

COMING OF AGE: UN-PRIVATE SECTOR COLLABORATION SINCE 2000



United Nations Global Compact



Project Management: Melissa Powell
Authors: Wade Hoxtell, Domenica Preysing, Julia Steets
Copy-editor: Nicolas Kumanoff
Designer: Hedio Joulæe
Printer: United Nations, New York

Copyright © 2010
United Nations Global Compact Office
Two United Nations Plaza, New York, NY 10017, USA
Email: globalcompact@un.org

Disclaimer:

The views expressed in this report are those of the authors and do not necessarily reflect those of the UN Global Compact Office or other United Nations Agencies, Funds or Programmes. The United Nations Global Compact Office makes no representation concerning, and does not guarantee, the source, originality, accuracy, completeness or reliability of any statement, information, data, finding, interpretation, advice or opinion contained within this publication. The inclusion of company examples does not in any way constitute an endorsement of these organizations by the United Nations Global Compact Office. The material in this publication may be quoted and used provided there is proper attribution.

Table of Contents

Introduction	6
Why Collaborate? The Political and Social Agenda Driving UN-Private Sector Collaboration	9
Why Partner with the Private Sector	9
Why Partner with the UN	9
Institutional Changes within the UN System Creating a Better Enabling Environment for Partnerships	12
Creation of New Knowledge	12
Institutional Changes within the UN System	13
Main Trends in UN-Private Sector Collaboration	21
Core Business and Value Chain Partnerships	21
Social Investment and Philanthropic Partnerships	24
Advocacy and Public Policy Engagement Partnerships	28
Multistakeholder Issue Networks	30
Conclusion	34
Acknowledgements	35
Endnotes	36

BOXES

Box 1: United Nations partnership "pioneers"	14
Box 2: The United Nations Global Compact Office	15
Box 3: Additional actors facilitating United Nations-business collaboration	16
Box 4: Changing business behavior: Sector-specific climate change partnerships	22
Box 5: Taking philanthropy to scale: The United Nations Foundation	24
Box 6: Utilizing the strengths of the private sector: cause-related marketing	25
Box 7: Strategic health investment: The Global Fund to Fight AIDS, Tuberculosis and Malaria	27
Box 8: Raising awareness for HIV/AIDS prevention	28
Box 9: Global multistakeholder initiative: Stop TB	30
Box 10: Sector-specific multistakeholder initiatives	31
Box 11: Innovative Development Finance: The Global Alliance for Vaccines and Immunization (GAVI Alliance)	33

“The United Nations and business need each other. We need your innovation, your initiative, your technological prowess. But business also needs the United Nations. In a very real sense, the work of the United Nations can be viewed as seeking to create the ideal enabling environment within which business can thrive.”

—H.E. Mr. Ban Ki-moon, United Nations Secretary-General¹



Introduction

Direct cooperation between the private sector and the United Nations (UN) emerged as a significant phenomenon in the late 1990s in response to the complexity of global problems, the scarcity of resources and the failure of multilateral mechanisms to address these issues.² While many initially regarded cooperation with the private sector skeptically, the launch of the United Nations Global Compact in 2000 signaled the beginning of a new phase in UN engagement with the private sector — one in which the private sector's role and responsibility in helping achieve UN development goals, including the Millennium Development Goals, has become politically accepted and operationally scalable.

As public institutions opened up toward working with business, the private sector became more willing to collaborate as well. This was mainly because it realized that helping address global issues together with the public sector could improve the corporate bottom line.

These dynamics prepared the ground for a significant expansion in UN-private sector partnerships. To enable more effective cooperation, many UN Agencies, Funds and Programmes became more business friendly in their institutional set-ups and increased their capacity to deal with the private sector, share best practices and mitigate partnership risks. As a result, a broad range of collaborative relationships emerged, ranging from small, local partnership initiatives to massive global advocacy campaigns to jointly tackle a particular issue.

The ways UN Agencies, Funds and Programmes work with the private sector have evolved significantly and continue to develop. As knowledge on partnerships accumulates and the partners gain experience, two main developments have taken place. First, the UN has slowly become more realistic in its expectations regarding private sector contributions. Whereas the late 1990s and early 2000s saw an initial over-enthusiasm, the United Nations has realized that collaboration is not a silver bullet and that the financial contributions of the private sector are, and will remain, limited. As a result, the past decade has seen a more pragmatic stance regarding collaboration and more strategic planning from United Nations organizations regarding their partnerships. Second, UN-private sector partnerships have been maturing and the initial focus of “partnership for partnership's sake” has slowly given way to greater emphasis on results and a concentration of partnerships in areas where there is considerable value in collaboration.

