



## NINTH ITEM ON THE AGENDA

**Other financial and general questions****Reports of the Joint Inspection Unit**

1. In accordance with the established procedures, the system-wide reports of the Joint Inspection Unit of the United Nations (JIU) are submitted to the Governing Body when the comments of the Administrative Committee on Coordination (ACC) on the reports are available. The Office has contributed to the preparation of the following JIU reports:

- (a) “United Nations System Common Services in Geneva: Part I: Overview of Administrative Cooperation and Coordination” (JIU/REP/98/4);
- (b) “United Nations Office for Project Services (UNOPS): Broader Engagement with United Nations System Organizations” (JIU/REP/98/5);
- (c) “Review of the Administrative Committee on Coordination and its Machinery” (JIU/REP/99/1);
- (d) “Private Sector Involvement and Cooperation with the United Nations System” (JIU/REP/99/6).

(a) **“United Nations System Common Services at Geneva: Part I: Overview of Administrative Cooperation and Coordination” (JIU/REP/98/4 and A/54/635)**

2. The purpose of this report on common services of the United Nations system in Geneva was to provide a coherent framework for the creation and strengthening of a unified, comprehensive and centralized common services entity among the United Nations organizations located in Geneva in order to enable them to rationalize their overhead structures and costs and to concentrate diminishing resources on their constitutional mandates.

3. In general, the ACC finds the thrust of this report in line with the Secretary-General’s strategy to expand and strengthen common services, as well as with the vision of the Director-General of the United Nations Office in Geneva and his efforts, undertaken since 1993, to consolidate that Office. It is noted, on the other hand, that, in his reform

proposals, the Secretary-General emphasized the decentralization of functions, together with a corresponding delegation of authority to programme managers in such areas as procurement, human resources management and results-based budgeting. Other Geneva-based organizations have taken similar initiatives. Centralizing such functions under a single administrative entity in Geneva would be contrary to such an emphasis. Thus, the question remains as to how an approach relying on an expansion of common services, which would further their centralization in order to obtain presumed economies of scale, can be reconciled with the policy of further decentralization in the context of management reforms. The issue becomes even more complicated when common procurement, personnel and budgetary services covering all organizations and specialized agencies in Geneva are considered, since those entities have, inter alia, different mandates, funding sources and modalities, varying budgetary and financial rules, and divergent personnel policies and procedures. It is not obvious that any economies of scale can be achieved through unifying a multitude of non-uniform processes.

4. Members of the Administrative Committee on Coordination share the view that it is not necessarily always true that pooling administrative services is inherently more cost-effective than providing them separately for each organization. Organizations caution against potential diseconomies of scale in the form of higher complexity, possibly conflicting priorities of client organizations, and differing quality and technical standards, all of which are likely to compromise the operational objectives of some common service ventures.
5. In considering the issue of common services, it is important not to lose sight of the distinction between routine and recurrent support services (such as mail and pouch, payroll, telecommunication and computers, and language and management training) and those that repeatedly require decisions to be made (such as personnel, management and budgeting). Experience shows that the former yield much more easily to a pooling approach, while programme managers are reluctant to relinquish control over the latter areas, which more directly affect the substance and success of the programmes for which they are accountable. Therefore, it is not only the quality of services but also the issue of sharing in the decision-making process that needs to be tackled in designing the optimal set-up for common services.
6. The three recommendations of the report are as follows:
  1. New framework for common services of the United Nations system in Geneva: in order to give full effect at the Geneva duty station to common service provisions in the relationship agreements between the United Nations and the specialized agencies, the General Assembly and the competent organs of the specialized agencies located in Geneva may wish to endorse the new framework proposed in the report of the Joint Inspection Unit on common services in Geneva, and require the secretariats concerned to report biennially on its implementation in the context of their draft programme budget submission.
  2. Revitalization of common services at the United Nations Office in Geneva: in pursuance of recommendation 1 above, the Secretary-General should consider refining and implementing, as appropriate, the revitalization measures recommended for common services at the United Nations Office in Geneva, including the establishment of a common services committee chaired by the Director-General of the Office, as well as the possible appointment, at the appropriate time, of a high-level official to foster broad common services objectives and arrangements at the Geneva duty station.
  3. Intergovernmental oversight of common services in Geneva: The General Assembly may wish to consider the most effective arrangements for strengthening regular and coherent oversight of Geneva common services,

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including a more active role by the Geneva Diplomatic Committee, as well as the convening of more periodic meetings of the Advisory Committee on Administrative and Budgetary Questions in Geneva focused specifically on issues of administrative and budgetary coordination amongst the Geneva-based secretariats and entities.

