



UNITAR
UNITED NATIONS INSTITUTE
FOR TRAINING AND RESEARCH

Board of Trustees
Forty-fifth session
Geneva
23 – 24 July 2007

UNITAR/BOT/45/CR1/07/2007

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**CONCLUSIONS AND RECOMMENDATIONS OF
THE FORTY-FIFTH SESSION OF THE BOARD OF TRUSTEES**

1. The Board of Trustees of the United Nations Institute for Training and Research (UNITAR) held its forty-fifth session in Geneva on 23 and 24 July 2007.
2. The following Members of the Board were present or were represented at the session:
 - Mr. Kazuo ASAKAI (Japan)
Alternate: Mr. Ryo IDE
 - Mr. Jean-Marc BOULGARIS (Switzerland)
Alternate: Mr. Paul GARNIER
 - Mr. Simon COMPAORE (Local authority)
 - Mr. Carlos Antonio DA ROCHA PARANHOS (Brazil)
Represented by Mr. Júlio F. LARANJEIRA (Alternate)
 - Mr. Luis Alfonso DE ALBA (Mexico)
Represented by Mr. Victor GENINA (Alternate)
 - Ms. Shirley FRANKLIN (Local authority)
Ms. Claire MC LEVEIGHN (Alternate)
 - Ms. Mohamed Naéla GABR (Egypt)
Mr. Tamim KHALLAF (Alternate)
 - Ms. Elizabeth GATEAU (Private sector)
Ms. Emilia Saiz (Alternate)
 - Mr. Omar HILALE (Chairman)..... (Morocco)
 - Mr. Valery LOSHCHININ..... (Russian Federation)
Mr. Nikolay LOZINSKIY (Alternate)

Mr. Siphon George NENE..... (South Africa)

Mr. Tõnis NIRK (Estonia)
 Represented by Mr. Martin LÄÄN (Alternate)

Mr. Henri PROGLIO (Private sector)
 Represented by Mr. Dominique HERON (Alternate)

Mr. Jean-Maurice RIPERT (France)
 Represented by Mr. Olivier MARTIN (Alternate)

Mr. Chaiyong SATJIPANON..... (Thailand)
 Represented by Mr. Vijavat ISARABHAKDI (Alternate)

Mr. Aminu Bashir WALI (Nigeria)
 Represented by Mr. Felix A. ANIOKOYE (Alternate)

Ex Officio:

Mr. Carlos LOPES, Executive Director, UNITAR

Mr. Sergei ORDZHONIKIDZE, on behalf of the Secretary-General
 Represented by Ms. Corinne MOMAL-VANIAN and Mr. Andrés SMITH SERRANO

Secretary:

Mr. Brook BOYER (with the support of Ms. Sueli GIORGETTA and Ms. Ruth HOGLAND)

3. The Chairman of the Board, Ambassador Hilale, opened the meeting and welcomed Members to the forty-fifth session. On behalf of the Board, he congratulated Mr. Lopes on his appointment and shared with Members a number of assets and qualities that the new Executive Director has brought to the Institute. Ambassador Hilale also paid tribute to the former Executive Director for having led the Institute during a long period and for having corrected the financial situation, addressed a number of other challenges and given UNITAR a new image across the world.
4. The Chairman congratulated Ambassador Ripert for his nomination as the Permanent Representative of France in New York and said that while the Board has lost an active Member, his presence in New York will be useful for the Board during General Assembly debates and discussions on various administrative and financial matters. The Chairman also informed the Board that the term of H.E. Mr. Munir Akram, H.E. Mr. Bernard Fautrier and Dr. Milos Kuzvart had expired at the end of last year, and he expressed appreciation on behalf of the Board for their commitment to the Institute over the past several years.
5. The Chairman underlined that the current session of the Board is taking place at an important time with a new Executive Director and a new Secretary-General of the United Nations, and added that the session is also being held in the wake of the follow-up of the 2005 Summit. Before passing the floor to Mr. Carlos Lopes, the Chairman underscored that the Institute will face three challenges related to concepts, structures and finance.

