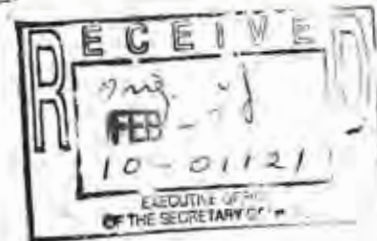


UNFIP
UNF

Central



Note to the Deputy Secretary-General

Subject: Relationship Agreement between UN Foundation and the United Nations ✓

Dear DSG,

- 1) Please find attached a draft letter to the UN Foundation to initiate a formal review of the Relationship Agreement between UNF and the United Nations.
- 2) You may recall that at the Advisory Board meeting of the UN Office for Partnerships held in September 2009, a decision was taken that the review would be undertaken in 2010. For convenience, a copy of the UNOP Board minutes is attached.
- 3) Thank you for your consideration.

A handwritten signature in dark ink, appearing to read "Amir A. Dossal".

Amir A. Dossal
1 February 2009

cc: Mr. Parfait Onanga-Anyanga
Mr. Tuvako Manongi
Mr. Venketachalam Krishnan

United Nations



Nations Unies

HEADQUARTERS

New York, NY 10017

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Draft Letter from DSG to TEW

January 2010

Dear Mr. Wirth

As you know, Mr. Turner's historic philanthropic donation has played a significant, catalytic role over the last decade, and has resulted in an exponential increase in interest from non-state actors, including foundations and leading private companies, in the pursuit of significant engagement and collaboration with the United Nations. Consistent with Mr. Turner's original vision, the UN Foundation (UNF), **together** with the UN Fund for International Partnerships (UNFIP) under the UN Office for Partnerships, have become known and recognized for their proven track record and effectiveness in engaging and facilitating public-private partnerships between non-state actors and the United Nations.

It is my understanding that over the last few years the UN Foundation management and Board have been engaged in a process of refining the Foundation's mission and strategy in order to leverage its comparative strengths and effectiveness toward ensuring its sustainability beyond 2013. In this regard, UNF has evolved from a project-based, grant-making organization to one whose current mission is to serve as 'an advocate for the UN and a platform for connecting people, ideas and resources to help the United Nations solve global problems'. As stated on the UNF website: 'We help the UN take its best work and ideas to scale – through advocacy, partnerships, constituency building and fund-raising.'

We fully understand and appreciate the importance of UNF evolving as an organization, and believe the current Relationship Agreement does not reflect the new priorities and mandate of UNF. The UN Office of Internal Oversight Services (OIOS) in its report of March 2009 recommended that the Secretary-General review the existing Relationship Agreement between the United Nations and the UN Foundation to fully reflect the current situation. Further, in May 2009, the UN Board of Auditors observed that UNF and UNFIP were no longer in compliance with various elements of the Relationship Agreement, as originally established in 1998 and subsequently renewed and signed on 18 April 2007.

These audit recommendations were taken up at the last meeting of the Advisory Board in September 2009, under my chairmanship, and it was agreed that the Relationship Agreement between the UN Foundation and the United Nations no longer reflects the reality of how UNF and UNFIP operate in practice. The Board concurred with the need to re-establish common policy, procedural, and programmatic priorities and guidelines in order to harmonize UNF - UNFIP operations. This was viewed as essential in order to ensure that programming and

funding decisions were being made on a sound, transparent and accountable basis as required of the special relationship between the UN Foundation and the United Nations.

The need and opportunity to revise the Relationship Agreement at this juncture offers an excellent opportunity for UNF and the UN Office for Partnerships to strengthen their alignment and clarify a common vision, commitment and resource mobilization strategy to support the United Nations in the coming years.

I have requested Mr. Dossal to initiate a formal review and revision of the Relationship Agreement, together with UNF, through the UN Office of Legal Affairs (UN-OLA). I further request that the provisional text of the revised Relationship Agreement be ready for review and consideration by the Partnerships Advisory Board at its next meeting in late spring 2010.

Thank you for your leadership in working with UNOP and the Office of Legal Affairs in facilitating this review and revision of the Relationship Agreement.