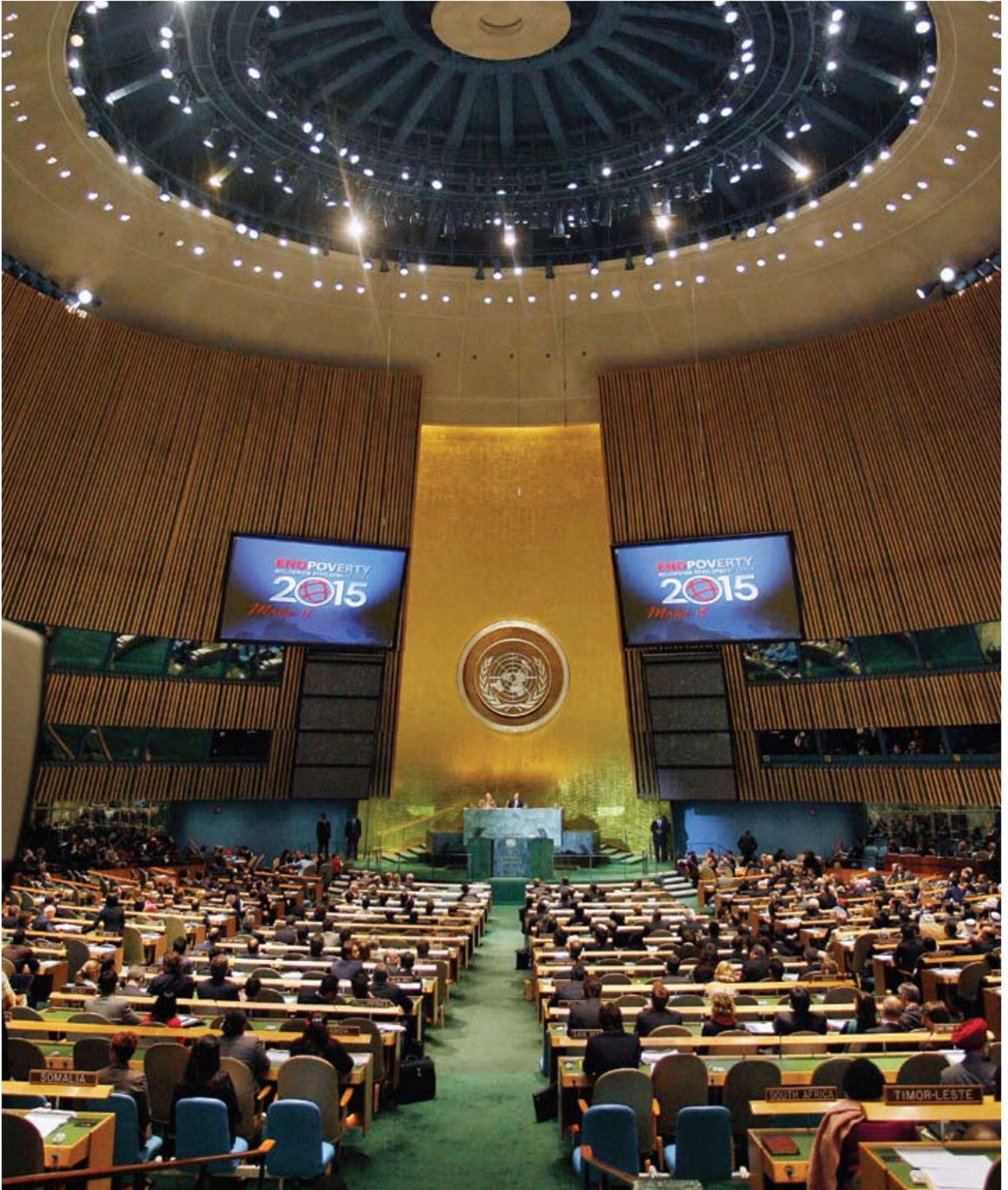
Overall, collaborations have therefore focused increasingly on the core business operations of companies. Social investment and philanthropic partnerships now seek to encourage input of core business expertise, products and services instead of just aiming to mobilize cash contributions. This has been accompanied and intensified by a trend to focus collaborations on efforts to support the set-up and expansion of sustainable markets and to influence core business behavior. It has also gone hand in hand with a rising number of large multistakeholder partnership initiatives or “issue networks”. These have been praised for enabling dynamic processes for issue-focused consultation and scalable operations among numerous private and public parties, as well as for including private sector representatives in their governance structures.

To shed more light on these trends, this report will explore:

- Why partnerships with the private sector have emerged as a growing field of activity for the United Nations and what the impetus is from the business perspective;
- Which institutional changes have taken place in the United Nations to facilitate the creation of partnerships, manage their risks and enhance their effectiveness; and
- Which kinds of partnerships are most effective in contributing to development and the achievement of the Millennium Development Goals by exploring key trends in core business and value chain partnerships, social investment and philanthropic partnerships, and advocacy and public policy engagement partnerships, as well as the growing phenomenon of multistakeholder issue networks.

DEFINING PARTNERSHIPS

Partnerships are defined as “voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits”.³



“Poverty is something that no one should endure. Markets can flourish only in societies that are healthy. And societies need healthy markets to flourish. [...] **That is why we have to boost our private-public alliance. We need to bring knowledge, resources and innovation together in a way that links sustainability with opportunities for growth.**”

—H.E. Mr. Ban Ki-moon, United Nations Secretary-General⁴

Why Collaborate? The Political and Social Agenda Driving UN-Private Sector Collaboration

Political and social agendas have increasingly been promoting the role and responsibility of the private sector in helping to achieve development goals, including the Millennium Development Goals, and have triggered a gradual evolution in the United Nations' approach to the private sector over the past decades. If business used to be seen as part of the problem and governments were thought to be able to provide political solutions for global problems, today the United Nations clearly recognizes the positive contribution global business can and increasingly wants to make to development, and actively encourages that contribution. A number of factors explain this evolution over the last decade.

Why Partner with the Private Sector

First, there has been a growing realization that most of **the world's pressing problems are far too complex and resource-intensive to be addressed by the public sector alone.** States and international organizations have therefore begun to seek private-sector support to help address complex issues such as fighting climate change and the spread of life-threatening diseases, and to deal with transnational spillover effects more adequately.

Second, **global business activity has grown significantly in the past two decades and has become critical to socio-economic development worldwide.** Well over 82,000 transnational corporations do business today, compared to about 37,000 in 1990. Operating with about 810,000 foreign affiliates, they employ more than 77 million people, and feed into millions of suppliers and distributors operating along their global value chains.⁵ In the same period, the development trajectory of many developing societies drove home the realization that successful development ultimately means generating sufficient private

investment to enable broad-based growth. As a consequence, the UN has come to recognize that unleashing and supporting private sector development, sustainable growth and entrepreneurship are central to reaching UN development goals.

Third, the food, energy and financial crises witnessed during the past three years have starkly reinforced the **growing demands by civil society that the private sector in general and multi-national companies in particular bear responsibility** for the social and ecological effects of their activities, change aspects of their behavior and act in a more responsible and sustainable manner.