6. The Executive Director thanked the Secretary-General for his appointment and also thanked his predecessor, Mr. Boisard, for making his new role easier by ensuring a smooth transition. Mr. Lopes also expressed thanks to the staff of the Institute who welcomed him and openly and actively engaged in consultations in view of developing not only a strategic plan, but also references to help transform this session of the Board into one that seeks to approve a number of concrete proposals, notably as concerns finance and administration, and human resources management. The Executive Director then thanked the Board and particularly the Chairman for having provided much guidance and support during the transition process. In ending, Mr. Lopes highlighted three elements which would guide in the Institute's transformation process: consistency, mobilization and partnerships.
7. The Chairman then invited Members of the Board to adopt the agenda. The agenda was adopted without modification.
8. Under item 3 of the agenda, proposed organization of work, the Chairman suggested that the Board conduct its business similar to its previous sessions and as indicated in the secretariat's annotation.
9. Under item 4, the Chairman introduced three new members of the Board who were appointed by the Secretary-General: Hon. Ms. Shirley Franklin, Mayor of Atlanta; Hon. Mr. Simon Compaoré, Mayor of Ougadougou; and H.E. Mr. Tõnis Nirk, Permanent Representative of Estonia to the United Nations in Geneva.
10. The Chairman then introduced item 5 of the agenda and asked the Executive Director to elaborate. Mr. Lopes reminded the Board that during its 44th session, the secretariat was requested to follow-up on four specific recommendations. Mr. Lopes suggested that these recommendations be taken up under the respective agenda items, namely finance and administration, review of mandates and human resources, to avoid any duplication or overlap during subsequent debate. As concerns the recommendation on the 'United Peoples' project, the Executive Director informed the Board that the project has been closed and that the requested paper was no longer needed. The Chairman said that Mr. Lopes' suggestion was acceptable and took note that the 'United Peoples' project had been closed.
11. Under item 6 of the agenda, the Chairman asked the Executive Director to brief the Board on the recommendations in response to the 2006 Report of the Board of Auditors. In introducing this item, Mr. Lopes indicated that it was a tradition for the Board to examine recommendations of the Board of Auditors. The Executive Director also indicated that under item 8 of the agenda, the Board would also examine the internal audit report, which represents the first time the secretariat would be sharing internal audit information with the Board. In view of adhering to principles of increased transparency with the Board, Mr. Lopes said that this practice would continue in the future.
12. In reference to the external audit report, the Executive Director stated that the secretariat made its recommendations in the context of the on-going change process of the Institute. Regarding the rules for admission to its training activities, Mr. Lopes mentioned there had been discussion within the Board on the targeted beneficiaries, and whether the Institute could continue expanding resources for beneficiary Member States. He mentioned the difficulty on applying rules for admission to the Institute's online training courses and that there appeared to be no valid reason not to open these courses to interested staff of international organizations. He indicated that a few members of the Board have suggested that UNITAR targets the least developed countries, which is being done at the venues of the Institute's core training.

13. On the scope of the core training, the Executive Director asked the Board for some flexibility to avoid a strict differentiation between its core and non-core training activities, especially since some of the Institute's online training courses may be difficult to differentiate between the two. As concerns the recommendation on seeking a subsidy to support the core training, the Executive Director indicated that this issue would also be addressed under finance (item 8).
14. In discussing this item, a number of Board members applauded the Institute and underlined the importance of the multilateral diplomacy training and the contribution that it has made in strengthening the capacities of diplomats around the world.
15. On the question of identifying alternative sources of funding core activities, the Board expressed concern on how to increase contributions to support the Institute's core training which has proven invaluable for many beneficiaries of Member States and particularly the developing countries. Mr. Lopes underscored the untenable situation of the diminishing support for the General Fund and the need to also cover administrative costs in relation to the operations of the Institute. In concluding discussions on this item, ***the Board took note of the various recommendations put forth by the secretariat to mobilize support and requested that the Executive Director provide Board Members with a document summarizing the activities organized at the core training venues that would be submitted to the Fifth Committee and in capitals in view of mobilizing such support.***
16. Under item 7, the Chairman briefed Board Members on the follow-up to the recommendation of the 44th session to form an ad hoc reflection group to study the review of mandates in conformity with the General Assembly resolution. He indicated that the group met in Geneva in 18-19 January 2007 to study the proposals submitted by the former Executive Director and the international consultant, Dr. David Freedman. Chairman Hilale indicated that in New York, the review of mandates has to be carried out in consultation with Member States and the Secretary-General. He indicated that while it was time to deepen reflection on the proposals, it should not be done hastily, and that time had to be given for ideas to mature. He further indicated that the United Nations University and the United Nations Staff College also recently underwent change in leadership. He asked the Board to give time to study the review of mandates and for the other institutions to be aware of the details. He indicated that the Directors of the other institutes have not received the results. The Chairman reassured Members that the consultant's report would be kept for internal use of the Board. ***He proposed that as Chairman of both the Board and the ad hoc group, discussion on the review of mandates shall remain open and on the agenda at the forthcoming meeting of the Board.***
17. Under item 8 of the agenda, the Executive Director introduced the section on finance and administration and announced that the current two-year budget cycle will end on 31 December 2007. He clarified that there is a trend of diminishing voluntary contributions, and referred to the two tables on page five of the annotation under item 8.b which paints a clear picture of the evolution of funding trends.
18. Under item 8.a, financial statements for the interim period for the year ending 31 December 2006, the Board took note of the responses provided by the secretariat to satisfy all question raised by the Members.
19. Under item 8.b, 2006-2007 budget revision, the Executive Director explained that there were various increases and decreases to better reflect the actual situation. In particular, the requested increase to the general fund was \$36,000 which consisted of an increase in operating costs and decrease in project extensions. The Executive

