



**CEB
Chief Executives Board
for Coordination**

15 January 2025

**CONCLUSIONS OF THE 43rd MEETING OF THE FINANCE AND
BUDGET NETWORK (4 November 2024)**

Virtual meeting

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Introduction

1. The Finance and Budget Network (FBN) held its 43rd session virtually on 4 November 2024. The meeting was co-chaired by Ms. Chitra Narayanaswamy, Controller and Director, Department of Program Planning and Finance, WIPO, and Mr. Andrew Rizk, Chief Financial Officer, Office of Financial Management, Bureau for Management Services, UNDP.

I. Follow on from HLCM discussion on funding in the UN system

Presenter: Andrew Rizk, Chief Financial Officer, Office of Financial Management, Bureau for Management Services, UNDP.

Documentation:

- Summary and decisions of the HLCM 48th session
- CEB/2024/HLCM/20 – Background Note from Finance and Budget Network on funding in the UN system
- CEB/2024/HLCM/21_rev.1 – Background Note from Finance and Budget Network on Conditionalities of funding
- CEB/2024/HLCM/22 – Funding in the UN System - Guidance and Outline of HLCM Session

Background:

2. At the 48th High-Level Committee on Management (HLCM) session, a half-day was dedicated to discussing the growing complexities of funding in the UN system. HLCM discussed how declining revenues, increasing demands, and a shifting global financial climate have placed significant strain on the UN system, and at the same time, the conditions attached to funding agreements have become more complex, with key challenges including conflicts between donor-imposed regulatory frameworks and the UN's operational standards, burdensome reporting requirements, and the political risk of donor influence overshadowing the UN's impartiality and neutrality. HLCM discussed how these challenging dynamics can also present opportunities for innovation and collaboration, such as exploration of new financing mechanisms and approaches to engaging non-traditional donors.

3. The outcomes of the HLCM session included HLCM noting with concern the risk the trends in funding conditionalities pose to the independence, impartiality, and neutrality of the United Nations, and to the efficiency of its operations and mandate delivery. HLCM also reaffirmed the importance of the UN system collectively upholding the Single Audit Principle; requested the Finance and Budget Network to develop a set of system-wide common principles related to conditionalities in funding agreements; and agreed to establish guidelines for institutionalizing a rapid-response mechanism for sharing information and facilitating coordinated responses from the UN system when faced with requests from donors with challenging funding conditions.

Discussion:

4. The session commenced with a review of the outcomes from the recent HLCM meeting on

funding within the United Nations system. The discussion was centered around the current state of funding, covering issues such as donor conditionalities, the UN's legal framework, and innovative financing mechanisms. The outcomes of the HLCM meeting resulted in three primary action items related to the FBN: the development of system-wide common principles related to conditionalities and funding agreements, the establishment of guidelines for a flexible, multidisciplinary rapid response mechanism, and the exploration of new engagement frameworks with non-traditional donors, including private sector partnerships.

5. During the FBN discussion on developing system-wide common principles related to conditionalities in funding agreements, members acknowledged the urgency of this work, and the necessity for a cohesive approach to funding agreements that recognized the need for transparency in the use of resources, while safeguarding the core principles and values of the United Nations. The UN Secretariat agreed to Co-lead the work, with volunteers encouraged to support the drafting of these principles. Members stressed the need to ensure these principles were actionable and aligned with current interagency processes, while acknowledging that such guidelines alone may not fully resolve donor-imposed constraints.

6. The second area of focus was the creation of a rapid response mechanism to address challenging donor conditions in real time, and allow for a swift and coordinated response to emerging requests for challenging conditions. This mechanism would require a multidisciplinary approach, drawing on expertise from finance, legal, resource mobilization, partnerships, audit and investigations.

7. The third major topic involved engaging with non-traditional donors and exploring innovative financing approaches. The exploration of new engagement frameworks with non-traditional donors was seen as a step towards diversifying the funding base of the UN system. The potential for partnerships with the private sector and other non-traditional donors was discussed, with an emphasis on the need for robust legal frameworks to govern these engagements.. The FBN agreed to compile case studies showcasing successful and scalable private sector partnerships. These would form the basis for further discussion and possibly eventual development of guidance. Members emphasized focusing on replicable strategies rather than one-off initiatives, ensuring the final framework could be broadly applicable across the UN system.

8. Finally, the session also addressed operational coordination between other fora discussing funding conditionalities, such as the Interagency Standing Committee (IASC). Practical suggestions included ensuring common representation across working groups and leveraging existing work streams to avoid duplication of effort.

