

Note to Mr. YamazakiReport of the SG on Financing of the core diplomatic training activities of UNITAR

1. I refer to your note of 9 September 2008 regarding the Report of the Secretary-General on Financing of the core diplomatic training activities of UNITAR.
2. Please be informed that I agree with your recommendation that the annual subvention to UNITAR from the regular budget be considered in the context of the proposed programme budget for the biennium 2010-2011.

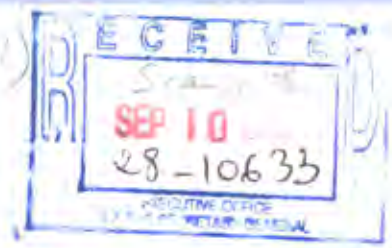


Vijay Nambiar
3 October 2008

cc: Ms. Kane
Mr. Kim

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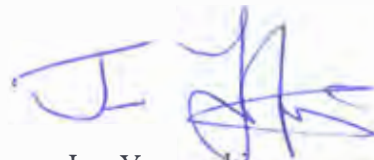


Note to Mr. Nambiar

Subject: Report of the Secretary-General on Financing of the core diplomatic training activities of UNITAR ✓

1. Reference is made to the attached Economic and Social Council draft resolution E/2008/L.37, which has been adopted by the Council on 25 July 2008. Operative paragraph 6 requests the Secretary-General to submit a report to the General Assembly at its sixty-third session on the issue of financing the core diplomatic training activities of the Institute.
2. In this connection, I have reviewed the attached draft report submitted by UNITAR. In order to finalize the report, I would like to receive your guidance on whether to pursue approval of an annual subvention from the regular budget of \$600,000 in 2009 in line with the recommendation of UNITAR, or to seek the approval of the same in the context of proposed programme budget for the biennium 2010-2011.
3. As background information, your attention is drawn to two notes to you from my predecessor which are:
 - (i) Note dated 16 May 2008, on the draft report of the Secretary-General on UNITAR, informing you that efforts have been made in the past in the reports of the Secretary-General to the 57th and 58th sessions of the General Assembly for UNITAR to be provided funding through the regular budget. While these are not specific to the funding of core diplomatic training, it should be noted that the reaction of the General Assembly has been less than enthusiastic to these requests for funding from the regular budget. It was proposed that the report be amended to reflect the broader focus of core training activities of UNITAR, and if not being dealt with in detail, then solid reasons should be provided to avoid comments or critical views by Member States on the piece-meal approach by the Secretary-General, and suggested that the issue of the annual subvention of \$600,000 from the United Nations regular budget be considered in the context of the proposed programme budget 2010-2011.
 - (ii) **Note** dated 21 July 2008 on request for UNITAR subvention of \$600,000 and budgetary discipline, expressing surprise to see that the report was published without revisions recommended in the note of 16 May 2008, which led to a proposed paragraph in the draft resolution before ECOSOC at that time **regarding** an annual subvention to UNITAR. It further remarked that for the future it may be necessary for Heads of Departments to be reminded of the need for budgetary discipline particularly within the framework of the current biennium 2008-2009.

4. Taking into consideration the critical views by Member States on the piece-meal approach as well as the fact that there are other initiatives not yet funded in the current biennium, I recommend that the annual subvention to UNITAR from the regular budget be considered in the context of the proposed programme budget for the biennium 2010-2011.
5. I would appreciate receiving your guidance on the appropriate approach at your earliest convenience in order to finalize the report, which has been slotted for submission to DGACM on 15 September 2008.



