

Expanded Regular Budget Funding and a Grant-Making Mandate for UNOCT

By Eugene Chen
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The UN General Assembly, at the conclusion of its seventh review of the *United Nations Global Counter-Terrorism Strategy*, adopted Resolution 75/291, which included requests to the Secretary-General to report to the General Assembly in 2022 on budgetary recommendations for the UN Office of Counter-Terrorism (UNOCT), if necessary and on the basis of a technical assessment, and the results of a review of the most cost-effective mechanism for the provision of grants and payments to UNOCT implementing partners. This brief provides background for examining the context for the consideration of both General Assembly requests later this year.¹

BACKGROUND ON THE UNOCT AND ITS FUNDING ARRANGEMENTS

UNOCT was established by the General Assembly in June 2017 following a proposal by Secretary-

General António Guterres to separate the UN Counter-Terrorism Implementation Task Force (CTITF) Office from the Department of Political Affairs and place it under the leadership of a new Under-Secretary-General for Counter-Terrorism.² UNOCT is funded through a combination of assessed contributions under the UN program, or “regular,” budget and extrabudgetary resources from voluntary contributions, the latter far outweighing the former. The voluntary contributions, which finance approximately 97 percent of UNOCT activities, come through the Trust Fund for Counter-Terrorism, which was established in 2009 to support CTITF activities. As of 31 March 2021, the trust fund had received \$335.6 million in contributions and allocations from 35 donors. Qatar is the largest donor, accounting for \$137.8 million, followed by Saudi Arabia, with \$110 million.³ Qatar’s contribution to the trust fund is the principal source of funding for leadership, policy, coordination, and management functions within UNOCT, while the contributions from Saudi Arabia are earmarked

1 This brief builds on independent analysis by the Global Center on Cooperative Security of the United Nations’ comparative advantages in policy development, interagency coordination, delivery, and impact of counterterrorism and preventing violent extremism efforts. Melissa Lefas, Junko Nozawa, and Eelco Kessels, “Blue Sky V: An Independent Analysis of UN Counterterrorism Efforts,” Global Center on Cooperative Security, November 2020, <https://www.globalcenter.org/wp-content/uploads/2020/11/GCCS-Blue-Sky-V-2020.pdf>.

2 UN General Assembly, *Capability of the United Nations System to Assist Member States in Implementing the United Nations Global Counter-Terrorism Strategy: Report of the Secretary-General*, A/71/858, 3 April 2017.

3 UN Office of Counter-Terrorism (UNOCT), “Funding and Donors,” n.d., <https://www.un.org/counterterrorism/funding-and-donors> (accessed 6 August 2022).

specifically for capacity-building programs and staffing for the UN Counter-Terrorism Centre within UNOCT.

The initial UNOCT budget covered the 2018–2019 biennium and was approved by the General Assembly in December 2017. The budget totaled \$38.7 million, of which \$35.6 million came from extrabudgetary resources. It included a staffing table with eight posts funded through assessed contributions. These consisted of the six regular budget posts of the CTITF Office (one D-2, one P-5, one P-4, one P-3, and two GS(OL)s) along with the newly established posts of the Under-Secretary-General for Counter-Terrorism and one special assistant (P-3). The initial staffing plan also included 35 posts from the CTITF Office funded through extrabudgetary resources and performing functions such as organizing capacity development workshops, coordinating policy advice and sharing best practices, and assisting with the integrated implementation and UN system-wide delivery of the Strategy.⁴

The number of regular budget posts has remained constant at eight since the establishment of UNOCT. Its extrabudgetary footprint, however, has grown substantially. Extrabudgetary resources account for \$66.0

million of the \$67.8 million in UNOCT requirements for 2022 and finance 190 staff positions.⁵

PROPOSED INCREASE OF REGULAR BUDGET-FUNDED POSTS

The technical assessment of UNOCT finances requested by the General Assembly was conducted by UNOCT in the latter half of 2021. The assessment identified the lack of predictable, regular funding for UNOCT, including its reliance on contributions from two states, as a vulnerability for the continued delivery of its mandate. It also identified the need to strengthen program governance, monitoring and evaluation, and information management. To address these problems, the assessment recommended the conversion of 49 positions currently funded through extrabudgetary resources into regular budget-funded posts. The Secretary-General agreed with the conclusions of the assessment and proposes to phase in the conversion of these positions over two years, with 25 included in the 2023 proposed program budget (table 1) and 24 to be included in the 2024 proposed program budget.