7. The Secretary-General accepts the above three recommendations, and agrees that strong ownership by all participating organizations is essential and that there should be a clear and unambiguous agreement between the service provider and the clients on a broad range of pivotal issues, such as the scope of services, quality and timeliness, compensation formulae and decision-making mechanisms. The Secretary-General will initiate action to establish the management ownership committee in Geneva under the chairmanship of the Director-General of the United Nations Office in Geneva, with the periodic participation of the Executive Coordinator for Common Services. The Secretary-General does not support the idea of establishing a high-level post in Geneva for the coordination of common services, since adding another senior executive level to the present structure would not be cost-effective.
8. The Administrative Committee on Coordination also agrees that strong ownership by all participating organizations is essential. The ability of the United Nations Office in Geneva to provide a strong, effective and reliable lead in the integration of common services is crucial to ensuring that organizations do not choose individual arrangements to guarantee efficient support services for their own programme implementation. It is understood that any attempt to merge some of the common services should be undertaken with full transparency and with due regard for the mandates, roles and tasks of the individual organizations.
9. Organizations point to the need to avoid proliferation of often conflicting internal and external governance and oversight arrangements. For example, there is often a conflict between demands for increased accountability and leaner administration, and between a policy of decentralization and a desire for savings from increased use of common services. Too much centralization can lead to cumbersome decision-making and management structures, which are not sufficiently responsive to changes in the environment. The smaller technical agencies, in particular, have expressed concerns about new oversight layers that might well produce inefficiencies, excessive administrative burdens, increased overhead costs and reduce performance.
10. The Director-General agrees with the ACC comments. He also agrees with the ACC that the integration of services should be supported by separate financial procedures, full transparency and a clear and balanced separation of roles. Common services should reduce the cost to the participating organizations if they are not organized as monopolies and are competitive with external service providers in terms of cost, quality and efficiency.
11. At the ninety-first session of the Consultative Committee on Administrative Questions (Financial and Budgetary Questions), held in Montreal, the Director of Administration of the United Nations Office in Geneva briefed participants on the status of common services in Geneva. A subsidiary committee to the planned Management Ownership Committee mentioned above, and made up of heads of administration, would be expected to meet about three times a year to monitor progress and give more detailed direction to working groups of specialists to study specific areas that may benefit from common services and to make appropriate recommendations. The report by the United Nations on measures taken to enhance common services in Geneva is due to be submitted to the session of the General Assembly starting in September 2001.

**(b) “United Nations Office for Project Services (UNOPS): Broader Engagement with United Nations System Organizations” (JIU/REP/98/5 and A/53/788/Add.1)**

12. The report prepared by the Joint Inspection Unit seeks to promote more effective cooperation and partnerships between the United Nations Office for Project Services (UNOPS) and the United Nations system organizations and to provide high-quality, timely and cost-effective development services for the successful implementation of projects for the benefit of programme countries.
13. While fully concurring with the general thesis advanced in the report that strengthened partnerships between UNOPS and the United Nations entities and specialized agencies engaged in technical cooperation can serve to enhance the overall support provided by the United Nations system to countries requiring development and other services from the system, the Administrative Committee on Coordination stresses that such partnerships, to have the desired effect, should proceed from a clear conception of respective mandates and of comparative strengths. Since the report focuses on UNOPS and its relationship with the other organizations of the system, it is naturally more explicit in relation to the contribution of the former than with regard to the role of the latter. The members of the Administrative Committee on Coordination wish to emphasize in this connection the dual role of the specialized agencies as centres of excellence and as implementing agencies in their respective areas of competence. Both aspects of this role should be brought to bear in the evolving partnerships with UNOPS. It is inherent to a “partnership” approach that each party should proceed with full respect for the mandate and competence of the other while drawing on each other’s strengths. This approach should guide decisions on the designation of executing agencies and the acceptance of responsibility for the management of projects, as well as guide modalities of collaboration at different phases of project execution. This approach is, of course, without prejudice to the prerogative of member States, inherent in the concept of “service” on which the UNOPS mandate is based to freely select, from among the different options available to them, a service provider from which they consider they can obtain performance and value that meets their expectations.
14. The Office’s contribution to the ACC’s comments is reflected in the final document. The report deals with a timely issue and the Director-General hopes that it will contribute to improved cooperation between UNOPS and the specialized agencies.
15. The report groups its recommendations into four categories.