Jun Yamazaki
9 September 2008

cc: Ms. Kane



Economic and Social Council

Distr.: Limited
24 July 2008

Original: English

Substantive session of 2008

New York, 30 June-25 July 2008

Agenda item 15

United Nations research and training institutes

**Draft resolution submitted by the Vice-President of the Council,
Jean-Marc Hoscheit (Luxembourg), on the basis of informal consultations**

United Nations Institute for Training and Research

The Economic and Social Council,

Recalling General Assembly resolutions 51/188 of 16 December 1996, 52/206 of 18 December 1997, 53/195 of 15 December 1998, 54/229 of 22 December 1999, 55/208 of 20 December 2000, 56/208 of 21 December 2001, 57/268 of 20 December 2002, 58/223 of 23 December 2003, 59/252 of 22 December 2004, 60/213 of 22 December 2005 and 62/210 of 19 December 2007 and its decision 61/542 of 20 December 2006,

Welcoming the decision to streamline the reporting arrangements of the United Nations Institute for Training and Research in accordance with General Assembly resolution 62/210,

Recalling in particular paragraph 9 of General Assembly resolution 62/210,

Taking note of the report of the Secretary-General,¹

Noting that the Institute is self-funded to date, not receiving any kind of subsidies from the United Nations regular budget, and delivers, free of charge, training courses to diplomats and delegates accredited to United Nations Headquarters in New York and to the United Nations Offices at Geneva, Vienna and Nairobi,

Stressing that core diplomatic training offered by the Institute is a service accessible to diplomats of the entire membership of the United Nations and strengthens capacities of diplomats to perform their multilateral duties,

Noting the solid overall financial situation of the Institute, with a projected increase of funding of at least 26 per cent between the previous and current bienniums, and expressing its appreciation to the Governments and private

¹ E/2008/72.

institutions that have made or pledged financial and other contributions to the Institute,

Noting also that, despite the growing need for training and capacity development, voluntary contributions remain at a low level, putting at risk the training courses that the Institute delivers to diplomats and delegates accredited to United Nations Headquarters in New York and to the United Nations Offices at Geneva, Vienna and Nairobi,

Reiterating that training and capacity-development activities should be accorded a more visible and larger role in support of the management of international affairs, and in the execution of the economic and social development programmes of the United Nations system,

1. *Acknowledges* the progress made by the United Nations Institute for Training and Research, in light of the strategic reforms introduced by its Executive Director and endorsed by its Board of Trustees, for the Institute to be a centre of excellence;

2. *Also acknowledges* the work of the Board of Trustees and welcomes the contributions of its newly reconstituted membership with respect to guiding the Institute through its reforms;

3. *Considers* that the core diplomatic training offered by the Institute is unique in its beneficiary base and its reliance on United Nations expertise;

4. *Notes with concern* that a lack of voluntary contributions could lead to a cessation of this service which is particularly important for the training of delegates from developing and least developed countries;

5. *Appeals*, in this regard, to the Institute to continue its fund-raising strategy and to all Governments, in particular those of developed countries, and to private institutions that have not yet contributed financially or otherwise to the Institute, to give it their generous financial and other support, and urges the States that have interrupted their voluntary contributions to consider resuming them in view of the Institute's strategic reforms;

6. *Requests*, in this regard, the Secretary-General to submit a report to the General Assembly at its sixty-third session on the issue of financing the core diplomatic training activities of the Institute.



General Assembly

Distr.: General
XX September 2008
Original: English

Sixty- third sessions

Items 43 and 121 of the provisional agenda*

Report of the Economic and Social Council

Programme budget for the biennium 2008-2009

Financing of the core diplomatic training activities of the United Nations Institute for Training and Research (UNITAR)

Report of the Secretary-General

Summary

This report addresses the issue of financing the core diplomatic training activities of the United Nations Institute for Training and Research (UNITAR) in compliance with the resolution adopted by the Economic and Social Council on 25 July 2008 (see E/2008/L.37). In paragraph 6 of that resolution, the Council requested the Secretary-General to submit a report on this issue to the General Assembly at its sixty-third session.

Through its core diplomatic training (CDT) activities, UNITAR trains diplomats at major United Nations locations to perform effectively in a multilateral context. CDT has been chronically underfunded for the past two decades due to the progressive decline in voluntary (non-earmarked) contributions to the Institute. In paragraph 4 of the aforementioned resolution, the Economic and Social Council noted with concern that a lack of voluntary contributions could lead to a cessation of this service which is particularly important for the training of delegates from developing and least developed countries. This report confirms this concern.

