
**Operationalization of the Advisory Centre on
International Investment Dispute Resolution****Establishment of the Advisory Centre
within the United Nations System****I. Introduction**

1. At the fifty-seventh session of the Commission, it was widely felt that there would be merit in establishing the Advisory Centre on International Investment Dispute Resolution (the “Advisory Centre” or the “Centre”) within the United Nations system. It was also widely felt that the establishment and operation of the Centre should not have any implications for the regular budget of the United Nations.¹
2. At the session, the Commission was informed about possible ways to establish the Centre within the United Nations system, including as a subsidiary organ of the General Assembly, a specialized agency or a related organization. It was observed that depending on how the Centre was established within the United Nations system (including any relationship agreement to be concluded with the United Nations), some of the articles in the Statute might need to be adjusted.²
3. Articles 8 and 9 of the Statute of the Advisory Centre are relevant for this purpose.

Article 8 Financing

1. The operation of the Advisory Centre shall be funded by the contributions of Members, the fees for services provided by the Advisory Centre and voluntary contributions.
2. Each Member shall make financial contributions in accordance with [annex IV]. ...
3. The Advisory Centre shall charge fees for its services in accordance with the regulations adopted by the Governing Committee:
 - (a) ...;
 - (b)
4. The Advisory Centre may receive voluntary contributions, whether monetary or in kind, from Members, non-Members, international and regional organizations and other persons or entities in accordance with the regulations adopted by the Governing Committee, provided that the receipt of such contributions is consistent with the objectives of the Advisory Centre, is reported in the annual report and does not create any conflict of interest or otherwise impede the independent operation of the Advisory Centre.
5. The Advisory Centre may set up trust funds for the purposes of receiving and managing the financial contributions and the fees referred to in paragraphs 1 to 4.
6. The budget and expenditure of the Advisory Centre shall be subject to internal and external audit.

¹ See [A/79/17](#), para. 118.

² See [A/79/17](#), para. 119.

Article 9 Legal status and liability

1. The Advisory Centre shall have full international legal personality. The legal capacity of the Advisory Centre shall include the capacity to contract, to acquire and dispose of immovable and movable property and to institute legal proceedings.
2. The Advisory Centre shall be headquartered in [to be determined]. The Advisory Centre shall conclude a host country agreement with [host State/Government to be determined].
3. ...
4. To fulfil its objectives, the Advisory Centre shall enjoy in the territories of each Member the privileges and immunities as set out in this Protocol.
5. The archives of the Advisory Centre shall be inviolable, wherever they may be.
6. The Advisory Centre, its property and assets shall enjoy, at a minimum, such immunity as necessary for the fulfilment of its objectives and for the exercise of its functions, except when the Advisory Centre waives this immunity.
7. The Advisory Centre, its property, assets and income, and its operations and transactions authorized by this Protocol shall be exempt from direct taxation and all customs duties. The Advisory Centre shall also be exempt from liability for the collection or payment of any taxes or customs duties.
8. The Executive Director and staff members of the Secretariat shall enjoy immunity from legal process with respect to acts performed by them in the exercise of their functions, except when the Advisory Centre waives this immunity.
9. No tax shall be levied on or in respect of salaries, expense allowances or other emoluments paid by the Advisory Centre to the Executive Director and the staff members of the Secretariat.

II. The United Nations system

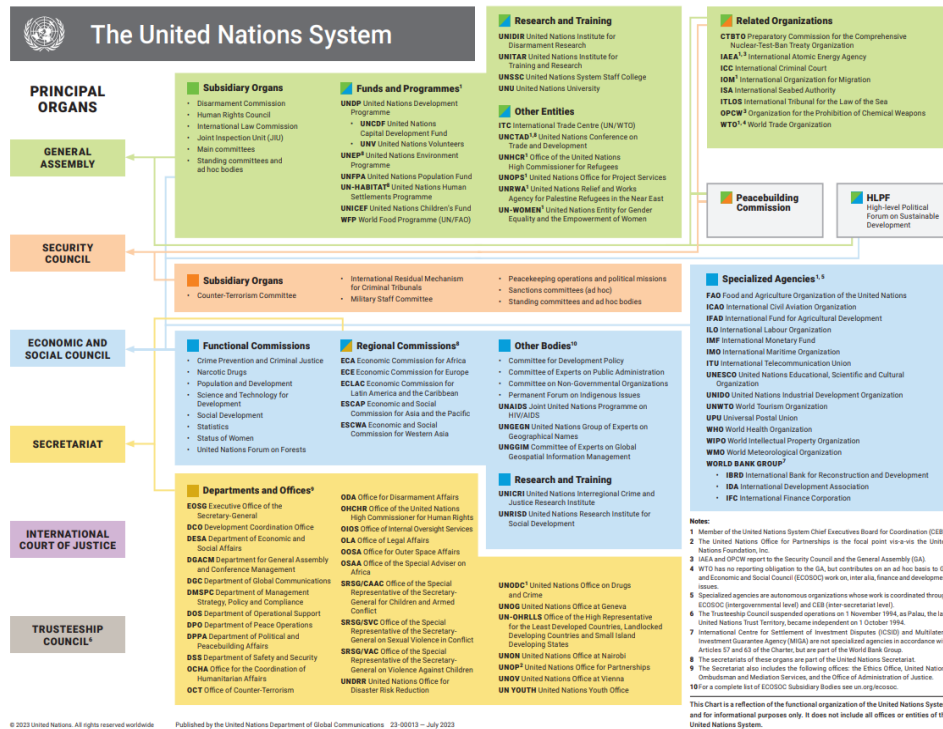
4. This chapter provides a brief introduction to the United Nations system. Established in 1945, the United Nations currently has 193 Member States. The six principal organs of the United Nations are the General Assembly, the Security Council, the Economic and Social Council (ECOSOC), the Trusteeship Council, the International Court of Justice and the UN Secretariat.³