**A. *Recommendations addressed to the United Nations Office for Project Services***

16. These do not apply to the ILO.

**B. *Recommendations addressed to United Nations organizations and agencies***

17. The most pertinent recommendation applicable to the ILO is as follows:
- 2. The Secretary-General, as Chairman of the Administrative Committee on Coordination, drawing on the suggestions in chapter III and, in particular, paragraphs 109 to 116 [of A/53/788], should issue a report to the fifty-fifth session of the United Nations General Assembly on specific measures for enhancing cooperation between the United Nations system organizations and

UNOPS, reflecting a more effective division of labour by making better use of the United Nations system organizations, including their substantive and technical expertise, and UNOPS as a provider of project services.

18. The Secretary-General will make the necessary arrangements for the preparation of a report along the lines suggested above for submission to the fifty-fifth session of the General Assembly if so requested by the Assembly following its consideration of the report of the Joint Inspection Unit and the present report.

**C. Recommendations addressed to the Executive Board**

**D. Recommendations on impact and reform**

19. These do not apply to the ILO.

**(c) “Review of the Administrative Committee on Coordination and its Machinery” (JIU/REP/99/1 and A/54/288/Add.1)**

20. The stated objective of the report by the Joint Inspection Unit is to contribute to ongoing initiatives geared at enhancing the effectiveness and impact of the Administrative Committee on Coordination and its machinery and at reinforcing ACC’s interaction with intergovernmental bodies in general and with those having a mandate for system-wide coordination in particular. The report presents a brief historical background on the evolution of the ACC since its creation and highlights the unique role of ACC as the only forum bringing together the executive heads of all organizations in the United Nations system in order to further inter-secretariat cooperation and coordination. It outlines the reviews and reforms undertaken by ACC over the years and the lessons learned in the process. It goes on to assess the reforms ACC carried out in 1993, highlighting the guiding principles and new working methods for the functioning of ACC that emerged from that exercise. It notes that these led to the approval by the executive heads in 1998 of a new “operational plan” for ACC, which details requirements for a further qualitative strengthening of the effectiveness and impact of ACC. The current functioning of ACC and of its subsidiary machinery is then reviewed, as are issues regarding secretariat support to the Committee and issues pertaining to its management of information. The report ends with a review of the interaction between ACC and intergovernmental bodies.
21. ACC members welcome the objectives of the report and its timeliness, in the context of the reforms under way within the United Nations system as well as the ongoing efforts within ACC itself for transformation and change, to enable ACC to meet effectively the new challenges ahead.
22. The report draws a number of conclusions and recommendations which highlight the need to continue the efforts under way to further mutually reinforcing interactions between ACC and the intergovernmental bodies, particularly the Economic and Social Council; strengthen a sense of “ownership” of ACC processes within the system; enhance the relevance and impact of the work of ACC; further streamline the working methods of its subsidiary machinery; facilitate exchanges of information between its members; and make information on the work of ACC available more systematically to the general public.
23. Over the last two years the ACC has already made substantial progress in putting into effect measures addressing these needs. The evolution of the ACC and its machinery in the

direction reflected in the conclusions of the JIU report is a continuous process and further measures need to be implemented to accelerate progress.

24. Recommendations are divided into three groups: measures related to the ACC and its functioning; measures to enhance the ACC's management of information; and interaction between the ACC and intergovernmental bodies.