Copy: Ms. Patricia O'Brien, Under Secretary-General, UN-OLA
Mr. Amir Dossal, Executive Director, UNOP

UNOP Board Meeting Minutes

Summary of Main Discussion Points

1st September, 2009

Conference Room of the UN Deputy Secretary-General

Present:

Chairperson

The Deputy Secretary-General, Dr. Asha-Rose Migiro

Board Members

Dr. Lincoln C. Chen

Ms. Angela Kane

Ambassador Sylvie Lucas

Ms. Mary Oakes Smith

Mr. Thomas Stelzer

Mr. Franklin A. Thomas

Mr. Amir A. Dossal (ex-officio)

UNOP/UNFIP

Ms. Lucie Hrbkova

Mr. William Kennedy (Secretary)

Ms. Shari Klugman

Ms. Ishaani Sen

Office of the DSG

Mr. Tuvako Manongi

Item 1: Welcome by the Deputy Secretary-General of the United Nations

In her opening remarks, the DSG welcomed new Board Members – Ambassador Sylvie Lucas and Ms. Angela Kane.

She informed the Board that the focus of the discussions would be on the successful partnership with the UN Foundation and the evolution of the UN Office for Partnerships (UNOP).

The DSG praised the historic \$1 billion gift made by Mr. Ted Turner and its many positive manifestations. The DSG informed the Board that, as of December 2008, the highly successful partnership between the UN Foundation (UNF) and the UN Fund for International Partnerships (UNFIP) had resulted in net additional resources to the United Nations of US \$1.06 billion. She underscored the accomplishment of UNF and UNFIP in effectively leveraging the original Turner core funds by attracting new and additional resources in excess of US \$600 million from other donors and partners.

The DSG further stated that Mr. Turner's philanthropic donation and the leadership of the UNF in collaboration with UNFIP has played a significant, catalytic role over the last decade, and has resulted in an exponential increase in interest from non-state actors, including private companies and foundations, in the pursuit of significant collaboration with the United Nations.

The UN Office for Partnerships was established in 2006 in response to the growing demand from civil society and the private sector for strategic advice and guidance regarding opportunities for pursuing innovative partnerships with the United Nations. She further noted that the Office has become the primary gateway within the UN Secretariat for brokering and facilitating new partnerships between non-state actors and the United Nations system. In this context, the DSG reiterated the vital role civil society and the private sector must play in addressing the Millennium Development Goals.

The DSG concluded her opening remarks by highlighting the primary objectives of the meeting, namely:

1. To review the status of the UNF-UNFIP partnership and related projects;
2. To expand the role of the original UNFIP Advisory Board into the Partnerships Advisory Board to support UNOP in all of its work, including review of the proposed Terms of Reference;
3. To take note of the recommendations received in the recent OIOS report concerning the governance structure of UNOP.

Item 2: Adoption of the Provisional Agenda

The annotated provisional agenda was adopted as proposed.

Item 3: Update on UNFIP and UNF Activities

The DSG then introduced agenda item 3, an update on the activities of UNFIP and UNF.

Mr. Dossal highlighted that the partnership with UNF had generated over \$1 billion in support of the UN's work and that numerous other co-financing partners have come forward. These funds have been utilized in support of over 455 projects and programmes implemented by 39 United Nations entities in 129 countries with a focus on four major areas of the UN's work: children's health, environment, women and population, and peace, security and human rights. He mentioned that UNF has shifted its orientation from projects to a focus on campaigns and advocacy work that seek to generate new resources and greater public profile for addressing global challenges such as measles vaccinations, malaria prevention and polio eradication. Mr. Dossal added that there had been a significant decline in financial resource flows from UNF to the United Nations over the last few years, while recognizing the difficulty of mobilizing donor resources in the wake of the global financial crisis.

Ms. Klugman briefed board members on the decline in resources both in terms of core Turner funds, and an overall decrease in funding for programmatic activities. She explained the exception to this trend in 2006, when 85% of total funding was for Measles Initiative projects. She noted that the total funds received from the UN Foundation and other donors in 2007 and in 2008 was \$38.8M and \$28.1M respectively, and that core Turner funds over the last two years, were in the range of \$2 to \$4 million per annum.