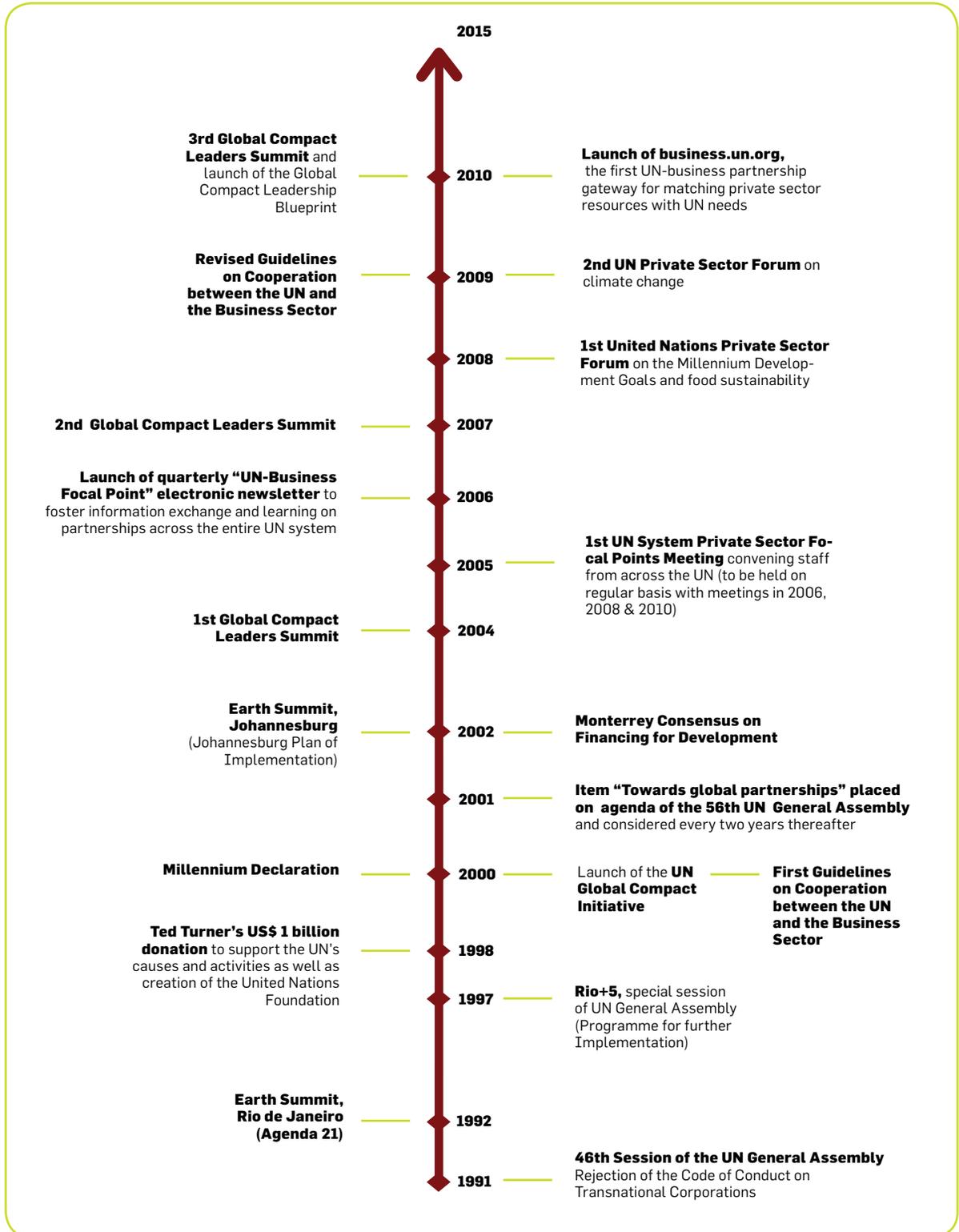
Why Partner with the UN

This evolution in the approach towards the private sector within the United Nations coincides with a growing readiness on the part of the private sector to assume a more active role in the development process and collaborate with the UN on many fronts.

Many private sector actors now recognize the **business case for practicing good corporate citizenship and partnering with the United Nations.** Activities can help create a favorable environment for business development and investment, help companies improve their reputation, especially in the face of often vocal criticism by civil society, and can help avert binding regulations. Many businesses have therefore proactively started to engage in development activities, while others feel compelled to give the impression they are.

In doing so, they often look to the **leadership of credible global actors** such as the United Nations, which develop relevant normative frameworks for action and use their convening power to bring together the right actors and direct their activities towards supporting development goals.

Timeline: Milestones in the evolution of the UN approach to private sector collaboration





As a result of this converging evolution of interests, public-private partnerships became more prominent on the social and political agenda during the 1990s. This culminated in the promotion of multi-sectoral partnerships as “Type-II outcomes” of the Johannesburg World Summit on Sustainable Development in 2002, in contrast to the traditional outcomes (“Type-I outcomes”) of the inter-

governmental diplomatic process, triggering significant growth in UN-private sector collaboration. The timeline of milestones below shows how the UN’s approach to collaborating with the private sector has evolved from merely accepting collaboration to regarding business not just as a donor, but as a partner in development efforts.

Institutional Changes Within the UN System Creating a Better Enabling Environment for Partnerships

When the UN system started partnering with the private sector, many saw business as a potential silver bullet that could solve most of the problems of the multilateral system. In contrast to these high expectations, initial experiences revealed that UN organizations usually lacked the necessary capacity, know-how and knowledge to manage partnerships effectively.

As experience and knowledge grow, the UN has become more realistic in its expectations regarding private sector contributions and has implemented important institutional changes in order to become a more effective partner.

Creation of New Knowledge

Over the past decade, a large pool of practical knowledge from numerous sources has helped effect a number of positive changes in how the UN conceives, implements and evaluates its partnership activities with the private sector.

First, internally, the UN has several extensive sources of information on partnerships, including the UN Global Compact Office, which produces a constant stream of publications detailing the latest trends and best practices in partnerships. As a practical tool for improving planning for partnerships, it has for example produced the “Partnership Assessment Tool” in collaboration with the United Nations Development Programme, the United Nations Office for Partnerships and the United Nations Institute for Training and Research. Another important internal source of information on partnerships is the United Nations Department of Economic

and Social Affairs’ Division for Sustainable Development, which has a rising number of partnership entries in its database, as well as information on events.

Second, individual UN Agencies, Funds and Programmes have, through a “learning by doing” process, gained increasing experience in designing and managing partnerships. This process of “natural selection” is led by field leaders within the United Nations, such as the United Nations Children’s Fund (UNICEF), the World Food Programme (WFP), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Programme (UNDP) and the Joint United Nations Programme on HIV/AIDS (UNAIDS). These organizations have developed a strategic approach to partnering and are more advanced than other UN organizations in their ability to attract, manage and evaluate their partnership activities with the private sector. As such, they act as pioneers for the UN system in testing new forms of partnerships, sharing best (and worst) practices, and driving the partnership agenda forward.

The private sector not only benefits from more capable United Nations partners due to the creation and uptake of this knowledge, it also significantly contributes to this process. For example, in 2006, UNDP convened a diverse group of institutions, many of them from the private sector, with interest and expertise in the private sector’s role in development. They later became the Advisory Board for the Growing Inclusive Markets Initiative. There is also a growing range of private and academic research on partnerships, their governance and their functions and effects.¹²

Institutional Changes Within the UN System

With the increase in experience and knowledge on how to manage partnerships and achieve impact, replicability and scale, a number of institutional changes have occurred within the UN that have helped to create a better enabling environment for partnerships and improved the way UN Agencies, Funds and Programmes deal with their business partners.

