

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

Ninety-third meeting
Geneva, 26 September 2017

Item 3 of the provisional agenda

Informal document No. **2017/40**

UNECE Framework for the Engagement with the business sector

August 2017
For approval

At its ninety-second meeting, held on 23 June 2017, EXCOM requested the secretariat to develop a Framework for the engagement with private sector entities for its consideration. Such a Framework is presented below for consideration.

1. Background

1.1 It is broadly recognised that the business sector¹ should be seen as an important partner in advancing the United Nations agenda, including the 2030 Agenda for Sustainable Development.

1.2 Over its history UNECE has developed different forms of engagement with the business sector, ranging from long term strategic partnerships, like in the case of IRU-TIR and UN/CEFACT, to more ad hoc forms of cooperation like private sector involvement in UNECE meetings and activities.

1.3 The United Nations Office of Oversight Services (OIOS) undertook an evaluation of UNECE in 2016². While OIOS concluded that the UNECE has established various partnerships within its sectors of work and has been lauded as a strong partner, Recommendation 5 of the OIOS report indicated that that the secretariat should develop specific proposals for expanding and strengthening cooperation with non-state actors in support of the SDGs. The UNECE Resource Mobilization Strategy adopted in 2016 in follow up to OIOS evaluation, *inter alia* states that UNECE will reach out more actively to the private sector as part of broadening the donor base. The UNECE Executive Committee at its ninety-second meeting on 27 June 2017 requested the secretariat to develop a framework for the engagement with private sector entities for its consideration³.

1.4 In view of the OIOS recommendation, the Strategy and the request of the Executive Committee, the UNECE Secretariat has developed this Framework to ensure that engagement with the business sector is carried out in compliance with the rules and procedures of the United Nations while being supportive to the aims and interests of UNECE and member States.

1.5 This Framework aims at identifying ways of enhancing UNECE engagement with the business sector in support of its mandate, including UNECE's role in the implementation of the 2030 Agenda, while fully respecting the policies, mandates and rules governing the United Nations. When building partnerships and other forms of engagement with the business sector, the UNECE should attach paramount importance to maintaining and protecting its integrity, independence and impartiality. Any other approach runs a serious risk for the organization losing its credibility, neutrality, effectiveness and impact.

2. Objectives of UNECE Cooperation with the business sector

2.1 UNECE cooperation with the business sector pursues various often inter-related objectives. While some of these objectives may serve the greater interest of the UN and other objectives the business

¹ The term 'business sector' is used throughout the document interchangeably with the term "private sector" to ensure consistency and alignment with the Guidelines on principle-based approach to the Cooperation between the United Nations and the business sector, last revised in 2015 as requested by GA Resolution A/RES/68/234

² OIOS Report : https://www.unece.org/fileadmin/DAM/OPEN_UNECE/EVALUATION/Evaluation_Reports-with_SPs/Programme-wide_docs/OIOS-IED_Final_Report_Evaluation_of_ECE.pdf

³ EXCOM 23 June 2017 – Chair's conclusion:
https://www.unece.org/fileadmin/DAM/commission/EXCOM/Agenda/2017/92Excom-23_June_17/Item_2-Chair_s_conclusions-24.03.2017.pdf

community, together they should lead to mutually beneficial forms of engagement. Those could include, but are not limited to:

- Raising awareness of the work of the UNECE and of the UN at large, including on SDGs, while encouraging the contribution of the business sector towards their achievement through greater social and environmental responsibility, sustainable and fair business practices and investment policies⁴;
- Providing the business sector with a platform (or with several sectoral platforms) where it can present its collective perspectives during policy discussions among member States on both technical but also strategic issues of sustainable development, economic cooperation and integration;
- Knowledge-sharing, including in connection with norms, standards and regulations being or to be developed by UNECE (both in terms of expectations from and of the business community and associated risks and impacts);
- Looking for and sharing lessons learned, good practices and innovative solutions;
- Raising the relevance of the results of UNECE work for the business sector thereby accelerating the investments needed in support of 2030 agenda;
- Providing all governmental and non-governmental participants with additional networking opportunities for broader engagement outside their traditional operational purview;
- Ensuring broader engagement by all stakeholders to ensure political support to inter-governmentally agreed outcomes;
- Mobilizing additional resources to support the implementation of UNECE mandates.

2.2 To achieve the above objectives, cooperation with the business sector can aim at:

- Encouraging participation in meetings, including in resource capacity;
- Soliciting input of data, information and expertise in support of intergovernmental deliberations and the work of the secretariat, including normative and analytical work and technical cooperation activities and advisory services;
- Forming strategic partnerships;
- Raising financial and in-kind support to mandated activities.

3. UN policy and normative documents and other relevant material

3.1 The UNECE, as part of the United Nations Secretariat, must engage with the business sector in compliance with the **“Guidelines on a principle-based approach to the Cooperation between the United Nations and the Business Sector”** (“UN Guidelines”) issued by the United Nations in 2015. These UN Guidelines provide a framework to facilitate the formulation and implementation of partnerships between the UN and the business sector. They also allow for safeguarding the integrity, impartiality and independence of the UN while avoiding any conflicts of interest and perceptions thereof, and preventing and mitigating other potential risks. The Guidelines focus on ‘partnerships’ yet they outline general principles applicable to all other forms of cooperation between the UN and the business sector.