Board members sought greater clarification on the breakdown of the \$1 billion received by UNF. Mr. Dossal responded that approximately \$650 million of the original \$1 billion of Mr. Turner's funds has been received and programmed, and that the Foundation remains very committed to leverage another \$1 billion from partners in support of United Nations causes over the coming years. He also mentioned that UNF was setting aside a portion of the balance of core Turner funds to build an endowment that would enable them to sustain the Foundation's operations beyond the originally envisioned timeframe (i.e. beyond 2014), and that planned to use the endowment to leverage further partnerships and donations for their core programmatic priorities. In this regard, UNOP/UNFIP has worked with UNF to attract new partners. The Board observed that the decision by UNF to extend its own existence in perpetuity and to raise external funds has the potential to put them in competition for donor resources that might have been provided to support UN programmes directly.

The DSG commented that there would be a discussion on how to move from the relatively narrowly focused UNF priorities at present to a wider platform of engagement with and support for the UN.

The Board observed that since UNOP is not limited to the priority areas of UNF and UNFIP, it could attract money for any issue that fits within the larger UN mandate and scope of operations. Mr. Dossal stated that UNOP had started as a counterpart to Mr. Turner's foundation in the form of UNFIP. It was quickly discovered that there was lot of demand from others – non-State actors, private sector, civil society organizations, foundations etc – wanting to work with the United Nations on UN causes. UNOP encouraged them to partner with the UN Foundation. If they wished to support a sector that the UN Foundation did not focus on, such enquiries are channeled directly to the relevant UN organization. Thus the UNOP role has been that of a facilitator, that offers strategic advisory and fiduciary services, rather than that of implementer of projects.

The Board noted the significant growth and expansion of the UN Foundation over the years. They observed that UNF seemed to be working directly with programme staff from UN agencies and reaching agreements without UNFIP present. This would seem to make it difficult for UNFIP to offer an objection or suggestions that were at variance with what UNF desired. Historically, the role of UNFIP had provided an assurance to the UN system that the United Nations had the determining role in what projects were funded. In this regard, the Advisory Board has an important role in helping the Office retain its status as a major partner in this process. The Board expressed concern about the selection process for the recent grants approved during 2007 and 2008, and asked for clarification on how these projects had been identified as being appropriate for receiving UNF-UNFIP funds.

Mr. Dossal noted that UNF had become more independent over the years, and UNOP/UNFIP had encouraged them to reach out to the UN system and develop creative new partnership programs and campaigns.

The Board inquired how it was possible to engage in multi-year programme planning and support given that the Office did not know if it was going to have a sustained level of funding available. Mr. Dossal replied that multi-year projects funded by UNF were implemented through the various UN Agencies, and the funding commitment to the specific projects was known in advance.

The DSG welcomed the engaging comments and inputs by Board Members and pointed out that some of the issues raised could be addressed in the context of the discussions on Partnership Advisory Services, below.

Items 4 & 5: Update on activities: Partnership Advisory Services of UNOP

Mr. Dossal said that Mr. Turner's high profile gift and the UN Foundation support to UN causes, UNOP had seen a huge increase in the demand for partnership services. He directed the Board's attention to the statistics presented in the Board book, which showed the huge increase in the demand for strategic advice and assistance on partnership building. He said numerous foundations, companies and civil society organizations regularly approach the Office for suggestions on working with the UN system, particularly in furtherance of the MDGs, and have offered to bring new partners and resources on board. He pointed out that UNOP thus serves as a gateway for facilitating partnerships across the UN system.

The Board sought clarification on what exactly comprised the partnership advisory and outreach services provided by UNOP, and how far the Office facilitated the setting up of partnerships. Mr. Dossal explained that companies have become more focused on corporate social responsibility and have begun to feel there is a business case for them to become engaged in support of humanitarian and development causes. Regarding types of services provided by the Office, he indicated that this varies by request and requirement. In some cases this consists of directing inquiries to the most relevant person/group in the

UN system, and in other cases it would involve helping cultivate a relationship to develop a partnership around a specific issue/sector or an opportunity that furthers the UN's mandate and work. Another example of UNOP's role was in monitoring all of the non-State events that took place during the MDG week in September 2008, wherein over \$16 billion was committed at over 60 events. Next September the Office will be reporting on the progress of these commitments.