## **A. Measures related to the ACC and its functioning**

### **A.1. Recommendations related to the ACC**

- A.1.1. Executive heads are encouraged to continue to abide by the guiding principles which have set conditions for improving the effectiveness and impact of ACC by reinforcing their unity of purpose. Within the framework of these guiding principles and in order to further enhance the coherence of United Nations system-wide plans and activities, executive heads should reinforce the leadership role of the Secretary-General as Chairman of the ACC, and the lead role of other executive heads and their respective organizations as lead agencies in their specific mandates and competencies.
25. The ACC fully agrees with the thrust of this recommendation and its underlying objective of strengthening "ownership" of ACC processes among the organizations of the system. In the context of its ongoing reform and revitalization, ACC has set in place concrete steps to strengthen unity of purpose and coherence of actions among its members. These steps include a renewed commitment to inter-agency consultations and cooperation in launching new initiatives; a participatory process of consultations and exchange of information among its members for, inter alia, preparing the ACC agendas and discussions; and the increased use of lead agency/task force arrangements.
- A.1.2. ACC should continue to demonstrate the relevance and impact of its work by –
    - (a) addressing issues which lend themselves to system-wide scrutiny;
    - (b) developing policy-oriented and forward-looking agendas which contribute to strengthen the system's capacity for forward planning and strategic thinking and its ability to respond rapidly and adequately to major international developments;
    - (c) ensuring that, where appropriate, the outcomes of its meetings and those of its subsidiary bodies are more action-oriented and underline activities for which secretariats themselves are accountable for implementation, and other issues requiring guidance or action from governing bodies.
26. The Secretary-General and organizations of the United Nations system share the view of JIU that ACC offers a unique forum for advancing inter-secretariat cooperation and coordination in the United Nations system.
27. The process of agenda setting for the ACC involves extensive inter-agency consultations to further a longer-term system-wide perspective on interrelated issues facing the international community. The aim of the process is to ensure that necessary discussions and decisions build on each other and that there is consistent monitoring of their follow-up. Taking a longer-term view does not preclude launching specific initiatives and reaching action-oriented conclusions. On the contrary, ACC members are determined to ensure that the outcome of each of the ACC sessions responds to current concerns and has an impact on the work of their respective organizations, including their intergovernmental bodies, as well as exerting genuine and measurable influence on public debate.

- A.1.3. Executive heads should pursue more actively their consideration of a new name for ACC which would better reflect the changes in its scope and functions, and submit in due course a proposal to the Economic and Social Council in that respect.

**28.** On various occasions, ACC has considered the advisability of a new name for itself that would reflect the changes that have taken place over the years in its functioning, in particular in regard to the range of issues that it addresses. When this issue was again raised in 1998 in the Committee, some organizations supported a change in the name of the Committee that would better convey its role.

**29.** While the effective and continuous progress and consolidation of the substantive change taking place in ACC's work is the most important, the Director-General believes a new name for ACC would project a better image of its work.

## A.2. Recommendations related to the ACC machinery

- A.2.1. Implementation of the new working methods approved by ACC should entail that:

- (a) Interaction among the four standing committees should be continuous and wide-ranging so that their various outputs can be used optimally by ACC;
- (b) OC should continue to take a comprehensive look at all issues before ACC meetings in order to gain an overall perspective, while avoiding infringement on the authority delegated to the standing committees. In that respect, OC should not debate substantive matters falling within the competence of standing committees reporting directly to the ACC;
- (c) The empowerment of OC, CCPOQ and the Consultative Committee on Administrative Questions (CCAQ) through delegation of authority should result in their names being reviewed to put less emphasis on their organizational or consultative functions.

**30.** Consultations among the subsidiary bodies of ACC to address issues of common concern that cut across their respective mandates have become increasingly close and frequent over the past few years. Giving renewed attention to interactions between the ACC subsidiary bodies has been one of the principal features of the ongoing reform of ACC. Chairpersons of the subsidiary bodies consult regularly and contribute to each other's work. The main task of OC is to facilitate the work of ACC, and to assist it in prioritizing its agenda and identifying and defining strategic and/or policy questions requiring attention at the level of executive heads. In so doing, it is understood that OC should not duplicate substantive discussions held by ACC standing committees. It should not, however, work in isolation from them either. ACC has taken note of the JIU recommendation to change the names of OC, CCPOQ and CCAQ to better reflect their functions and delegation of authority, and will keep the matter under consideration.

- A.2.2. Streamlining and flexibility of coordination mechanisms should remain the targets of periodic reviews of the structure of ACC machinery. ACC should therefore request OC and the standing committees to:

- (a) Propose ways and means for avoiding the duplication of staff training mechanisms by using the United Nations Staff College as a system-wide institution, with the involvement of participating organizations in setting its work programme through the appropriate ACC subsidiary bodies;

- (b) Pursue the review of ACC/Subcommittee on Nutrition in order to ensure that all organizations concerned with its activities are in a position to lend their full support to its programmes and related funding arrangements;
- (c) Examine the need to have the Inter-Agency Standing Committee (IASC) become part of the ACC machinery, as the linkages between peace-building, humanitarian assistance and development become increasingly apparent.