Director explained that although these project extensions were proposed by his predecessor and approved by the BOT in the previous session that he was taking a more prudent approach that ensured that all liabilities of the Institute are covered before undertaking projects financed by the General Fund. Therefore, two of the four project extensions did not take place. Concerning the Special Purpose Grant Fund, an overall decrease was requested. The Executive Director also explained that UNITAR had recently presented the budget revision to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and there were no major objections. Adequate responses were provided by the secretariat to satisfy questions by the Members. The Board approved the 2006-2007 budget revision.

20. Under item 8.c, revised budget policy, the Executive Director explained his proposal to merge the entire UNITAR budget into one budget. The Executive Director requested the Board to give him the green light for a different budget presentation for the 2008-2009 budget. As concerns the second proposal under item 8.c (developing a new look for administrative costs), this subject has been a matter of controversy and extensive discussion by the Board for many years. It is the practice of some UN agencies (e.g. UNFPA, UNFIP) to have a standard programme support costs rate at a lower level of between 5 per cent and 7 per cent. UNITAR proposes to build knowledge management into the budget and in return lower the programme support costs rates to about 7 per cent. The Members generally agreed that the initiative is excellent; however, they expressed some reservations, in particular, that UNITAR must ensure that donor funds earmarked for specific purposes should not be used for other projects, and that the eventual document must be very clear and transparent. The Executive Director confirmed these two points.
21. The Executive Director also confirmed that all existing projects would be completed in accordance with the signed agreements, and that any new policies would apply to new projects only. He reiterated that normally donors do not want to contribute to operating costs. However, the Institute needs funds to cover such costs. At present, programme support at 13 per cent is charged on project expenditure which allows UNITAR to cover administrative costs, and is also the real contributor to the General Fund. Mr. Lopes indicated that he would like to improve this method by 1) finding a sustainable solution for funding diplomacy training and 2) reflecting what is real administration and what are other types of contributions which come from training and research institutes. The Institute receives funds to organize conferences; however, there are not sufficient funds to support methodologies. The budget must reflect the real costs of a training and research institute. Some Members referred to the fact that some major economies are not contributing to the General Fund and that some countries are skeptical concerning UNITAR. The Institute should lobby the skeptics and seek funding from those countries that are not funding the General Fund.
22. The Board welcomed the statement from the Executive Director that Members will be given full access to UNITAR financial accounts to track expenditure and assure transparency.
23. ***It was decided that the new budget would be prepared by the secretariat in consultation with the Members, and presented to the Board at a special session to be held in December. The Chairman offered for that session to be held in Rabat which would also enable the Board to review the new budget for 2008 and 2009.*** The Board agreed in principle to a new budget format, subject to the provision stated in the previous paragraph. The Board also agreed that a solution must be found to fund the core training for the benefit of diplomats.