The DSG concluded the discussion by welcoming the valuable role of UNOP in partnership advisory services and outreach to the private sector and civil society. Board Members concurred with the sentiment.

Item 6: New developments and way forward: Transition of UNFIP Board to UNOP Advisory Board

Mr. Dossal presented the proposed terms of reference for the UNOP Advisory Board. He noted that the ToR being tabled closely mirrored the original ToR for the UNFIP Advisory Board, but allowed for Board oversight and guidance on policies, practices and partnership initiatives that go beyond the original UNF-UNFIP relationship and project portfolio. He noted that an issue raised by the DSG in advance of the Board meeting was the expansion of the Board, and the possibility of adding Members from both the business and the philanthropic community, balanced between North and South. He suggested expanding the Board from 9 to 11 members. He said that the Office had begun preliminary research on possible Members, which would be shared with the Board at a later date.

Ms. Klugman noted that the proposed UNOP Advisory Board ToRs had three suggested changes: 1) to broaden the reference from UNFIP to UNOP; 2) to include partnership activities, since the original UNFIP ToRs dealt specifically with projects; and 3) in the light of the large number of partnership activities, and to reduce the burden on the Advisory Board, to deal with partnerships of \$250,000 and above at the Advisory Board level.

Board Members complimented Mr. Dossal and the DSG, and concurred that the UNF-UNFIP partnership had been a very successful venture, which was clearly now at a critical juncture. Specifically, the partnership with UNF had demonstrated a substantial demand from a range of partners to work with the UN in many different ways.

Board Members asked UNOP to consider what success would look like in five years. They noted that, based on the discussions thus far, success would necessarily include: greater clarity in the transitional and future long-term relationship with the UN Foundation, in light of its growing independence and plans for long-term sustainability. In this regard, the Board requested UNOP to generate a five-year strategic framework to guide its operations in support of proactive, results-oriented activities and for which the Office could be held accountable for delivering. The Board felt that this strategic framework was essential information to have in determining what kind of Advisory Board would be most helpful, both in terms of advice and governance.

The DSG noted that issues of UNOP governance, delineating specific objectives, and development of a five-year strategy tied to realistic outcomes and accountabilities, were all important.

Mr. Dossal stated that the Office welcomed accountability. In addition, he mentioned that external partners have asked on many occasions, whether the Office had a foundation or account to channel the funds. On average, six of out ten prospective partners would agree to go through UNF, however for the other four times preferred to work directly either with UNOP or a UN agency. For this reason, a UNOP account has been set up to facilitate, as necessary, the receipt of non-UNF sourced contributions, for specific United Nations activities.

The Board asked whether it was desirable to continue to provide use of the name 'United Nations' to UNF, given that they had provided modest amounts of funding in recent years in support of such focused UN causes. The opportunity for having a flexible funding instrument to support the United Nations was much wider.

The DSG commented that it would be necessary to have a fresh look at the Relationship Agreement with UNF, how it had focused its activities, and how this would likely develop in the future, especially in the light of the OLA and OIOS suggestions.

The Board observed that over the years, the growth in the size of the UN Foundation, its outreach and recognition had somehow obscured aspects of the fundamental relationship, i.e. that the UN is a **global** entity with global legitimacy and access, and must therefore have a significant say in what is to be done through the use of its name. It noted that it seemed as if the UNFIP team had always had one hand tied behind its back because UNF had seen itself as the dominant partner in this relationship. This was the wider context against which to lay out a strategy for going forward, what the Office for Partnerships would do, what it expected to see in 5 years, and what role it should play in establishing and continuing some independence on the part of the UN in the relationship with UNF while ensuring accountability.

The Board also noted that the proposed \$250k threshold for projects being reviewed by the Advisory Board seemed to be an arbitrary threshold and required reconsideration. Board members further underscored the need to clarify how projects were chosen and approved, how they were implemented and what the reporting lines were.

The DSG recapped the discussion by repeating that the Board, as a matter of principal, had agreed to the expansion, and the ToRs would reflect the concerns discussed at the meeting. There would also need to be an elaboration on accountability, results and strategy.