**31.** Streamlining and enhancing flexibility are a central part of ACC guidelines for the functioning of its machinery. ACC appreciates the JIU recommendation to pursue this effort in the context of periodic reviews of the structure and functioning of ACC. ACC shares the JIU's views concerning the need to avoid duplication of staff training mechanisms, and to pursue the review of the Subcommittee on Nutrition. Regarding the JIU recommendation to examine the need to have IASC become part of the ACC machinery, ACC is aware of the linkages between peace-building, humanitarian assistance and development, but recalls that the responsibilities and membership of the ACC machinery and those of IASC are quite different in nature and scope. Steps will be taken to ensure that appropriate information on the work of IASC is made more systematically available to ACC so that any arrangements that need to be made committing the system as a whole can be pursued in the relevant ACC body.

- A.2.3. Secretariat support for ACC should be of concern to all its members. To enhance the contribution made by the Office for Inter-Agency Affairs, lead organizations and task managers should be encouraged by OC to become part of a wider "virtual secretariat" called upon more frequently to prepare background papers and draft reports.

**32.** Members of ACC consider effective and dedicated secretariat support essential to the work of ACC. Thus, they have welcomed the establishment of the Office for Inter-Agency Affairs to provide both substantive and technical secretariat support to ACC on a full-time basis. This support has been demonstrated in the secondment of staff to the Office from various organizations of the United Nations system. The use of lead agency arrangements to deal with needs-driven, time-bound tasks that cut across the mandates of different organizations is becoming increasingly prevalent within the system. The JIU recommendation that OC encourage lead organizations and task managers to become part of a wider virtual secretariat for ACC is, increasingly, an integral part of ACC's modus operandi. Lead agencies actively contribute to the preparation of background papers and draft reports for the consideration of ACC and its subsidiary machinery.

## **B. *Measures to enhance the ACC's management of information***

- B.1. The Secretary-General, as Chairman of the ACC, should submit to the Economic and Social Council, as part of the annual overview report of ACC for 1999, indications on efforts made by executive heads towards a system-wide coordinated management of information outlining, inter alia, the status of the implementation of recommendations made by the Information Systems Coordination Committee (ISCC) and the scope, content, estimated financial implications and expected benefits of the proposed ACC information network.

**33.** The establishment of an ACC information network, including an ACC website and links to the websites of ACC member organizations, is an important part of ACC's strategy to enhance the exchange of information among its member organizations, facilitate continuous inter-agency consultations on issues of common concern and improve access to information on the work of ACC. The new ACC website ([acc.unsystem.org](http://acc.unsystem.org)) builds on



relevant ongoing work by its subsidiary bodies and individual organizations, and draws on existing capabilities in the system. ACC has directed that a renewed effort be made to systematically exchange information at the executive level on new policy directions, as well as on strategic plans and new programme priorities being adopted by the various organizations. This is the core objective of the Executive Information Network, which is to become part of the overall ACC information network.

- B.2. ACC should promote further efforts by all organizations to:
  - (a) indicate on their websites, under pertinent thematic activities, their contribution to the improvement of system-wide coordination either through ACC or other cooperative arrangements. Similarly, websites on ACC and its subsidiary bodies, to be monitored under the aegis of OC, should focus on major activities being carried out and the results achieved;
  - (b) apply to information made available online existing language policies for document distribution, unless otherwise directed by their governing bodies after consideration of related financial implications.

34. Members of the ACC recognize the importance of establishing hyperlinks to interconnect their websites, particularly on thematic issues that are of system-wide importance and of common interest. Many organizations are in fact already doing so in the context of their individual information systems development, while implementing coordinated system-wide approaches. While the intent of the JIU recommendation on the application of language policies for document distribution to information made available on-line is generally supported, this is a matter for each member organization to decide. The decision on the number of official languages to use for information made available on-line is heavily influenced by the availability of resources.

### **C. *Interaction between the ACC and intergovernmental bodies***

- C.1. The General Assembly may wish to call upon member States to complement secretariats' inter-agency coordination efforts by better concerting and coordinating their own positions in the governing bodies of different organizations within the system, and by exercising a more effective policy coordination at the national level within their governments.