Conclusion:

9. The FBN reiterated the critical need for a coordinated, principled system-wide approach to donor conditionalities and agreed to establish a working group to develop common principles related to conditionalities of funding, with an update to be presented at the next HLCM session. Additionally, the FBN members were encouraged to provide advice and input to the HLCM Task Force developing the Terms of Reference for a Rapid Response Mechanism to Donor Conditionalities. The FBN also agreed to a phased approach for exploring new engagement frameworks with non-traditional donors, beginning with case studies before delving into regulatory frameworks and interagency collaboration.

II. Jointly financed budgets

Presenters: Chitra Narayanaswamy, Controller and Director, Department of Program Planning and Finance, WIPO

Documentation:

- Projected 2024 expenditures for the UNSMS budget
- Projected 2024 expenditures for the Chief Executives Board (CEB) and the IPSAS Project

(a) Request for increase to the 2024 budget ceiling for Jointly Financed Security costs

10. The FBN considered a request from the UN Department of Safety and Security (UNDSS) for an increase to the 2024 FBN ceiling for the UNSMS budget, in line with projected expenditures.

Discussion

11. UNDSS sought an increase of \$352,800 above the FBN budget ceiling for 2024, citing two primary factors: higher Service Level Agreement costs for field office administrative services and changes to methodologies required for compliance with aviation safety oversight standards.

12. During the discussion, while recognizing operational challenges faced by UNDSS, FBN members raised concerns over cost-management efforts and the absence of detailed explanations on cost-saving measures, noting that UNDSS had not adjusted spending in response to prior feedback.

Conclusion:

13. The FBN did not reach consensus to endorse an increase to the 2024 budget ceiling for jointly financed security costs.

(b) Request for increase to the 2024 budget ceiling for the jointly financed budget of CEB

14. The FBN considered an increase for CEB and IPSAS-related activities. The requests reflected rising salary costs and inflation, with the CEB Secretariat seeking an additional \$162,400 to cover projected post costs and the IPSAS project seeking an additional \$23,800 for General Temporary Assistance related to actual costs of the coordinator of the Task Force on Accounting Standards.

Discussion

15. The FBN noted that the increase was consistent with past decisions regarding increases due to salary adjustments and endorsed the increase in the 2024 budget ceiling for CEB and IPSAS.

Conclusion:

16. The FBN agreed to increase the 2024 budget ceiling for CEB to \$4,235,100 and to increase the budget ceiling for the IPSAS Project to \$313,000.

III. Ongoing Joint Inspection Unit (JIU) reviews

Presenters: Chitra Narayanaswamy, Controller and Director, Department of Program Planning and Finance, WIPO

Background

17. This session was intended to provide an opportunity for FBN members to discuss any issues or insights that may be of common interest regarding ongoing JIU reviews of particular relevance to the FBN, including the review on Donor-led assessments of UN system organizations and other oversight-related requests from donors in the context of funding agreements and the UN Single Audit Principle.

Discussion

18. The FBN discussion centered on issues surrounding funding agreements and the Single Audit Principle, and oversight-related requests from donors. The dialogue emphasized the need for active engagement in the review process, and the importance of entities providing accurate data on the burden and cost of oversight to the JIU Inspector, where feasible.

Conclusion

19. FBN members were encouraged to actively share information with the Inspector through their JIU focal points, and took note of the JIU's willingness to engage with FBN members once the draft report is issued.

IV. Task Force on Accounting Standards (TFAS)

Presenter: Adnan Chughtai, Treasurer, Financial Comptroller and Director, ILO

Background

20. The TFAS met on 8-10 October 2024 and the TFAS Chair provided a brief recap of the issues discussed at the meeting.

Discussion

21. The discussion centered on updates from the recent TFAS meeting, focusing on key issues and potential actions for the FBN. These included the Statement of Internal Control, sustainability reporting, and after-service health insurance (ASHI) disclosures and management.

22. The varying levels of progress across entities regarding Statements of Internal Control was noted, and the discussion focused on the importance of sharing knowledge and experiences among members to enhance the effectiveness of internal control mechanisms across the UN system.

23. The discussion on ASHI disclosures and management highlighted the complexities and challenges associated with these disclosures. The formation of a working group to explore common approaches to ASHI disclosures and management was proposed, with the aim of developing standardized practices that could be adopted across the UN system.

24. On sustainability reporting, members emphasized the growing importance of integrating environmental, social, and governance factors into financial reporting. The significant forthcoming requirements for sustainability reporting were noted, including emissions tracking, and the challenges posed by scope 3 emissions, and early engagement and sharing of approaches was deemed as essential.