This report provides detailed financial information on CDT, addresses its cost effectiveness, highlights the demand for CDT by Member States and outlines the negative impact that ending CDT would have on the overall performance of diplomats, in particular those from developing and least developed countries, in carrying out their duties. In conclusion, the Secretary-General recommends, as he did in earlier reports (A/62/377, para. 47; E/2008/72, para. 32), that, as a first priority, the Fifth Committee should reconsider, based on the presented information, the issue of financing UNITAR core training activities from the United Nations regular budget in form of an annual subvention of \$600,000, or half the costs of core diplomatic training.

* A/63/150.

I. Introduction

1. This report provides financial information on the United Nations Institute for Training and Research (UNITAR) core diplomatic training (CDT), as requested in paragraph 6 of the resolution adopted by the Economic and Social Council on 25 July 2008 (see E/2008/L.37). CDT is a distinctive function of the Institute and covers training in international cooperation and multilateral diplomacy for diplomats working in national services related to the work of the United Nations, as stipulated in the UNITAR Statute. CDT enhances the understanding of the United Nations system and its organs and procedures, strengthens skills relevant to conferences and negotiations, and supports efforts to build a more effective multilateral system.

2. CDT has been chronically underfunded for the past two decades due to the progressive decline in voluntary (non-earmarked) contributions to the Institute. The present report was requested following my report on UNITAR (E/2008/72), in which I recommended that an annual subvention of US \$600,000, or half the annual costs of CDT, be granted from the United Nations regular budget. In the aforementioned resolution the Economic and Social Council noted with concern “that a lack of voluntary contributions could lead to a cessation of this service which is particularly important for the training of delegates from developing and least developed countries”.

3. The report is divided into five sections. Following the present section, section II addresses the financial and administrative reforms underway at the Institute, inspired by broader reform efforts at the United Nations, and which reflect concrete achievements in maximizing effectiveness and accountability. Section III provides financial information on CDT, including the actual costs of CDT; the current funding sources for CDT; the funding history of the Institute; the cost effectiveness of CDT; the demand for CDT; and the potential impact if this service was no longer available. Section IV draws the connection between financing CDT and Institute-wide reform, specifically ensuring that appropriate accounting and accountability are exercised when offering CDT. Section V contains specific recommendations to address the funding shortfall for CDT.

II. Reform at UNITAR

4. Since its new leadership took office in March 2007, the Institute has pursued a strategic reform process with the aim to become a centre of excellence in standard-setting training methodologies, high-quality training and research capacity on knowledge systems. Guided by broader reform efforts, such as the recommendations of the High-Level Panel on System-wide Coherence, which calls on United Nations organizations to commit to reform, the Institute has conceived and implemented procedures to measure performance by outcomes, to ensure that means are adequate to deliver on its mandate, to clarify lines of responsibility and authority, to strengthen accountability and to actively inculcate better business practices into its daily operations and longer-term vision.

5. In November 2007, UNITAR submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) a revised budget format using the standard results-based budgeting framework. From January 2009, UNITAR's budget and financial information will be accessible on-line in real-time for all members of its Board of Trustees to view at their discretion. The Institute is excelling in programme expansion and has doubled its income in the last five years (see table 5). A further 28 per cent increase is expected between the previous actual expenditure and current biennium budget. Currently, UNITAR has the second largest budget of all United Nations training and research institutes.¹ Ninety-three per cent of its current budget is expected to be secured through special purpose grants (SPGs). From a financial perspective, the Institute's ability to deliver on its mandate is therefore uncontested, with the sole exception of its hallmark activity, CDT, for the reasons explained in section II.

6. The organizational structure of the Institute has also undergone a rationalization process in order to ensure proper lines of responsibility and accountability through a more vertical structure, with regular performance evaluations and systematic reviews of job descriptions. Further, UNITAR touts productivity with lean operations: professional to administrative staff being 3:1. Shortcomings in terms of skewed geographic imbalances have been reversed in the last year with six out of eight (July 2007 to date) recruitments from developing countries. UNITAR has one of the youngest staff in the United Nations system with an average age of 40 years to a United Nations average of 45.