UN INSTITUTIONAL CHANGES FOR ENABLING PARTNERSHIPS

1. New UN Actors Facilitating Partnership Activities
 2. Private Sector Focal Points in All UN Agencies, Funds and Programmes
 3. Training Systems and Tools for Sharing Best Practices
 4. Reinforcement of Interface Skills
 5. Development of Guidelines on Cooperation Between the UN and the Private Sector
 6. Dedicated Legal Staff for Partnership Issues
 7. New Entry Points for Business, such as Business.un.org
 8. Efforts to Improve Collaboration at the Country Level
 9. The “One UN” Approach
-

1. New UN Actors Facilitating Partnership Activities

Over the past decade and a half, new actors have emerged within the UN who facilitate partnerships. This in itself demonstrates the strides the UN has taken over the past years regarding its ability to engage with the private sector. These new actors, such as the UN Global Compact Office, the UN Office for Partnerships, the United Nations Fund for International Partnerships and the Division for Sustainable Development at the Department of Economic and Social Affairs, among others, have been institutional drivers for internal UN reform, knowledge creation and the slow mainstreaming of the partnership idea.

2. Private Sector Focal Points in All UN Agencies, Funds, and Programmes

The majority of UN Agencies, Funds and Programmes have designated “UN private sector focal points” that act as dedicated partnership managers and deal with the private sector on a daily basis. Among other practical benefits, this ensures that businesses have a direct contact person within their partner organization who is responsible for all aspects of partnership planning and implementation.

3. Training Systems and Tools for Sharing Best Practices

To ensure that these “focal points” and other staff members dealing with the private sector have the skills they need, efforts have been made to develop training and exchange facilities for UN staff. For example, the United Nations System Staff College



BOX 1: UNITED NATIONS PARTNERSHIP “PIONEERS”

UNICEF has developed a detailed organizational strategy for partnerships and collaborative relationships and, among many other activities, pioneers cause-related marketing among the United Nations family, generating about 40% of its total corporate fundraising revenue from this type of partnership activity. To further optimize results from cause-related marketing, UNICEF engages in an ongoing process to refine its methods and processes for campaign development.⁸

UNDP is a partnership leader in developing business and cultivating inclusive markets. The “Business Call to Action” platform and the Growing Sustainable Business Initiative are some of its recent successful multistakeholder partnership initiatives to encourage innovative business models that create economic and developmental benefits.

UNHCR spearheads UN–business cross-fertilization on the organizational level. Since 2005, the UNHCR Council of Business Leaders, a network of major multinational corporations, works alongside UNHCR to leverage specific corporate core competencies with a

view to helping UNHCR become a more efficient and effective organization, and to raise public awareness of forcibly displaced people.⁹

WFP has been leading the way in developing partnerships which harness contributions of corporate core competencies, products and services to achieve development results that benefit both parties, for example through its Moving the World partnership with TNT. Through the partnership, TNT provides tangible support for humanitarian aid operations through multiple activities. Meanwhile, partnering with the WFP enables TNT to boost its brand and reputation by showcasing its logistical prowess and good corporate citizenship, as well as to motivate TNT employees.¹⁰

UNAIDS is considered the leader in advocacy partnerships, harnessing the contribution of a wide range of stakeholders through its staff working at national, regional and global levels. Innovative advocacy partnerships include a goodwill ambassador scheme, under which celebrities voluntarily raise awareness of AIDS issues. UNAIDS also has key partnerships with the World AIDS Campaign (founded by UNAIDS and now an independent NGO), with trade unions in many countries, and with parliamentarians through the International Parliamentary Union.¹¹

(UNSSC) offered training courses to staff and a private sector focal points network was developed to enhance communication, strengthen learning and the sharing of best practices, advance coordination and improve collaboration among UN staff working with the private sector. As a tool for this network, the UN Global Compact also organizes the publication of a quarterly e-newsletter, the “UN-Business Focal Point”. In addition, many agencies contract external training providers that cover all aspects of partnership planning, implementation and evaluation.

4. Reinforcement of Interface Skills

Many United Nations Agencies, Funds and Programmes have begun reinforcing “interface” skills, i.e. the skills required to mediate between the two organizational cultures. They do so by hiring staff with business backgrounds as well as through implement-

ing exchange programmes in which company staff are seconded to the UN organization and vice-versa in order to generate better mutual understanding. In some cases, private sector partners provide their United Nations partners with pro bono training in areas such as sales and marketing. However, while guidelines on financial and in-kind contributions have become quite sophisticated, the UN could benefit from clearer guidelines on secondment programmes, which are vague, even among the most advanced UN organizations.

5. Development of Guidelines on Cooperation Between the UN and the Private Sector

The UN has developed mechanisms for both clarifying partnership “ground rules” as well as mitigating potential partnership risks, including comprehensive screening services as well as the development and

THE REVISED GUIDELINES ON COOPERATION BETWEEN THE UN AND THE PRIVATE SECTOR

The “Guidelines on Cooperation between the United Nations and the Business Sector” were originally launched in 2000 and recently significantly revised in 2009. As an important component of the United Nations Secretary-General’s efforts to modernize the organization, the guidelines are intended to help United Nations staff nurture more effective partnerships with the business sector while ensuring the integrity and independence of the United Nations.

Facilitated by the United Nations Global Compact Office, the Guidelines’ revision was chaired by the Deputy Secretary-General and involved senior staff from over 30 UN Agencies, Funds and Programmes who shared years of experience in collaborating with the private sector. The process was launched in response to Member States’ requests that the United Nations place greater emphasis on impact assessment, transparency, accountability and sustainability of UN-business partnerships and that partnership management be enhanced.

BOX 2: THE UNITED NATIONS GLOBAL COMPACT OFFICE

The United Nations Global Compact Office, established July 26, 2000, plays an integral role in strengthening the UN system in its efforts to engage business – for example by convening annual UN System Private Sector Focal Points Meetings and the publication of “The UN-Business Focal Point”, a quarterly e-newsletter designed to enhance communication and collaboration among UN staff working with business. Furthermore, the UN Global Compact contributes to the development of UN policies and practices in the area of business partnerships by developing the Secretary-General’s Reports to the General Assembly under the item “Towards Global Partnerships”.