24. Under item 8.d (level of commitment of funds/section) and item 8.f (after service health insurance), the Executive Director explained the task that is currently being undertaken to assess the level of flexibility within existing funds.
25. The Board expressed concerns over the wording of the introduction which stated that 'funds have not been properly used'. The Executive Director reassured the Board that funds have been used in a legal manner; however, instead of using funds for project extensions that had been the policy of the former Executive Director, he stated that he preferred to use these funds to cover all liabilities. He also confirmed that the word 'properly' was perhaps misleading as it led to misunderstandings.
26. An additional paper was provided by the secretariat at the request of the Members on these two items. The Board took note.
27. Under item 8.e, 2006 contributions, the Board offered their appreciation for the tables which provided important information on the funding of the Institute.
28. Under item 8.g, the Executive Director presented the internal audit report from the Office of Internal Oversight Services (OIOS). Mr. Lopes emphasized that many of the recommendations are appropriate and are now being implemented automatically with the start of the restructuring process. He also expressed concerns that OIOS confused the status of UNITAR, which is an autonomous body, although following UN rules. There is confusion as to how much application of internal UN circulars will apply to UNITAR. It is clear that the Auditors have to consult the Chairman of the Board before engaging in audits. ***The Board welcomes the services provided by OIOS and looks forward to the continuation of the services in line with the established practice with other UN autonomous institutions.***
29. Under agenda item 9 the Executive Director highlighted the need to harmonize the way UNITAR was dealing with its particular category of collaborators denominated fellows. He noted that fellows are not considered as the UN regular staff and are not covered by insurance or pension entitlements. He added that UNITAR's statute refers to this particular privilege of the Institute that allows flexibility that does not exist elsewhere in the UN system.
30. The Executive Director suggested that the creation of a nomenclature that would be aligned with the needs of a training and research institute and at the same time respectful to its statute.
31. The Chairman advised that the secretariat and the Permanent Mission of Switzerland should pursue the discussion regarding the issue of possible remuneration of the full time senior fellows bilaterally.
32. The Board took note of the recommendations presented in agenda item 9.
33. Under agenda item 10, a clear priority of the Executive Director was assuring that UNITAR staff be consulted in all matters regarding the proposals for change. He assured the Board Members that the process was entirely collaborative and participatory and that the notions presented in the draft Strategic Reform Plan were the result of a comprehensive process of consultation involving all the staff of UNITAR.
34. The Chairman thanked the Executive Director for his bold and courageous proposal based on continuity, but with clarity about the future. He mentioned his wish that the

Board provides the Executive Director with a chance to introduce his reforms based on visibility and transparency.

35. A number of comments were constructively offered by Board Members in order for the document to be improved. They include the need to better clarify the role of partnerships, creating more space for special network partnerships, in particular; respect for diversity and gender balance; better determine the exact nature of research activities; specifically address the issue of donors not having special emphasis; and make sure e-learning is not transformed into a panacea.
36. The Board also endorsed the need for a resource mobilization strategy to be prepared for the next session of the Board. Such a strategy should not only address the optimal scenario but also the possible less favourable one, which may include scaling down diplomacy training.
37. The Board cautioned the Executive Director about the level of ambition of the plan and asked clarification about sequence and the duration of the current plan. The Executive Director clarified that the entire transformation process estimated cost will be two million dollars and that he expected to mobilize that amount. Furthermore, he confirmed that the plan was considered by the secretariat as a transitional plan that will be effective up to the end of the next budget cycle (2009). A revised plan with a more outward perspective shall replace the current proposal after an evaluation and adjustments are introduced.
38. The Board recommended current thematic areas, such as diplomacy, local governance, environment and international public finance, to continue to be prioritized and further suggested new areas could be considered, such as human rights. The Executive Director informed the Board that a number of new areas of possible training have been identified with the UN agencies.
39. In his concluding remarks the Chairman mentioned that he was reassured the secretariat made a commitment to take on board the comments made and was pleased clarifications were provided on additional points.
40. The Chairman suggested a review of the plan be made at the April 2008 session of the Board, giving the secretariat time to make the adjustments and start implementation. Furthermore, the Board should expect to be reviewing the implementation of the Plan regularly.
41. The Board took note of the proposed Strategic Reform Plan. ***While taking note of the proposed Strategic Reform Plan made by the Executive Director, the Board welcomes the new mission and goal for UNITAR to be a centre of excellence measured by international standards, recognized within and outside the United Nations system for standard-setting methodologies, high quality training and research capacity on knowledge systems. Furthermore, the Board welcomes the four strategic priorities presented.***
42. Regarding the need expressed to review the periodicity of Board meetings, ***it was suggested that two annual sessions could take place, one in April and one in December. This issue will be reviewed at the next session of the Board taking place in Rabat. The Board approved the suggestion.***