5. The United Nations system (“UN system”) is a broader denomination that refers to the United Nations organization itself (including the six principal organs, their subsidiary organs and functional and regional commissions), various funds and programmes, other entities and bodies, in particular research and training entities, specialized agencies and related organizations. The United Nations Chief Executives Board for Coordination (CEB), chaired by the United Nations Secretary-General, serves as an internal coordination mechanism among its members.⁴ The UN system is laid out below.⁵

³ <https://research.un.org/en/docs/unsystem/principalorgans>

⁴ Information available at <https://unsceb.org/about>.

⁵ https://www.un.org/en/pdfs/un_system_chart.pdf. Not all entities within the UN system are included in the chart, for example, UNFCCC secretariat (UN Climate Change), which is a related organization, and the Technology Bank for the Least Developed Countries, an organ of the General Assembly (see Charter of the Technology Bank for the Least Developed Countries,



Budget and finance at the UN

6. The United Nations is financed through its regular budget as well as extrabudgetary contributions. The regular budget funds the UN's core activities, including mandated activities as well as peacekeeping operations.⁶ The regular budget is funded through assessed contributions by Member States.⁷ The regular budget ensures stable and predictable funding for essential UN operations.

7. In contrast, extrabudgetary funding consists of voluntary contributions from Member States, organizations, or private donors, earmarked for specific projects or initiatives beyond. Extrabudgetary funding allows the UN to expand its work and address emerging needs, providing flexibility for targeted projects outside the core budget. According to the UN Financial Regulations and Rules, the Secretary-General may accept voluntary contributions, whether in cash or other forms, as long as the contributions align with the Organization's policies, objectives, and activities.⁸

8. As noted in the introduction, it was widely felt that the establishment and operation of the Centre should not have any implications on the regular budget of the United Nations. In other words, they would not have any “programme budget implication” on the United Nations and would be funded entirely from extrabudgetary resources. Article 8(1) of the Statute identifies such resources, which includes contributions from Members of the Advisory Centre, fees to be charged and voluntary contributions. Establishment and operation of the Centre through such resources

(A/71/363)). For a complete list of ECOSOC subsidiary bodies, see https://ecosoc.un.org/sites/default/files/inline-files/ecosoc_chart.pdf.

⁶ See the Concept of Regular Budget and Extra-Budgetary Resources (Special Purpose Funds, Programme Support Funds and General Purpose Funds) – not an official document, available at https://www.unodc.org/documents/commissions/FINGOV/Background_Documentation_2009-2011/Agenda_Item_1/Regular-Budget-and-Extra-Budgetary-Resources.pdf. See also <https://www.un.org/en/ga/contributions/assessments.shtml>

⁷ <https://policy.un.org/en/finance-and-budget/contributions-and-other-income/assessed-contributions>.

⁸ <https://policy.un.org/en/finance-and-budget/contributions-and-other-income/voluntary-contributions>.

(which are considered “extrabudgetary” from the perspective of the United Nations) would not hinder the Advisory Centre from being established within the United Nations system.

United Nations common system

9. The term “United Nations system” should not be confused with the United Nations common system, which refers to common standards, methods and arrangements being applied to salaries, allowances and benefits for the staff of the United Nations system. The United Nations common system is designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel and to facilitate the interchange of personnel among common system organizations. The International Civil Service Commission, a subsidiary body of the General Assembly, oversees the operation of the United Nations common system.⁹

10. The United Nations common system is comprised of the United Nations, its funds and programmes, 13 specialized agencies, and the International Atomic Energy Agency (IAEA).¹⁰ However, not all entities within the United Nations system are part of the United Nations common system, for example, the World Bank Group and the International Monetary Fund.

Privileges and Immunities

11. To ensure that the United Nations and its officials can operate independently and effectively, privileges and immunities are granted through the Convention on the Privileges and Immunities of the United Nations (1946) and the Convention on the Privileges and Immunities of the Specialized Agencies (1947).¹¹

12. Both Conventions establish the legal immunities, exemptions, and facilities necessary for the United Nations, its affiliated entities, and the specialized agencies to function independently and efficiently across their Contracting States. The 1946 Convention grants privileges and immunities, which includes immunity from legal processes, tax exemptions, and inviolability of premises, documents, and communications (see article II, sections 2, 3 and 7 and article III, section 9). The 1947 Convention applies to specialized agencies, providing them with the legal protections necessary to carry out their mandates without interference. Together, the two Conventions protect United Nations personnel, representatives, and assets to facilitate international cooperation and safeguard the impartiality and operational freedom essential to their missions.