35. ACC members appreciate the intent of this recommendation, which is addressed to the General Assembly and member States. The recommendation underlines the important point that coordination is greatly facilitated when government representatives take convergent positions on related issues in different fora. ACC members have, on numerous occasions, noted that the system's policy coherence would be significantly enhanced through more effective policy coordination at the national level within the governments concerned. However, this is an area for action by the governments of member States themselves.

- C.2. Legislative bodies which have not done so yet may wish to request the executive head to submit, under a specific agenda item on system-wide coordination, a periodic report focusing on decisions and recommendations by central coordinating bodies or by other governing bodies, which have implications for the organization's programme and budget, and measures taken or envisaged to ensure appropriate coordination of the system as a whole.

36. Keeping governing bodies aware of the wide range of initiatives being pursued within the United Nations system is a challenge faced by all organizations. Resolutions adopted by central coordinating bodies or other intergovernmental bodies may result in requests for

activities that were not programmed or budgeted by the governing bodies of the organizations concerned. Rather than dealing with the resulting financial implications on an *ex post facto* basis, as suggested, some organizations have long advocated that they be addressed prior to the adoption of the relevant resolutions. Providing organizations the opportunity to indicate whether they could absorb the costs of the activities being requested within current and/or successive programmes of work and budget, or whether such activities could only be carried out if additional financing was provided, would avoid the risk of diversion of resources or staff time from the programme of work and budget approved by its governing bodies, while contributing to more consistent and coherent governance by member States. The growing number of reporting requests also adds to the costs of coordination, and ways to streamline such requests need to be given renewed attention.

- C.3. Legislative bodies may wish to request from executive heads a more complete and transparent submission of financial implications related to the inter-agency coordination process, along with cost-saving or efficiency measures taken.

**37.** The ACC fully shares the intention of enhancing efficiency and transparency underlying this recommendation. It should be noted, at the same time, that coordination, if properly approached, should be pursued not as a separate function but rather as an integral part of the overall management of relevant programmes and the provision of substantive support to intergovernmental processes. As such, isolating coordination costs is often rather difficult and may prove misleading. ACC members fully support the objective of obtaining cost-saving and maximizing efficiency in inter-agency coordination. Many measures in this regard have been and continue to be taken. In particular, the length and frequency of meetings of ACC subsidiary bodies have been reduced substantially over the years, as have inter-agency communication costs.

- C.4. The General Assembly may wish to reaffirm, as a matter of principle, its role in approving, on behalf of the system, the total budgets of all jointly financed secretariats, which should be submitted through the Advisory Committee on Administrative and Budgetary Questions (ACABQ) along with either the related cost-sharing formulas or expected contributions from participating organizations.

**38.** The Secretary-General supports the thrust of this recommendation, aimed at strengthening the legislative basis of the budgetary process with respect to jointly financed activities. The reference to the “total budgets of all jointly financed secretariats” requires clarification, however. The recommendation, as drafted, implies extension to the Subcommittee on Nutrition of the financial arrangements which are currently in force with regard to the budgets of CCAQ, CCPOQ, ISCC and inter-organizational security measures. The Subcommittee on Nutrition, unlike others, is financed through voluntary arrangements. The proposed extension could thus have financial implications for the United Nations and other organizations of the United Nations system.

**39.** The Director-General agrees with the positions taken in the ACC statements. He points out, however, that in paragraph 98 of the JIU report, the ILO is erroneously mentioned among those organizations that do not itemize their contributions to jointly-financed activities. Such contributions are detailed in ILO Major Programme 290, Other Budgetary Provisions of the ILO’s programme and budget for the biennium 1998-99 and the biennium 2000-01, as they were for the biennium 1996-97. Paragraphs 290.6 and 290.7, respectively, include the required details for the last and current biennium. In respect of the last recommendation, he would also note that the approval of contributions to joint financial secretariats is subject to approval by the ILO Governing Body and the International Labour Conference.

