

**CORPORATE SPONSORING IN THE UNITED NATIONS  
SYSTEM**  
**Principles and Guidelines**

*Prepared by*

***Papa Louis Fall***

**Joint Inspection Unit**

**Geneva 2009**



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## EXECUTIVE SUMMARY

### Corporate Sponsoring in the United Nations System: Principles and Guidelines

The objective of the review is to assess the principles, criteria and guidelines governing corporate sponsoring activities, with a view to reducing associated risks and to enhance the coherence of such activities from a system-wide perspective.

Corporate sponsoring is a form of partnership between the private sector and United Nations entities, in which the private sector entity, aiming to enhance its corporate image, supports an event or activity, through the provision of financial or in kind support, for promotional purposes, in exchange of publicity, and/or to obtain access to a wider audience. Corporate sponsoring activities are just a subcategory of partnerships with the private sector and as such they should be regulated by a basic set of principles and guidelines applicable to all the different types of cooperation with the private sector.

Global challenges, such as poverty reduction, climate change, HIV/AIDS, economic globalisation or the promotion and protection of human rights, combined with the emergence of the information society over the last 25 years, have led business to reshape its approach to markets. Nowadays it is not enough to manufacture quality products and distribute them efficiently; society demands that corporations share certain social and environmental values.

The relationship of the United Nations system with the private sector has considerably evolved and nowadays almost all United Nations agencies, funds and programmes are engaging in different types of partnerships with business. These partnerships can help to strengthen the work of the United Nations in diverse areas; they can also introduce system organizations to different and sometimes more efficient ways of management.

The United Nations system, given its core universal values and high visibility in the worldwide media, is undoubtedly a privileged partner for private sector firms to engage in different types of partnership, including the undertaking of sponsoring activities. In order to succeed, partnerships should be beneficial for all parties involved; benefits might be different for each party, however they should not be in contradiction. In the latter case, the independence of the United Nations and the broader public interest should prevail.

There are benefits and risks associated to partnership activities. The benefits for non-profit organizations comprise an increased ability to promote the non-profit organization's cause via the greater financial resources of a business and an increased ability to reach possible supporters through a company's employees and customer base. Furthermore, there are other associated benefits, given that business brings its networks, experience and skills to partnerships with the United Nations. These contributions are of tremendous value and allow the United Nations system to benefit from a transfer of knowledge and skills. The possible benefits for business include positive public relations, improved customer relations, and additional marketing opportunities through, inter alia, the development of a responsible corporate citizen image.

However, there are also potential risks associated to corporate sponsoring activities, which in fact are common to all types of partnership. The main ones are: the possibility, real or perceived, of a loss of autonomy and independence of system organizations and the risk to reputation or image associated to the selection of non-appropriate partners and/or

activities.

## **Main findings and conclusions**

### **Partnerships represent an opportunity for the United Nations system**

- In the view of many, the crisis currently affecting the world economy will further stress the need for corporations to demonstrate a responsible corporate behaviour. An improper corporate image can have an important impact on commercial activities and the consequences of corporate social irresponsibility have never been more severe. This trend represents an opportunity for the United Nations system; however, in the view of the Inspector, most of the system entities still need to make an effort, adapting their structures, staff capabilities and streamlining their work processes in order to responsively engage in successful partnerships with the corporate world.

### **Revision of guidelines for cooperation with the private sector**

- The Inspector found that there are some existing criteria and guidelines in place; however their application is not consistent across the United Nations system, leading to some incoherent situations. Given the diversity of the United Nations system, it is not surprising that a United Nations entity might reject a partnership proposal from a given potential partner while another United Nations entity might accept it.
- The Secretary-General issued in July 2000 the first set of “Guidelines for cooperation between the United Nations and the business community”, which are still in use. They were designed as an overall framework aiming to provide guidance without limiting further developments by agencies consistent with their specific mandates. However, no revision of the guidelines has taken place since they were issued. These guidelines contain the principles and a description of procedures to be followed for dealings with the private sector. Most of the United Nations entities have no specific guidelines for corporate sponsoring activities. Some United Nations entities had their own guidelines for cooperation with the private sector in place before the Secretary-General issued the current set; some others have subsequently developed their own version, while others just use the ones issued by the Secretary-General as the only tool for dealing with the private sector.
- The Inspector supports the views of a majority of officers interviewed, who indicated that current guidelines need to be revised from a system-wide perspective, in order to keep pace with social, scientific and economic developments. The General Assembly has requested the Secretary-General to streamline guidelines and to improve the procedures for the selection of partners. In this regard, the Inspector hopes that the proposals included in this report will be taken into due consideration.

### **System-wide mechanisms for partnership information and knowledge sharing**

- There are some mechanisms in place to share relevant information, such as the central web site ([www.un.org/partners/business](http://www.un.org/partners/business)), established with the support and inputs of a large number of United Nations entities. It was initially intended to

provide the required common platform for sharing information and experiences. However, it does not serve that purpose today; additionally, the web site needs to be updated systematically, as of the time of writing this note, some procurement statistics are outdated and some links to other sites are not operational. Furthermore, it would be necessary to expand the content of the information provided in the website, inter alia, including information useful, not just for the partners but also for organizations (i.e. a database containing relevant data on partners' profiles and their involvement in different cooperation initiatives within the system, etc.).

### **Misunderstanding of the role of the Global Compact initiative in the context of partnerships**

- The Global Compact is a voluntary initiative with two objectives: mainstream the ten principles in business activities around the world; and catalyse actions in support of broader United Nations goals, such as MDGs.
- The Inspector could ascertain that there is a considerable misunderstanding within the United Nations system regarding the purpose and role of the Global Compact initiative; some United Nations entities consider that the affiliation of a given company to the Global Compact initiative is sufficient guarantee to enter into a partnership with or to accept a corporate sponsoring proposal from that company.
- The Inspector wishes to stress that the Global Compact is not a regulatory instrument – it does not “police”, enforce or measure the behaviour or actions of companies. Thus, paradoxically, it cannot be affirmed that those companies participating in the Global Compact initiative, are in compliance with those same principles upon which the Global Compact is based. In the view of the Inspector and of different stakeholders, including several United Nations officials interviewed, this is a major risk and consequently the participation of a given company in the Global Compact initiative does not provide sufficient guarantee to conclude that it might be an appropriate partner.

### **Recommendations for consideration**

#### **➤ Recommendation 1**

**The executive heads of the United Nations system organizations should extend financial disclosure measures to officials dealing with the private sector in the context of partnerships at large within those system organizations, which have not yet done so.**

#### **➤ Recommendation 2**

**The Chief Executives Board for Coordination should develop an information exchange mechanism to facilitate the sharing of knowledge on private sector partners and relevant partnership activities across the system. The proposed mechanism should include an effective monitoring of both corporate and individual responsibilities within each system organization for the systematic updating of knowledge on private sector partners and relevant partnership activities.**

➤ **Recommendation 3**

**The executive heads of the United Nations system organizations should:**

**(a) Develop, within the Chief Executives Board for Coordination, a basic partnership training programme to cover the common needs of staff dealing with the private sector in different system organizations; in this regard the work done by the United Nations Staff College and the UNDP Learning Resource Center could be taken into consideration;**

**(b) Put in place within those system organizations which have not yet done so, relevant customized training programmes, specific for each organization and adapted to the needs and risks of staff dealing specifically with the private sector.**

➤ **Recommendation 4**

**The Chief Executives Board for Coordination should establish a multi-agency and multidisciplinary task force to:**

- Revise current guidelines for cooperation with the private sector**
- Harmonize the application of guidelines across the system, with special emphasis on partners' selection criteria considering both benefits and potential risks related to partnerships.**
- Simplify legal requirements for partnerships and to streamline them across agencies in accordance with the United Nations core values and principles.**



## CONTENTS

	<i>Page</i>	
<b>EXECUTIVE SUMMARY.....</b>	iii	
<b>Abbreviations and acronyms.....</b>	ix	
<i>Chapter</i>		<i>Paragraphs</i>
<b>I. INTRODUCTION.....</b>	1 - 19	1
<b>II. EVOLUTION OF THE COOPERATION OF THE UNITED NATIONS WITH THE PRIVATE SECTOR .....</b>	20 - 39	4
<b>III. CORPORATE SPONSORING AND THE DIFFERENT TYPES OF COOPERATION WITH THE PRIVATE SECTOR.....</b>	40 - 47	8
<b>IV. CORPORATE SPONSORING BENEFITS AND RISKS....</b>	48 - 67	9
A. Benefits associated to partnerships in general and corporate sponsoring activities in particular.....	48 - 56	9
B. Risks associated to partnerships in general and corporate sponsoring activities in particular .....	57 - 67	11
<b>V. CHALLENGES AHEAD .....</b>	68 - 110	13
A. Guidelines for partnerships.....	68 - 74	13
B. Selection of partners .....	75 - 87	15
C. Excessive bureaucracy .....	88 - 94	17
D. Cultural differences and regional diversity .....	95 - 99	18
E. Monitoring, recognition and transparency .....	100 - 110	20
<b>Annexes</b>		
<b>I. The principles of the Global Compact.....</b>		23
<b>II. Guidelines for cooperation between the United Nations and the business community.....</b>		24
<b>III. Overview of action to be taken by participating organizations on JIU recommendations .....</b>		29

## Abbreviations and acronyms

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination (now CEB)
BISC	Business and Industry Steering Committee (WFP)
CEB	United Nations Chief Executives Board for Coordination
CEO	Chief Executive Officer
CSR	Corporate social responsibility
DESA	Department of Economic and Social Affairs
DPI	Department for Public Information
EC	European Commission
FAO	Food and Agricultural Organization
GMOs	Genetically modified organisms
HLCM	High-Level Committee on Management (CEB)
ICC	International Chamber of Commerce
ILO	International Labour Organization
IOE	International Organization of Employers
ISCC	International Civil Service Commission
JIU	Joint Inspection Unit
MDGs	Millennium Development Goals
NGOs	Non-governmental organizations
OCHA	Office for the Coordination of Humanitarian Assistance
OECD	Organization for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OLA	Office of Legal Affairs
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNF	United Nations Foundation
UNFIP	United Nations Fund for International Partnerships
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNSSC	United Nations Staff College
UNWTO	United Nations World Tourism Organization
WFP	World Food Programme
WHO	World Health Organization

## I. INTRODUCTION

1. As part of its programme of work for 2007, the Joint Inspection Unit included a review of corporate sponsoring activities in the United Nations system. The objective of the review is to assess the principles, criteria and guidelines governing corporate sponsoring activities, with a view to reducing associated risks and to enhance the coherence of such activities from a system-wide perspective.