13. Article 9(4) to (9) grants similar privileges and immunity to the Advisory Centre and its staff members. Article 9(1) foresees that the Advisory Centre shall conclude a host country agreement with the host State, which can further detail such privileges and immunities in the host State. Should either of the above-mentioned Conventions become applicable to the Centre and its staff members, article 9 would need to be adjusted accordingly.

14. The Convention(s) could become applicable for example by including a reference to them in the Statute and/or in the host country agreement or through a General Assembly resolution extending the privileges and immunities provided therein. For example, the United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA) in Turkmenistan was established in 2007, with a host country agreement providing specific immunities and privileges without a separate

⁹ See <https://icsc.un.org/Home/Brief>.

¹⁰ The full list is available at <https://icsc.un.org/Home/CommonSystem>. IAEA has a special status under the ICSC statute.

¹¹ Available at <https://www.un.org/en/ethics/assets/pdfs/Convention%20of%20Privileges-Immunities%20of%20the%20UN.pdf> and https://www.unido.org/sites/default/files/2010-10/Text_of_1947_Convention-E_0.pdf.

GA resolution.¹² The United Nations Environment Programme (UNEP) was established by GA resolution [A/RES/2997 \(XXVII\)](#) in 1972 and the United Nations Human Settlements Programme (UN-Habitat) was established by GA resolution [A/RES/32/162](#) in 1977, both as United Nations entities, meaning that they operate under the general framework of privileges and immunities provided by the Conventions. The legal basis is provided in the Charter of the United Nations, specifically in Articles 104 and 105.¹³ Alternatively, the General Assembly could adopt a resolution extending the privileges and immunities provided by the Convention(s) to a new entity. For example, the 1946 Convention also applies to the Technology Bank for the Least Developed Countries, established in 2016. The General Assembly adopted resolution [A/RES/71/251](#) which explicitly states in paragraph 7 that the Technology Bank shall enjoy the privileges and immunities provided under the Convention on the Privileges and Immunities of the United Nations (1946), ensuring it could function with the same legal protections as other United Nations bodies.

Administrative framework of the United Nations

15. The United Nations has a comprehensive administrative structure that supports its functioning within different thematic areas, such as human resources, travel, health and well-being, procurement, finance and budget, IT, property management, security and accountability.¹⁴ Rules and regulations as well as administrative instructions form such a framework.

16. The Advisory Centre could rely on the existing administrative framework of the United Nations, which includes rules on recruitment, staff management, procurement, and financial accountability. This framework could provide robust governance while reducing the administrative burden of setting up and operating a separate body. Established financial regulations, auditing mechanisms, and other administrative regulations could support transparency and accountability. Compliance with such standards may result in operational efficiencies and potentially lower costs.

17. For example, the Centre could benefit from the United Nations Staff Regulations and Rules¹⁵, which provide a comprehensive framework for recruitment, employment conditions, and administration of staff; United Nations' financial regulations and rules¹⁶, which cover budgeting, accounting, and financial reporting; and benefit from services of the United Nations' internal and external audit bodies.

18. In addition, the Centre may consider relying on existing United Nations administrative services for functions like recruitment, procurement, and financial reporting, which could lead to cost savings and operational efficiencies.

¹² See <https://dppa.un.org/en/mission/unrcca> and <https://unrcca.unmissions.org/background>.

¹³ Article 104 of the UN Charter states: "The Organization shall enjoy in the territory of each of its Members such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes." Article 105 provides: "The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfilment of its purposes. Representatives of the Members of the United Nations and officials of the Organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organization. The General Assembly may make recommendations with a view to determining the details of the application of paragraphs 1 and 2 of this Article or may propose conventions to the Members of the United Nations for this purpose."

¹⁴ Available at <https://policy.un.org/>

¹⁵ Available at <https://policy.un.org/en/human-resources/general-provisions/staff-rules>.

¹⁶ Available at <https://policy.un.org/en/browse-source/financial-regulations-and-rules>.

III. Survey of entities established within the United Nations system based on extrabudgetary resources

19. In preparation of this background document, the secretariat carried out a survey of 74 entities within and outside the United Nations system. Of the 74 entities, six operate outside the system¹⁷ and twenty-eight are entirely or partially funded by the regular budget of the United Nations.

20. The following provides a summary of the survey of the remaining 40 entities that operate within the United Nations system based on extrabudgetary resources.

21. Those entities can be broadly categorized into four groups.

- General Assembly and ECOSOC Funds, Programmes, and other entities¹⁸
- Research and training entities¹⁹
- Specialized agencies²⁰
- Related organizations²¹

General Assembly and ECOSOC Funds, Programmes, and Entities

22. These entities are established by resolutions of the General Assembly and funded through voluntary contributions.²² They have governing bodies that oversee their activities and report to the General Assembly and/or ECOSOC.²³ These organizations rely on voluntary contributions for their budgets, significantly impacting their ability to plan long-term initiatives.