7. In terms of accountability, in the last year, UNITAR succeeded in addressing all but one outstanding recommendation of the Board of Auditors, many of which had remained unimplemented since 2002.² Further, in line with greater transparency within the Institute's administration, all audit reports are now available for the members of UNITAR's Board of Trustees. Furthermore, as an illustrative example of better business practices, the Institute aims to become the leading United Nations organization on carbon neutrality and sustainable procurement, and has created a working group to address this important issue.

8. These reforms are indicative of a number of recent changes within the Institute and are guided by UNITAR's Board of Trustees, which is composed of an impressive and diverse group of rigorous and visionary individuals.

III. Financial information on core diplomatic training

9. As outlined in my last report (E/2008/72), the overall financial situation of the Institute is solid, due to an increase in funding for earmarked projects or special purpose grants (SPGs). The critical financial situation of CDT, however, is in sharp contrast to the overall financial performance of the Institute, as the continued

¹ The United Nations University, which focuses on research, has the largest budget and operates from a significant endowment fund.

² See report of the Board of Trustees for the biennium ended 31 December 2007 (*Official Records of the General Assembly, Sixty-third Session, Supplement No. 5D (A/63/5/Add.4)*).

demand for this service cannot be met through existing sources of revenue. Indeed, the Institute is consistently unable to secure sufficient funds to offer this service, as fewer Member States contribute to it through non-earmarked contributions, and as few private donors support activities targeted towards this unique beneficiary base.

(a) Costs of core diplomatic training

10. The total expected costs of CDT for the biennium 2008-2009 is \$2,400,000. The budget for CDT has increased by almost \$400,000 or 20 per cent between the past and current biennia. This modest increase results mainly from the expected increase in activities in 2008-2009 to fully implement General Assembly resolution 60/213 of 22 December 2005. However, this will only be possible if funding is secured.

Table 1

Breakdown of expenditure for CDT for previous and current biennia

	2002-2003 Actual (\$US)	2004-2005 Actual (\$US)	2006-2007 ³ Actual (\$US)	2008-2009 Estimate (\$US)
Salaries ⁴	709,778	737,062	1,128,052	1,460,000
Rent and maintenance	64,782	129,267	154,811	160,000
Operating costs & communications	42,925	43,592	56,369	55,000
Supplies and equipment	19,399	15,451	27,905	25,000
Direct activity costs ⁵	279,711	322,512	576,712	660,000
Programme support costs (for SPGs) ⁶	35,456	38,629	63,115	40,000
TOTAL	1,152,050	1,286,512	2,006,963	2,400,000

11. Table 1 shows the breakdown of expenditure for CDT over previous biennia and the current biennium. The Institute also benefits from in-kind contributions by partner organizations, other United Nations entities or individuals in form of donated time, conference facilities or travel costs. These contributions illustrate an

³ The significant increase in budget from 2004-2005 to 2006-2007 was due to a decision by management to increase activities with funds available from programme support costs.

⁴ Salary costs are those costs required to oversee and coordinate the development, implementation and reporting of CDT activities at major UN locations. Costs also include in-house trainers contributing to the development and delivery of training activities, and other staff/personnel who liaise with external resource persons and beneficiaries on a regular basis throughout the year.

⁵ Direct activity costs include staff travel, conference costs, participants travel, interpretation, consultant fees and travel and any other costs directly associated with the activities.

⁶ All CDT activities funding by special purpose grants are subject to programme support costs.

additional effort in keeping costs at a minimum level, which help to maintain the deficit on CDT at its relatively modest level. They also demonstrate the unique positioning and high esteem for these offerings. This factor also explains why direct activity costs are relatively low in the breakdown of expenditure.

Table 2

Projected expenses breakdown for requested subvention

	Annual Requirement
	(\$US)
Salaries	280,000
Consultants Fees and Travel	70,000
Staff Travel ⁷	70,000
Rent and maintenance	55,000
Operating costs	12,500
Communications	12,500
Supplies and Equipment	10,000
Training Material	20,000
Conference costs ⁸	70,000
TOTAL	600,000

12. Table 2 shows the breakdown of expected expenditure required per annum to ensure the implementation of CDT in addition to the funds raised from other sources.