2. It is commonly accepted that to “sponsor” something is to support an event, activity, person, or organization financially or through the provision of products, facilities or services. Corporate sponsoring is a form of partnership between the private sector and United Nations system organizations, in which the private sector entity, aiming to enhance its corporate image, supports an event or activity, through the provision of financial or in kind support, for promotional purposes, in exchange of publicity, and/or to obtain access to a wider audience

3. In the context of the corporate world, sponsoring activities belong to the wider field of marketing. The so-called “cause marketing”, refers to a type of marketing activity involving the cooperative efforts between a “for-profit” business and a “non-profit” organization for mutual benefit. The term is used to refer to the marketing actions related to social and other charitable causes. Cause marketing differs from corporate giving (philanthropy), as the latter generally involves a specific donation that is tax deductible, while cause marketing is a type of relationship generally not based on a donation.

4. The benefits of cause marketing, including sponsoring activities, for non-profit organizations comprise an increased ability to promote the non-profit organization's cause via the greater financial resources of a business and an increased ability to reach possible supporters through a company's employees and customer base. However, business entities should not only be considered as providers of financial resources; business brings its networks, experience and skills to partnerships with the United Nations. These contributions are of tremendous value and allow the United Nations system to benefit from a transfer of knowledge and skills. The possible benefits of cause marketing for business include positive public relations, improved customer relations, and additional marketing opportunities through, inter alia, the development of a responsible corporate citizen image.

5. Many marketing experts believe that cause marketing is more than a fashionable trend and that it is becoming a need for corporations. In a highly competitive market, it is more and more difficult to differentiate equivalent products of different brands, which in many cases are manufactured in the same independent and subcontracted factories, thus, brands try to differentiate themselves through, inter alia, the perceived values associated to their products. Nowadays it is not enough to manufacture quality products and distribute them efficiently; the society demands corporations to share certain social and environmental values and in the view of many, the crisis currently affecting the world economy and the analysis of its causes will further stress the need for corporations to show a responsible corporate behaviour.

6. This trend represents an opportunity for the United Nations system within the context of restraints exercised on regular budget resources; it is also an opportunity to engage new actors in the attempt to meet MDGs.; However, in the view of the Inspector, most of the system entities still need to make an effort, adapting their structures, staff capabilities and streamlining their work processes in order to responsively engage in successful partnerships with the corporate world without losing their independence.

7. There are also potential risks associated to corporate sponsoring activities, which in fact are common to all types of partnership. The main ones are the possibility, real or perceived, of a lost

of autonomy and independence of the United Nations system organizations and the risk to reputation or image associated to the selection of non-appropriate partners and/or activities.

8. Corporate sponsoring activities are just a subcategory of partnerships with the private sector and as such they should be regulated by a basic set of principles and guidelines applicable to all the different types of cooperation with the private sector. An example of an issue, common to all types of partnerships, including corporate sponsoring activities, is the need to apply consistent and coherent criteria for the selection of partners. It is widely accepted that the United Nations system organizations should not engage in any type of relationship with partners involved in practices that are in contradiction with the basic principles of the organizations. Thus, notwithstanding the particularity of each organization, the development and coherent application of common criteria for selecting partners are a must from a system wide perspective.

9. The Inspector found that there are some existing criteria and guidelines in place; however their application is not consistent across the United Nations system, leading to some incoherent situations. Given the diversity of the United Nations system, it is not surprising that a United Nations entity might reject a partnership proposal from a given potential partner while another United Nations entity might accept it.

10. There are very diverse levels of sophistication within the United Nations system regarding the maturity in the development of partnerships with the private sector as well as in the understanding of their purpose, role and importance. There are some United Nations entities, which have been cooperating with the private sector for years, whose understanding of the associated benefits and risks is remarkable, yet there are other entities that are just beginning to learn and explore the potential of partnerships. The latter could greatly benefit from the experience and knowledge of those more advanced, however there are no systematic mechanisms in place to facilitate the sharing of best practices and relevant knowledge from a system-wide perspective. In the view of the Inspector, this is another issue common to all types of partnership, including corporate sponsoring activities.

11. The overriding purpose of cooperation between the United Nations and the private sector should be to enable the organizations to serve Member States and their peoples in a more efficient way, while remaining true to their values and principles. Partnerships should be regularly assessed against these objectives. As such, cooperation with the private sector should be viewed as another means that could contribute to the achievement of organizational goals. The private sector plays a fundamental role in the economic progress of developing and developed countries. It contributes to the achievement of the MDGs indirectly, through aggregate income and wealth creation, and directly through employment creation and the provision of goods and services. Additionally, it can also contribute by removing constraints to labour force participation, enhancing household incomes, increasing tax yields and promoting non-discriminatory systems of exchange.

12. The Inspector firmly believes that the United Nations system needs the cooperation of civil society at large in order to reach its goals. The MDGs are a significant challenge that will not be attained without the active participation of governments, public and international institutions, NGOs and the private sector; consequently, the United Nations system needs to strengthen the dialogue and cooperation with all relevant stakeholders without distinction and without exception. However, different stakeholders may have different objectives, in fact the private sector has some specific own objectives that are not relevant for the United Nations. Therefore, the Inspector would like to stress that, if cooperation is to succeed, dialogue needs to be established around common or mutually supportive objectives in accordance with the United Nations core values and principles.

13. In accordance with the internal standard working procedures and guidelines of the JIU, the methodology followed in preparing this note included a preliminary review, questionnaires, interviews and in-depth analysis. Detailed questionnaires were sent to participating organizations. On the basis of the responses received, the Inspectors conducted interviews with officials of different departments of the Secretariat, including regional commissions, funds and programmes, several United Nations system organizations, as well as the OECD and the EC.

14. In addition to the above entities, the Inspector had planned to meet with representatives of the UNF, a private not-for-profit corporation organized under the laws of the State of New York, and having offices located in Washington, D.C. and New York; regrettably, the representatives of the Foundation declined twice to meet with the Inspector.

15. The multifaceted nature of partnerships, the considerable number of interviews held and the in-depth research conducted have provided a wealth of information that cannot be included in just one note. This note focuses on the basics required for a safer and sounder implementation of corporate sponsoring activities from a system-wide perspective, which in the view of the Inspector should be the same basic principles applicable to other different types of cooperation with the private sector.

16. The Global Compact initiative, which is considered one of the major milestones in the development of the relationship of the United Nations with the private sector, deserves further consideration in the view of the Inspector. "The UN Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, labour, environment and anti-corruption ... the Global Compact seeks to mainstream these ten principles in business activities around the world and to catalyze actions in support of broader UN goals."<sup>1</sup> The ten Global Compact principles are included in annex I. This note deals only marginally with the Global Compact initiative; however, given its relevance and impact on the public image of the United Nations, the Unit has decided to include a separate review of the Global Compact initiative, best practices and lessons learned in its programme of work for 2009.

17. In accordance with article 11.2 of the JIU statute, this note has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit. Its conclusions and recommendations therefore reflect the views of the Unit.

18. To facilitate the handling of the note and the implementation of its recommendations and the monitoring thereof, annex III contains a table indicating whether the note is submitted to the organizations concerned for action or for information. The table identifies those recommendations relevant for each organization, specifying whether they require a decision by the legislative or governing body of the organization or can be acted upon by its executive head.

19. The Inspector wishes to express his appreciation to all those who assisted him in the preparation of this note, and particularly to those who participated in the interviews and so willingly shared their knowledge and expertise. In addition, the Inspector is very grateful to former Inspector Guangting Tang for his diligent contribution to the preparation of this note.

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<sup>1</sup> UN Global Compact, *Annual Review 2007 Leaders Summit*.

## II. EVOLUTION OF THE COOPERATION OF THE UNITED NATIONS WITH THE PRIVATE SECTOR

20. Cooperation with the private sector is not new to the United Nations system; however developments over the last decade have led to a mutual and increased interest on ways to enhance and further develop cooperation. Corporate sponsoring activities are just one example of the diverse types of cooperation with the private sector.

“Originally conceived of as a purely intergovernmental organization, the United Nations has begun reaching out to civil society and business in search of new partners for shaping a new world. Partnerships with business and civil society have been one of the Organization’s major innovations. The gradual and ongoing process of opening and engaging business and civil society is a result of the increasing realization that the world organization by itself will not be able to confront the manifold challenges of a globalizing world. In a world of complex and fast changing transnational challenges ... partnering with civil society and business is more than just an option. In many ways, it has turned into a necessity for the United Nations in order to “get the job done”.<sup>2</sup>

21. The JIU had already looked into the subject; in its report “Private Sector Involvement and Cooperation with the UN system”<sup>3</sup>, recommending organizations to: set and publicize realistic objectives and expectations for their partnership with the private sector; carry out outreach programmes targeting the private sector and designate a focal point to serve the needs for information and assistance of the business community; ensure the presence of United Nations representatives at business events and organize joint encounters to encourage participation from the private sector in their activities, with special attention to developing countries and/or countries in transition; adopt a set of guidelines, which should include a statement of principles and a description of procedures to be followed for dealings with the private sector; examine whether their respective staff rules and regulations are sufficient to guarantee that staff members do not hold a financial interest in commercial enterprises with which a partnership is envisaged; speed up internal processes and establish specific timeframes to ensure that bureaucratic procedures and lengthy time of response do not discourage initiatives from the private sector; and to establish suitable mechanisms for the sharing of information and best practices with regard to relations with the private sector , using the ACC<sup>4</sup> structure, to ensure consistency of policy and harmonization of procedures throughout the United Nations system.

