



REVIEW OF THE IMPLEMENTATION OF THE PRINCIPLE OF MUTUAL RECOGNITION WITHIN THE UNITED NATIONS SYSTEM

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Background

Mutual recognition in the United Nations system is commonly understood as the principle which “allows an entity of the United Nations system 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, to the greatest extent practicable”¹. In contemporary setting, as underscored by General Assembly Resolution 71/243 of December 2016, entities within the United Nations development system are expected to operate according to the principle of mutual recognition with the aim of facilitating active collaboration across agencies and reducing transaction costs for Governments and collaborating agencies

As part of the Efficiency Agenda, the principle is found to be vital for the attainment of the Sustainable Development Goals. The principle was formalized in 2018 through the Mutual Recognition Statement. There are currently 23 signatories to the Statement. The signing of the Statement demonstrates the collective commitment of the executive heads of the 23 organizations to apply the principle. In December 2020, the General Assembly reiterated the importance of mutual recognition in its resolution A/RES/75/233 and urged organizations of the United Nations development system that have not signed on to the Statement to do so.



Objectives & Purpose

The objectives of the review were to assess the status and progress on the implementation of the principle of mutual recognition, and the adequacy and effectiveness of policies and practices, as well as to identify challenges, lessons learned and good practices relating to the implementation of the principle of mutual recognition within the United Nations system organizations. The scope of the review was limited to the 21 JIU participating organizations that are signatory to the Mutual Recognition Statement² and focused on six functional areas: finance, human resources, procurement, logistics, information and communications technology, and administration and facility services. The review also included the common business operations, namely, common premises, common back offices and global shared services.



What the JIU found

1. There is no authoritative universal definition of the principle of mutual recognition; It is defined based on the agreed framework and context of application

The JIU review found that there is no authoritative system-wide definition of mutual recognition. The foundation and context of the principle is derived from General Assembly Resolution 71/243, which underscored the need for organizations within the United Nations 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.”

The application of mutual recognition is currently limited to organizations within the United Nations development system, as specified by resolutions A/RES/71/243 and A/RES/75/233. In view of the enormous potential benefits that the principle of mutual recognition presents, the Inspectors strongly recommend that the Mutual Recognition Statement should be opened for signature to all UN system organizations, rather than solely those within the UN development system. **(Recommendation 1)**

2. The principle of mutual recognition is complex and faces several implementation challenges.

The review found that the principle of mutual recognition is complex and confronted with implementation challenges. The launch of the Mutual Recognition Statement also raised many questions regarding its enforcement mechanisms. Notwithstanding, interviewees appreciated that the Statement represents a mere collective commitment by the signatory organizations to apply the principle of mutual recognition “to the greatest extent practicable”.

As a way of overcoming implementation challenges, the Inspectors identified seven essential success factors—mutual trust, obligation, responsibility, support, respect, tolerance, and satisfaction—that are critical for effective implementation. Signatory organizations are urged to adopt these factors to overcome implementation challenges.

3. There is lack of an effective system-wide coordination mechanism and comprehensive operational guidelines to support the operationalization of mutual recognition.

The review found that there is lack of effective system-wide coordination mechanism and comprehensive operational guidelines to support signatory organizations in the operationalization of mutual recognition. To address this gap, the Inspectors recommend that the newly created bodies of the Community of Practice on Mutual Recognition and the Network of Mutual Recognition Champions be tasked with coordinating and developing comprehensive operational guidelines to support the operationalization of mutual recognition in the entities. **(Recommendation 2)**

4. Embedding the principle of mutual recognition in organizational regulatory frameworks would mitigate associated legal constraints.

The review found that the incompatibility of policies, regulations, and rules among United Nations system organizations presents some obstacles to the implementation of mutual recognition. While in theory, mutual recognition does not require the signatory organizations to change their internal policies and procedures, the review found that the implementation of the principle would be much easier if it is explicitly embedded in the organizations regulatory framework.

To address this, the Inspectors recommend that UN system organizations explicitly embed mutual recognition in their regulatory frameworks to facilitate the implementation of the principle. **(Recommendation 3)**

5. There are no objective criteria for determining which best practices should be mutually recognized.

In the United Nations system, mutual recognition is applied in the context of best practices in terms of policies and procedures. The review found that while the High-Level Committee on Management (HLCM) of the United Nations System Chief Executives Board for Coordination (CEB) serves as a clearing house for mutual recognition initiatives, are no objective criteria for determining which best practices should be recognized. To address this, the Inspectors suggest that the Committee consider adopting objective criteria for determining the best practices in terms of policies and procedures to be recognized in order to ensure that the comparative advantages of signatory organizations are mutually appreciated and recognized.