13. CDT costs cover the development, organization, delivery and evaluation of practice-oriented training on United Nations affairs, international cooperation and multilateral diplomacy for diplomats of Member States. These activities take place on a regular basis at United Nations Headquarters in New York; at the United Nations Offices in Geneva, Nairobi and Vienna; and, as from 2006 and in response to paragraph 6 of General Assembly resolution 60/213 of 22 December 2005, in the cities hosting the United Nations regional commissions. In 2006-2007, more than 4,000 diplomats from 186 countries participated in CDT activities, representing 97 per cent of the United Nations membership. Interestingly, the regional breakdown of the 186 countries reveals that 60 per cent of beneficiaries are from developing countries and 40 per cent from developed countries.

⁷ Costs incurred for staff travel associated with activities in cities hosting the regional commissions and those in Geneva and New York where inputs/expertise may be required from staff not based at the training venue

⁸ Costs include interpretation services for selected briefing activities in Geneva and New York, as well as other incidental conference related costs. Participant travel costs are minimal since beneficiaries are based in the cities of the training venues.

(b) Funding sources for core diplomatic training

14. In previous decades, CDT was traditionally funded through voluntary (non-earmarked) contributions (see chart 1 which reflects the past high level of voluntary contributions). In recent biennia and since the decline in voluntary contributions, the Institute has sought other funding sources to meet CDT costs.

Table 3**Sources of funding for CDT for previous and current biennia**

	2002-2003	2004-2005	2006-2007	2008-2009
	Actual (\$US)	Actual (\$US)	Actual (\$US)	Budget (\$US)
CDT Income				
Voluntary contributions	580,906	889,454	864,411	600,000
SPGs for CDT	319,556	402,044	586,019	600,000
UN regular budget			242,400	
Total CDT Income	900,462	1,291,498	1,692,830	1,200,000
CDT Expenditure	1,152,050	1,286,512	2,006,963	2,400,000
Shortfall	251,588	-4,986	314,133	1,200,000

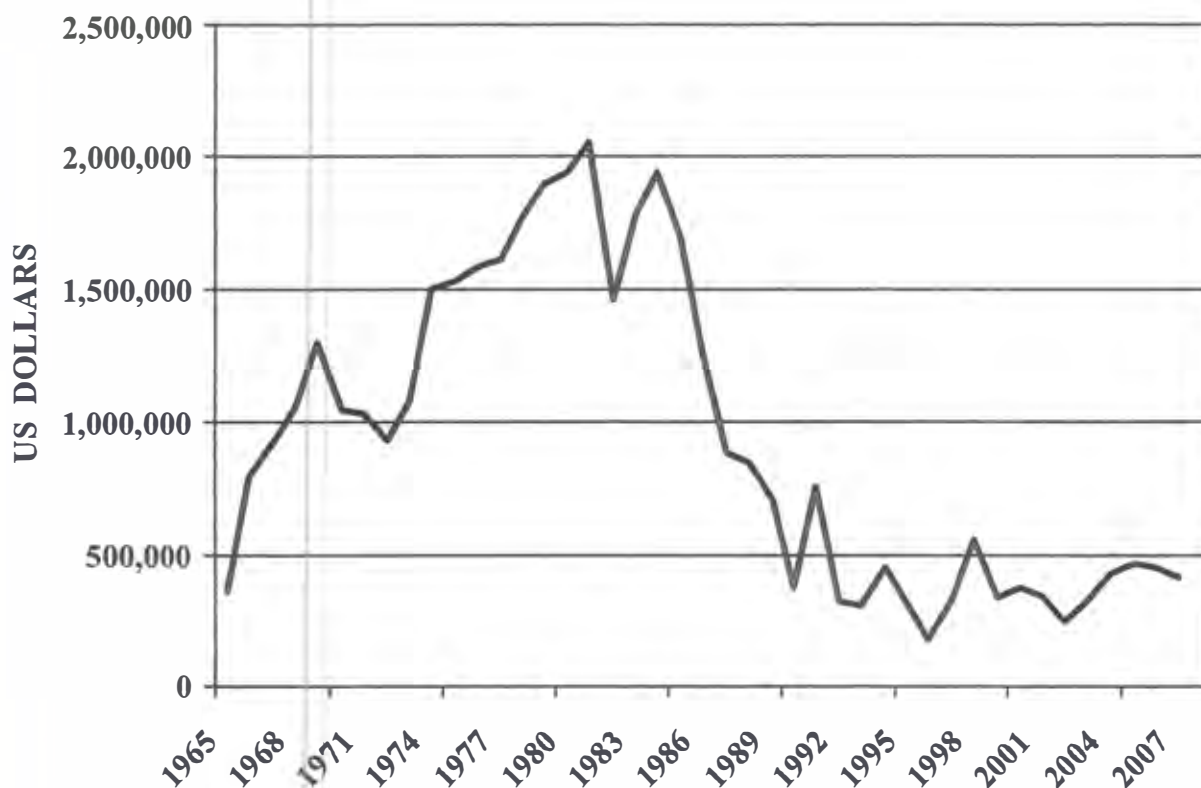
15. Table 3 shows that in 2006-2007 and 2002-2003 there was a shortfall of income over expenditure. Recognising the importance of CDT to the diplomatic community, the Institute preferred to maintain training activities and finance the shortfall through funds raised from programme support generated through special purpose grants not related to CDT. As outlined in my report to the Economic and Social Council (E/2008/72), the use of programme support costs from unrelated SPGs to cover the costs of core diplomatic training will cease, a view that is central to the reform initiatives endorsed by UNITAR's Board of Trustees in May 2008, and in line with the recommendations on strengthening accountability and adopting better business practices of the High-Level Panel on System-wide Coherence.