22. The CEB supported the recommendations included in the JIU report and underlined the importance of sharing relevant information on best practices in collaborating with the private sector. It was recognized that the central website<sup>5</sup>, established with the support and inputs of a large number of United Nations entities, provided the required common platform for systematically sharing information and experiences. However, the Inspector would like to point out that the website needs to be updated systematically, as of the time of writing this note, some procurement statistics are outdated and some links to other sites are not operational. Furthermore, it would be necessary to expand the content of the information provided in the website, for example, it would be very useful for organizations to have access to a database containing relevant data (i.e. partners’ profiles and their involvement in different initiatives, etc.). CEB further supported the need for greater consistency of policy, common approaches and the harmonization of relevant procedures throughout the system.

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<sup>2</sup> *Business Unusual. Facilitating United Nations reform through partnerships*, report commissioned by the Global Compact Office and produced by the Global Public Policy Institute. United Nations publication, Sales No. E.05.1.79.

<sup>3</sup> JIU/REP/99/6; see also A/54/700.

<sup>4</sup> The CEB is the successor body to the ACC.

<sup>5</sup> [www.un.org/partners/business](http://www.un.org/partners/business). This site provides information on partnerships and alliances between the United Nations and the private sector and foundations in furtherance of the Millennium Development Goals.

23. In its resolution 55/215, the General Assembly requested the Secretary-General to seek the views of Member States on ways to enhance cooperation between the United Nations and all relevant partners, in particular the private sector. The answer to that request was the Secretary-General's report "Cooperation between the United Nations and all relevant partners, in particular the private sector"<sup>6</sup>. For its preparation, a high number of entities were consulted and comments were received from 23 Member States, one observer and 27 United Nations entities. Representatives of business associations and NGOs were also consulted.

24. The main conclusion drawn from the different viewpoints expressed during consultations is that cooperation between the United Nations system and the private sector offered potential and had already demonstrated some tangible results, but this was tempered by a variety of strategic and operational challenges. However, these challenges could be addressed by the United Nations setting clear policies, parameters, objectives and operational guidelines for cooperation with the business community and remaining clear about its overall accountability to Member States.

25. In September 1997, businessman Ted Turner made an unprecedented donation of US\$1 billion in support of United Nations efforts on global issues. In 1998, two new institutional structures were established to ensure effective, transparent and accountable investments.

26. The first structure, the UNF, was established as an independent not-for-profit foundation, outside the United Nations system despite its name, and is responsible for delivering the US\$1 billion initially over a ten-year period. UNF is governed by an independent Board of Directors. The Foundation's mission is to support the goals of the United Nations and its Charter. In pursuit of that mission the Foundation is engaged in activities such as grant making and raising new funds to support United Nations programmes.

27. The second structure, the UNFIP, was established in March 1998 by the Secretary-General as an autonomous trust fund, headed by an Executive Director. The Fund's Advisory Board is chaired by the Deputy Secretary-General, and is comprised of 10 other members from both within and outside the United Nations, who serve in their personal capacity, and includes the President of the Economic and Social Council, the Chairman of the Second Committee of the General Assembly, several senior officials of the United Nations system and senior officials from the World Bank, Harvard University and the Ford Foundation, as well as the Fund's own Executive Director. UNFIP serves as the central administrative vehicle within the United Nations for working with UNF and reports to the ACABQ. It works with UNF to set the programme frameworks for projects to be funded by the Foundation; to identify innovative, high-impact projects and solicit and analyse proposals; to receive and distribute funds for approved projects; and to monitor and report on their use.

28. According to information included in the UNFIP website<sup>6</sup> "partnership between the United Nations Foundation and UNFIP has resulted in net additional resources to the United Nations of approximately \$1.03 billion, out of which \$405.6 million represent core Turner funds and \$597.4 million, approximately 58 per cent, have been generated by other partners. More than 400 projects have been implemented by 39 United Nations entities in 123 countries. UNFIP supports projects focused on the following areas: children's health; women and population; the environment; and peace, security and human rights."<sup>7</sup>

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<sup>6</sup> A/56/323.

<sup>6</sup> <http://www.un.org/unfip>.

<sup>7</sup> United Nations Office for Partnerships, A/63/257, summary.

29. In addition to serving as the interface between the UNF and the United Nations system, UNFIP provides advice to the private sector and foundations on partnership options. UNFIP also helps to develop new relationships with the private sector and other foundations in support of United Nations causes, identifying partners and organizing meetings with companies and foundations to discuss collaboration, financial and in-kind contributions for development projects.

30. Another major milestone in the evolution of the relationship of United Nations with the private sector is the launch of the Global Compact, which has raised extensive interest among Member States, the private sector and NGOs. The Global Compact was launched by the Secretary-General in 1999 at the World Economic Forum in Davos, Switzerland. It was initiated as a call to business leaders around the globe to embrace and implement, in their own spheres of influence, a set of universally agreed principles in the areas of environment, labour, human rights and anti-corruption (see annex I).

31. The Global Compact is a voluntary initiative with two objectives: mainstream the ten principles in business activities around the world; and catalyse actions in support of broader United Nations goals, such as MDGs. To achieve these objectives, the Global Compact offers facilitation and engagement through several mechanisms: policy dialogues, learning, local networks and partnership projects. The governance functions are shared by six entities: Global Compact Leaders Summit, Local Networks, Annual Local Networks Forum, Global Compact Board, Global Compact Office and an Inter-Agency Team.

32. The Global Compact is a network, and given its innovative approach within the United Nations system, it could be considered an “organizational experiment” as defined by its Executive Director. At its core are the Global Compact Office, which is located within the Executive Office of the Secretary-General, and six United Nations agencies: OHCHR UNEP, ILO, UNDP, UNIDO and the UNODC. The private-sector participation in the Global Compact includes large corporations as well as small and medium-scale enterprises, representing different industry sectors. The ICC and the IOE have also been active in engaging their networks of national organizations. “Since its official launch on 26 July 2000, the initiative has grown to almost 5,600 participants, including over 4,300 businesses in 120 countries around the world.”<sup>8</sup>

33. The Global Compact initiative is mainly financed through voluntary resources. “A non-profit entity - the *Foundation for the Global Compact* - has been established to support the work of the Global Compact Office and other related activities. It has been given permission to raise funds on behalf of the UN Global Compact Office”<sup>9</sup>, which is the only beneficiary of the Foundation’s activities. The Global Compact Foundation is a non-profit entity incorporated in April 2006 under New York State law (501/c/3) to support the work of the Global Compact Office, due to its nature, the Foundation is a federal tax-exempt entity. The Global Foundation has no direct relationship with the United Nations Foundation. In order to avoid additional costs the Global Compact Foundation has no physical address; this is not an unusual practice for not-for-profit corporations. The Board is formed by four directors who are based in different countries and discuss via phone or email; Board meetings are held in different venues when required.

34. The Inspector, during the interviews undertaken, could ascertain that there is a considerable misunderstanding within the United Nations system regarding the purpose and role of the Global Compact initiative; some United Nations entities consider that the affiliation of a given

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<sup>8</sup> <http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html> .

<sup>9</sup> [http://www.unglobalcompact.org/AboutTheGC/The\\_GC\\_Foundation.html](http://www.unglobalcompact.org/AboutTheGC/The_GC_Foundation.html) .



company to the Global Compact initiative is sufficient guarantee to enter into a partnership with or to accept a corporate sponsoring proposal from that company. The Global Compact is not a regulatory instrument – it does not “police”, enforce or measure the behaviour or actions of companies. Thus, paradoxically, the Global Compact Office is not in a position to ensure that those companies participating in the initiative are in compliance with those same principles upon which the Global Compact is based. In the view of the Inspector and of different stakeholders, including several United Nations officials interviewed, this is a major risk and consequently the participation of a given company in the Global Compact initiative is not, in itself, sufficient guarantee to conclude that it might be an appropriate partner.

35. The Global Compact initiative has been subject to criticism by a number of non-governmental organizations; some of them launched the so-called “Alliance for a Corporate-Free United Nations”. An international sign-on letter was sent to the Secretary-General in response to the launch of the Global Compact. The letter was quoted in the *New York Times* and other media and generated public debate. “Several watchdog groups said the United Nations was participating in a ‘bluewash,’<sup>10</sup> allowing some of the largest and richest corporations to wrap themselves in the United Nations’ blue flag without requiring them to do anything new ... some of the participants ... had poor records of operating abroad and did not deserve to be United Nations partners.”<sup>11</sup>

36. The Inspector considers that these issues are only indirectly part of the core subjects that this note should address. However, and in order to avoid risks to image or reputation, it is a priority for the United Nations system to avoid cooperation with wrong partners, whether through corporate sponsoring activities or through other types of partnership.

37. Another important development in the evolution of the relationship with the private sector was the issuing of guidelines as a legal framework. In accordance with a recommendation made by the Unit<sup>12</sup>, the Secretary-General issued in July 2000 the first set of “Guidelines for cooperation between the United Nations and the business community”, which are still in use and have been included as annex II of this note. These guidelines contain the principles and a description of procedures to be followed for dealings with the private sector.

38. The Inspector welcomes the progress of another important initiative in the development of the relationship with the private sector, which is the establishment of private sector focal points within most of the system organizations in accordance with recommendation 2 of the JIU report “Private Sector Involvement and Cooperation with the United Nations system”, which requested organizations to carry out outreach programmes targeting the private sector and designate a focal point to serve the needs for information and assistance of the business community. However, not all United Nations entities have designated a focal point and in many cases, focal point activities are just a part-time job in addition to other duties undertaken by concerned staff. The private sector focal points network meets annually and the initiative allows private sector focal points to share relevant information and experience building upon lessons learnt.