Conclusion

25. The FBN expressed appreciation to the TFAS, and agreed to discuss approaches to Statements of Internal Control at the next FBN meeting. FBN members were encouraged to review the IPSAS Board Exposure Draft on Climate-related disclosures and provide feedback to ensure that the final standard reflects the diverse needs and contexts of UN system entities.

V. Any Other Business

a) Data Standard on the Gender Equality Marker

Presenter: Johanna Clark, OIC Director, Division of Management and Administration, UN Women

Documentation:

- Proposed clarification to Data Standard on the Gender Equality Marker

Background

26. The Data Standards for United Nations system-wide reporting of financial data comprise seven data standards for the reporting of UN system-wide financial information. The standards are reviewed each calendar year for any revisions.

27. The Data Standard VII on the Gender Equality Marker (GEM), approved in 2022, introduced a common UN methodology and format for tracking the contribution of UN activities to Gender Equality and the Empowerment of Women (GEEW). This standard defines the manner in which UN financial information must be reported against the GEM. This standard is a performance indicator in the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP).

Discussion

28. The discussion addressed a proposal by UN Women to refine the UN data standard on the Gender Equality Marker (GEM), which had been approved in November 2022. The original standard was

designed for activity-level reporting to platforms such as IATI and OECD but did not effectively capture system-wide expenses on gender equality and the empowerment of women within the CEB's annual financial reporting. The proposed clarification to Data Standard VII aims to address this gap by introducing entity-level reporting to the CEB as of the 2025 CEB financial statistics collection exercise. Specifically, the change to the GEM standard would result in UN entities rolling-up expenses by each of the four GEM categories from activity level to total expenses, and reporting these aggregate amounts to the CEB.

29. It was noted that in cases where expenditures have not been marked or their systems are not aligned to link financial flows against the GEM, they can be reported to CEB as "GEM – not coded". Reporting on this standard at activity level remains unchanged.

Conclusion

30. The FBN supported the clarification and endorsed the change to the Data Standard to introduce annual CEB reporting against the GEM standard as of the 2025 CEB financial statistics collection exercise. The FBN noted that the clarified standard would enhance the UN system's ability to comprehensively and accurately reflect collective efforts toward gender equality and the empowerment of women.

31. The FBN also recommended avoiding specific references to external reporting frameworks like IATI or OECD in the GEM Data Standard, to ensure flexibility in case those requirements changed.

b) Working Group on Common Treasury Services (WGCTS)

Presenter: Carlos Perrone, Treasurer, UN and Co-Chair WGCTS

Background

32. The WGCTS had its annual in-person meeting on 28-30 October 2024.

Discussion

33. The Co-Chair of the WGCTS provided an update on the activities of the WGCTS, covering areas such as banking agreements, responsible investment, foreign exchange variability, payment systems, Artificial Intelligence applications, and shared contracts. The discussion underscored the importance of collaboration and innovation in treasury services to enhance financial management and operational efficiency.

Conclusion

34. The FBN expressed appreciation for the work of the WGCTS.

c) Inputs for coordination meeting between HLCM network chairs

Presenters: Chitra Narayanaswamy, Controller and Director, Department of Program Planning and Finance, WIPO, and Andrew Rizk, Chief Financial Officer, Office of Financial Management, Bureau for Management Services, UNDP.

Discussion

35. FBN members discussed a need for coordination among HLCM networks, particularly on cross-cutting topics such as Artificial Intelligence and human resources. The discussion highlighted the importance of collaborative efforts in addressing complex and interrelated challenges, ensuring that the UN system can respond effectively to emerging issues.

Conclusion

36. FBN members were invited to suggest topics and formats for improved coordination among HLCM networks with the aim of fostering greater synergy and collaboration. The CEB Secretariat will schedule a meeting between HLCM network chairs to plan coordination efforts for the coming year, ensuring that the UN system can respond effectively to emerging challenges through collaborative efforts.

