



## MUTUAL RECOGNITION STATEMENT FREQUENTLY ASKED QUESTIONS | July 2019

### 1. What is “mutual recognition”?

In Resolution 71/243, the UN General Assembly called for entities within the UN development system to “operate according to the principle of **mutual recognition** of best practices in terms of policies and procedures, with the aim of facilitating active collaboration across agencies and reducing transaction costs for Governments and collaborating agencies.”

Mutual recognition allows a UN entity to use or rely on another entity’s policies, procedures, system contracts and related operational mechanisms for the implementation of activities without further evaluation, checks or approvals being required.

### 2. What is meant by the “Statement”?

The executive heads of UN entities have committed to apply, to the greatest extent practicable, the principle of mutual recognition in respect to the administration and implementation of their respective entities’ activities by signing a “Mutual Recognition Statement”.

As of July 2019, the Mutual Recognition Statement has been signed by the UN Secretariat as well as ILO, IOM, ITU, the UN Women, UNAIDS, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, UNOPS, WFP, and WHO. Other UN entities are encouraged and expected to participate by endorsing the Statement which enters into immediate effect for each entity, once endorsed.

The joint statement can be found on the Chief Executives’ Board website at:

<https://www.unsceb.org/content/mutual-recognition>

### 3. What are the benefits of Mutual Recognition?

Mutual recognition can increase the agility of operations and remove barriers to collaboration that result from inconsistent or incompatible policies, rules and procedures among UN entities. For example, implementing mutual recognition can:

- Simplify and foster inter-entity service delivery;
- Enable deeper forms of collaboration and integration between UN entities worldwide, such as policy harmonization and capacity consolidation;
- Allow entities to use the most optimal contracts and services of other signatory UN entities (assuming third party consent);
- Increase efficiency by avoiding the duplication of activities, e.g. re-publishing procurement notices, double-auditing, or re-signing of individual entity contracts;
- Function as a critical enabler for the creation of *common back offices (CBO)* and a network of *global shared service centres (GSSC)*.

### 4. Is the Mutual Recognition Statement an administrative rule?

No. Each organization that is a signatory to the Mutual Recognition Statement must follow its rules and procedures for putting into effect the mutual recognition principle. For example, this might involve the adoption of a general administrative instruction to authorize the entity’s actions or commitments in reliance on another entity’s policies. Or it may involve a specific decision by an authorized staff member to take such action or make a commitment. Each

organization is responsible for determining which rules or decisions are necessary.

#### **5. How could implementation of mutual recognition work in practice?**

For example, if a UN entity wants to lease a vehicle, it could sign a Service Level Agreement (SLA) with another entity to order the vehicle through that entity's global vehicle leasing program. Mutual recognition can help enable this action because the recipient entity would not have to undertake under its own rules a separate review of the providing entity's leasing program to sign the SLA and to enter into the necessary commitments involved in leasing the vehicle. This dramatically decreases the bureaucratic process for entering into a SLA.

As a second example, one entity could request another entity to recruit a local consultant. The requesting entity can decide to use mutual recognition principles as a basis for entering directly into a consultancy agreement without having to perform under its own rules a separate hiring process or evaluation.

#### **6. What is the impact of the Mutual Recognition Statement on piggybacking on other entities' procurement LTAs?**

Piggybacking is an established form of UN system cooperation in procurement that is grounded in the UN Financial Regulations and Rules and involves one entity using another entity's contracts with vendors of goods or services. Mutual recognition principles benefit piggybacking by reducing procurement review processes. The burdens on the requesting entity are reduced when it can rely on the engagement of the vendor under the contracting entity's procurement rules. However, the Mutual Recognition Statement does not change established practices between organizations, including the practice of obtaining the authorization of the contracting entity.

#### **7. If an organization doesn't have a particular policy (for example, an asset**

**disposal policy), can the organization now just take another entity's policy and implement it as is?**

No. The Mutual Recognition Statement, on its own, would not allow staff of one organization to take actions and to make commitments solely by reference to another organization's policies. The organization would need to adopt an internal administrative instruction or issuance that adopts the other entity's policy as its own. But mutual recognition does represent an acknowledgement that the policies and procedures of UN entities are of a high standard; therefore, the adoption of best practices, including other entities' policies, in a holistic way is further enabled where appropriate.

#### **8. Are oversights and controls still necessary in implementing mutual recognition?**

Yes. Mutual Recognition Statement does not eliminate an organization's control and oversight measures when it comes to expending funds and resources. The Mutual Recognition Statement emphasizes that actions and commitments undertaken on the basis of mutual recognition principles must still be subject to sound financial and internal control systems. These systems should ensure that funds are used for the purposes intended, with due attention to considerations of efficiency and effectiveness, and be reviewed by internal and external auditing arrangements in line with the single-audit principle. Appropriate mechanisms for mitigating and addressing fraud and corruption must also be in place, and specific measures (such as capacity strengthening) introduced to mitigate identified risks and weaknesses in financial and internal control systems.

#### **9. What about an audit performed by another entity on third party service provider?**

The Mutual Recognition Statement includes a recognition of another entity's auditing under its policies and procedures. This could allow a UN entity to rely on audits by another entity of a third-party service provider.



## 10. What is the scope of the Mutual Recognition Statement?

According to the Mutual Recognition Statement, the signatory organizations are committed to implementing mutual recognition in the following specific areas in the context of the *Business Operations Strategy (BOS)* at the country level and the initiatives of the *Business Innovation Group (BIG)*: finance; human resource management; information and communications technology; logistics; procurement; and administration, including facilities management. Each signatory entity is free to implement mutual recognition principles in additional areas and settings. The Mutual Recognition Statement does not apply where an entity is not a signatory to this document.

## 11. How can Mutual Recognition help me in the field?

Mutual Recognition is a practical tool that can be applied at field level to strengthen and streamline business operations. Examples of potential areas of implementation where we could expect increased quality, efficiency and effectiveness include but may not be limited to the below.

### Administration and facilities management

- Centralized vehicle pool management
- Vehicle maintenance and services
- Sharing office or accommodation premises and services (security, cleaning, IT, etc.)
- Travel services, e.g. hotel agreements, rates
- Insurance (office, cars, equipment, cash, etc.)
- Asset management services

### Finance

- Accounting, submission and tracking of VAT reimbursement
- Banking services (incl. money transfers)
- Standardized financial reports (format, timing and content)

### Human resources

- Staff recruitment, secondment or loans
- Reference checking for recruitment
- Joint duty of care facilities for staff (UN medical and counselling facilities, doctors' rosters)
- Staffing rosters

### Information and communications technology

- Telecommunications (satellite, mobile or fixed telephone, internet service providers, etc.)
- Joint IT back up / recovery centres
- Global ticketing / help desks systems

### Logistics

- Warehouse and inventory management
- Third party freight forwarding
- Common service for customs clearance
- Fuel management

### Procurement

- Car purchases and leasing
- Vendor roster and management
- Contracts with airlines
- Leveraging better terms and conditions of another entity's contract, e.g. through accessing volume discounts by combining purchase volumes.