39. The relationship of the United Nations with the private sector has considerably evolved and nowadays almost all United Nations agencies, funds and programmes are engaging in different

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<sup>10</sup> 'Bluewash' is a disparaging term used to describe a partnership between the United Nations and a corporation which has agreed to abide by the United Nations Global Compact. The Compact outlines ten principles... However, since there are no screening or enforcement mechanisms to ensure that the corporation adheres to the ten principles, critics argue that such partnerships are merely public relations ploys designed to improve corporate images. <http://en.wikipedia.org/wiki/Bluewash>.

<sup>11</sup> *The New York Times*, article by Joseph Kahn, published July 27, 2000.

<sup>12</sup> JIU/REP/99/6, recommendation 4.

types of partnership with business. These partnerships can help to strengthen the work of the United Nations in diverse areas; they can also introduce the Organization to different and sometimes more efficient ways of management.

### **III. CORPORATE SPONSORING AND THE DIFFERENT TYPES OF COOPERATION WITH THE PRIVATE SECTOR**

40. Partnerships take many different forms; it can be affirmed that almost each partnership initiative is unique. However, partnerships can be grouped in different categories. This has already been done in several reports. The Secretary-General's report "Cooperation between the United Nations and all relevant partners, in particular the private sector" provides a categorization of partnerships, including definitions and examples for each category.

41. The categories established in that report are: policy dialogue; advocacy; mobilizing private funds; information and learning; and operational delivery. This note does not deal with all types of partnerships; it only refers to corporate sponsoring activities and to those basic elements that in the view of the Inspector are common to the different types of cooperation with the private sector. Corporate sponsoring activities are very limited and very specific events which might be undertaken in the context of any of the broad partnership categories indicated in the above Secretary-General's report.<sup>13</sup>

42. The partnership categories included in that report are not mutually exclusive and a given partnership initiative might be related to more than one category. The United Nations system is involved in a vast number of partnerships and this note is not intended to list and describe all of them. The examples provided below only serve to illustrate different types of cooperation as mentioned by organizations during the interviews held.

43. The participation of employers and employee organizations in the governance structure of ILO, the Global Compact initiative or the participation of private sector entities in the activities of UNWTO as affiliate members are examples of policy dialogue partnerships.

44. Examples of advocacy partnerships include FAO's annual TeleFood campaign to raise awareness and funds to tackle hunger or the cooperation between UNHCR and various companies to raise public awareness of refugee issues, including the global online campaign [ninemillion.org](http://www.ninemillion.org).<sup>14</sup>

45. Examples of partnerships mobilizing private funds are the cooperation between UNFIP and the United Nations Foundation, or the campaign launch by UNICEF with Volvic mineral water.

46. One example of information and learning partnerships is the Growing Inclusive Markets initiative led by the Private Sector Division of UNDP, which aims to raise awareness and provide information on how businesses, but also governments and civil society, can create opportunities for the poor through market-based approaches. More importantly, it seeks to inspire and provoke the private sector to action. Initially, the expected output is the creation of a web-based storehouse of data and information on low-income markets. In the next phase, UNDP, together with its partners, plans to move from data gathering and analysis to

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<sup>13</sup> See also A/58/227, para. 14.

<sup>14</sup> <http://www.ninemillion.org/> The ninemillion.org campaign was created in 2006 by the [UN refugee agency \(UNHCR\)](#) in partnership with Nike and Microsoft. The goal of the campaign is to give more than nine million children better access to education, sport and technology by 2010.

implementation. Another very interesting example is the Growing Sustainable Business Initiative, which is a business-driven programme, also coordinated by UNDP. It facilitates partnerships between companies and relevant actors from the public sector and civil society to develop and undertake commercially viable business investments in poor countries that have a positive impact on local economic development. The Inspector fully supports the idea behind these initiatives, which is to show the private sector that there might be business opportunities in market segments hitherto not addressed by private firms.

47. Examples of operational delivery partnerships are the cooperation of OCHA with the Swedish telecommunications manufacturer Ericsson, which provides equipment and expertise to re-establish communications in emergency and disaster recovery situations, or the partnership of OCHA with DHL, a worldwide logistics operator. Through this partnership, OCHA and DHL have established regional stand-by teams, which are ready to provide an early response to emergencies. The logistics training is provided by DHL, while the humanitarian assistance expertise is delivered by OCHA.

#### **IV. CORPORATE SPONSORING BENEFITS AND RISKS**

##### **A. Benefits associated to partnerships in general and corporate sponsoring activities in particular.**

48. The most evident benefit for the United Nations is the possibility to generate additional resources; however, financial support should not be the only resource that the United Nations could seek from partnerships with the private sector, as recognized in several papers. There are other potential benefits that the private sector could offer such as technical expertise and technology, in-kind donations, innovative styles of management, ideas and new perspectives and the use of business networks might be equally important contributing to greater operational efficiency. There is also potential for creating greater public awareness and reaching a wider audience by having companies and individual business leaders speaking out in favour of the United Nations, its values, goals and activities.

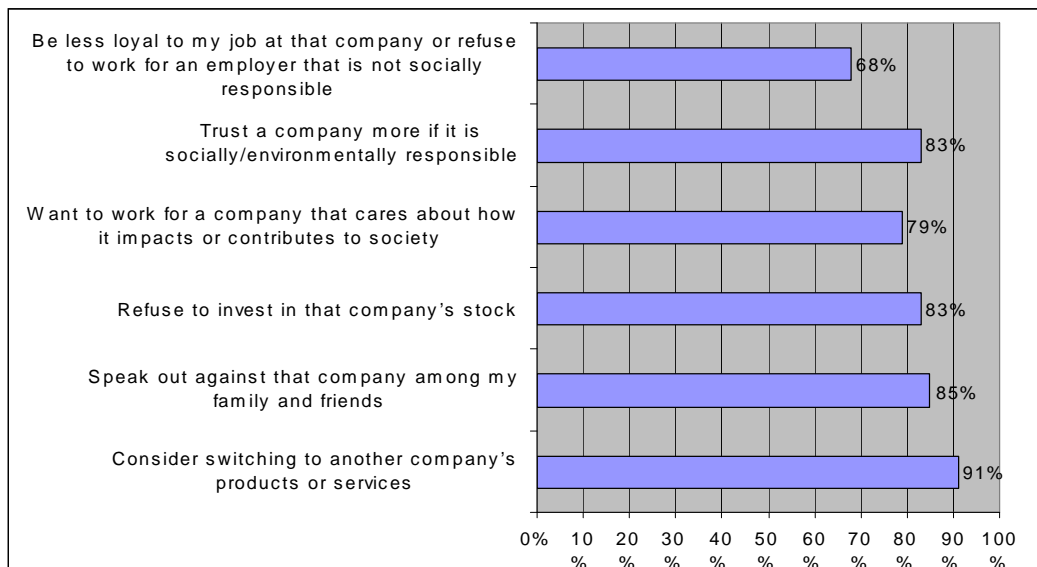
49. Global challenges, such as climate change, HIV/AIDS, economic globalization or the promotion and protection of human rights, combined with the emergence of the information society over the last 25 years, have led business to reshape its approach to markets and build an image in accordance with changing social trends. Now, corporations know that it is not enough to produce and supply markets with affordable goods and services, if it is not done in a socially responsible manner. Informed markets would simply not accept it, as confirmed by various market research studies.

50. The need to adapt its strategies to ever changing markets in order to remain competitive, blended in certain cases with a genuine desire to contribute to a “good cause”, have considerably increased the number of private initiatives for CSR, including the development of codes of conduct, management systems for improving compliance with these codes and non-financial reporting standards.

51. Companies are responding to changing social attitudes by publishing more rigorous data about their social performance, and they are faced with more demands for data from more diverse stakeholders than ever before. NGOs and socially responsible investment funds, governments and organizations make frequent calls for businesses to account for their impact on

society. By the end of 2004, three-quarters of FTSE 100<sup>15</sup> companies and nearly half of Fortune Global 50 companies had produced some form of the CSR report<sup>16</sup>.

52. According to the 2006 Cone Millennial Cause Study<sup>17</sup>, 89 per cent of Americans would switch from one brand to another brand of a comparable product (and price) if the latter brand was associated with "good cause". The same study also indicated that surveyed participants would be likely to react in the following ways if they were to find out about a company's negative corporate citizenship practices.



53. The trends reflected in the above results of different studies conducted in the United States can be extrapolated to other developed economies, where corporate social responsibility is already a major concern among citizens. An improper corporate image can have an important impact on commercial activities. Furthermore, in a survey conducted by an audit and consulting firm, 68 per cent of CEOs agreed that the proper exercise of corporate social responsibility was vital to companies' profitability.<sup>18</sup>

54. The establishment of a reputation for good corporate citizenship is the major reason for corporations to cooperate with the United Nations. In fact, results of a non-representative survey with business participants in the Global Compact show that 93 per cent of them consider the association with the United Nations either "very important" or "important" for their corporate image<sup>19</sup>.

55. In addition to the enhancement of a company's public profile through the development of a socially responsible image, corporations could obtain additional benefits from their relationships with the United Nations system such as access to key contacts in different public institutions,

<sup>15</sup> The FTSE 100 Index (*footsie*) is a share index of the 100 most highly capitalised companies listed on the London Stock Exchange. The index is maintained by the FTSE Group, an independent company, which originated as a joint venture between the Financial Times and the London Stock Exchange.

<sup>16</sup> SalterBaxter/Context, *Directions#3; trends in CSR reporting 2002-03*.

<sup>17</sup> Cone is a Boston-based brand strategy and communications agency that builds brand trust ([www.coneinc.com](http://www.coneinc.com)).

<sup>18</sup> PriceWaterhouseCoopers 2002 annual CEO Survey.