⁴ For example, encouraging the private sector to submit voluntary commitments on greening the economy and improving air quality (under the Batumi Initiative on Green Economy and the Batumi Action for Clean Air, or making voluntary commitments on environmentally sound and safe vehicles).

3.2 The Guidelines **define the “business sector”** UN Guidelines as:

- **for-profit, and commercial enterprises or businesses;** and
- **business associations and coalitions (cross-industry, multi-issue groups; cross industry, issue-specific initiatives; industry-focused initiative); including but not limited to corporate philanthropic foundations** ⁵.

3.3 The UN Guidelines **define partnerships** as a **voluntary and collaborative agreement or arrangement between one or more parts of the United Nations system and the business sector, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to coordinate their respective responsibilities, resources and benefits**⁶.

3.4 The UN Guidelines outline the following **General Principles** for cooperation between the United Nations and the business sector:

Integrity

- Advance the United Nations goals;
- Delineate clear responsibilities and roles;
- Ensure no unfair advantage;
- Secure adequate partner(s);
- Establish due diligence.

Accountability

Partnership agreements should provide for clear and efficient accountability procedures. These procedures should differentiate between the following:

- The individual accountability of each private sector partner, including towards the principles of the Global Compact and the UN Guiding Principles on Business and Human Rights; and
- The internal accountability within the partnership, including monitoring and evaluation.

Transparency

Cooperation with the business sector must be transparent:

- Information on the nature and scope of the cooperation should be available within the concerned UN entity and to the public at large;
- The terms of the cooperation arrangement should be posted on websites of the UN entity involved and also on www.business.un.org;

This information should include disclosure of the partners, contributions, and matching funds for all relevant partnerships, including at the country-level.

⁵ The UN Guidelines include in the business sector for-profit or business associations or coalitions. For the purposes of UNECE this would include, in addition to privately-owned businesses and enterprises, fully or partly state-owned companies that operate on a commercial basis.

⁶ While the term “partnership” suggests long-term or continuing agreements or arrangements with the business sector entities, the UNECE Guidelines presented herein will also cover ad hoc or periodic engagements (participation in meetings, involvement in individual activities/projects, joint events, etc.)

3.5 Other relevant UN policy and normative documents include:

- The United Nations Global Compact and its principles;
- ST/SGB/2009/14 “Organization of UN Office for Partnerships”;
- ST/SGB/2006/5 “Acceptance of pro-bono goods and services”;
- The 2012 United Nations Finance and Budget Manual.

More information can be also found at <https://business.un.org/>

Considering that, unlike many other parts of the UN Secretariat, UNECE administers and services numerous legally binding instruments and also sets and maintains many international norms, standards and regulations, the following UN system documents and material are relevant:

- 2011 UNEP Partnership Policy and Procedures;
- 2016 WHO Framework for Engagement with Non-State Actors (resolution of the World Health Assembly WHA69/10).
- The 1999 report of the Joint Inspection Unit (JIU) entitled “Private Sector Involvement and Cooperation with the UN system” (JIU/REP/99/6)⁷.

4. Areas and modalities of UNECE engagement with the business sector

4.1 General principles

- It is essential to avoid any “monopolies” or privileged relations with any individual private company or business association (or presumption thereof) and ensure, through the broadest possible engagement of various competing interests that the UNECE processes and outputs benefit from collective views of the business community, rather than influenced by individual corporate interests⁸;
- Due diligence procedures must be carried out in case of all proposed strategic partnerships with and/or acceptance of financial contributions from individual private sector companies. In absence of a unified standard due diligence checking procedure in the United Nations, such a procedure will be established by the UNECE Secretariat for the purposes of this Framework once it is adopted;
- No commitments should be given to individual private sector companies before due diligence verification is carried out.

4.2 Participation of private sector representatives in UNECE meetings and activities

- Participation of the business sector representatives in meetings of UNECE bodies should be in accordance with their respective Rules of Procedure and Terms of Reference, while also taking into account the Guidelines on procedures and practices of UNECE bodies (E/ECE/1464, Appendix III) of April 2013);
- Representatives of private companies normally get accreditation and participate in UN meetings as part of business associations, which are accredited as non-governmental organizations by the

⁷ A new JIU report “Review of the United Nations - Private Sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development” is under preparation in 2017.

⁸ This would not apply to the arrangements between UNECE and IRU on TIR Convention as they are governed by inter-governmental decisions.

Economic and Social Council and have a consultative status with ECOSOC, or as part of government delegations if member States decide to include them on their lists;

- If representatives of the business sector who are seeking accreditation to official UNECE meetings do not belong to a non-governmental organization having a consultative status with the UN Economic and Social Council, their participation is possible only on the explicit invitation from the Secretariat and only in resource/expert capacity as an observer;
- Participating representatives from the private sector should not use any UNECE meetings or activities for any commercial, advertising, branding and/or any other similar purposes.

