. It was emphasized that programme design must ensure that UNITAR can credibly articulate its contribution to institutional strengthening without overstating its role. In this context, the Committee took note that UNITAR is taking steps under its new Strategic Framework to better capture institutional results, including the introduction of enhanced indicators, strengthened evaluation practices, and closer alignment between resources, programme design and expected outcomes. It was also recognized that demonstrating institutional change will require deeper collaboration with partners, particularly within UN country teams, to ensure that UNITAR's contributions are embedded within broader, collective efforts that can sustain and scale impact over time. The issue was identified as an ongoing strategic priority for further consideration by the Board. **The Committee recommended that the Board take**

note of the Committee's observations and Management's update on the Partnership and Resource Mobilisation Strategy and make any recommendations it deems necessary.

14. Under item 5, **"**UN80 Initiative Action 68: Merger of the United Nations System Staff College into the United Nations Institute for Training and Research," the Chair indicated that at its 2026 Special Session, Management submitted to the Board for its consideration the Deloitte merger design proposal, and the distinct draft report of the Secretary-General on the merger of UNSSC into UNITAR, which drew on the Deloitte analysis and recommendations. The Board took note of both reports and took note of the Report of the Finance Committee and the sustained annual cost-based reduction of $5 million to $7 million and the one-time transition costs of $9.5 million to $13.0 million, with the understanding that these figures need to be validated. The Finance Committee Chair noted that subsequent to the special session, Management followed up on the Board's request for clarifications and submitted a revised draft report of the Secretary-General reflecting the observations made by the UNITAR Board of Trustees and the UNSSC Board of Governors.

15. The Executive Director informed the Committee that she had clarified the assumptions underlying the projected efficiencies and transition costs presented in the draft Report of the Secretary-General. She reiterated that the technical analysis confirms the merger's potential to strengthen the effectiveness, coherence and sustainability of the UN's learning architecture, while generating efficiencies through the consolidation of administrative and support functions. She emphasised, however, that the financial estimates of annual cost-base reduction and one-time transition costs remain indicative and need to be validated, prioritised and managed through applicable budgetary and governance processes during the transition. The Executive Director underscored that the strategic rationale for the merger extends beyond financial considerations, with the primary objective being to create a stronger and more impactful UN learning institution better equipped to serve Member States and the UN system. In this context, financial efficiencies should be viewed as an enabler of enhanced programmatic impact rather than the main driver of reform. Finally, she expressed appreciation for the Board's constructive guidance, noting that the questions and observations raised during the recent session had contributed to strengthening the revised draft report.

16. The Executive Director briefed the Committee on her engagements with Trustees following the 2026 Special Session, including on matters related to projected costs and savings, the consultation process and location considerations. She anticipated continued support from the main donor and noted her view that strategic value of the proposed merger was generally acknowledged by most Trustees. The Executive Director also emphasised the importance of respecting the roles of oversight and advisory bodies as per mandates, including the Advisory Committee on Administrative and Budgetary Questions (ACABQ). She provided further clarification on projected efficiencies and one-time transition costs, noting that these are largely personnel-related and based on pro forma estimates. She underlined that the figures represent an objective baseline and, as noted in the draft Secretary-General report, will require validation during the implementation phase.

17. The Committee took note of the high-level financial estimates and acknowledged that they represent the best available assumptions at this stage, while recognizing that a degree of uncertainty remains regarding the precise implications of the proposed merger. It was observed that further clarity will only be possible as implementation details are developed, and the Committee welcomed the emphasis on a phased approach. The Committee expressed support for the strategic rationale of the merger, on the understanding that both UNITAR and UNSSC stood by the estimates of annual cost base reduction and one-time transition costs based on analysis provided by Deloitte. The Committee further observed the importance of clearly distinguishing between strategic considerations and procedural issues, and suggested that greater clarity on timelines, milestones and sequencing could support more informed decision-making and facilitate consensus among members. It was also noted that engagement with stakeholders, including with UNSSC, will be important to ensure a comprehensive understanding of views and expectations. In addition, the Committee enquired whether cost recovery models would be reviewed and harmonized as part of the merger. Members also requested information on UNSSC's funding structure and revenue base. The Committee also requested further clarification on the financial sustainability of the proposed model, particularly in relation to the use of annual surpluses to finance innovation, the expected level of such surpluses and the extent to which additional donor support may be required to support investments in areas such as learning technologies and artificial intelligence.

