



CEB Chief Executives Board for Coordination

High-level Committee on Management (HLCM)

UN System-Wide High-level Principles on Donor Conditionality

HLCM endorsed the High-level Principles on Donor Conditionality, as set out in Annex I, as a system-wide framework to foster a common approach amongst UN entities in their negotiations with donors. This endorsement serves as the foundation for the next phase of work, which will focus on developing detailed guidance and explanatory notes to support implementation.

Background and Context

At its October 2024 session, HLCM acknowledged the growing complexity of donor conditionalities in funding agreements across the UN system. These conditionalities, often shaped by divergent national regulatory frameworks and political considerations, have introduced legal, operational, and strategic challenges that risk undermining the UN's independence, neutrality, and ability to deliver on its mandates.

In response, HLCM requested the Finance and Budget Network (FBN) to lead the development of a set of common principles to guide UN system organizations in navigating donor-imposed conditions. The FBN established a dedicated Working Group, co-led by the UN Secretariat and UNICEF, with participation from a broad range of UN entities and in close consultation with legal experts.

Purpose and Scope of the high level principles

The **High-level Principles on Donor Conditionality, as set out in Annex I**, present a shared set of principles that reaffirm the legal and institutional foundations of the UN system and provide a common reference point for entities when engaging with donors on funding agreements.

These principles are the basis for a unifying foundation for coordinated and principled engagement with donors, consistent with the UN System Organizations' legal and regulatory framework.

The development of the principles was informed by consultations within the Working Group, and the principles were reviewed and refined based on feedback received from FBN members and in consultation with the Office of Legal Affairs.

Two-Phased Approach to Implementation

Recognizing the need for both principled clarity and operational guidance, the Working Group proposed a **two-phased approach**:

- **Phase I – Endorsement of High-level Principles:**
The current document represents the first phase, focused on HLCM's endorsement of the high-level principles. These principles are designed to be broadly applicable across the UN system and to serve as a foundation for consistent and coordinated responses to donor conditionalities.
- **Phase II – Development of Explanatory Notes and Implementation Guidance:**
The Working Group will initiate a second phase to develop annexes and explanatory notes. These will provide further specificity, including illustrative examples, legal interpretations, and operational guidance to support the practical application of the principles.

Annex I

High-level Principles on Donor Conditionality

Donors have expressed a desire for greater assurances and transparency that their contributions are used effectively, efficiently and with integrity. This has resulted in increased pressure by them to include donor-specific terms as preconditions for providing contributions to the United Nations system organizations (conditionality). This pressure is compounded when donors' own regulatory requirements conflict with those of the UN system. Such conditionality raises several legal, operational and policy concerns.

Member States have entrusted a legal and regulatory framework to the United Nations system organizations they have established. The United Nations system organizations are compelled to undertake their mandated activities under that framework. As such, in negotiating with donors on voluntary contributions, entities must give primacy to their legal and regulatory framework. Each of these frameworks contain core principles, as accorded by Member States, common to all United Nations system organizations. Entities should therefore seek to uphold and safeguard them. Any conditionalities must remain consistent with that framework, and entities should not set undesirable precedents for the system through negotiations.

The following common principles are intended to assist in addressing the above-mentioned concerns and foster a common approach amongst United Nations entities in their negotiations with individual donors.

Independence. In order to be in a position to implement mandated activities, Member States have entrusted United Nations system organizations with independence, free from interference. As such, they enjoy operational independence in the discharge of their responsibilities, including administering donors' contributions to achieve their purposes.

Exclusively international character. Member States have explicitly recognized the exclusively international character of United Nations system organizations.¹ Accordingly, requests or instructions from donors that impose requirements inconsistent with the constituent instruments of the entities undermine any exclusively international character afforded thereunder.

Privileges and immunities. The United Nations system organizations have been accorded certain privileges and immunities as are necessary for the fulfillment of their mandates. As such, national or regional legislation, executive orders or court judgements may not be imposed on the entities in their utilization of voluntary financial contributions in view of their status, privileges and immunities. In view of the foregoing, when negotiating voluntary contributions with donors, United Nations system organizations should refrain from agreeing to comply with domestic legislation, executive orders or judgments. They should also refrain from agreeing to the adjudication of disputes by domestic courts.

¹ For example, Article 100 (2) of the Charter of the United Nations provides "[e]ach Member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities."

Sovereign equality. The principle of sovereign equality requires that all Member States be treated equally, without discrimination or preference. As such, compliance with individual national legislation or executive orders vis-à-vis the use or administration of donor contributions would not be consistent with this. In the same vein, any condition singling out any of the respective United Nations system organizations' Member States in a negative manner, such as, the exclusion of a Member State in the use of the contribution or implementation of activities or projects funded by a contribution, would be inconsistent with this principle.

Single audit principle. In accordance with their status, the authority to conduct audits and investigations rests exclusively with the United Nations system organization's oversight bodies. These bodies report their findings to the Member States through the organizations' governing bodies. Donor requests to conduct, commission, or otherwise influence audits or investigations would be inconsistent with the single audit principle.

Promotion of human rights and fundamental freedoms. United Nations system organizations are bound to promote universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion. Any conditionality that places restrictions on these human rights and fundamental freedoms should be resisted.