Annex I – List of participants

Co-Chairs: Ms. Chitra Narayanaswamy (WIPO) and Mr. Andrew Rizk (UNDP)

Organization	Name	Title
CTBTO	Lola Tosheva	
CTBTO	BUERBAUMER Melissa	Chief Budget and Finance
CTBTO	DAYAL Uday	Director of Administration
CTBTO	LUKANOVSKA Tatjana	Head of Financial Reporting and Payment Services
FAO	Popov, Vasily	Deputy Director, Office of Strategy, Programme and Budget
FAO	Aliyev, Elkhan	Senior Strategy and Planning Officer, Office of Strategy, Programme and Budget
FAO	Hija, Aiman	Director of Finance and Treasurer
IAEA	ALBRECHT, Ruzica	Unit Head (Unit A, Programme and Budget Section)
IAEA	KIBONGE, Carmen	Unit Head (General Accounting)
ICAO	Lynette Lim	Chief, Financial Services
ICAO	Jimenez Gonzalez, Carmen	Head, General Ledger and Reporting Unit
ICAO	Nam, Olga	Chief, Finance Branch
ICAO	Mosoci, Renata	Head of Budget
ICGEB	Franco GIACOMIN	Chief of Financial Services
IDLO	Haroun Atallah	Director of Finance and Support Services
ILO	Chughtai, Adnan	Treasurer, Financial Comptroller and Director
ILO	Gurzumar, Fikri	Chief, Treasury and Accounts Branch
ILO	Grumbach, Nicolas	Chief, Strategic Analysis and Reporting Unit, Financial Management Department
ILO	Sosic, Bojana	Chief, Budget and Finance Branch
IMO	Andrew Richardson	Head, Management Accounting and ERP Services (MAES), Administrative Division
IMO	Prakash Joshi	Work Programme and Budget Officer, MAES
IOM	KAMBAL Hind	Senior Finance Officer
IOM	BUSO Paola	Senior Finance Policy Officer
ITU	Ba, Alassane	Chief, Financial Resources Mgt Department
OECD	VARELA Ana Jose	Head of Finance
OPCW	Dawit Dembel Balcha	Head, Accounts and Reporting
PAHO	Omnes, Florent	Treasurer
PAHO	Kasapantoniou, Christos	Director of the Financial Resources Management Department
PAHO	Hunter, Bethany	Finance Specialist
UN	Chandramouli Ramanathan	Controller
UN	Gizem Esmâ Bayazit	
UN	Abdulai Sesay	Programme Budget Officer
UN	Brigitta Kuhling	Senior Programme Management Officer, Office of Controller
UN	Unis Valencia Williams-Baker	
UN	Yacine Hamzaoui	
UN	Maria Costa	Director, Finance Division

UN	Sarita Whiteside	
UN	Carlos Perrone	Treasurer
UN TOURISM	Monica Gonzalez	Chief, Budget and Finance
UN WOMEN	Johanna Clark	Deputy Director of Financial Management
UN WOMEN	Aamir Hussain Awan	Chief of Budget
UN WOMEN	Priya Alvarez	Senior Expert on Gender Equality Policies and Legislation, UN Women
UNAIDS	TURIMBALI, Marie Josee	Finance Officer
UNCCD	Somarajan Pillai	
UNDP	Andrew Rizk	Chief Financial Officer
UNDP	Kelly Mcbride	Deputy Chief Financial Officer
UNDP	Olivier Salois	
UNESCO	Sachin Bhatt	CFO, Bureau of Financial Management a.i
UNFPA	Iva Goricnik Christian	Comptroller and Director, DMS
UNFPA	Mona Khurdok	Chief, Quality Management Unit, Division for Management Services
UNHCR	Hans Baritt	Controller and Director
UNHCR	Ana Maria Cristescu	Senior Policy Advisor
UNHCR	Catherine Guerrasio	
UNHCR	Nicolai Von Hoyningen-Huene	
UNICC	ARFARAS Yannis	
UNICEF	Diane Kepler	Comptroller and Director, Division of Financial and Administrative Management
UNICEF	Tsitsi Soko	
UNICRI	Luigi Trossarelli	Senior Finance and Budget Assitant
UNIDO	MACATANGAY, Sonia	
UNODC	Catherine Perret	Chief of Budget
UNODC	Monica HEMMERDE ECHECOPAR	Chief, Financial Resources Management Service
UNODC	Ruiwei Zhao	Chief of Accounts
UNOPS	Lilian Nyangaya	Deputy CFO
WFP	Robert Vanderzee	Chief Financial Officer
WHO	KYRIACOU, George	Comptroller and Director of Finance
WIPO	NARAYANASWAMY Chitra	Controller & Director, Department of Program Planning and Finance
WIPO	NEMATADZIRA Paradzai	Assistant Ccontroller
WIPO	BACHNER Maya Catharina	Director, Program Performance and Budget Division
WIPO	COOK ROBBINS Janice	
WMO	Brian Cover	Controller
WMO	Krishnavarahan Adhivarahan	Accountant
CEB Secretariat	Remo Lalli	Secretary, High-Level Committee on Management
CEB Secretariat	Laura Gallacher	Senior Inter-Agency Adviser, Finance and Budget