¹⁷ These are the Asian Forest Cooperation Organization; East Asian – Australasian Flyaway Partnership; Green Climate Fund; Global Green Growth Institute; International Vaccine Institute; and the United Nations Institute for Training and Research (UNITAR) Jeju International Training Center, which is a subsidiary organ of the International Peace Foundation.

¹⁸ UN Development Programme (UNDP, including UN Capital Development Fund and UN Volunteers); UN Environment Programme (UNEP); UN Population Fund (UNFPA); UN Human Settlements Programme (UN-Habitat); UN Children's Fund (UNICEF); World Food Programme (WFP); Joint United Nations Programme on HIV/AIDS (UNAIDS); United Nations Office for Project Services (UNOPS); and Technology Bank for Least Developed Countries.

¹⁹ United Nations Institute for Training and Research (UNITAR); United Nations System Staff College (UNSSC); United Nations University (UNU); United Nations Interregional Crime and Justice Research Institute (UNICRI); and United Nations Research Institute for Social Development (UNRISD).

²⁰ There are 15 specialized agencies: Food and Agriculture Organization of the United Nations (FAO); International Civil Aviation Organization (ICAO); International Fund for Agricultural Development (IFAD); International Labour Organization (ILO); International Monetary Fund (IMF); International Maritime Organization (IMO); International Telecommunication Union (ITU); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Industrial Development Organization (UNIDO); World Tourism Organization (UNWTO); Universal Postal Union (UPU); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); World Bank Group, comprising IBRD: International Bank for Reconstruction and Development, International Development Association (IDA), and International Finance Corporation (IFC).

²¹ Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO); International Atomic Energy Agency (IAEA); International Criminal Court (ICC); International Organization for Migration (IOM); Organization for the Prohibition of Chemical Weapons (OPCW); United Nations Framework Convention on Climate Change (UNFCCC) Secretariat (UN Climate Change); and World Trade Organization (WTO).

²² See, e.g., General Assembly resolution [A/RES/2029 \(XX\)](#) establishing the United Nations Development Programme (UNDP); General Assembly resolution [A/RES/1714 \(XVI\)](#) establishing the World Food Programme (WFP) and [E/RES/1994/24](#) establishing the Joint UN Programme on HIV/AIDS (UNAIDS).

²³ Some report to both the GA and ECOSOC (for example, UNDP and UNHCR), and some report to either the GA or ECOSOC (for example, UNEP to GA, WFP to ECOSOC).

23. For example, the United Nations Technology Bank for the Least Developed Countries (the “Technology Bank”)²⁴ was established through a GA resolution (A/RES/71/251) on 23 December 2016 as a subsidiary organ of the General Assembly and adopted its Charter.²⁵ The Technology Bank is financed through a combination of voluntary contributions from United Nations Member States and other stakeholders but mainly through host country support (the Government of Türkiye provides significant financial support, including the premises in Gebze).

24. The funds, programmes, and entities under the General Assembly and ECOSOC typically have their own statutes or foundational documents. These documents outline their mandates, governance structures, and operational guidelines. For example, entities like UNDP, UNHCR and UNICEF operate under specific statutes that define their roles and responsibilities within the UN system.²⁶ Generally, the members of these funds, programmes and entities are UN Member States. However, in some cases, non-UN Member States or entities can participate as observers or in other capacities, depending on the specific rules of the entity.

25. Regional economic integration organizations (REIOs) can sometimes be members²⁷ or observers in these entities, depending on the specific statutes and rules of the organization. For instance, the European Union²⁸ has observer status in several United Nations bodies and participates in their activities. The level of participation for REIOs could vary as well. They might have the right to speak, submit proposals, and participate in discussions, but they typically do not have voting rights.

26. It might be possible for a subsidiary organ of the General Assembly to be funded entirely by extrabudgetary resources, as is the case for the Technology Bank. This means that the funding for such an organ could come from voluntary contributions, or other sources outside the regular United Nations budget. While the funding originates from outside, their use would be subject to approval and oversight by relevant United Nations bodies to ensure transparency and accountability.

27. For example, the United Nations Peacebuilding Fund (PBF), although linked to the broader Peacebuilding Commission (which is a GA and Security Council subsidiary body), operates exclusively on extrabudgetary funding. The PBF was established to support peacebuilding efforts in post-conflict countries, and its financing comes entirely from voluntary contributions by Member States and other donors. This allows for flexible, targeted support in response to urgent peacebuilding needs, with financial management overseen by the UNDP.

28. However, the United Nations Peacebuilding Support Office (PBSO), which is part of the United Nations Secretariat and thus funded by the regular budget, provides

²⁴ The Technology Bank is a global organization dedicated to enhancing the science, technology, and innovation capacities of the least developed countries (LDCs). Established in 2016 and operational since 2018, it aims to support sustainable development and economic transformation in these countries. See <https://www.un.org/technologybank/who-we-are>.