The UN Global Compact Office supports the work of the United Nations in its efforts to internalize the ten principles relating to the areas of human rights, labour, the environment and anti-corruption into the Organization’s operations and encourages businesses to commit to these principles as well. To date, the Global Compact Office has brought together over 7700 participants from 135 countries, including 5300 corporate businesses, and now stands as the largest corporate citizenship and sustainability initiative in the world.⁶

The ‘Blueprint for Corporate Sustainability Leadership’, launched at the Global Compact Leaders Summit 2010, intends to take UN-private sector collaboration for development to a more advanced level, by articulating how the two dimensions of the UN Global Compact – implementing the core principles of the UN Global Compact, and undertaking actions in support of broad UN goals and issues – can be integrated into the strategies, operations, and value chains of Global Compact participants to achieve higher performance and closer alignment with UN goals and issues. As such, the Blueprint provides an updated management model for sustainability leadership based on the types of policies and practices that businesses have found most effective in driving change during the first ten years of the UN Global Compact, and is expected to challenge and inspire companies to achieve higher levels of sustainability performance.⁷

BOX 3: ADDITIONAL ACTORS FACILITATING UNITED NATIONS-BUSINESS COLLABORATION

The United Nations Office for Partnerships (UNOP) and the United Nations Fund for International Partnerships (UNFIP) aim to promote new United Nations partnerships and alliances by serving as a gateway to engage corporations, foundations and civil society to achieve the Millennium Development Goals. Since 2006, UNOP has guided the development of important alliances between foundations, philanthropy groups, business councils, corporate businesses, universities, NGOs, institutes, and the various UN partnerships initiatives and UN agencies, commissions and funds. UNOP works closely together with the UN Global Compact Office, and they reinforce each other's mandates.¹³

The Division for Sustainable Development at the UN Department for Economic and Social Affairs (UN DESA) offers leadership and expertise on sustainable development within the UN system. It facilitates various fairs that provide venues to showcase progress, launch new partnerships, network with existing and potential partners and create synergies among partnerships. Through its partnerships database, it also aims to assist and facilitate the identification of partnerships' activities and their valuable contributions to sustainable development.¹⁴

TRAINING RESOURCES

The UN University (UNU) works together with corporations to eradicate poverty and improve education, both of which are essential for businesses to thrive.

The United Nations System Staff College (UNSSC) has in the past offered a course, "Partnering Skills for Strategic Engagement," which was designed to enhance the abilities of UN staff and their development partners by helping them engage in and promote innovative and effective multistakeholder partnerships.¹⁵

refinement of a set of system-wide "Guidelines on Cooperation between the United Nations and the Business Sector". Moreover, many individual Agencies, Funds and Programmes have developed their own guidelines that fit their specific needs, mandates and limitations.

6. Dedicated Legal Staff for Partnership Issues

Many UN organizations have employed dedicated legal staff to conduct due diligence on potential corporate partners and ensure that all partnership activities preserve the

integrity of the organization and of the United Nations as a whole. While one of the main criticisms of the private sector towards their UN partners is the cumbersome legal process, the value of the UN to potential private sector partners depends on the integrity of the UN brand and the brands of the individual organizations. In this regard the employment of legal staff dedicated to partnership issues represents a major step forward.



THE BUSINESS.UN.ORG WEB PORTAL

While many UN organizations have partnered with the private sector for years, companies have frequently expressed frustration over the lack of a single interface describing UN needs across the multitude of specialized Agencies, Funds and Programmes. Business.un.org now provides a single entry point to match the capacities and resources of the private sector with the needs of the UN system, be it for humanitarian relief, poverty reduction, or the fight against global health challenges. Information on the UN system and partnership opportunities is provided in business-friendly language to help companies of any size to connect with the UN and facilitate entry into collaborative partnerships.

7. New Entry Points for Business, Such as Business.un.org

The United Nations has also established “entry points” for businesses to engage with the UN, including the newly launched business.un.org web portal, which serves as an online “matchmaking” tool for bringing together businesses and UN organizations. Moreover, large-scale events such as the Global Compact Leaders Summit and the Global Compact Private Sector Forum are providing new forms of corporate entry into the work of the United Nations. These events facilitate contacts and allow for a certain level of inclusion of the private sector in high-level UN discussions on the most pressing global challenges.

8. Efforts to Improve Collaboration at the Country Level

The United Nations has also made significant efforts to expand its partnership activities to the country level and engage local affiliates of multinational companies as well as small- and medium-sized enterprises. Many UN Agencies, Funds and Programmes are empowering their country offices to engage with the private sector to achieve development goals. Moreover, initiatives such as the UN Global Compact Local Networks, often in cooperation with UNDP country offices, help to bring the local private sector together with civil society groups, labour organizations and academia to discuss corporate concerns about human rights, labour standards, the environment and anti-corruption issues.

9. The “One UN” Approach

Lastly, in order to generate a better enabling environment and eliminate confusion over forming UN-private sector collaborations at the country level, many of these innovations have been consolidated into the “Delivering as One” or “One UN” approach. While the “One UN” approach has been piloted only in selected countries since its launch in 2007, the impact of this strategy for engaging the private sector at the country level is reported to be promising.¹⁶ In the case of Ukraine, the “One UN” approach included a cost-effective pooling of resources and achieved more effective partnerships with the private sector by establishing a public-private partnerships team at the country office level. In this manner, it was easier to achieve economies of scale, avoid overlapping responsibilities and decrease confusion for businesses dealing with the UN.¹⁷

While the creation and implementation of best practices and lessons have significantly improved the capacity of both the UN and the private sector to cooperate effectively, there is a clear need to focus more in-depth analysis on specific partnership types and thematic groups of partnerships. To move to a new phase, which promotes and facilitates the replication and scaling of initiatives or methods identified as best practice, and subsequently improve processes within UN Agencies, Funds and Programmes, it is essential to identify what trends exist within each type of UN-private sector collaboration and examine the specifics of what works and what doesn’t on a case by case basis.

One UN Joint Programme

Reduction of Maternal and Newborn Mortality



Outputs of the Joint Programme

Empower women, men, health-service providers and policymakers to make informed decisions is at the heart of reducing maternal and newborn deaths.