16. For the current biennium, 2008-2009, it is expected that 25 per cent of the estimated costs of \$2,400,000 budget will be covered by voluntary contributions, and that the Institute will succeed in generating 25 per cent (\$600,000) through fund-raising for CDT (SPGs for CDT activities). The shortfall will therefore be \$1,200,000 for 2008-2009, amounting to half of the budgeted costs for CDT. As indicated elsewhere, this deficit may persist, putting at risk the continuation of training activities.

17. Past years have seen a sharp decline in voluntary contributions, as shown in Chart 1 below. The Institute has responded to requests by the Board of Auditors to improve the level of voluntary contributions through enhanced fund-raising in a number of ways, including through extensive interaction with and appeals to Member States over the years.⁹

Chart 1

Trend in annual voluntary (non-earmarked) contributions since 1965



18. The Institute has also intensified fund-raising efforts to secure special purpose grants for CDT. As indicated in document E/2008/72, in 2006-2007 UNITAR was able to secure over \$600,000 through earmarked donations for CDT, almost doubling the total amount of SPGs for CDT since 2002-2003 (see table 3). Table 4 below shows the funding sources from the past biennium, of which very little comes from Member States. Fund-raising for CDT is challenged by the fact that it is a service that is unique to the United Nations diplomatic community. Ongoing consultations with current funders as well as intense outreach efforts with new partners indicate, nevertheless, that a similar amount will be generated for 2008-2009.

⁹ Throughout the years, most recently in its resolutions 56/208, 57/268, 58/223, 59/252, 60/213 and 62/210, the General Assembly has renewed the appeal to Governments, particularly those of developed countries, to give voluntary contributions to the Institute.

Table 4**SPG donors and income 2006-2007 for CDT**

Donor	Income (\$US) 2006-2007
UNFPA	99,152
Olof Palmes Minnesfond, Sweden	42,375
Intel Corporation	281,822
The MacArthur Foundation	86,000
Microsoft Limited UK	67,800
Switzerland	18,000
Sweden	11,800
Liechtenstein	8,000
	614,949

(c) Funding sources for the Institute**Table 5****Breakdown of income for the Institute**

Sources of Income	2002-2003 Actual (\$US)	2004-2005 Actual (\$US)	2006-2007 Actual (\$US)	2008-2009 Estimate (\$US)
Voluntary contributions earmarked SPG	15,411,696	27,530,573	24,281,910	30,055,067
Voluntary contributions non- earmarked	580,906	889,454	864,411	850,000
United Nations regular budget			242,400	
Funding from new partners				3,500,000
Interest and other miscellaneous income	609,939	715,528	1,944,106	700,000
TOTAL	16,602,541	29,135,555	27,332,827	35,105,067

19. Table 5 highlights the progress made by the Institute over the last eight years in increasing contributions for earmarked purposes.