<sup>19</sup> *Business Unusual*, op. cit.

including governments; access to data and statistics; promotion of staff pride and loyalty; influence new investments (i.e. socially responsible investment funds); fulfill individual genuine desires of executives and staff to “do the right thing”; and generate profit through new market opportunities.

56. The United Nations system, given its core universal values and high visibility in worldwide media, is undoubtedly a privileged partner for private sector firms to engage in different types of partnership, including the undertaking of sponsoring activities. In order to succeed, partnerships should be beneficial for all parties involved; benefits might be different for each party, however they should not be in contradiction. In the latter case, the independence of the United Nations and the broader public interest should prevail.

### **B. Risks associated to partnerships in general and corporate sponsoring activities in particular**

57. The report “Cooperation between the United Nations and all relevant partners, in particular the private sector”<sup>20</sup> describes four risk areas associated to partnerships as identified by the World Bank’s Business Partnership and Outreach Group. These risk areas are discussed below.

58. Reputation risk. Reputation risk is associated with selecting an inappropriate partner or partnership activity, or being perceived to do so by key stakeholders. As a consequence the credibility and reputation of the United Nations body in question, or the entire United Nations system, might be undermined. The United Nations system should not engage in partnerships with businesses that are involved in practices that contradict the basic principles of the system organizations. Thus, criteria for identifying partners and acceptance by stakeholders — i.e. rules of engagement — are required.

59. Conflict of interest risks. This type of risk has two facets, which arises from the different and potentially conflicting activities undertaken by a private sector partner when it relates with the United Nations in different capacities (i.e. as a sponsor and as supplier; or the potentially conflicting participation in policy, advisory or project and programme design work and in the subsequent implementation). It is not rare that the United Nations might participate in a partnership with companies that serve as authorized contractors in different contexts. However, it is fundamental to keep potentially conflicting areas separated. It is also important to note that in light of the different roles of the various United Nations system organizations what may constitute a conflict of interest for one organization might not necessarily constitute a conflict of interest for another organization.

60. The Inspector believes that in order to avoid conflict of interest risks, organizations should gather as much information as possible on the potential partner during the preliminary phase of the partner selection/acceptance processes, inter alia, information related to the cooperation of the potential partner with other system organizations might help to provide a wider perspective of the partner’s interests. This could be done through a direct request for information to the potential partner but also through the sharing of relevant information among system organizations. In the view of the Inspector, the private sector focal points could be a valuable and efficient tool for the systematic sharing of information across the system.

61. There is also a potential internal conflict of interest associated to the staff participating in partnerships. The Standards of Conduct for the International Civil Service were revised and

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<sup>20</sup> A/56/323.

updated by the ICSC in consultation with participating organizations and staff representatives.<sup>21</sup> The revised Standards of Conduct were welcomed by the General Assembly in its resolution 56/244. Subsequently, most organizations of the system have either revised or developed relevant guidelines, codes of conduct and administrative instructions. However, these may not be sufficient since the responsibilities of individual staff members for contacts with the business sector are not always well defined.

62. The report “Private Sector Involvement and Cooperation with the United Nations system”<sup>22</sup> indicated, “there is a feeling that the Secretariat lacks the practical means of implementing Staff Rule 101.6 which relates to outside activities and interests of staff members.” Staff regulations and rules were subsequently revised by the Secretariat with a view to put staff on notice that they cannot be actively associated with a profit-making entity, if either the entity or the staff member is to profit by the association with the Organization. Additionally, Staff Rule 101.2 (n) of the Secretariat requests staff members dealing in their official capacity with a profit-making business, or other concern in which they hold a financial interest, to disclose the measure of that interest.

63. The Inspector welcomes the revision and enhancement of staff rules by the Secretariat, however he believes that the lack of practical means to effectively avoid conflict of interest is still an issue and that this is also applicable to United Nations entities other than the Secretariat. Staff within the Secretariat are required to file financial disclosure annual statements only in the following cases: all staff members at the D-1 or L-6 level and above; procurement officers; all staff members whose principal occupational duties relate to the investment of the assets of the United Nations, the United Nations Joint Staff Pension Fund or of any accounts for which the United Nations has fiduciary or custodial responsibility; staff serving in the Ethics Office and other staff members having direct access to confidential procurement or investment information.<sup>23</sup>

64. In this regard, the possibility to extend the financial disclosure obligation to other categories of staff in sensitive posts, including those staff members involved in direct dealings with the private sector should be assessed.

65. The above two categories of risk, reputation and conflict of interest, are applicable to all types of partnership, including corporate sponsoring activities. However, the World Bank’s Business Partnership and Outreach Group identified two other categories, unfair advantage and governance risks. In the former case, corporate sponsoring activities that might confer an unfair advantage to a private firm fall within the conflict of interest category described above. The cooperation with the United Nations system may imply unfair advantage by allowing the partner to use the logo and emblem of the United Nations or its bodies in a manner that implies an endorsement of that company’s products or services.

66. As governance risks are associated to the real, or perceived, loss of independence or autonomy of a United Nations entity, they should be carefully managed and monitored, in particular in the context of policy dialogue partnerships, which usually include the participation of non-State actors in intergovernmental deliberations, institutional governance or normative structures. Partnerships, regardless of the type, should not replace nor undermine intergovernmental processes in United Nations core activities. Governance risks, where a partnership governance structure may not be accountable to the key stakeholders involved in, or

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<sup>21</sup> Paragraphs 21 and 22 of the Standards of Conduct for the International Civil Service refer to conflict of interest.

<sup>22</sup> JIU/REP/99/6.

<sup>23</sup> “Financial disclosure and declaration of interest statements” (ST/SGB/2006/6).

affected by the initiative, thereby impairing its overall credibility, are not directly relevant to simple corporate sponsoring activities and consequently not dealt with in this note.

67. The implementation of the following recommendation is expected to enhance the accountability and transparency within organizations dealing with the private sector.

#### **Recommendation 1**

**The executive heads of the United Nations system organizations should extend financial disclosure measures to officials dealing with the private sector in the context of potential conflict of interest within those system organizations, which have not yet done so.**

## **V. CHALLENGES AHEAD**

### **A. Guidelines for partnerships**

68. The JIU, in its report on private sector involvement and cooperation with the United Nations system, recommended to United Nations agencies that had not yet done so to adopt a set of guidelines to regulate their relationship with the private sector<sup>24</sup>. Taking this recommendation and the input of an internal inter-agency working group into consideration, a set of guidelines was issued by the Secretary-General. “In July 2000, the Secretary-General sent the guidelines to the heads of United Nations offices, departments, funds, programmes and specialized agencies.”<sup>25</sup> The guidelines were subsequently included as annex III of the Secretary-General's report “Cooperation between the United Nations and all relevant partners, in particular the private sector”<sup>26</sup>. Surprisingly, and despite the time lapse since the guidelines were issued, the Inspector found during the interviews conducted that some departments, including at the most senior level, were not aware of their existence. The guidelines, which include examples of common partnership modalities, are publicly available on the United Nations website<sup>27</sup> and attached to this note as annex II.

69. The guidelines were designed as an overall framework aiming to provide guidance without limiting further developments by agencies consistent with their specific mandates. The Inspector welcomes this approach. In his view, it would be almost impossible to develop a strict set of uniform rules applicable to all the different entities of the United Nations system given the diversity of mandates. However, it would seem valuable for United Nations system organizations to jointly develop a general framework establishing basic principles and criteria for the cooperation with the private sector. Some United Nations entities had their own guidelines for cooperation with the private sector in place before the Secretary-General issued the current set (i.e. WHO<sup>28</sup> developed its own in 1999); others have subsequently developed their own version, while others just use the ones issued by the Secretary-General as the only tool when dealing with the private sector.

<sup>24</sup> JIU/REP/99/6, recommendation 5. .

<sup>25</sup> A/56/323, para. 92.

<sup>26</sup> Ibid.

<sup>27</sup> <http://www.un.org/partners/business/index.asp>.

<sup>28</sup> WHO Guidelines on Interaction with Commercial Enterprises.

70. The Inspector observed that most of the United Nations entities have no specific guidelines for corporate sponsoring activities. As a subcategory within the wider concept of partnership, these activities are usually governed by the “Guidelines for cooperation between the United Nations and the business community” mentioned above, and in some cases, for example the United Nations Secretariat, these general guidelines are supplemented by additional administrative instructions, like “Acceptance of pro bono goods and services”<sup>29</sup>. The pro bono guidelines do not address cash contributions, which are covered by the respective financial rules and regulations. The Inspectors support the views of many officials interviewed, who indicated that the guidelines, including the pro bono ones, need to be revised with a view to clarify certain elements and to streamline the bureaucratic processes involved.

71. The application of the guidelines is not consistent and coherent from a system-wide perspective. As an example of inconsistency, the Inspectors found that some entities would, as a basic principle, reject cooperation with manufacturers of any type of alcoholic drinks while others make a distinction between manufactures of light alcohol beverages and those producing highly alcoholic ones. Another example is the lack of a common position across the system regarding the cooperation with partners involved in the production, use and marketing of GMOs, or genetically engineered organisms (GEOs)<sup>30</sup>. The use of GMOs has sparked significant controversy in many areas, furthermore there are countries where GMOs are authorized in certain regions while banned in others. FAO officials interviewed indicated that the Organization does not engage in partnerships with firms involved in such activities; however the Inspector could confirm that other United Nations entities might do. Genetic engineering is just one example of where science and business are rapidly evolving. In this regard the Inspector wishes to highlight the need to periodically revise the guidelines for cooperation with the private sector in order to keep pace with social, scientific and economic developments.

72. Article 20 of the guidelines indicates “Cooperation with the business community is influenced by changes in the political and economic environment. To remain valid, these guidelines should be critically reviewed at regular intervals and updated in due course.” In this regard, it should be noted that no revision of the guidelines has taken place since they were issued in 2000.

73. The General Assembly<sup>31</sup> has requested, inter alia, the streamlining of United Nations guidelines for partnerships, including those related to the private sector. The Inspector is pleased to note that the Secretary-General recently decided to launch a process that will revise the United Nations business guidelines. The Deputy Secretary-General would lead this process and the Global Compact Office would play a supporting role.