FORMS OF UN-PRIVATE SECTOR COLLABORATION AND KEY PARTNERSHIP TRENDS

Core business and value chain: Partnerships in this area aim for business development by harnessing the core strengths of the private sector and/or for changing the way businesses operate to be more in line with social, environmental and development goals. Key trends have been observed in the areas of:

- Business development: Platforms in support of building sustainable markets and business models
- Changing behaviour: Platforms for more sustainable business practice

Social investment and philanthropy: the private sector provides United Nations Agencies, Funds and Programmes with different types of support, including traditional philanthropy, social venture funds, hybrid or blended-value financing mechanisms, employee volunteers or contributing core business expertise, products or services to the public cause. Key developments have taken place in the following areas:

- Giving with a mission: Philanthropic foundations
- Core-business related giving: Cause-related marketing
- Strategic giving: Social investment into strategic areas such as public health

Advocacy and public policy engagement: Partnerships in this area advocate for issues, engage in public policy dialogue, support effective regulations and strengthen public institutions and administrative capacity in order to bridge governance gaps, improve the enabling environment and support reforms at the local, national and global levels.¹⁸ The trend in this area has been going towards:

- Influencing individuals' behaviour in developing countries
 - Encouraging government regulation
 - Raising general awareness
 - Targeting businesses and their employees directly
-

Main Trends in UN-Private Sector Collaboration

Three main forms of collaboration between the private sector and the UN are core business and value chain, social investment and philanthropy, and advocacy and public policy engagement. Each includes a wide spectrum of partnership types, ranging from small bilateral partnerships to large multi-stakeholder initiatives. Through experience, trial and error and the generation of more knowledge, specific partnerships within these categories and best practices are slowly being identified, replicated and scaled. Through this process, partnership activities within the United Nations are maturing.

Overall, one of the key overarching trends over the last decade with respect to partnership types has been a movement away from philanthropic partnerships towards core business and value chain partnerships. This has been a result of two main factors. First, the private sector has become more demanding as businesses realize the potential benefits of more complex engagements in terms of, for example, staff motivation and recruitment, as well as strategic positioning in a global market. Second, the UN has also gotten better at conceptualizing and implementing more complex relationships and has come to appreciate the value of core business engagements towards achieving development goals.

In addition to this overarching trend, several important developments have occurred within each type of partnership. This chapter focuses on these key trends and concludes by discussing how these functional types are gradually converging in large, integrated multistakeholder issue networks as stakeholders unite to tackle particularly complex global problems, for example public health, from all angles.

Core Business and Value Chain Partnerships

While collaboration between the UN and the private sector initially had a strong focus on fundraising, over time it has come to focus more on core business and value chain operations. This can mean very different things. Some core business partnerships focus on supporting local enterprises in developing countries, building inclusive business models or facilitating international investment. Others focus on changing the way businesses operate.

Core business and value chain partnerships have become increasingly prominent because they promise to be self-sustainable, draw on the specific strengths of the private sector and can have a significant impact on development issues. Yet, by the same token, they are often complex, difficult to implement and require a higher level of commitment from all partners. Many of the institutional reforms described above were implemented in response to challenges arising in the context of simpler types of partnerships, such as those focusing on traditional philanthropic contributions. As core business and value chain partnerships become more engrained in the way the UN collaborates with the private sector, a new learning process therefore needs to take place, which reflects lessons learned and best practices.

Business Development: Platforms in Support of Building Sustainable Markets and Business Models

A promising trend within the UN is the creation of platforms that support the building of sustainable markets. These initiatives facilitate the development of local business solutions to development problems and mobilize the innovative technologies, processes, products and skills of the private sector to



BOX 4: CHANGING BUSINESS BEHAVIOUR: SECTOR-SPECIFIC CLIMATE CHANGE PARTNERSHIPS

WHAT ARE THEY?

The United Nations has created a number of sector specific groups to promote change in companies' own behaviour to reflect goals of mitigating climate change. These operate at the industry-wide level to change structures and incentives by adapting policies and regulations as well as companies' own strategies and operations. Prominent examples are the Sustainable Buildings and Climate Initiative, Refrigerants, Naturally!, and the United Nations Environment Programme Financing Initiative (UNEP FI).

CONSTRUCTION SECTOR

The Sustainable Buildings and Construction Initiative (SBCI) is an example with a strong emphasis on standards definition and policy lobbying. It was established in 2006 as a partnership between the United Nations and building sector stakeholders, including architects, material producers, construction companies, property investors and owners, building managers, professional associations and concerned authorities. The objective of the initiative is to promote sustainable buildings in general and those that are energy efficient with a low climate change impact in particular.²⁷

REFRIGERANTS SECTOR

Within Refrigerants, Naturally! the leading small refrigeration unit companies Coke, Pepsi, Unilever and others have combined their research and development and purchasing power to enable change in their own operations by substituting harmful fluorinated gases ("F-gases", such as CFCs, HCFCs and HFCs) with natural refrigerants.²⁸

FINANCIAL SECTOR

The United Nations Environment Programme Financing Initiative (UNEP FI) works closely with nearly 200 financial institutions that have endorsed the UNEP FI statements and a range of partner organizations to develop and promote linkages between sustainability and financial performance. Through peer-to-peer networks, research and training, UNEP FI carries out its mission to identify, promote and realize the adoption of best environmental and sustainability practice at all levels of financial institution operations.²⁹

SUCCESS FACTORS

The most successful of these partnerships have found a lever for applying far greater resources than are available to them directly, to achieve their environmental, social and governance (ESG) aims. The best example of this is the creation of the Principles for Responsible Investment (PRI), the largest voluntary institutional investor initiative in partnership with UNEP FI and the United Nations Global Compact, which provides a framework for incorporating ESG issues into mainstream investment decision-making and practices. The PRI has gathered asset management companies as signatories with a combined value of US\$ 18 trillion.³⁰

The UN has had the greatest positive impact when it has focused on using its convening power instead of taking a lead role in technical advice or setting policy goals that conflict with the members' interests. The most successful partnerships have been those where the UN has brought leading businesses, NGOs, governments, research institutes and multilateral bodies to the same table to work out solutions. Recent voluntary initiatives are the clearest expression of this and the most successful – UNEP FI and Refrigerants, Naturally! – are clear cases of the United Nations successfully adopting a broadly neutral, facilitating approach.

implement “inclusive business models”, “base of the pyramid” models or “creative capitalism”¹⁹. As such they have the potential to generate income and investment, create jobs, foster entrepreneurship and establish infrastructure, among numerous other benefits.²⁰

Several business development platforms have been created, often led by the United Nations Development Programme (UNDP). For example, the “Business Call to Action”, a multistakeholder platform that challenges and encourages companies to develop innovative business models that meet both development and business goals, supports initiatives that can generate economic and development benefits, are clearly linked to the company’s core business, incorporate a fresh approach to business for the company and generate measurable results.²¹ Another example is UNDP’s Growing Sustainable Business initiative, a programme with the objective of facilitating business-led enterprise solutions to poverty in advancement of the Millennium Development Goals. These enterprise solutions accelerate and sustain access by the poor to needed goods and services and/or employment and livelihoods opportunities.²²

Changing Behaviour: Platforms for More Sustainable Business Practice

In addition to utilizing the core strengths of the private sector to build sustainable markets and to create products and services for the public good, United Nations organizations are also increasingly aiming to align business operations with social, environmental or development goals. In fact, the new “Guidelines on Cooperation between the United Nations and the Business Sector” (2009) now explicitly allow for the United Nations to partner with companies for the purpose of changing their core business operations.²³ Many initiatives are therefore moving away from pure advocacy platforms and turning into more action-oriented collaborations.