4.3 Serving on the Bureaux of UNECE intergovernmental and expert bodies

- Pursuant to paragraph 7 of the Guidelines on procedures and practices of UNECE bodies (E/ECE/1464, Appendix III) the representatives of business sector may serve on the Bureaux of UNECE's sectoral committees and other subsidiary bodies only if they are officially nominated by member States and are elected by the respective body.

4.4 Business advisory bodies

- UNECE may set up business sector advisory bodies, subject to approval by a sectoral committee and by the Executive Committee. Members of such advisory bodies should be nominated by member States or by the UNECE Executive Secretary and elected/approved by the sectoral committee concerned;
- Due attention must be paid to the geographical, thematic (area of expertise) and gender balance. The chairs of such advisory bodies must be approved by the sectoral committee or the Executive Secretary of UNECE;
- In establishing such bodies due diligence must be paid to avoid any possible or presumed conflicts of interest and reputational risks.

4.5 Participation in the elaboration of draft norms, standards and regulations and in analytical work

- The Secretariat must ensure that cooperation with the business sector in the normative and analytical work is carried out in the most participatory and transparent way and under the lead of the Secretariat or of an elected official nominated by a Government (or a partner IGO), and with full engagement of all interested public and private stakeholders;
- In the case of involving individual business sector entities in the elaboration of draft norms, standards and regulations the secretariat must ensure absence of any conflict of interest or perception thereof in order to protect UNECE and the results of its work from any undue influence from commercial interest and to avoid any reputational risks;
- In soliciting extra-budgetary funding in support of normative and analytical work, preference should be given to multi-donor funding arrangements;
- Acceptance of financial and/or in kind contributions from individual private sector entities in support of analytical and/or normative work is possible only if such contributions are not intended for the engagement of consultants or expertise from the donor entity or on its advice. See also section "Financial Support" below;
- All single- and multi-donor arrangements involving individual private companies should include prior consideration of absence of any existing or potential conflict of interest and are subject to approval by EO, PMU and, if needed, the UN Ethics Office.

4.6 Technical cooperation activities and projects

- Private sector partners should not be in command of the management or implementation of technical cooperation activities and projects. Their involvement in such projects and activities should be limited to advisory services.

4.7 Joint events

- Joint events with one or more business sector entity can be organized to advance UNECE mandates, programme of work and its outcomes. Such events could be self-standing or part of UNECE meetings;
- If such events do not involve financial contributions to UNECE no formal agreements with the business sector partner is required.

4.8 Strategic partnerships

- UNECE can form strategic partnerships with private sector entities in support of the implementation of UNECE's long-term mandated activities, areas of work or elements thereof;
- Strategic partnerships with business associations or with several partners are encouraged. If a partnership initially involve only one private company, efforts need to be made to involve other partners;
- Due diligence checking procedures must be carried out by the secretariat before engaging in any strategic partnerships with individual private sector companies and no commitments should be made to such companies before due diligence is verified;
- Strategic partnerships must be formalised through a Memorandum of Understanding (MoU) between the UNECE and the business sector partner(s);
- In case the partnership involves financial contribution, in addition to a MoU, a Contribution Agreement needs to be agreed;
- In case a MoU involves more than one business sector partner, separate Agreements should be agreed with each partner.

4.9 Financial support

- Any agreement with the business sector partner, which involves a financial contribution to the UNECE, shall be subject to approval by the UNECE Executive Office within its delegated authority or the Controller and must comply with the UN Financial Regulations and Rules;
- Whenever UNECE engages in a financially significant agreement with a business sector entity adequate programme support costs and staff resources should be allocated for its effective implementation. Such agreements must be approved by the UNECE Executive Committee as extra-budgetary projects in accordance with established procedure;
- Due diligence checking procedures must be carried out by the secretariat before the proposed extra-budgetary projects are submitted to the UNECE Executive Committee for approval;
- Only after the Executive Committee approves the proposed extra-budgetary project, MoUs and Contribution Agreements can be formalised and signed with the entity concerned;
- A template for the Business Sector Contribution Agreement will be provided to UNECE staff.

4.10 Sponsoring of receptions and hospitality events

- Business sector entities can sponsor receptions and other hospitality events in connection with UNECE meetings and other activities, but such sponsorship should not be used for advertising, branding or other similar purposes.

5. Use of UN or UNECE name and emblem (logo)

5.1 The use of the United Nations or UNECE name, including its acronym and emblem is limited to official purposes.

5.2 Unless expressly authorized in writing by the United Nations, the partner entity shall not in any manner whatsoever use the name, acronym or emblem (logo) of the United Nations or UNECE in connection with its business activities.

5.3 In case of joint events and other joint activities, UNECE name, acronym and/or emblem can be used along with the name, acronym and emblem of the partner entity after a written authorisation by the United Nations.

5.4 An appropriate written communication could be provided by the secretariat to the business sector entity, acknowledging or recognizing its contribution to or collaboration with the United Nations.

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