6. The advocacy and reporting role of the resident coordinators is critical to the successful operationalization of mutual recognition at the country level

The review considered that resident coordinators and operations management teams are strategically positioned to champion the operationalization of mutual recognition at the country level. However, it was evident from the JIU survey sent to resident coordinators that the operationalization of mutual recognition at the country level is not considered as being part of their responsibilities. Since mutual recognition is an enabler of the common business operations, it is logical that resident coordinators, as heads of United Nations country teams, should play an advocacy role in its operationalization at the country level. The Inspectors therefore recommend that the resident coordinators be explicitly assigned the advocacy role and be requested to periodically report progress on the operationalization of mutual recognition at the country level. **(Recommendation 4)**

7. Progress in implementing the principle of mutual recognition has been slow in many functional areas and varied across the organizations

The review found that progress in implementing mutual recognition has been slow and inconsistent in the functional areas – except for procurement. The status of implementation has also varied across organizations. Much of the progress made was achieved prior to the formal adoption of the principle through the harmonization of business practices. Procurement emerged as a success story, with 95% of respondents implementing mutual recognition in this area. The Inspectors suggest that signatory organizations should intensify efforts to expand the application of mutual recognition across all functional areas to improve operational efficiency and cost-effectiveness

8. There is a lack of comparable data on the efficiency gains from the implementation of mutual recognition.

The review found that there is no unified approach for measuring, evaluating, or reporting on the implementation of mutual recognition within United Nations System organizations, leading to a lack of comparable data on efficiency gains. To address this, the Inspectors recommend establishing monitoring, evaluation, and reporting mechanisms to ensure systematic operationalization of mutual recognition.

Furthermore, the review found that few organizations provide annual reports on mutual recognition's implementation to their governing bodies. The Inspectors therefore recommend that all UN system entities should include efficiency gains from mutual recognition in their regular reports to legislative organs and governing bodies to ensure improved monitoring and oversight. **(Recommendation 5)**

9. Governance and accountability frameworks are unclear.

Several organizations have raised concerns about governance, accountability, risk management, and oversight in the context of mutual recognition. Establishing a clear accountability structure and robust risk management is essential to ensure that mutual recognition does not compromise process integrity, expose the system to fraud, or undermine the United Nations' credibility. The Inspectors note a gap in the current governance framework for implementing mutual recognition and acknowledge concerns about accountability, particularly regarding errors, fraud, or discrepancies. To address these concerns, the Inspectors suggest the active involvement of the legal and internal auditing mechanisms to ensure compliance with governance, risk management, and oversight standards.



Approach & Methodology

The review was conducted from January 2024 to December 2024 on a system-wide basis and covered 21 JIU organizations that are signatory to the Mutual Recognition Statement. JIU used a mixed-method research approach, which included qualitative and quantitative methods of data collection and analysis, and drew on multiple sources, including:



A desk review and an in-depth analysis of relevant documentation of the available documentation on mutual recognition, including previous relevant JIU reports, an analysis relevant policy documents, regulations, and procedures of the signatory organizations.



Two questionnaires requesting qualitative and quantitative information were sent out to the 21 JIU signatory organizations.



Interviews with 236 key stakeholders in signatory organizations, relevant inter-agency mechanisms, common business operations and one resident coordinator from participating organizations (in-person or remotely), including perspectives on the status of implementation of mutual recognition in field offices.



In order to obtain the views of the resident coordinators as heads of the United Nations country teams, an online survey was administered and distributed to 103 resident coordinators in May 2024.





What the JIU recommends

The JIU makes 5 formal recommendations to participating organizations: one is addressed to the legislative organs/ governing bodies, one addressed to the Secretary-General and three are addressed to the executive heads. These are complemented by 19 informal recommendations.

The executive heads of United Nations system organizations are called on to:

- 1** Signing of the Mutual Recognition Statement by all United Nations system organizations in order to enhance operational efficiency and foster collaboration within the United Nations system.
- 2** Task the Community of Practice on Mutual Recognition and the Network of Mutual Recognition Champions with coordinating system-wide efforts to operationalize mutual recognition and developing comprehensive operational guidelines to guide the signatory organizations in the operationalization of the principle. The guidelines should aim to increase the operationalization of mutual recognition in relation to the organization's current baseline activities.
- 3** Take every opportunity to revise existing policies and regulations and explicitly embed the principle of mutual recognition into their regulatory frameworks, in order to reinforce its importance for aligning inter-agency gaps and facilitate its wider implementation across the United Nations system.

The United Nations Secretary-General is called on to:

- 4** Request the resident coordinators to assume a lead advocacy role and to periodically report progress on the operationalization of mutual recognition at the country level, in line with the guidelines of the networks of the High-level Committee on Management, taking into consideration that mutual recognition is a key enabler of common business operations.

The legislative organs and governing bodies of United Nations system organizations are called on to:

- 5** Request the executive heads of the signatory organizations to the Mutual Recognition Statement who have not yet done so to include the efficiency gains resulting from the implementation of the principle of mutual recognition in their regular reporting in order to ensure proper monitoring and oversight.



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