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EXECUTIVE OFFICE
OF THE SECRETARY-GENERAL

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Note to the Secretary-General

RELATIONSHIP WITH THE PRIVATE SECTOR

1. Following the Meeting of the Legal Advisers on 4 and 5 March 1999, I would like to bring to your attention our thoughts and concerns with respect to certain aspects of the growing interaction with the private sector. It is our understanding that this matter will be considered by the Administrative Committee on Coordination (ACC) at its upcoming meeting in Geneva to be held on 9 and 10 April 1999. Therefore, I think that you should be aware of this also in your capacity as Chairman of the ACC.

2. While we are aware that this is primarily a policy matter, we all agreed that there were serious legal implications involved. The positive rhetoric by intergovernmental decision-making organs and by the organizations' Executive Heads seems to have been perceived as a green light for a broad and varied range of activities without the necessary administrative coordination or legal guidance. Moreover, we see a trend that "the private sector" has become interchangeable with commercial and business entities to the conceptual exclusion of non-governmental organizations, academic institutions, labour-unions, think-tanks and other such organizations and associations.

3. We have also detected mutually reinforcing trends associated with the growing relations with the private sector. While the private sector is acquiring greater rights of participation and increasingly performing formerly exclusively public functions, the organizations of the United Nations system are themselves to a greater extent engaging in private and commercial activities.

4. With all due appreciation for the desirability of enhancing relations with the private sector, we noted that the Legal Advisers have a paramount obligation to seek to ensure that the activities of the organisations in this regard are carried out in a manner consistent with the organisations' objectives and purposes as defined by their constitutive and legislative instruments. The Legal Advisers also seek to ensure respect for applicable

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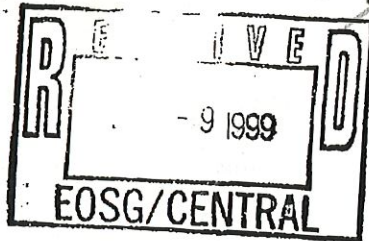
Financial Regulations and Rules and for the Staff Regulations and Rules of the United Nations. Furthermore, it is necessary to protect the status, privileges, immunities and interests of the organizations including but not limited to minimizing exposure to financial liability; ensuring proper use of names and emblems; preserving the inviolability of premises; and protecting intellectual property rights. We also recalled that there are limits to the nature and scope of activities in which intergovernmental organizations may be properly engaged.

5. A common concern among us was that we were sometimes seen as unhelpful and negative. We, therefore, came to the conclusion that we should emphasize to our organizations that our efforts "to keep some order in the house" are not meant to be an obstacle to better or closer relations with the private sector but rather as a guide towards proper relations with the private sector. Before any official policy is finalized, we thought that these specific issues should be addressed in depth and that the general guidance of the inter-governmental decision-making organs be obtained. With respect to the United Nations Secretariat, I note that the topic "Relationship with the Private Sector" is to be addressed by the Senior Management Group on 28 April 1999. I intend to revert to the Legal Advisers' concerns on that occasion.



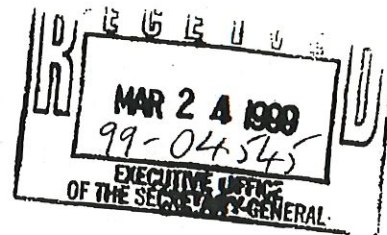
Hans Corell
Under-Secretary-General
for Legal Affairs
The Legal Counsel

23 March 1999



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