18. The Executive Director emphasized the importance of viewing the proposed decision in two distinct but related parts: first, a decision to support the Secretary-General's proposal to merge UNSSC into UNITAR; and second to support the phased transition process. She recalled that the Board had already recognized the strategic value of the merger at its November 2025 session, while requesting a detailed technical analysis, and noted that the current priority is to determine whether to proceed, while leaving location considerations to a subsequent phase. She clarified that the proposal maintains Geneva as the headquarters, given its vital role in Member State and UN system engagement, and retains Turin as a key campus in the Global North, the presence in the Bonn sustainability hub, and other existing locations, with future consideration of broader geographic balance. She acknowledged that questions related to organizational footprint, staffing levels, and location rationalization will need to be addressed during implementation, emphasizing the importance of ensuring sustainability across all presences. The Executive Director stressed the importance of clarity from the Committee on the financial aspects of the proposal to inform the Board's deliberations. On cost recovery, she confirmed that a unified model would be developed for the merged entity, drawing on the different approaches currently used by UNITAR and UNSSC, the latter relying more heavily on fee-for-service and standardized offerings. She also indicated that innovation investments would not be one-off and up front but supported gradually through a combination of cost recovery mechanisms in line with sustainable growth.

19. The Committee considered the financial information underpinning the proposed merger, noting that while the projected efficiency gains are significant and encouraging, a clearer consolidated financial picture of UNITAR and UNSSC—both current and projected—along with assumptions on future revenue streams, would strengthen transparency and facilitate understanding of the overall financial outlook. The Committee noted the reliance on external technical analysis for estimating efficiencies and transition costs, for which Deloitte is eminently qualified. It also noted the importance of internal validation by UNITAR and UNSSC that the estimates are consistent with their respective financial and human resources data are grounded in operational realities. In addition, the Committee observed that a more comprehensive view of UNSSC's financial position, including its cost structure, revenue base and underlying commitments, would be helpful to provide a more complete financial assessment. The Committee agreed to the importance of clearly articulating agreement to support the merger proposal and the phased nature of the implementation steps that would follow.

20. Members observed that, while there is general comfort with the indicative range of estimated savings, there is natural uncertainty regarding transition costs, given their dependency on future implementation decisions. Accordingly, the Committee underscored that the confirmation that a credible validation process underpinned the indicative figures is appropriate at this stage to support a decision, with continued refinement, validation and transparency as the process advances.

21. The Executive Director confirmed that Management can provide additional information requested by the Board, including data on donor composition and revenue streams, and will prepare supporting slides to facilitate understanding of revenue projections. Regarding support functions, she noted that the proposal presents clear categories where duplication is expected or shared services would be leveraged, such as finance, administration and human resources—consistent with past experiences in merging two entities. She indicated that detailed staffing breakdowns would be addressed in implementation. She emphasised that accountable governance arrangements would be in place throughout implementation. Finally, the Executive Director underscored that the underlying financial figures presented reflect inputs validated by the respective teams.

22. **The Committee recommended that the Board take note of the Committee's observations and expressed appreciation for Management's follow-up to the Board's request for clarification on financial matters, including cost and savings estimates, as well as budgetary and funding considerations, and other financial aspects reflected in the revised report of the Secretary-General on the merger of UNSSC into UNITAR. The Committee expressed its support for: (1) the proposed merger of the UNSSC into UNITAR; and (2) a phased transition approach.**

23. Under item 4, **"**Any other business," there were no items raised by the Committee.

24. The Chair informed the Committee that the Secretary of the Board would prepare a report of the session for her validation, after which the report would be circulated to the Board.

25. The session was adjourned.