(c) **“Private Sector Involvement and Cooperation with the United Nations System” (JIU/REP/99/6 and A/54/700/Add.1)**

40. The report of the JIU on private sector involvement and cooperation with the United Nations system was originally proposed by the Food and Agriculture Organization of the United Nations (FAO) and was included in the work programme of the JIU for 1999 because of the emerging new relationship of the UN system with the private sector.
41. The JIU report addresses an issue of growing relevance and importance to the United Nations system at large and presents a timely contribution. Indeed, at its first regular session in April 1999, ACC emphasized that the system needed to build multidimensional partnerships with the private sector to assist developing countries in capitalizing on the opportunities arising from globalization while minimizing the risks. The Secretary-General has moreover stated that the United Nations needs business as an advocate for international cooperation, a promoter of investment, trade and open markets, to promote development by investing and transferring technology to developing countries, and as a partner of dialogue on economic, social and related issues.
42. The JIU report makes a series of recommendations to ensure greater transparency and accountability and to avoid undue influence of special interest groups while promoting further links between the UN and the private sector entities. Members of the ACC welcome the report, and its helpful analysis of opportunities as well as risks. They also underline the usefulness of the reference material annexed to the report including the comparative table of guidelines issued by various UN system organizations, which provides a useful listing of good practices.
43. The eight recommendations of the report are listed below:
- 1. The participating organizations should set realistic objectives and expectations for their partnership with the private sector. These objectives and expectations should be clearly enunciated and publicized, possibly through the adoption of a strategic document on this issue to be prepared by respective secretariats and endorsed by governing bodies.
44. Members of the ACC endorse this recommendation, noting that collaboration with the private sector should be in line with the fundamental principles and strategic and operational objectives and the particular methods of work and constituents of their respective organizations. Especially important in this context is a balanced approach in collaboration with private sector entities from developed and developing countries. Objectives and expectations for partnerships should be wholly consistent with the UN system Charter goals.
- 2. The secretariats of the participating organizations should: (a) carry out outreach programmes targeting the private sector; (b) each delegate a focal point, or at least identify easily accessible units, to serve the needs for information and assistance of the business community.
45. Members of the ACC endorse the general thrust of the recommendation. They note that appropriate action and relevant initiatives, including outreach programmes, are being actively pursued throughout the system in response to concrete requirements and specific programme objectives, which vary from organization to organization. At the same time, they recognize that a number of sector-specific initiatives require cooperation among different organizations, and support, in such cases, joint outreach activities. Members of ACC agree with the recommendation to establish focal points for private sector-related issues as an additional way to enhance greater coherence and collaboration within the

system and to facilitate exchange of experience. Common approaches continue to be fostered, including through system-wide training efforts supported by the United Nations Staff College in its collaborative programme with the Prince of Wales Business Leaders Forum.

46. Regarding the establishment of a focal point, it should be noted that the ILO has set up the Voluntary Private Initiatives Programme within the Employment Sector of the Office to serve as a focal and liaison point for work with the private sector (business and civil society) partners of ILO constituents.

- 3. Participating organizations should: (a) ensure the presence of United Nations representatives at relevant business events and organize joint encounters; (b) encourage as wide as possible a participation from the private sector in their relevant activities, with special attention to enterprises (and their associations) based in developing countries and/or countries in transition.

47. This recommendation is in line with existing practices and is generally supported by members of ACC, on the understanding that participation of the business sector in activities of the United Nations system should take place in accordance with existing rules. Members of ACC welcome the emphasis on the participation of enterprises (and their associations) from developing countries or countries in transition.

- 4. The working group established by the Secretary-General's Senior Management Group should proceed with drafting guidelines on relations with the private sector and ensure that these guidelines are promptly disseminated throughout the secretariat, as well as the funds and programmes. These guidelines should draw on the important work that has been undertaken by some funds and programmes.

48. Members of the ACC note that in line with this recommendation, a working group established by the Secretary-General's Senior Management Group is proceeding with drafting guidelines on relations with the private sector, which are expected to be of a generic nature and will aim to promote coherence in approaches in dealing with the private sector. They could serve as broad reference points since the diversity of each organization's mandate and activities may require the determination of more specific internal guidance. At the same time, members of ACC strongly support efforts by its subsidiary machinery, for example the Consultative Committee on Programme and Operational Questions (CCPOQ), in aiming at facilitating common approaches at the field level through the resident coordinator system. They agree with the need for the elaboration by CCPOQ of system-wide guidance on the collaboration at the field level of country teams with the business sector in the broad context of operational activities of the system.

- 5. United Nations agencies that have not yet done so should also adopt a set of guidelines, taking into consideration the work carried out by the working group mentioned in recommendation 4. These guidelines should include a statement of principles as well as a description of procedures to be followed for dealings with the private sector.