(d) Assessment of cost effectiveness of core diplomatic training

20. As indicated in my report (E/2008/72), all Member States have access to and may benefit equally from CDT. In its resolution adopted on 25 July 2008 (see E/2008/L.37) the Economic and Social Council stressed that the "core diplomatic training offered by the Institute is a service accessible to diplomats of the entire membership of the United Nations and strengthens capacities of diplomats to perform their multilateral duties". In quantitative terms, given the high output in number of activities and beneficiaries, CDT is highly cost effective with an average

cost per participant per day of approximately \$US150¹⁰. In qualitative terms, no other entity offers comprehensive training on the United Nations, by the United Nations and for United Nations Member States. In terms of other United Nations institutes, none has a training mandate which focuses on Member States and the full range of topics addressed by the Institute.

21. While other private institutions and universities may provide similar curricula such as introductory courses on the United Nations system and international law, the Institute's CDT activities are unique for the following reasons. Few if any have the same level of involvement of experienced United Nations staff, high-level diplomats and facilitators with insight on the United Nations system. These are experts who facilitate such courses but who also play an instrumental role in shaping the work programmes. Further, given the audience, the methodology of UNITAR's courses is influenced by the multilateral setting, involving peer to peer learning and exchange within a global body of fellow diplomats. In addition, as diplomats are faced with time constraints, UNITAR courses are highly accessible: they are held at United Nations locations; fitted – to the extent possible – into the calendar of official United Nations meetings; and registration procedures are kept to a minimum. In addition, many courses are tailored to meet the needs of delegates who must cover a number of issue areas at once. The objective is therefore rapid overview acquisition and more detailed knowledge of the technicalities related to different organs and issue areas.

(e) Assessing demand for core diplomatic training

22. As indicated in document E/2008/72, there is a steady increase in demand of core diplomatic training. Table 6 below reflects the growing number of participants in CDT activities and gives evidence for continued and increasing demand over the last five years. The Institute tries to accommodate, to the extent possible, this increasing demand with additional course offers. However, while workshops and seminars can usually accommodate all interested participants, several courses are persistently attracting more participants than places available. This is the case particularly for skills-based courses such as negotiation, chairing and public speaking, where participation is limited due to the highly interactive nature of the courses. In fact, in the past biennium, close to 50 per cent of diplomats registering for some such courses were unable to participate due to limited space availability.

¹⁰ Figure calculated based on 2006-2007 biennium statistics in table 6, based on per participant per training day.

Table 6
Overview of CDT courses 2004-2007

1. Number of participants	2004	2005	2006	2007
New York	1143	1054	1808	1885
Geneva	227	303	268	268
Nairobi	***	10	42	27
Vienna	66	17	103	89
Regional Commissions	***	25	97	160
e-learning	***	***	201	***
Total	1436	1409	2519	2429
2. Number of activities	2004	2005	2006	2007
New York	21	23	32	36
Geneva	13	17	19	19
Nairobi	***	1	2	1
Vienna	3	1	4	3
Regional Commissions	***	1	4	6
e-learning	***	***	1	***
Total	37	43	62	65
3. Number of training days	2004	2005	2006	2007
New York	30	45	73	78
Geneva	18	53	61	60
Nairobi	***	2	4	2
Vienna	6	2	8	7
Regional Commissions	***	10	9	11
e-learning	***	***	30	***
Total	54	112	185	158

23. Beyond the interest in the course offers, numerous Member States have approached the Institute with requests for tailored trainings at country-level. In the biennium 2006-2007, more than 30 countries directed requests to the Institute for training courses in multilateral diplomacy, bearing testimony of the quality of the Institute's courses and the demand for such training.