²⁵ The General Assembly resolution (A/RES/71/251 of 23 December 2016) states that the General Assembly “Decides to establish the Technology Bank for the Least Developed Countries and to adopt its Charter, as set out in the note by the Secretary-General A/71/363”.

²⁶ See General Assembly resolutions A/RES/2029 (XX) establishing the United Nations Development Programme (UNDP); A/RES/319 (IV) establishing the UN High Commissioner for Refugees (UNHCR) and A/RES/802 (VIII) establishing the United Nations Children's Fund (UNICEF).

²⁷ For example, EU is a full member of FAO and has voting rights. However, the EU's voting rights are exercised in a unique way due to its status as a REIO - which means that when the EU votes, its Member States do not exercise their individual voting rights, and vice versa.

²⁸ Since 2011, the EU has held enhanced observer status at the UN General Assembly. This status allows the EU to present its common positions on behalf of its member states, participate in discussions and make interventions. EU also provides significant financial contributions to the UN system.

administrative support and oversees the operations of the PBF. The PBSO, housed within the Department of Political and Peacebuilding Affairs (DPPA), helps manage and coordinate the PBF's activities, ensuring alignment with broader United Nations peacebuilding objectives. PBSO has a broad mandate that extends beyond managing the PBF as its role encompasses several other core peacebuilding functions within the United Nations system.

Research and Training Entities

29. The United Nations system includes several research, training and education entities with different capabilities, expertise and mandates. These entities engage in investigation, analysis, research, capacity development and specialized training, with outcomes that feed into the broader United Nations system by aligning priorities with those of related United Nations bodies and agencies. UNICRI, for example, tailors its activities to the priorities set by the United Nations Commission on Crime Prevention and Criminal Justice, and maintains close working relations with the United Nations Office on Drugs and Crime (UNODC).

30. Research and training entities usually operate under the guidance of a governing or advisory board or committee, which is typically composed of experts or representatives from relevant United Nations agencies. The board or committee is responsible for setting policies, approving budgets, evaluating programs, and providing strategic direction, and reports to the General Assembly or ECOSOC. To illustrate, the United Nations system chart includes six research and training entities, with UNIDIR, UNITAR, UNSSC, and UNU listed under the General Assembly, and UNICRI and UNRISD under ECOSOC.

31. With the exception of UNIDIR, which relies on partial funding from the United Nations regular budget, the research and training entities are entirely financed from voluntary contributions. Their funding sources diversified, including endowments, host country contributions, research grants and revenue generated through partnerships with academic institutions and specialized training programs. For example, UNRISD receives both institutional funding from partners to support its overall programme of work and earmarked support for specific research and activities.

32. Research and training entities often have specific host country agreements that may include additional provisions such as access to local academic networks, research facilities, and collaboration with local universities. For instance, UNU's headquarters in Tokyo operates under an agreement with the government of Japan which provides extensive support, including facilities and financial contributions.²⁹

Specialized agencies

33. Specialized agencies are autonomous international organizations that work with the United Nations through formal agreements. They focus on specific areas of international concern, such as health, agriculture, labour, or education. These agencies operate independently but coordinate with the United Nations through ECOSOC and CEB. These organizations operate independently under their own governance structures. Examples include FAO, WHO, and the World Bank Group. They maintain their own financial systems and budget, often relying on a mix of assessed and voluntary contributions.

34. The legal framework that governs the relationship of the specialized agencies with the United Nations is articles 57 and 63 of United Nations Charter. Article 57 specifies that various specialized agencies, established by intergovernmental agreement and having wide international responsibilities in economic, social, cultural, educational, health, and related fields, shall be brought into relationship with the

²⁹ Agreement regarding the Headquarters of the United Nations University:
<https://treaties.un.org/doc/publication/unts/volume%201009/volume-1009-i-14839-english.pdf>.

United Nations. Article 63 empowers ECOSOC to enter into agreements with these specialized agencies and coordinate their activities through consultation and recommendations. The agreements are approved by the General Assembly. Some commonalities include reciprocal representation, meaning that representatives of the United Nations shall be invited to attend the meetings and participate, without vote, in the deliberations of the specialized agencies and in the same vein, representatives of the specialized agencies shall be invited to attend the meetings of the ECOSOC or the main committees of the General Assembly and participate, without vote, in the deliberations on matters within the scope of the activities of the agencies.

35. While specialized agencies operate independently, the agreements concluded with the United Nations outline how they coordinate with the United Nations, including the reporting obligations.³⁰ As outlined in Article 64 of United Nations Charter, ECOSOC may take appropriate steps to obtain regular reports from the specialized agencies detailing their activities to ensure their activities align with the broader goals of the United Nations system.

36. Each specialized agency operates under its own constituting or founding agreement, which defines its mandate, governance structure, and operational rules.³¹ As autonomous institutions, internal instruments governing the administration and financial operations of the United Nations do not automatically apply to the specialized agencies. However, if United Nations instruments align with their operational needs, they may adopt such instruments for example, the United Nations staff regulations or financial rules, unilaterally or through an agreement.