Item 7: New developments and way forward: Secretary-General's Bulletin on UNOP

For the benefit of the external members, Mr. Dossal explained that the ST/SGB was an official UN document which articulated the role and functions of the Office. Following the DSG's initial approval, it was sent to the Department of Management and the Office of Legal Affairs for further review and approval, before being formally promulgated by the Secretary-General.

There was a brief discussion on the ST/SGB, the titles outlined in it, and the order of review by various offices. The DSG noted that the ST/SGB was the mandate for the Office within the Secretariat, and that it would be issued in due course.

Item 8: New developments and way forward: Briefing on OIOS recommendations

The Board discussed the OIOS audit recommendations in its report dated 20 March 2009 on the need to create a comprehensive framework to guide, monitor and oversee the partnerships undertaken by UNFIP and UNOP, to guard against reputational risks to the UN. Long standing Board members underscored the importance of promulgating criteria, guidelines and overarching themes to ensure that programming and funding decisions were made on a sound, transparent and accountable basis. It was felt that this function was very important to protecting the UN Secretariat and the wider UN system.

The Board accepted Mr. Dossal's comments that UNOP was not mandated to develop a comprehensive framework for partnerships throughout the UN system, but requested the development of a guiding framework for partnerships handled through the Office to avoid against certain kinds of affiliations and corporations that the UN might not want to be identified with.

The Board also discussed at length the OIOS report recommendation that The Secretary-General should review the existing Relationship Agreement between the United Nations and the UN Foundation. The Members observed that the Relationship Agreement with UNF was originally intended to function for a term of 10 to 15 years, not forever, and that this was an issue that needed revisiting. The Board concurred that the extension of the Relationship Agreement signed with UNF two years ago would need to be revisited and substantially revised, since it did not reflect current reality and constituted the kind of reputational risk that OIOS had referred to in its report. Mr. Dossal confirmed that the Office had a mandate to revisit the Relationship Agreement since both Board of Auditors and the Office for Internal Oversight Services (OIOS) had also raised the issue. The DSG noted that the Relationship Agreement itself allowed room for amendments and changes, in paragraphs 34 and 35. She suggested that this be vigorously pursued with the advice of OLA.

As for the OIOS recommendation with respect to the Chief Executives Board, Mr. Dossal stated the Office was not intended to be the central focal point for all partnerships in the system. The intention of the Office was to be the quiet facilitator of innovative public-private partnerships and a strategic partnership advisor for the Secretariat. New projects to be funded through the Office via UNF-UNFIP or directly would first have to be approved by the Board. Projects facilitated by the Office, but not funded through the Office, would not come through the Board, but would be reported to the Board as having been facilitated by the Office. Mr. Dossal felt that the Office should be held accountable for the quality and number of new partnerships created and facilitated, as opposed to additional financial resources mobilized. The latter would be a challenge, given the reduced resources from UNF and the reduction in funding by major foundations due to the recent financial crisis.

In responding to the OIOS recommendation regarding the CEB, Mr. Dossal recommended that this be handled through an informational note briefing the CEB, so that it could be addressed without seeking a broad approval process.

The DSG informed Board Members that the OIOS recommendations were presented in order to keep them informed, and that UNOP had already been instructed by the DSG's office to follow up on these recommendations.

The DSG moved to the final agenda item, namely the date of the next Board meeting.

Mr. Dossal noted that it was important to have a mechanism for inter-sessional approvals. He suggested that whenever there was a demand for inter-sessional approval, the Office would seek the Board's inputs in writing. In addition, the Office would keep the Board apprised of other partnership activities not requiring Board approval, on a regular basis.

The DSG noted that the critical issues dealt with in the meeting should be followed up on inter-sessionally, with the Board's input and involvement.

The Board agreed to hold twice yearly meetings and Mr. Dossal suggested that March and September as the tentative meeting dates. In addition, it was agreed that the Board be provided with quarterly briefings on the activities of the Office.

The DSG requested that UNOP submit timetable of Board recommendations and related actions.

The DSG thanked all the Board members for their patience and contribution, and said that they would be kept apprised of progress arising from the day's discussion.

The meeting was formally closed at 12:05 pm.