

Guidelines on

Cooperation between the United Nations and the Business Community

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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^[1]. A broad policy framework for cooperation with the business community has been established, including through joint-statements^[2].
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^[3]. 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^[4], provides an overall value framework for co-operation with the business community. The principles of the compact (see Annex 1) 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^[5], 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.

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 (see Annex 2 for illustrative examples).

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.^[6]

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.^[7]

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.^[8]

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 1

The Global Compact's Nine Principles

At the World Economic Forum in Davos on 31 January 1999, UN Secretary-General Kofi A. Annan challenged world business leaders to "embrace and enact" a set of universal principles within their sphere of influence in the areas of human rights, labour standards and the environment.

Human Rights

Principle 1

Support and respect the protection of internationally proclaimed human rights.

Principle 2

Business should make sure not to be complicit in human rights abuses.

Labour Standards

Principle 3

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labour;

Principle 5

the effective abolition of child labour; and

Principle 6

eliminate discrimination in respect of employment and occupation.

Environment

Principle 7

Support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

Annex 2

Explanatory background note on the use of the name and emblem

Section V on the name and emblem

1. The general principles set out in section V of the Draft Guidelines on Co-operation between the United Nations and the Business Community ("Guidelines") are based upon the submissions made to the Working Group on Partnership with the Private Sector ("Working Group") by the Office of Legal Affairs (OLA) and other UN Offices, including the separate Funds and Programmes, represented in the Working Group, and the discussions in the Working Group on this issue. As indicated in the Legal Counsel's memorandum of 4 December 1997 to the Secretary-General with an accompanying Note to the File (copy attached), the starting point for the policy and practice of the Organization on the use of the UN name and emblem is General Assembly resolution 92(I) of 7 December 1946. While we also draw upon the practice of the Organization over the years, we have focused particular attention in this exercise on recent policy and practice in the area and that the interests and concerns expressed by the Offices participating in the Working Group.

2. The following should be noted with respect to the guiding principles in section V:

- The guiding principles address only the use of the name and emblem by business entities. The use by non-governmental organizations (NGOs) and private not-for-profit entities is, therefore, not addressed although it would appear that similar principles would be applicable to such organizations and entities.
- With respect to general principle (a) in section V (see para. 16 of the Guidelines), it should be noted that it has been a long-standing policy of the Secretary-General not to authorize the use of the UN emblem by non-UN entities in an unmodified form. Moreover, as far as we are aware, no business entities have ever been authorized to use the UN emblem with the words "United Nations" or "UN" set above the emblem and the words "We Believe" or "Our Hope for Mankind" set below the emblem.
- Presently, the OLA grants authorization of the use of the name and emblem of the United Nations. The issue as to which Office/Department will be vested with the authority to grant the use of the name and emblem in the future will be reviewed in due course.
- The principle of non-exclusive use refers to the activities of a business entity on its own behalf and not in situations in which the entity is engaged by the Organization to act on its behalf, e.g., a UN Gift Shop contract (see general principle (a)). Moreover, the principle of non-exclusive use would not bias an office from authorizing only one entity the use of the emblem in all cases, for example, if

there was only one company that requests such authorization or in connection with a pilot programme.

- "Commercial use" of the name and emblem should be distinguished from "use by a commercial entity"(see general principle (c)). The former "implies use in connection with or for furtherance of a profit-making enterprise." The latter would allow the use of the name and emblem by a commercial entity even involving the making of some profit, as 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 commercial entity is only incidental.
- The modified UN emblem in general principle (f) refers to emblems developed for special events and does not refer to the UN emblem modified by placing the words "United Nations" on the top and "We support" or "We believe" on the bottom, which is generally reserved for NGOs.
- As it is drafted, the "exclusively" referred to in general principle (f) is intended to include more than one business entity. In the case of the UN 50th Anniversary, for example, several (but a limited number of) business entities were authorized to use the UN 50th emblem in connection with the fundraising for the 50th Anniversary. It should be recognized, however, that there may be situations in which only one business entity may, in fact, be authorized to use a modified UN emblem, for example, when only one business entity expresses an interest in using the emblem in relation to some initiative, or because the substantive UN office wishes to limit authorization to only a few or, possibly, one business entity in a pilot programme.

Section VI on modalities

3. Modality (b) in section VI would appear to be the preferred method in Member States including the United States in which donors do not enjoy tax deduction in respect of their direct contributions to the United Nations.