74. The Inspector welcomes this initiative but stresses the need to ensure the participation of representatives of the different United Nations offices, departments, funds, programmes, system organizations and specialized agencies in order to guarantee a system-wide coherent approach, while respecting the idiosyncrasy of each entity. The Inspector believes that the revision of guidelines should be carried out in the context of the CEB and undertaken by a multi-disciplinary task force as proposed in recommendation 4 of this note.

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<sup>29</sup>, “Acceptance of pro bono goods and services” (ST/SGB/2006/5)

<sup>30</sup> A genetically modified organism (GMO) or genetically engineered organism (GEO) is an organism whose genetic material has been altered using genetic engineering techniques (<http://en.wikipedia.org/>).

<sup>31</sup> A/RES/62/211, para. 13.



## B. Selection of partners

75. It is evident that the suitability of a potential partner is a major issue, not just when considering the acceptance of potential pro bono contributions but in the context of partnerships at large. Pro bono guidelines of the United Nations Secretariat require that the recipient of the offer evaluates the suitability and capacity of the donor and that “A pro bono contribution should not be accepted from entities that are complicit in human rights abuses, tolerate forced or compulsory labour or use child labour, are involved in the sale or manufacture of anti-personnel mines or their components, or do not meet the purposes and principles of the United Nations. The recipient’s decision on whether to accept a pro bono contribution should take into account, as appropriate, any other ethical or moral considerations that would reflect negatively on the Organization.”<sup>32</sup>

76. One example of the effects caused by the inappropriate selection of partners and/or partnership activities is the debate generated by an event organized on 6 February 2008 at the premises of the United Nations headquarters. The event, a fund-raising gala combined with the launch of a high-fashion retailer’s new shop in New York, sparked some controversy before it even took place, with reports from different media sources raising concerns about the involvement of the United Nations in a promotional event with a high-fashion retailer and some show-business celebrities where lines between commercial causes, self-promotion, and charity were unclear. “Top U.N. officials have questioned whether the premises of the international organization's headquarters should be used for advancing such commercial purposes as a launch of a fashion store.”<sup>33</sup> Furthermore, the funds raised through this event were to be shared between UNICEF and a Los Angeles-based charity to benefit Malawi's children. However, the charity entity was not registered as a not-for-profit corporation organized under the relevant U.S. laws (Section 501(c)3)<sup>34</sup>. The Inspector believes that the United Nations should not lend its image and premises for this type of activity.

77. The selection of the right partner requires extensive research and the gathering of as much information as possible on the nature and activities of potential partners. The information to be gathered includes the identification of partners’ major shareholders and subsidiary groups, holdings in which the partner might be integrated, activities undertaken, corporate social responsibility reports and issues affecting the partner’s reputation, in particular those relevant to the values and principles of the United Nations. The thorough collection of relevant information is not an easy task given the globalization of the world economy and the complexity of business relationships, including stock cross-participation and other complex financial mechanisms. However, and in order to facilitate the already lengthy partnership process, the collection of information needs to be done in a short period of time. Some organizations use external specialized information service providers for this purpose, while others just rely on their own internal resources.

78. As previously indicated, there is no systematic exchange of partnership relevant information among United Nations system organizations. In the view of the Inspector there is a need to develop an information exchange mechanism, including a database, which could provide organizations with information such as partners’ profiles, specific partnership activities within

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<sup>32</sup> ST/SGB/2006/5, para. 12

<sup>33</sup> Article by Benny Avni in *The New York Sun*, 6 February 2008. See also article by Roger Friedman, *Fox News*, 9 January 2008.

<sup>34</sup> Section 501(c)3 is a U.S. tax law provision granting exemption from the federal income tax to non-profit organizations. 501(c)3 exemptions apply to corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes <http://en.wikipedia.org/wiki/501c3#501.28c.29.283.29>.

the system, partnership evaluation reports, etc. This would undoubtedly facilitate the selection process and reduce duplicative efforts across the system. The public access to the proposed database would also enhance the transparency of partnership activities within the United Nations system.

79. The Inspector firmly believes that in order to avoid parallel channels and duplication of efforts, existing mechanisms, such as the private sector focal points and its associated network and/or the Global Compact need to be strengthened. They could play a vital role contributing to a more rational use of system resources, in the context of a system-wide information exchange mechanism, as major instruments for the updating and sharing of relevant information and experience building upon lessons learned.

80. The implementation of the following recommendation is expected to facilitate the dissemination of lessons learned and best practices among the United Nations system organizations.

### **Recommendation 2**

**The Chief Executives Board for Coordination (CEB) should develop an information exchange mechanism to facilitate the sharing of knowledge on private sector partners and relevant partnership activities across the system. The proposed mechanism should include an effective monitoring of both corporate and individual responsibilities within each system organization for the systematic updating of knowledge on private sector partners and relevant partnership activities.**

81. Once relevant and comprehensive information has been gathered an informed decision needs to be made based on relevant criteria and guidelines. In this regard, the Inspector would like to draw again the attention to the widespread misunderstanding of the Secretary-General's guidelines on cooperation with the private sector. The guidelines indicate "The Global Compact ... provides an overall value framework for cooperation with the business community ... United Nations entities should use them [the Global Compact principles] as a point of reference when choosing a business partner" furthermore, article 12 (c) requires that "within their sphere of influence, private enterprises should have demonstrated a commitment to meeting or exceeding the principles of the Compact by translating them into operational corporate practice". These statements have been misinterpreted by several United Nations entities, which believe that the mere participation of a private company in the Global Compact initiative is enough warranty to consider that company as an appropriate partner.

82. The Inspector wishes to reiterate that given the lack of independent monitoring of the Global Compact participants' activities, it cannot be guaranteed that those participating companies are in compliance with those same principles upon which the Global Compact is based. The participation in the Global Compact initiative requires companies to report on progress regarding their implementation of the Compact principles; this might be an additional source of information for United Nations system organizations when choosing a partner. However, should this information be used, it would need to be supplemented by external sources and carefully considered, as it is not supported by independent monitoring and oversight.

83. During his missions, the Inspector could determine that there are considerable differences within the United Nations system regarding the capability, experience and resources available to evaluate the suitability and capacity of potential partners. Few system organizations have dedicated staff for this purpose, and in most cases, it is a part-time job. In the view of the

Inspector, most of the entities simply do not have the resources or the required know-how. However, there are exceptions with clear due diligence processes in place to screen potential partners' suitability. UNICEF, UNHCR, FAO, WHO and WFP could be considered best practice examples. Due to page limitations these processes are not described in the present note and only a glance of the basics of the partner selection process at WFP and WHO is provided in the following paragraphs for illustrative purposes.

84. WFP has its own rules and has created a robust research and screening process to gather information on potential partners. The WFP Private Donor Guidelines are complementary to the Guidelines for cooperation between the United Nations and the business community issued by the Secretary-General of the United Nations. The goals of the screening process are:

- To identify companies that could enhance WFP operations, brand and image
- To screen out donors and relationships that could endanger the WFP brand and reputation
- To report serious concerns to senior WFP management
- To produce comprehensive donor profiles

85. This research is carried out by the Due Diligence and Research unit at WFP headquarters, using external sources such as Hoover's<sup>35</sup> and Innovest<sup>36</sup>, an investment research and advisory firm specialized in analysing companies' performance on environmental, social, and strategic governance issues.

86. Decisions regarding partnerships are made by a senior management committee, the BISC, particularly when there are doubts or uncertainty about the appropriateness of given potential partners. The BISC is composed of eight permanent members and the concerned WFP Regional Representative.

87. Similarly, WHO uses its Corporate Information Tool, its own Guidelines on Interaction with Commercial Enterprises and the Committee on Private sector Collaboration as major elements to guide cooperation with the private sector.

### **C. Excessive bureaucracy**

88. The Inspector believes that the image of the United Nations system organizations should be preserved through, inter alia, a robust legal framework. In his view, a certain degree of bureaucracy might be unavoidable. He took note of OLA's position and agrees with its views; given its values and unmatched visibility, the United Nations system is a privileged and targeted partner for the private sector, which aims, inter alia, at obtaining advantages and benefits through partnering with the United Nations system. Therefore OLA strongly believes in the imperative need to protect the United Nations brand, safeguarding its independence, integrity, image and reputation.

89. Experience shows that those United Nations entities requiring a considerable amount of voluntary resources for their functioning are more responsive to business proposals for cooperation than those with higher levels of regular resources where cooperation with the

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<sup>35</sup> Hoover's Inc is a provider of business information. Its website, <http://www.hoovers.com>, features a database of information on more than 25 million corporations and organizations. Offering both free and for-pay content, the firm focuses on selling subscriptions to marketing, sales, and business development professionals.

<sup>36</sup> <http://www.innovestgroup.com>.

private sector is jeopardized and opportunities lost, due to very lengthy bureaucratic processes in place for the acceptance of voluntary cash and/or in-kind contributions.

90. The United Nations Secretariat is an example of excessive bureaucracy involving different departments, in particular: drafting of the partnership agreement by OLA, acceptance of the draft agreement by the parties; clearance by other offices such as the Budget Division, Procurement Service, Insurance Service and approval of the Office of the Controller. This process can take anywhere from three to six months, depending on the complexity of the arrangements. Additionally, there is no tax break for private companies making cash contributions directly to the United Nations Secretariat in Member States where the tax laws do not recognize the United Nations as a charitable organization.

91. The Inspector observed during his interviews that many officials feel discouraged regarding the cumbersome and excessively bureaucratic procedures required to establish partnerships. As an example, officials from the DPI expressed their disappointment and stated “DPI’s field offices face special problems, as the centralized approval process through Headquarters is especially cumbersome. The rules are difficult to navigate from a distance and the delays have discouraged most United Nations information centres from exploring possibilities for direct sponsorship”.