37. Even if specialized agencies adopt their own staff regulations and rules, most of them participate in the United Nations Common System. The World Bank Group and the IMF are exceptions following their own procedures/benchmarks for determining staff salaries and benefits. These institutions require staff with specialized financial, economic, and development expertise and have developed compensation and benefits systems that are comparable with other international financial institutions.

38. The budget of the specialized agencies typically comes from assessed contributions from member states and voluntary contributions, with varied assessment formulas and varied reliance on these two sources of funding. IFAD has a distinct approach to its funding not requiring mandatory contributions from member states.

39. Members to the United Nations specialized agencies are primarily United Nations Member States, as envisaged in the relationship agreements between the specialized agencies and the United Nations and their establishing constitutions/conventions. The relationship agreements provide for facilitated membership of United Nations Member States to the specialized agencies and the constitutions/conventions specify the procedure. Such procedures may be streamlined for United Nations Member States accepting the constitutions/conventions whereas non-UN states may be required to obtain additional recommendation or/and approval

³⁰ See, e.g., [the Protocol concerning the entry into force of the Agreement between the United Nations and the International Monetary Fund](#) and [Protocol concerning the entry into force of the Agreement between the United Nations and the Food and Agriculture Organization of the United Nations](#).

³¹ For example, the International Labour Organization (ILO) was established by the Treaty of Versailles in 1919. The Governing Body is a tripartite structure with representatives from governments, employers, and workers. The Food and Agriculture Organization (FAO) Constitution was signed on October 16, 1945, and outlines the FAO's mandate, governance structure, and operational rules. Governing Body is the Conference of Member Nations, which meets every two years.

by the governing bodies of the specialized agencies.³² In some cases, they distinguish between original and non-original Member States of the specialized agency.³³

40. Non-state actors (including territories and regions) may also engage in the specialized agencies³⁴ as full members,³⁵ associate members with limited or no voting rights,³⁶ observers,³⁷ and consultants.³⁸ UNWTO is the only agency of the United Nations that has private sector members that participate in the governance structure.

41. One of the main responsibilities for members of the specialized agencies is the commitment to make financial contributions. The voting rights of Member States may be influenced by the nature and modes of their financial contributions. Most of the specialized agencies follow an equal voting rights system (“one country, one vote”) while some link voting rights to financial contributions. IFAD, for example, has a mixed system of membership votes, distributed equally among the Member States, and contribution votes, distributed in accordance with the States’ respective share in paid contributions to a given replenishment. Under ITU, Member States decide their contributory class, which determinates the number of votes they receive.³⁹ A similar system applies to IMF and IBRD, where voting rights are based on financial contributions.

Related organizations

42. Related organizations include entities that are independent and separate from the United Nations system but still share some similarities, because they have entered into a formal relationship agreement with the United Nations. While such agreements are similar to those concluded between specialized agencies and the United Nations (see para. 34 above), they are outside the framework of articles 57 and 63 of the United Nations Charter. This means that international organizations can be formally related to the United Nations even though they do not directly carry out activities in economic, social, cultural, educational, health, and related fields.

43. To date, related organizations include the CTBTO, IAEA, OPCW, ICC, WTO, IOM, UNFCCC, ISA and ITLOS. These organizations collaborate with the United Nations on a wide range of issues such as nuclear testing and nuclear technology, chemical weapons, international criminal justice, global trade, international migration, climate change, law of the sea and settlement of international maritime-related disputes. While the scope of their activities varies, all these related organizations address issues of potential global impact and cooperate with the United Nations in that respect. However, the form and extent of such cooperation with the United Nations differ. Similarly, as these organizations are not part of the United Nations, the instruments that apply to the United Nations are not automatically applicable to these organizations.

44. The way in which these organizations have entered into a relationship agreement with the United Nations can differ significantly, which makes it hard to draw general features between the agreements. Nonetheless, certain commonalities can be highlighted. Typically, relationship agreements cover, among others, aspects related

³² Constitution of the UNIDO (Article 3); Convention of the IMO (Articles 4-7); Constitution of the UNESCO (Article 2); Constitution of the UPU (Article 12); Constitution of the WHO (Articles 5-7); Constitution of the ILO (Article 1).

³³ Establishing Agreement of the IFAD (Article 3); Statutes of the UNWTO (Article 5); Constitution of the FAO (Article 2). IBRD and IMF also distinguish original/non-original members without, however, distinct procedures.

³⁴ See, e.g., UNESCO. IMF and WB comprise only states.

³⁵ EU under FAO; French Polynesia under WMO.

³⁶ Puerto Rico and Tokelau under WHO.

³⁷ IMO; WIPO; ITU; UNIDO (Constitution Article 4); IFAD.

³⁸ NGOs under IMO.