24. Immediate and direct feedback from participants, systematically obtained through evaluation questionnaires after each training, highlights that the training courses are of great relevance for the diplomats' daily duties (96 per cent of respondents confirmed relevance), and that they would recommend the attended course to their colleagues (98 per cent confirmed).

25. Moreover, in paragraph 6 of its resolution 60/213, the General Assembly encouraged UNITAR's Board of Trustees to consider "diversifying further the venues of the events organized by the Institute and to include among those venues

the cities hosting regional commissions". This call by the Member States further underlines the demand for quality training by the Institute. However, due to funding constraints, UNITAR has not been able to significantly increase activities in cities hosting the regional commissions.

(f) Potential impact of cessation of CDT activities

26. While the actual effects of NITAR's cessation or reduction in current CDT offerings are difficult to predict, feedback from delegates in New York, Geneva and elsewhere has revealed that the vast majority of permanent missions does not have a budget for developing human resources capacities to perform effectively in the multilateral setting. Diplomats, particularly those from developing and least developed countries, would no longer receive the same level of training on the United Nations system should NITAR cease or reduce the number of its current offerings. The widening of the gap in negotiating capacity between developing and developed countries would be the consequence, a gap the Institute had contributed to reduce.

27. Cessation of course offers would directly contribute to an overall decrease in capacity-development and training activities in the support of the management of international affairs, which would contradict the call of the Economic and Social Council in its resolution of 25 July 2008 (see E/2008/L.37) that "training and capacity-development activities should be accorded a more visible and larger role in support of the management of international affairs", as well as General Assembly resolution 62/210, which "reaffirms the relevance of the Institute, in view of the growing importance of training and capacity development within the United Nations".

IV. Core diplomatic training and reform

28. The relationship between the financing of CDT and the broader reform efforts is twofold. On the one hand, as detailed in this report, it is no longer possible from an accounting perspective to use funds intended for other purposes to pay for the CDT shortfall. Despite the clear need for core diplomatic training, the Institute is simply no longer in a position to forgo proper accounting procedures by implementing this activity without it paying for itself. As a service available to all and for which 97 per cent of countries benefited in recent years, accountability rests beyond the contributions from the private and philanthropic sectors. As I stated in my report, the burden of covering the costs of CDT "must fall on the collective membership of the United Nations" (E/2008/72, para. 31).

29. The second relationship is less obvious but undoubtedly more significant in the long run. Capacity development is widely recognized as an essential element of good governance. Knowledge and skills acquired through training generally improves the performance of States as it does the performance of human beings. It is true that the direct impact of capacity development is difficult to quantify as gauging change in approach or behavior may be linked to multiple variables. However, it is uncontested that capacity development through training is an essential element in promoting good governance at all

levels including the multilateral level. Given the increasingly complex nature of the international system, not least the complexities tied to reform efforts within the United Nations context, CDT becomes all the more important, particularly as we strive to further increase the effectiveness of the multilateral system. In short, UNITAR core diplomacy training goes to the heart of management reform, ensuring that States can operate efficiently in the multilateral environment and that they are supported in doing so through targeted capacity development tools.

V. Recommendations

30. Given the negative impact that a cessation of training activities in core diplomatic training would have on the overall performance of diplomats, in particular those from developing and least developed countries, in carrying out their multilateral duties, I recommend, as I did in earlier reports (A/62/377, para. 47; E/2008/72, para. 32), that, as a first priority, the Fifth Committee should reconsider the issue of financing UNITAR core training activities from the United Nations regular budget. In parallel, Member States should commit themselves to increasing or resuming their contributions to the Institute.

31. As in my last report (E/2008/72, para. 33), in the light of the financial information provided in the present report, I recommend that an annual subvention of \$600,000, or half the costs of core diplomatic training, be granted for CDT from the United Nations regular budget.

32. Action on this front should in no way prejudice calls by the General Assembly, in its resolutions 60/213 and 62/210, and the Economic and Social Council, in its resolution adopted on 25 July 2008 (see E/2008/L.37), in encouraging the Board of Trustees to continue its efforts to broaden its donor base and further increase the contributions to the General Fund and other sources of funding for CDT. Nor should it be considered a request for funding activities other than those outlined in the present report.