92. The excessive bureaucracy is also seen as a significant obstacle by corporate participants in the Global Compact. A survey on their experiences with the performance of the United Nations in partnerships shows that 66 per cent of participants in the survey believe that bureaucracy is either a “very important” or an “important” impediment for the United Nations to be an effective partner. “The toughest nut to crack is the legal side. The United Nations rules are complex and in many instances unnecessarily burdensome. I continue to be amazed by these processes. I sometimes wonder if the United Nations folks themselves understand their own rules.”<sup>37</sup>

93. The issue was already reflected in the Unit’s report “Private Sector Involvement and Cooperation with the United Nations system” where it was recommended that organizations should speed up internal processes and establish specific timeframes, within the framework of existing rules and regulations, to ensure that bureaucratic procedures and lengthy time of response do not discourage initiatives from the private sector.<sup>38</sup> The Inspector would like to reiterate this recommendation and in the context of the different results-based management approaches being introduced by several organizations, he believes it necessary to introduce new relevant indicators and targets, which might be used to quantify the issue and track any related progress.

94. The Inspector considers that this an important issue to be solved and that lost opportunities due to bureaucratic inefficiency should be minimized, thus, there is a need to find the appropriate balance between protecting the image of the United Nations through, inter alia, the application of a robust legal framework and preserving the flexibility necessary to encourage the implementation of successful partnerships.

#### **D. Cultural differences and regional diversity**

95. It is widely recognized that there is a considerable organizational culture gap between the United Nations system and the private sector. The survey of Global Compact participants’ perceptions mentioned above shows that the lack of understanding of corporate culture is also

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<sup>37</sup> *Business Unusual*, op. cit., p. 76.

<sup>38</sup> JIU/REP/99/6 recommendation 7.

seen as a significant hurdle for the United Nations to be an effective partner.<sup>39</sup> This is further confirmed by the responses of organizations to the questionnaires sent by the Unit for the preparation of this note, which show that different organisational cultures and the poor understanding of the business sector are considered as major hurdles for the successful implementation of partnerships. This is not a simple issue to be solved; organizational cultures do not change overnight, and furthermore it would be unrealistic to try to change the organizational culture in the context of partnerships. However, it would be necessary to overcome those obstacles preventing a fluid dialogue and the mutual understanding of the parties involved in partnership activities.

96. Partnerships for development being one of the priorities of the MDGs, the main challenges are related to strong management requirements and local ownership needs. Strategic partnerships are often launched by the central authority, while project partnerships are executed generally in a more decentralized manner. In this regard, regional diversity must be fostered and supported to avoid granting northern-based corporations an institutionalised undue advantage to the detriment of small and medium size enterprises located in the developing countries, and increasingly involved in numerous partnerships.

97. The Inspector was pleased to note that a considerable number of officials interviewed had previous work experience in the private sector, thus facilitating the development of partnerships. In this regard, the approach taken by the WFP Private Donor Relations Division could be considered a best practice within the system. WFP encourages and facilitates the access of concerned staff to specific external training programmes (i.e. business-related, sales, marketing, etc.) aimed at enhancing their understanding of business practices. In this context, the Inspector believes that organizations should explore ways to enhance the capabilities of the staff concerned. Facilitating relevant training is one option but different alternatives, such as temporary staff exchange programmes, should also be explored.

98. In the view of the Inspector, the needs of the various United Nations entities regarding the type of training required for the successful implementation of partnerships might differ slightly, however a modular training programme could be developed, taking into consideration basic common needs as well as those organizational specific requirements. There are training elements which address common needs, such as development of basic skills for dealing with the private sector, monitoring and evaluating the impact of partnerships, etc.. This initiative should take into consideration the work already done in this context by the UNSSC and the UNDP Learning Resource Center.

99. The implementation of the following recommendation is expected to strengthen the capabilities of staff dealing with the private sector and to enhance, within the United Nations system, the overall effectiveness of partnerships.

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<sup>39</sup> 63 per cent of participants in the survey believe that “lack of understanding of corporate culture” is either a “very important” or an “important” impediment for the United Nations to be an effective partner.

### Recommendation 3

**The executive heads of the United Nations system organizations should:**

- (a) **Develop, within the Chief Executives Board for Coordination, a basic partnership training programme to cover the common needs of staff dealing with the private sector in different system organizations; in this regard the work done by the United Nations Staff College and the UNDP Learning Resource Center could be taken into consideration;**
- (b) **Put in place within those system organizations which have not yet done so, relevant customized training programmes, specific for each organization and adapted to the needs and risks of staff dealing specifically with the private sector.**

### E. Monitoring, recognition and transparency

100. The Inspector, as well as most of the officials interviewed, considers that organizations should monitor and evaluate the impact of their partnerships, including those related to corporate sponsoring activities. In his view, evaluations should be independent and lessons learned should be shared through the information exchange mechanism proposed in recommendation 2 of this note.

101. As discussed in previous paragraphs, the need to show a good corporate image is one of the major drivers behind the cooperation of private sector firms with the United Nations system. Therefore, public recognition of their contribution is, in most cases, a very strong requirement in any partnership and it is of particular importance in sponsoring activities. Public recognition is also linked to transparency; both concepts should be mutually supportive, given that transparent public recognition has a twofold value. On one side, it rewards the partner's contribution and on the other it serves to explain and inform civil society at large on the cooperation established so as to avoid any potential misunderstanding.

102. The need to acknowledge and recognize partners' contributions is reflected in the pro bono guidelines<sup>40</sup> of the Secretariat, which provide that entities making a pro bono contribution should be accorded appropriate acknowledgement or recognition by the recipient for the contribution. However, the main issue of how to recognize such contributions is not reflected in the guidelines, which only address the restrictions in the use of the names and emblems of the United Nations.

103. Most partners require the association of their brand image with the "image" of the United Nations; however the use of the United Nations logo, including the programmes' logos, is very restricted and regulated by General Assembly resolution 92(1) of 7 December 1946<sup>41</sup>. According to established guidelines, "any acknowledgement or recognition of the donor's contribution, or any use of the names or emblems of the United Nations and separately administered organs and programmes ... shall be accorded in a manner that ensures that such

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<sup>40</sup> ST/SGB/2006/5.

<sup>41</sup> Resolution 92(1) is also applicable to Funds and Programmes, which carry the "United Nations" name, such as UNICEF, UNDP, UNEP, etc.

acknowledgement or recognition does not imply the endorsement by the United Nations ... of, or preference for or promotion of the donor or its activities, goods or services.”<sup>42</sup>

104. Officials interviewed in different locations and from different programmes confirmed the pertinence of this issue, indicating that several partners were ready to fund projects in exchange for publicity, but that the stringent rules governing the use of logos prevented them from entering into partnership agreements. In their view, guidelines on the use of United Nations funds and programmes logos should be reconsidered and information on how to use them, including templates and enhanced delegation of authority instruments, should be appropriately distributed in order to avoid bureaucracy and unnecessary consultations with OLA.

105. An alternative to the use of the United Nations emblem is the use of a modified emblem (i.e. the United Nations emblem is modified by adding the words "United Nations" or "UN" above the emblem, and the words "We Believe", "We Support" or "Our Hope for Mankind" below the emblem). The modified emblem is used by NGOs having consultative status with ECOSOC or affiliation with DPI. NGOs not having consultative status with ECOSOC or affiliation with DPI might also be authorized to use a modified emblem, upon their request and on a case-by-case basis.

106. The Inspector could also verify that in order to overcome legal restrictions related to the use of official logos, some programmes have developed a new modified logo, which allows them to enter into commercial partnerships in a more flexible manner. In fact, some of these logos are used sometimes to endorse commercial products. In the view of the Inspector, the image association between a commercial brand and a United Nations entity occurs when both logos are together or when a United Nations emblem, modified or not, is stamped on a product. Ordinary people might not be able to distinguish between a regular logo and one slightly modified; therefore the use of modified logos is just a manner to bypass current strict rules.

107. The issue of logos and names has a considerable impact on the process of clearance of partnership agreements by legal offices. Previous paragraphs referred to excessive bureaucracy and lengthy processes and during interviews many officers mentioned the need to speed up partnership proceedings. The Inspector is of the view that the use of logos and names, whether modified or not, should be cautiously addressed in the context of the much-needed streamlining of bureaucratic processes.

108. In this regard, the Inspector fully supports the basic proposal, initially included in the Unit's report "Private Sector Involvement and Cooperation with the United Nations system" and further developed in subsequent papers but not yet implemented, "to explore methods for simplifying legal requirements for partnerships and streamlining them across agencies in order to speed-up the partnership creation process"<sup>43</sup>. This could be done through the establishment of an inter-agency multi-stakeholder task force, which should include representation from the United Nations legal department.

109. The Inspector recommends that the proposed task force include a wide representation of different stakeholders, including representatives of the private sector; he encourages the participation of UNICEF, UNDP, FAO, WHO and WFP as major and experienced actors involved in partnerships and cooperation with the private sector.

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<sup>42</sup> ST/SGB/2006/5; para. 22.

<sup>43</sup> *Business Unusual*, op. cit., p. 83.

110. The implementation of the following recommendation is expected to enhance the efficiency of participating organizations facilitating their dealings with the private sector.

**Recommendation 4**

**The Chief Executives Board for Coordination should establish a multi-agency and multidisciplinary task force to:**

- **Revise current guidelines for cooperation with the private sector**
- **Harmonize the application of guidelines across the system, with special emphasis on partners' selection criteria.**
- **Simplify legal requirements for partnerships, including the use of modified logos, and to streamline them across agencies in accordance with the United Nations core values and principles.**



## Annex I

### The principles of the Global Compact

At the World Economic Forum in Davos, Switzerland, on 31 January 1999, the Secretary-General challenged world business leaders to embrace and enact a set of nine universal principles within their sphere of influence in the areas of human rights, labour standards and the environment, at a later stage a tenth principle (anti-corruption) was added.