49. While endorsing the above recommendation, ACC members consider that internal guidelines by member organizations should address conditions for, inter alia, the use of an organizational name and logo, as well as acceptance of voluntary contributions and gifts from non-governmental sources, including business entities. ACC members agree that internal guidelines should draw on the common framework and common approaches as emerging from the efforts of the working group as well as of CCPOQ referred to in the comments on recommendation 4. The guidelines should ensure that the activities of the intended donor are compatible with mandates of United Nations organizations and Charter

principles and that the donor should not be seen to have direct or evident indirect commercial interests in the activity to be financed.

- 50.** In dealing with the private sector, the ILO has guidelines that govern the acceptance of voluntary contributions and gifts from non-governmental sources, including business entities. The guidelines provide that the activities of the intended donor must be compatible with ILO objectives and the donor must not have, or be understood as having, a direct or evident indirect commercial interest in the project or activity to be financed. The guidelines also spell out limitations for single donor projects, and publicity relating to the donor. Use of the ILO name and logo is restricted, and permission to use either is granted only in exceptional circumstances.
- 6. The United Nations should consider ways of ensuring the implementation of Staff Rule 101.6, including the feasibility of extending rules for financial disclosures. Other participating organizations should also 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.
- 51.** Members of the ACC endorse the recommendation and underline the need to ensure that system-wide approaches are supported through efforts by the relevant inter-agency mechanisms. In this context, they note that during 1999 and 2000, CCAQ collaborated with the International Civil Service Commission (ICSC) and the staff bodies on the update of the 1954 report of the International Civil Service Advisory Board entitled “Standards of Conduct in the International Civil Service”. At its fifty-first session in Vienna in April 2000, the ICSC decided to inform the General Assembly that it had adopted the text of the Standards, pending any comments from the organizations’ legal advisers, and further decided to submit them to the General Assembly and the organizations of the common system.
- 7. Concerned offices in all participating organizations should speed up internal processes and establish specific time-frames, 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.
- 52.** The general thrust of this recommendation is endorsed by members of the ACC. They wish to draw attention, in this regard, to the expected impact of various reform measures taken or ongoing organizational change initiatives particularly as they relate to increased delegation of authority, decentralization and local resource mobilization activities. They further recognize the need for building capacities to effectively handle partnership approaches, and note in this regard the important role of focal points and the potential support that could be provided through training on a system-wide basis by the United Nations Staff College.
- 8. Suitable mechanisms for the sharing of information and best practices with regard to relations with the private sector should be established, using the ACC structure as appropriate, to ensure consistency of policy and harmonization of relevant procedures throughout the United Nations system.
- 53.** Members of the ACC fully support this recommendation and underline the importance of sharing relevant information on best practices in collaborating with the private sector. They recognize that the central website ([www.un.org/partners/business](http://www.un.org/partners/business)) established with the support and inputs of a large number of United Nations system organizations and entities, provides the required common platform for systematically sharing information and experiences. Members of the ACC support efforts to fully exploit the potential of the common website and agree to ensure the required additional inputs. They endorse, in particular, steps to enhance the website by adding information reflecting learning

experience, which should be carried out with the involvement of the concerned inter-agency mechanisms within the ACC machinery and the United Nations Staff College. They note that the common website will serve in addition as a gateway providing linkages to the relevant sections of the individual sites of member agencies. Members of the ACC further support the need for greater consistency of policy and harmonization of relevant procedures throughout the system. In their view, this should be achieved through the full involvement of the relevant inter-agency mechanisms, with particular emphasis on the efforts to support greater coherence and common approaches at the field level.

- 54.** The ILO is participating in the UN Global Compact, an inter-agency initiative between the UN and the private sector, launched by the UN Secretary-General at the World Economic Forum at Davos in 1999. The Global Compact calls on world business to demonstrate global leadership by upholding, among its nine principles, the values that lie at the heart of decent work: freedom of association and collective bargaining; and the elimination of employment discrimination, child labour and forced labour. The ILO's secretariat for the Global Compact is based in the Voluntary Private Initiatives Programme. The website at [www.unglobalcompact.org](http://www.unglobalcompact.org) addresses how corporations can incorporate universal principles in their practices; links business leaders, trade unions and stakeholders; provides a calendar of events; circulates news on developments in social responsibility; and integrates UN databases on labour, human rights and the environment.
- 55.** Copies of the JIU reports and the ACC comments are available for consultation.

Geneva, 13 October 2000.