³⁹ General Rules of Conferences, Assemblies, and Meetings of the Union, Specific rules of procedure for the election of the Member States of the Council.

to: cooperation and coordination of activities⁴⁰ (including technical assistance where relevant), reciprocal representation (whereby a related organization can be granted United Nations observer status and attend meetings and conferences where matters of interest for the organization are discussed), exchange of relevant information and documents relating to their respective activities, submission of reports to the General Assembly or notifications to the Security Council (usually both through the United Nations Secretary General), cooperation between secretariats, administrative cooperation (to avoid overlap of facilities and services), use of United Nations conference services on a reimbursable basis (including translation and interpretation services), personnel arrangements (including use of United Nations laissez-passer and application of the United Nations Staff Rules and Regulations and United Nations Financial Regulations), budgetary and financial matters (to achieve reciprocal consistency), and competence of the Administrative Tribunal of the United Nations for disputes involving staff members of the related organization.⁴¹

45. Similarly, the negotiation and conclusion process of relationship agreements would vary in practice, as they involve various stakeholders and decision-makers. Typically, relationship agreements have been signed by the United Nations Secretary General and subsequently adopted through a resolution of the General Assembly. For the related organization, such agreements have typically been signed by its representative (for instance, the Director General or the Registrar) and subsequently adopted by its governing body (for instance, the Assembly of States Parties of the ICC), usually at its first official meeting. However, this can be a lengthy process.⁴² A relationship agreement can be supplemented by other agreements and instruments such as administrative agreements and supplementary implementation arrangements.⁴³ Pending its approval, the agreement can be applied provisionally from the date of its signature by the Secretary-General of the United Nations and the related organization representative.⁴⁴ Related organizations share several similarities but also exhibit distinctions in administration, staff regulations, salaries, financial regulations, staff numbers, and insurance schemes. Most entities link the salary structure to the United Nations system. The organizations also abide by separate and specific financial regulations, auditing and internal control.

46. The budget of the related organizations is usually proposed by the head of the organisation and must be approved by its governing body or assembly. Entities, such as the WTO and ITLOS, follow a biennial cycle. At the WTO, budget proposals are reviewed by committees before final approval by the General Council. At ITLOS, the

⁴⁰ For instance, in certain relationship agreements, references have been made to the peaceful settlement of international disputes as being a key role and one of the main purposes of the UN. See the Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea concluded on 18 December 1997, available at https://itlos.org/fileadmin/itlos/documents/basic_texts/agr_coop_un_en.pdf.

⁴¹ See, for instance, Negotiated Relationship Agreement between the International Criminal Court and the United Nations entered into force on 4 October 2004 available at https://legal.un.org/ola/media/UN-ICC_Cooperation/UN-ICC%20Relationship%20Agreement.pdf; Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea concluded on 18 December 1997, available at https://itlos.org/fileadmin/itlos/documents/basic_texts/agr_coop_un_en.pdf; Agreement Governing the Relationship Between the United Nations and the International Atomic Energy Agency, available at <https://www.iaea.org/sites/default/files/publications/documents/infcircs/1959/infcirc11.pdf>; Agreement concerning the Relationship between the United Nations and the International Organization for Migration, General Assembly Resolution 70/296.

⁴² A/CN.9/WG.III/WP.238, para. 22.

⁴³ See, for instance, Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea, article 12.

⁴⁴ See, for instance, Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea, article 14.

biennial budget is prepared by the Registrar prior to the cycle⁴⁵ and then submitted to the Committee on Budget and Finance for comments and recommendations, and then to the Tribunal for consideration and approval. The proposed budget as approved by the Tribunal is submitted to the Meeting of States Parties for its final approval. In the case of CTBTO, its budget is prepared by its Executive Secretary focusing on immediate tasks prior to the Treaty's entry into force.

47. Budget contributions include mandatory and voluntary payments from member states. For example, the CTBTO is funded by assessed contributions from signatory states and voluntary contributions, including both cash and in-kind support. The WTO's budget derives from annual contributions based on members' trade shares. In contrast, the IAEA uses a combination of regular budget, technical cooperation, and extrabudgetary funds, with voluntary contributions for the latter two. Additionally, the CTBTO applies a 7% indirect support cost on voluntary cash contributions, which is not a feature for all entities. For ITLOS members, budget is allocated based on their United Nations scale of assessment. Each organisation follows their specific processes for budget preparation and approval.⁴⁶

48. The preparatory timelines for the related organisations reflect diverse historical and operational milestones. The CTBTO set up its Provisional Technical Secretariat within about a year of its creation in 1996. The IAEA was established in 1957, 3 years after the proposal to the General Assembly. The ICC took about 4 years from the adoption of the Rome Statute in 1998 to its entry into force in 2002. The IOM evolved significantly over several decades, with major changes occurring about 38 years after its initial establishment in 1951. The UNFCCC saw its core agreements and secretariats established about 4 years after key preparatory steps. These timelines highlight the common practice of establishing technical bodies shortly after initial agreements, with variations in duration reflecting the complexity of each process.

IV. Issues for discussion

Issue 1: Establishment within the United Nations system and linkages

49. As outlined above, the Advisory Centre could be established within the United Nations system as (i) funds, programmes, and other entities under the General Assembly or ECOSOC, (ii) a research and training institute, (iii) a specialized agency or (iv) a related organization. Discussions may take place on the preferred approach in light of objectives of the Advisory Centre found in article 2 of the Statute. In relation, the linkage to be established with the United Nations (for example, with the General Assembly, ECOSOC or UNCITRAL) including the possible reporting or monitoring structure could be further discussed.