Table 1. Proposed Conversion of UNOCT Positions in the 2023 Proposed Program Budget

Unit	No. of Posts	Classification of Posts
Office of the Under-Secretary-General	12	One D-2, one D-1, one P-5, three P-4s, two P-3s, four GS(OL)s
Special Projects and Innovation Branch	1	One D-1
Strategic Planning and Programme Support Section	4	One P-5, one P-4, two GS(OL)s
Policy, Knowledge Management and Coordination Branch	4	One D-1, one P-5, one P-3, one GS(OL)
Human Rights and Gender Section	4	One P-5, one P-4, two GS(OL)s

Source: UN General Assembly, *Proposed Programme Budget for 2023: Part II, Political Affairs; Section 3, Political Affairs; Programme 2, Political Affairs*, A/77/6 (Sect. 3), 3 May 2022.

4 UN General Assembly, *Revised Estimates Relating to the Office of Counter-Terrorism Under Section 3, Political Affairs, Section 29D, Office of Central Support Services, and Section 36, Staff Assessment: Report of the Secretary-General*, A/72/117, 28 June 2017.

5 UN General Assembly, *Proposed Programme Budget for 2023: Part II, Political Affairs; Section 3, Political Affairs; Programme 2, Political Affairs*, A/77/6 (Sect. 3), 3 May 2022.

BUDGETARY CONSIDERATIONS

Posts funded through assessed contributions remain on staffing tables until the General Assembly decides to abolish them. Abolishment of posts is rare because the General Assembly does not usually review individual posts after they have been established unless the Secretary-General submits a proposal to reassign, redeploy, reclassify, or abolish the post.

UNOCT is not the only UN Secretariat entity focused on counterterrorism matters that is financed at least in part through the regular budget. The UN Security Council's Counter-Terrorism Committee Executive Directorate, established in 2004 to support the work of the UN Security Council Counter-Terrorism Committee, is funded entirely through the regular budget as a special political mission. All of its 52 staff positions are funded through the regular budget. The proposed conversion of extrabudgetary positions in UNOCT over the next two budget cycles would bring the regular budget staffing of the two organizations into closer alignment. In addition to the eight existing posts and the posts proposed for conversion, however, the proposed UNOCT staffing table for 2023 includes 165 positions funded through extrabudgetary resources, for a total of 198 staff. The dramatic expansion of UNOCT since its creation means that, even if all 49 positions identified by UNOCT during the technical assessment are shifted to the regular budget, the overwhelming majority of UNOCT staff, including those performing capacity-building and technical assistance functions, would still be funded through extrabudgetary resources. Despite the sevenfold increase in UNOCT posts funded through assessed contributions, regular budget posts would only represent just more than one-quarter of UNOCT staffing.

Including the 25 posts proposed for conversion in UNOCT, the 2023 proposed program budget contains a net increase of 95 posts across the entire Secretariat

from the level approved for 2022. The request for additional UNOCT posts is larger than the requests made for any other department or office in the Secretariat, despite the fact that counterterrorism activities are not highlighted among the commitment areas or key proposals in the Secretary-General's 2021 report *Our Common Agenda*.⁶

NEXT STEPS

The requirements for UNOCT are included in section 3 of the proposed 2023 program budget. In line with the new annual budget process, the proposed program plan for 2023 and program performance for 2021 were submitted to the Committee for Programme and Coordination (CPC) while the post and non-post resource requirements for 2023 were submitted to the Advisory Committee on Administrative Budgetary Questions (ACABQ). The CPC considered the UNOCT program plan and performance on 9 June 2022. During the meeting, one delegation argued that all UNOCT activities should be funded from the regular budget while another delegation questioned the need for additional staffing for UNOCT to fulfill its coordination function instead of using existing capacities and avoiding duplication in parallel structures. The CPC emphasized that efforts needed to be taken to address the symptoms and the root causes of terrorism and to integrate political, economic, judicial, social, and other measures in striving to eradicate the root causes of and conditions conducive to terrorism and extremism. It recommended minor adjustments to the program narrative.⁷

The conclusions and recommendations of the ACABQ, which was in session through 19 August 2022, are still pending. The Fifth Committee of the General Assembly will consider the proposed program budget and the conclusions and recommendations of the CPC and ACABQ during the main part of its session, from October to December 2022. The General Assembly

6 UN General Assembly, *Our Common Agenda: Report of the Secretary-General*, A/75/982, 5 August 2021. The potential impact of the continued expansion of UN counterterrorism work on human rights and on the work of long-established actors elsewhere in the United Nations are covered in other studies. See Lefas, Nozawa, and Kessels, "Blue Sky V"; Ali Altiok and Jordan Street, "A Fourth Pillar for the United Nations? The Rise of Counter-Terrorism," Saferworld, June 2020, <https://www.saferworld.org.uk/downloads/ct-textpp-final-file.pdf>.