A number of initiatives attempt to set a framework for companies to improve their operations. The UN Global Compact facilitates “Caring for Climate”, a voluntary and complementary action platform for UN Global Compact participants who seek to demonstrate leadership on the issue of climate change.²⁴ The “CEO Water Mandate” assists companies in developing, implementing and disclosing policies and practices that relate to water sustainability.²⁵ The United Nations Environment Programme (UNEP) has created the “Climate Neutral Network”, which works to facilitate information exchange and networking on achieving a transition to a low-emissions and eventually climate-neutral society.²⁶ Moreover, a number of sector-specific initiatives have been effective in changing business behaviour.

A number of drivers are pushing this trend, including demands for more corporate social responsibility, the “celebrity value” of association with popular causes, the desire to avoid binding regulations and the ability of the United Nations to provide widely accepted and endorsed frameworks for action, such as the Millennium Development Goals. To achieve real scale and thus impact, “changing business behaviour” initiatives need to get industry leaders, if not the entire sector, on board to create a level playing field among competitors that is conducive to joint action and voluntary compliance. Thus, the success of these initiatives hinges on active participation and leadership from the private sector, often with the UN playing a supporting, convening role as opposed to a real driver for change. While these initiatives can effectively spark change processes driven by the private sector, they cannot replace binding regulations as a mechanism for ensuring that corporations comply with all environmental, social and governance goals espoused by the UN.

Social Investment and Philanthropic Partnerships

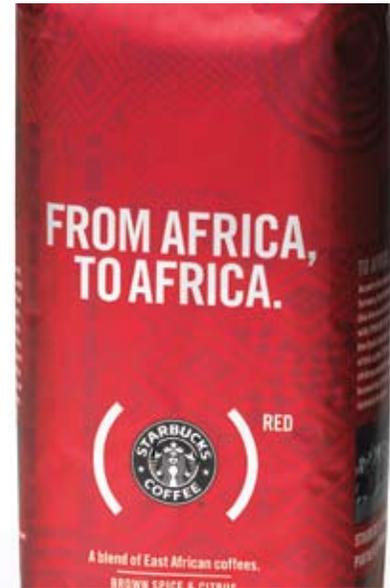
Private sector partners engaging with the UN in social investment and philanthropy have a wide range of possibilities to provide United Nations Agencies, Funds and Programmes with support: from pure philanthropic giving, engaging employees through volunteer programmes or matching employee donations, contributing core business expertise, products or services to a development cause, to engaging in social venture funds or setting up hybrid or blended value financing mechanisms to the benefit of the UN. From this range of opportunities in the area of social investment and philanthropy, three types of partnerships stand out: philanthropic giving, core-business-related giving, and strategic giving.

Giving With a Mission: Philanthropic foundations

Traditionally, most partnerships to mobilize direct private sector contributions to UN projects or initiatives and philanthropic giving have remained a cornerstone of UN-private sector collaboration.

Core Business-Related Giving: : Cause-related marketing

As argued in the previous section, however, over the last decade there has been a shift in the overall focus of UN-private sector collaboration towards core business and value chain partnerships, evident not least in the area of social investment and philanthropy. Relationships with the private sector have



matured in recent years, and there is a clear movement away from pure cash contributions towards initiatives that focus on contributing core business expertise, products and services. These initiatives consist of financial and/or in-kind contributions by private sector representatives that can help local communities and broader societies achieve their development priorities and create sustainable opportunities in line with strategic business objectives.

For example, cause-related marketing collaborations have the potential to generate significant benefits for both the United Nations and private sector partners through promotional campaigns in which companies pledge a share of sales revenues to their public partners. The fact that financial contributions

BOX 5: TAKING PHILANTHROPY TO SCALE: THE UNITED NATIONS FOUNDATION

Created in 1998 with entrepreneur and philanthropist Ted Turner's historic US\$ 1 billion donation, **the United Nations Foundation (UNF)** is a public charity and platform for connecting companies, individuals and charities interested in working with the UN toward the Millennium Development Goals.

Beside large-scale advocacy and fundraising efforts to support the UN's causes and activities, supporting innovative public-private partnerships for development is central to UNF's mission. UNF has built a number of high impact partnerships around fighting childhood diseases, enhancing disaster relief communications, promoting renewable energy, advancing women's rights and many more development issues.³¹

BOX 6: UTILIZING THE STRENGTHS OF THE PRIVATE SECTOR: CAUSE-RELATED MARKETING

WHAT IS IT?

In cause-related marketing (CRM), a UN Agency works together with a private sector partner to raise funds and awareness for a cause while building the sales and brand of the business partner. The business partner's donation to the cause is linked and often proportional to the volume of products or services sold under the CRM campaign. The UN agency is shown as beneficiary of the activity by adding its name or logo to the business partner's product or service, packaging or promotional material.

In practice, there are three variants of cause-related marketing, which are used to fit different business models and CRM objectives.

Product-based CRM: the partnering United Nations agency receives a portion of the revenue or a fixed amount for each product sold.

Promotional CRM: a joint issue promotion to advance a specific cause, such as recycling.

Customer-based CRM or “facilitated giving”: the United Nations works with a business partner to fundraise from customers and employees.