Issue 2: Budget and financing of the Advisory Centre

50. As illustrated in chapter III, it is possible for the Centre to be established and operated within the United Nations system without any implications on the regular budget of the United Nations. This, however, means that the sources of Advisory Centre's financing as outlined in article 8 should be sufficient and stable to ensure a sound and continued operation. Article 3(1) of the Statute highlights this importance by referring to the financial sustainability of its operations. This aspect is also taken into account in article 13(1) of the Statute, which foresees a threshold based on expected contributions for the Statute to enter into force.

51. Therefore, discussions may take place on ways to ensure that the operation of the Centre would not have any impact on the regular budget of the United Nations.

⁴⁵ See Regulation 3.1 of the Financial Regulations of the International Tribunal for the Law of the Sea.

⁴⁶ See also AC/OP/BD.3, Classification of the Members of the Advisory Centre.

Discussions may also relate to voluntary contributions to be sought and potential donors, which would be subject to certain rules and regulations if the Centre is established within the United Nations system. Ensuring operational flexibility and independence as well as accountability and transparency would be key.

Issue 3: Privileges and immunities

52. As also illustrated in chapter III, the Convention on the Privileges and Immunities of the United Nations or the Convention on the Privileges and Immunities of the Specialized Agencies could apply to the Centre and its staff members through different means. Privileges and immunities may be further addressed in the Statute as well as the host country agreement. Discussions may take place on the initial approach to be taken as these issues require consultation with a number of other stakeholders.

Issue 4: United Nations common system and administrative framework of the United Nations

53. As explained, there may be benefits for the Advisory Centre to become part of the United Nations common system and to utilize the administrative framework of the United Nations, including its rules and regulations. It may also seek to outsource some of the administrative services, which could improve the effectiveness in delivering its core services.

54. Discussions may also evolve on whether the staff salaries and benefits should be based on the United Nations common system to attract diverse and highly qualified candidates. For example, the World Bank Group and the IMF require staff with specialized financial, economic, and development expertise and have thus developed compensation and benefits systems that are competitive with the private sector and other international financial institutions, rather than aligning with the United Nations common system. This would also have an impact on the budget of the Advisory Centre.

Issue 5: Membership

55. Article 8(1) of the Statute provides that a State or a regional economic integration organization may become a Member of the Advisory Centre in accordance with article 12. As illustrated above, this does not pose challenges in establishing the Advisory Centre within the United Nations system. Discussions may take place on the rights and obligations of Members of the Advisory Centre that are not members of the United Nations.

Issue 6: Specialized agency or related organization

56. Article 57 and 63 of United Nations Charter provides the legal framework governing specialized agencies. It would be useful to consider whether the Advisory Centre fulfils the basis requirement of “established by intergovernmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health, and related fields” as set forth in article 57(1). Article 2 of the Statute sets out the objective of the Centres as “to provide training, support, and assistance in international investment dispute resolution” and “to enhance the capacity of States and regional economic integration organizations to prevent and handle international investment disputes, in particular least developed countries and developing countries.” By equipping States, especially those with limited resources and capacity to manage complex disputes, the Centre could be seen as reducing dependency and promoting more equitable participation in the global investment framework, thereby contributing to economic development.

57. The next step would be to determine whether the Economic and Social Council would consider entering into an agreement with the Advisory Centre defining the terms on which the Centre shall be brought into relationship with the United Nations (article 63(1)). Lastly, the agreement with the United Nations would need to be approved by the General Assembly (article 63(2)).

58. Another possibility would be to consider bringing the Advisory Centre within the United Nations system through a relationship agreement, which would need to be negotiated after its establishment.

Issue 7: Interim secretariat of the Centre

59. Article 5(1) provides that a secretariat headed by an Executive Director would form part of the Advisory Centre's governance structure. During the deliberations at the Commission, a question was raised whether the Secretariat of the United Nations could function as an interim or permanent secretariat of the Centre. While this would be possible, a number of elements would need to be considered.

60. For example, the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat was initially supported by the United Nations Secretariat before becoming fully independent. The United Nations Secretariat also played a crucial role in facilitating and coordinating the establishment and operation of the ITLOS and the ICC, while both were set up as independent institutions (see, for example, <https://legal.un.org/icc/prepcomm/sixth.htm>). Most recently, the General Assembly approved the assumption by the Secretary-General of the functions assigned to him under Agreement under the United Nations Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement), including the depositary functions and the performance of the secretariat functions under the BBNJ Agreement until such time as the secretariat to be established under article 50 of the Agreement commences its functions (see [resolution 77/321](#) of 1 August 2023).

61. One of the elements to consider is whether and how such secretariat functions could be carried out without any implications on the regular budget of the United Nations. For example, the interim secretariat functions could be conducted as a project of the United Nations Secretariat funded entirely through extrabudgetary resources. As the contribution by Members of the Centre would only be received after the entry into force of the Statute, it would be necessary to identify voluntary contributions which would finance the interim secretariat functions.