7 UN General Assembly, *Report of the Committee for Programme and Coordination*, A/77/16, 5 July 2022.

typically approves the program budget before Christmas based on the draft resolutions negotiated in the Fifth Committee.

GRANT-MAKING MANDATE

The expansion of UNOCT activities to include grant-making is referenced in two documents, which are not necessarily consistent with one another. The first is the UNOCT civil society engagement strategy, finalized in January 2020, which included as an output the provision of a grant-making authority to UNOCT to help facilitate civil society engagement in UNOCT work. The second document is the 2021 report of the Secretary-General on implementation of the Strategy, which included a suggestion that member states provide adequate, predictable, and sustainable resources to UNOCT along with a mandate to provide grants in support of projects related to preventing and countering terrorism, without a specific reference to civil society.⁸

MANDATE CONSIDERATIONS

Although grants can support the work of civil society organizations, it is important to ensure that the design and implementation of such an approach avoid the instrumentalization of civil society, provide clarity on eligibility for funding, and safeguard human rights. As noted by the Office of Legal Affairs, Secretariat entities do not have the authority to give grants to outside entities to support the implementation of outside entities' work unless an express authorization has been provided by the General Assembly.⁹ This requirement appears to apply to the grant-making authority as framed under the civil society engagement strategy, as such grants appear to be intended to enhance the capacity of civil society organizations. Such an approach could follow the model of the UN Democracy Fund, which provides the majority of its resources to local civil society organizations in support of its goals of empowering civil society, promoting

human rights, and encouraging participation in democratic processes.

In the 2021 report of the Secretary-General on implementation of the Strategy, the General Assembly was requested to consider conferring on the UNOCT “the same mandate that other United Nations entities have to provide grants” in support of projects. The report does not identify which entities are being referenced, but several entities within the Secretariat have mandates to provide resources to implementing partners for projects within their approved programs and mandates. These entities include the Office for the Coordination of Humanitarian Affairs (OCHA), which oversees the Central Emergency Response Fund (CERF); the Peacebuilding Support Office, which oversees the Peacebuilding Fund; and the Development Coordination Office, which oversees the Joint SDG Fund. Resources disbursed under these mandates support the coordination functions of their respective entities. They do not generally go to local civil society organizations but are typically directed to other UN entities and organizations. Therefore, member states may wish to seek clarification from UNOCT on the type of mandate being requested, to whom funds will be disbursed, and to what ends.

ACCOUNTABILITY

In 2016 the Board of Auditors—the external audit body of the United Nations and its funds and programs—drew attention to the fact that the Secretariat lacks formal regulations or rules governing how grants should be managed and that, in the absence of a common framework, offices and departments with such a mandate have developed their own processes and procedures. The board found inconsistencies in the oversight arrangements used by different offices and departments, with some lacking key administrative and accountability arrangements. It recommended that the legal framework around grants of funds to partners should be formally introduced into the Financial

8 UN General Assembly, *Activities of the United Nations System in Implementing the United Nations Global Counter-Terrorism Strategy: Report of the Secretary-General*, A/75/729, 29 January 2021.

9 UN General Assembly, *Financial Report and Audited Financial Statements for the Year Ended 31 December 2015 and Report of the Board of Auditors*, A/71/5 (Vol. I), 28 September 2016.

Regulations and Rules and that the Secretariat develop a common principles-based framework for the management of implementing partners.¹⁰ Amendments to the Financial Regulations and Rules were proposed in 2019, including new regulations on the management of implementing partners and the award of grants.¹¹ The ACABQ, however, considered the language of the proposed amendments to be lacking in clarity and consistency,¹² and the General Assembly ultimately took no action on them.

ADMINISTRATIVE OVERHEADS

Another consideration for a grant-making mandate for UNOCT relates to costs associated with administrative overheads. Currently, UNOCT relies on other UN entities when it needs to transfer funds to implementing partners. If UNOCT is given a grant-making mandate, it would affect the distribution of administrative overhead costs, although these costs would remain between 10 and 13 percent of voluntary contributions regardless of the specific arrangements.¹³ There would also be the question of whether UNOCT would decide to manage grants and funds in-house or outsource to another entity.