- Principle 1.* Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2.* Businesses should make sure that they are not complicit in human rights abuses;
- Principle 3.* Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4.* Businesses should support the elimination of all forms of forced and compulsory labour;
- Principle 5.* Businesses should support the effective abolition of child labour;
- Principle 6.* Businesses should support the elimination of discrimination in respect of employment and occupation.
- Principle 7.* Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8.* Businesses should undertake initiatives to promote greater environmental responsibility;
- Principle 9.* Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10.* Businesses should work against corruption in all its forms, including extortion and bribery.

## **Annex II**

### **Guidelines for cooperation between the United Nations and the business community**

Issued by the  
Secretary-General of the United Nations  
17 July 2000

#### **I. BACKGROUND**

1. The business community has played an active role in the United Nations since its inception in 1945. A number of UN organizations have a successful history of co-operating with business. Recent political and economic changes have fostered and intensified the search for collaborative arrangements.
2. The efforts of the Secretary-General to renew and reform the United Nations provide the overall rationale for closer cooperation and partnership between the United Nations and non-state actors, including the business community. A broad policy framework for cooperation with the business community has been established, including through joint-statements.
3. The relationship with the business community has become more important as the role of business in generating employment and wealth through trade, investment and finance has grown and as UN member states have increasingly stressed the importance of private investment in development.
4. The business community is increasingly appreciative of the role of the United Nations: Promoting peace and security, providing norms and standards in such diverse areas as trade laws, shipping, aviation, telecommunication, postal services and statistics; addressing issues of vulnerability, poverty, environmental degradation and social conflict. All of this is seen as helping provide a stable and favourable framework for business and development.

## II. PURPOSE AND RATIONALE

5. Efforts to work with the business community must be seen in the proper institutional context. The United Nations is a global institution accountable to its member states. Non-state actors play an important role in the pursuit of UN goals. Drawing on the expertise and capacities of the business community is increasingly necessary to achieve these goals.
6. The purpose of these guidelines is to facilitate the formulation and implementation of co-operation between the United Nations and the business community in a manner that ensures the integrity and independence of the Organization.
7. These guidelines define "business" as for-profit enterprises.
8. These guidelines are intended to serve as a common framework for all organizations of the UN proper. It may also serve as a framework for the other Organizations of the UN system.
9. UN organizations are encouraged to develop more specific guidelines in accordance with their particular mandates and activities.
10. Cooperation with business can take many forms, such as advocacy, fund-raising, policy dialogue, humanitarian assistance and development cooperation. Guidelines for co-operation are particularly relevant in cases where new forms of partnership are being pursued that do not directly involve active government participation.
11. Cooperation is often situation-specific and must be considered on a case-by-case basis. It is essential that each UN organization develop in-house capacities and clear lines of responsibility to devise, implement and evaluate cooperative arrangements with business.

## III. CHOOSING A PARTNER

12. The Global Compact, launched by the Secretary-General in 1999, provides an overall value framework for co-operation with the business community. The principles of the compact are based on intergovernmental agreements and at the same time are relevant for business. UN organizations should use them as a point of reference when choosing a business partner.
  - a) Business partners should demonstrate responsible citizenship by supporting UN causes and core values as reflected in the Charter and other relevant conventions and treaties.
  - b) Within their sphere of influence, private enterprises should have demonstrated a commitment to meeting or exceeding the principles of the Compact by translating them into operational corporate practice.
  - c) Business entities that are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour, are involved in the sale or manufacture of anti-personnel mines or their components, or that otherwise do not meet relevant obligations or responsibilities by the United Nations, are not eligible for partnership.
13. UN organizations are encouraged to develop additional criteria appropriate to their specific mission and advocacy role.

#### IV. GENERAL PRINCIPLES

14. Irrespective of the situation-specific nature of cooperative arrangements, they should be guided by the following general principles:

a) Advance UN goals: The objective needs to be articulated clearly and must advance UN goals as laid out in the Charter.

b) Clear delineation of responsibilities and roles: The arrangement must be based on a clear understanding of respective roles and expectations, with accountability and a clear division of responsibilities.

c) Maintain integrity and independence: Arrangements should not diminish the UN's integrity, independence and impartiality.

d) No unfair advantage: Every member of the business community should have the opportunity to propose cooperative arrangements, within the parameters of these guidelines. Cooperation should not imply endorsement or preference of a particular business entity or its products or services.

e) Transparency: Cooperation with the business community sector must be transparent. Information on the nature and scope of cooperative arrangements should be available within the Organization and to the public at large. UN organizations should post relevant information on the UN/Business website: [www.un.org/partners/business](http://www.un.org/partners/business).

#### V. USE OF THE UN NAME AND EMBLEM

15. Pursuant to General Assembly Resolution 92 (I) of 7 December 1946, the use of the UN name and emblem is limited to official purposes. The Organization has consistently interpreted this resolution to apply also to the use of the name and emblem of the UN Funds and Programs whose names include the "United Nations" or its acronym.

16. Recognizing the evolving new relationship with the business community, the following sets out general principles on the use of the name and emblem of the UN and its Funds and Programmes ("Name and Emblem") by the business community in the context of partnership with the private sector.

a) In principle, and subject to the appropriate terms and conditions, a business entity may be authorized to use the name and emblem on a non-exclusive basis.

b) The use of the name and emblem must be expressly approved in advance in writing and upon such terms and conditions as may be specified.

c) The use of the name and emblem by a business entity may be authorized, even if it involves the making of profit, so long as the principal purpose of such use is to show support for the purposes and activities of the UN, including the raising of funds for the Organization, and the generation of profit by the business entity is only incidental.

d) The use of the name and emblem may be authorized for the following purposes:

- (i) To support the purposes, policies and activities of the organization;
- (ii) To assist in the raising of funds for the Organization;
- (iii) To assist in the raising of funds for entities that are not part of the Organization, but which are established to achieve the purposes and policies of the Organization.

e) When authorized, the use of the name and/or emblem shall be in accordance with the written specifications provided by the organization concerned.

f) With appropriate written approval, and subject to appropriate conditions on the time, manner and scope of such use, the use of a modified UN emblem may be exclusively authorized to a limited number of business entities in connection with the promotion of a special event or initiative, including fund-raising for such event or initiative

17. Currently, OLA grants authorization for the use of the name and emblem of the United Nations.

## **VI. MODALITIES**

18. Modalities for entering into partnerships with the business community, which are distinct from procurement activities, require flexibility in order to reflect the particular purposes and objectives of the partnerships.

a) Direct contribution by the business partner: The modality for direct contribution for specific purposes would be made under a trust fund or special account agreement with the partner. The agreement would be subject to the applicable Financial Regulations and Rules, i.e., the purposes of the contribution would have to be consistent with the policies, aims and activities of the UN and that generally, the contribution would not entail any financial liabilities to the UN.

b) Indirect contribution by the business partner through the establishment of a charitable organization or foundation: Under this modality, a relationship agreement would be established between the UN and the charitable organization or foundation, laying out the terms of the relationship, including the issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the UN.

c) Partnership in technical assistance projects: This modality would involve either two direct bilateral agreements with the business partner and with the government of the country in which the assistance would be carried out, or a tripartite agreement among the business partner, the UN and the government.

d) Partnership in promoting the purposes and activities of the UN: This modality, whereby the business partner provides a forum to disseminate information about the UN, would involve direct agreements with the business partner, setting out the terms and conditions of the arrangement, including the UN's control of the information to be disseminated, the issues related to the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the UN.

e) Partnership in cooperative projects: This modality, whereby the UN and a business partner jointly develop a product or service, consistent with and in furtherance of the aims, policies and activities of the UN, would involve agreements with the business partner, setting out the terms and conditions of the arrangement, including the contributions each party could make to the development of the product service, the use of the name and emblem, liability, settlement of disputes and the privileges and immunities of the UN.

## VII. INSTITUTIONAL CAPACITIES

19. Cooperative arrangements with the business community have often evolved on an ad hoc basis. UN organizations should further develop the policy frameworks and institutional capacities needed to manage successfully such arrangements.

a) Building institutional competencies: UN organizations that engage business in their work should develop the necessary competencies to properly assess and guide the relationship. Within each organization, a focal point should be nominated to ensure transparency, learning and a better understanding of the role and objectives of business and to ascertain whether they are compatible with the goals of the UN.

b) Responsibilities of focal points: Focal points will be responsible for developing guidance on contacts with the business community based on rules, regulations and administrative issuances of the UN to ensure transparency in the establishment and maintenance of contacts with the business community. The focal points should post relevant information on the [UN/business website](#).

c) Exchange experience: Focal points should exchange learning experiences on a regular basis and aim at building shared data banks and problem-solving methodologies and guides.

## VIII. FUTURE REVIEWS

20. Cooperation with the business community is influenced by changes in the political and economic environment. To remain valid, these guidelines should be critically reviewed regularly and updated in due course.

## Annex III

## Overview of action to be taken by participating organizations on JIU recommendations

		Intended impact	United Nations, its funds and programmes											Specialized agencies and IAEA														
			United Nations*	UNCTAD	UNODC	UNEP	UN-HABITAT	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	OTHER: CEB	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WPO	UNIDO	UNWTO	IAEA	
Note	For action		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	For information & review		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendation 1</b>		<b>a</b>	E	E	E	E	E	E	E	E	E	E	E		E	E	E	E	E	E	E	E	E	E	E	E	E	
<b>Recommendation 2</b>		<b>b</b>												E														
<b>Recommendation 3</b>		<b>e</b>	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
<b>Recommendation 4</b>		<b>g</b>												E														

**Legend:** L: Recommendation for decision by legislative organ  
E: Recommendation for action by executive head  
: Recommendation does not require action by this organization

**Intended impact:** a: enhanced accountability b: dissemination of best practices c: enhanced coordination and cooperation d: enhanced controls and compliance  
e: enhanced effectiveness f: significant financial savings g: enhanced efficiency o: other

\* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR, UNRWA.