4. An example of modality (b) is the relationship agreement between the UN and the United Nations Foundation, Inc. dated 12 June 1998. That agreement contains the following provisions: "Purpose" (Article I); "Trust fund" (Article II); "Identification of projects and activities to be funded" (Article III); "Contributions by the Foundation" (Article IV); "Monitoring and implementation: reporting requirements" (Article V); "Fundraising" (Article VI); "Use of name and official emblem of the United Nations" (Article VII); "Status of parties" (Article VIII); "Review of arrangements"(Article IX); "Resolution of disputes" (Article X); "Privileges and immunities" (Article XI); "Terms of agreement" (Article XII) and "Notices" (Article XIII).

5. Other examples of modality (b) are: the United Nations Foundation, Inc., through which Ted Turner made his contribution; the Net Aid Foundation UK Ltd. through which Cisco Systems Inc. has made its contribution to UNDP; the Foundation for the UN 50th Anniversary through which, inter alia, Goldstar (South Korea) and Swatch (Switzerland) channeled their contributions to the UN.

6. An example of modality (c) is the BOT project (Build, Operate & Transfer) whereby the private sector provides funds and experts for the project, the UN serves as a matchmaker between the government and the business partner and facilitates project implementation, and the government provides necessary assistance and is the ultimate beneficiary of the project.

7. An example of modality (d) is the agreement between the UN and Walt Disney World Co. of 6 August 1999, concerning the UN's participation in the Walt Disney World Millennium Celebration ("the Agreement"). The Agreement consists of the following provisions: "Term of the agreement" (Article 1); "Display of the UN CD" (Article 2); "UN's participation" (Article 3); "UN input/costs" (Article 4); "Operation of the attraction" (Article 5); "Officials not to benefit" (Article 6); "Training of staff" (Article 7); "International communicators" (Article 8); "Insurance and liabilities to third parties" (Article 9); "Copyright, patents and other proprietary rights" (Article 10); "Use of name, emblem or official seal of the United Nations" (Article 11); "Use of names or emblems of Worldco" (Article 12); "Admission to the resort" (Article 13); "Settlement of disputes" (Article 14); "Privileges and immunities" (Article 15); "Notice" (Article 16); "Authority to modify" (Article 17); "UN merchandise" (Article 18) and "Miscellaneous" (Article 19, including a provision on "Indemnification" (Article 19.6)).

8. An example of modality (e) is the "UN/Standard Product and Services Code" ("UN/SPSC"), a universal classification system for goods and services, which was developed jointly by UNDP/IAPSO and Dun & Bradstreet or the NetAid Project, which is designed to bring together the power of the Internet, the global reach of television and radio and the energy and impact of world-renowned artists in the fight against world poverty, established by UNDP, CISCO Systems, Inc., Net Aid Inc., Net Aid Foundation UK Ltd. and Net Aid UK Ltd.]

[1] See Action 17 of the report of the Secretary-General to the General Assembly on UN reform (document A/51/950) *Renewing the United Nations: A Programme for Reform*.

[2] Joint statements between the Secretary-General and business representatives of the International Chamber of Commerce as well as major speeches by the Secretary-General and heads of UN organizations are posted on the UN/Business website: www.un.org/partners/business.

[3] UN Secretariat and UN Funds and Programmes, including UNICEF, UNFPA, UNDP, UNEP, UNCTAD and Regional Commissions.

[4] See www.unglobalcompact.org

[5] As defined by ILO Convention 182: *Convention Concerning The Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour*.

[6] For example, these entities include the United Nations Associations, National Committees for UNICEF and for UNDP.

[7] For example, the 50th Anniversary of the UN, the International Year of Older Persons, etc.

[8] The relationship agreement between the UN and the United Nations Foundation, Inc. dated 12 June 1998 consists of the following provisions: "Purpose" (Article I); "Trust fund" (Article II); "Identification of projects and activities to be funded" (Article III); "Contributions by the Foundation" (Article IV); "Monitoring and implementation: reporting requirements" (Article V); "Fundraising" (Article VI); "Use of name and official emblem of the United Nations" (Article VII); "Status of parties" (Article VIII); "Review of arrangements" (Article IX); "Resolution of disputes" (Article X); "Privileges and immunities" (Article XI); "Terms of agreement" (Article XII) and "Notices" (Article XIII).