Among Secretariat entities, OCHA handles the largest number of implementing partners and provides the highest volume of grant funding. It has developed a comprehensive management framework, which includes fund governance, accountability, and administration arrangements.¹⁴ This framework, which covers CERF and country-based pooled funds, is managed in-house by OCHA through its Humanitarian Financing and Resource Mobilization Division, which currently consists of 94 staff, most of which are

financed through program support costs. For CERF, the program support costs are set at 10 percent, comprising 3 percent to the Secretariat for administrative costs, including the fund secretariat, and 7 percent to implementing partners to cover their direct costs related to project management and implementation.

Other Secretariat entities, such as the Peacebuilding Support Office and the Development Coordination Office, outsource the management of large trust funds, such as the Peacebuilding Fund and the Joint SDG Fund, to the Multi-Partner Trust Fund Office (MPTFO) in the UN Development Programme (UNDP). The MPTFO manages these funds in accordance with the UNDP Financial Regulations and Rules, which, unlike the Secretariat Financial Regulations and Rules, include a framework for grants and the utilization of resources by executing entities and implementing partners.¹⁵ The administrative overheads for these MPTFO-managed funds is 11 percent, which include the same program support costs charged by CERF and an additional 1 percent to the MPTFO to cover its functions as administrative agent.

COHERENCE

The three funds referenced above—CERF, the Peacebuilding Fund, and the Joint SDG Fund—are designed to enhance the coherence of delivery across the UN system by ensuring that all funding requests are coordinated by and channeled through the resident coordinator/humanitarian coordinator. This not only ensures alignment with the country-specific cooperation framework—the strategic document that guides the work of the UN system in support of the Sustainable Development Goals within individual

10 Ibid., paras. 256 and 264.

11 UN General Assembly, *Proposed Amendments to the Financial Regulations of the United Nations: Report of the Secretary-General*, A/73/717, 22 January 2019.

12 UN General Assembly, *Proposed Amendments to the Financial Regulations of the United Nations: Report of the Advisory Committee on Administrative and Budgetary Questions*, A/73/817, 29 March 2019.

13 The General Assembly established the standard 13 percent program support cost rate in 1980. UN General Assembly, *Questions Relating to the Programme Budget for the Biennium 1980–1981*, A/RES/35/217, 17 December 1980.

14 UN General Assembly, *Proposed Amendments to the Financial Regulations of the United Nations: Report of the Secretary-General*, A/73/717, 22 January 2019.

15 UN Development Programme, *UNDP Financial Regulations and Rules*, April 2000, arts. 16–19, <http://web.undp.org/execbrd/pdf/UNDPFinRegsRules.pdf>.

countries—but it also avoids any duplication of requests. UNOCT, however, is not part of the UN Sustainable Development Group; does not contribute to cooperation frameworks; and does not participate in the associated country-level coordination mechanisms.

Although the UNOCT is the coordination focal point for the UN Global Counter-Terrorism Coordination Compact, the successor to the CTITE, UNOCT does not belong to other mechanisms established to promote coherence in programmatic delivery within the UN system, including the global focal point for the rule of law, which supports the delivery of joint rule of law programs in countries where peace operations are deployed alongside UN country teams, such as Libya, Mali, and Somalia. As such, there remains the potential for duplication of effort or, in the worst case, conflict with other activities of the UN system.

CONCLUSION

Ultimately, the decisions by member states on whether to provide additional funding to UNOCT and expand its mandate will boil down to political considerations, including reflections on the need for more UN-led counterterrorism activities and their human rights impact. Although it may be tempting for member states to equate support for these proposals with support for the counterterrorism agenda, the General Assembly should carefully scrutinize the Secretary-General's proposals to ensure that any decision meaningfully strengthens the implementation of the

Strategy rather than serving more narrow organizational interests. The proposals presented by UNOCT are intended to address specific problems it identified, namely the risk of overreliance on extrabudgetary funding and the need to improve engagement with civil society; the provision of human rights and gender posts is also intended to help mainstream those considerations into policy and practice. When considering these requests, member states should carefully consider whether the proposals actually solve the stated problems and whether sufficient attention has been given to the associated financial risks and related considerations for oversight and accountability.

Member states should avoid examining these proposals in isolation because they will have an impact on other UN activities. In a time of financial constraint, the provision of additional funds to UNOCT has the potential to reduce the resources available to existing funding mechanisms and to finance other UN activities, including ones identified as priorities in *Our Common Agenda*. Moreover, given that the mechanisms overseen by UNOCT to coordinate the work of the UN system on counterterrorism issues and the prevention of violent extremism run in parallel to the mechanisms that exist to coordinate all other country-level programmatic activities of the UN system, providing UNOCT with a new grant-making authority can potentially reduce the overall coherence of delivery by the UN system as a whole—a result contrary to the original intention behind the establishment of UNOCT.

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