CRM AT THE UNITED NATIONS SINCE 2000

The United Nations Children's Fund (UNICEF) has pioneered cause-related marketing among the United Nations family. Further United Nations agencies engaging in CRM partnerships are the World Food Programme (WFP), United Nations High Commissioner for Refugees (UNHCR), United Nations Educational, Scientific, and Cultural Organization (UNESCO) and the United Nations Foundation (UNF). Anglo-Saxon countries are the most active CRM markets, followed by Europe and Latin America. In many developing countries, however, CRM activity is still nascent, driven more by large multinational corporations than genuine consumer demand. In the past decade, United Nations' CRM partnership activities with business have been growing, with CRM income in the United Nations expanding at an average annual rate of 35% from 2002 to 2008.³²

WHY DO IT?

The private sector engages in CRM to communicate good corporate citizenship, develop and reposition their brands, drive profitability through market differentiation and connect with their stakeholders.³³ To the business community, most United Nations agencies are attractive branding partners, because of the strong “trust” component of the United Nations brand and high top of mind awareness.

United Nations fundraising staff, meanwhile, value CRM partnerships as an additional source of corporate fundraising revenue. Yet despite strong growth in global CRM partnership activity in recent years, financial returns still remain modest. Total annual CRM income for all non-profits worldwide is estimated at US\$ 1.5-3 billion, compared to US\$ 308 billion in charitable donations in 2008 in the US alone. UNICEF, the most advanced United Nations organization in the field of CRM, generates only 2% of overall funding from CRM.³⁴

This is why UN staff increasingly emphasize the significant marketing value of CRM over its financial value to the organization, as an innovative tool to communicate easy-to-grasp messages about the United Nations' complex mission to millions of people. Gaining a deeper understanding of the impact of CRM, especially as it relates to raising cause awareness and working insights gained into future partnerships from the start, has therefore become a new priority.

SCALABILITY

Emerging forms of high impact CRM campaigning with high market coverage and conversion rates show the way on how to maximize both the marketing and financial value of CRM towards the Millennium Development Goals:

MASSIVEGOOD (2010) is the Millennium Foundation's newest financing mechanism to generate additional funds towards achieving the three health-related Millennium Development Goals, and is representative of the latest trend in customer-based CRM to focus on converting mass scale consumer transactions into reliably recurring donations. Under this scheme, individuals or corporations elect to contribute a micro-donation of US\$ 2 to UNITAID when booking an airline ticket. The campaign is projected to reach millions of people and raise up to US\$ 980 million a year.

(PRODUCT) RED (2006), the largest CRM campaign to date, provides additional funding to the Global Fund's HIV/AIDS grants in Sub-Saharan Africa. The (PRODUCT) RED trademark is licensed to global companies that pledge a share of profits from sales of red products as a contribution to the Global Fund. To date, US\$ 150 million have been transferred to the Global Fund. Moreover, the effective cause marketing value of (PRODUCT) RED for raising awareness about the health-related Millennium Development Goals among young and trendy “conscience consumers” can only be guessed at.³⁵

to the UN derived from cause-related marketing are generally disbursed from the partnering company's marketing budget, not the corporate social responsibility budget, further underlines the strong core-business link of this type of corporate giving. While these campaigns are a source of corporate funding for the United Nations, they also — more significantly — provide the United Nations with an effective means of spreading messages and reaching mass consumer markets.

The trend of focusing more on contributions of core business expertise, products or services is driven by several factors. First and foremost, the UN has realized that direct financial contributions from the private sector are and will most likely remain limited. As a result, UN organizations have started to explore other business resources they could tap into.

Second, the private sector usually (and understandably) provides cash or other resources not out of pure altruism, but in order to improve its brand and reputation, as well as to motivate staff and facilitate recruitment. Both goals are better served through in-kind or business-related contributions than purely philanthropic giving as they provide more visibility and can directly involve staff members. The Moving the World partnership between TNT and the World Food Programme, for example, has tangible benefits for humanitarian aid operations, but also clear benefits for TNT. The shift from traditional philanthropy to strategic social investment has been accompanied by a gradual opening of the UN towards accepting

the legitimacy of business motives and the some times greater effectiveness of business approaches. In some areas, this has led to the adoption of business mechanisms to help achieve objectives such as the Millennium Development Goals.

Strategic Giving: Social Investment into Strategic Areas Such as Public Health

Companies' demand for greater visibility, links to their own operations and demonstrable impact of their contributions has spawned another trend in social investment and philanthropic partnerships: Concentrating philanthropic investment on a few strategic areas, most significantly in health, of which the Global Fund to Fight AIDS, Tuberculosis and Malaria is a key example.

When companies contribute their core business expertise, products or services, they become much more closely involved in the work of the UN and their contributions can be more effective because they draw on their specific skills and expertise. However, these initiatives are also much more time consuming to develop and difficult to implement than simple cash contributions. The needs of UN organizations and the contributions of business partners need to be well matched and closely managed if duplication of efforts is to be avoided and contributions used effectively. Moreover, there is often a naïve belief within the UN in the ubiquitous efficiency



BOX 7: STRATEGIC HEALTH INVESTMENT: THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

WHAT IS IT?

The creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2002 with the ambitious mandate of bankrolling the reversal of all three diseases signaled a new phase of strategic social investment in public health, both in terms of scale and of using business-inspired approaches in development finance.

SCOPE AND IMPACT

The Global Fund disposes of about US\$ 3.2 billion a year with a total of US\$ 14 billion raised by 2009 for investment into the fight against AIDS, Tuberculosis and Malaria.³⁶ It provides a quarter of all international financing for AIDS globally, two-thirds for tuberculosis and three quarters for malaria. Since its establishment, the Global Fund has been running 572 programmes in 144 countries.³⁷ Collective efforts with its major partners have resulted in greater service availability and coverage, and a reduction of the overall disease burden.

WHY INVEST IN HEALTH?

This success story of attracting and investing health funding has been driven partly by the Global Fund's innovative independent system and structures that incorporate key multistakeholder and business mechanisms.³⁸

Multistakeholder Partnership: As a matter of founding principle, the Global Fund seeks to nourish a wide-ranging partnership network between governments, international organizations, the private sector, civil society and affected communities.³⁹ The goal of close collaboration with the private sector on all levels – global, regional and local – is a key structural component in the funds' tripartite partnership governance system.

Hands-off approach: The Global Fund model epitomizes the increased readiness of the UN to use "business approaches" for achieving public good, which increases its appeal to corporate donors. Funds are distributed following proposals by recipient developing countries themselves. Country-led programme formulation and implementation processes are ambitious cornerstones of this financial model, which emphasizes allocative efficiency and national ownership.

Focus on results: Reflecting the general trend towards greater 'focus on results', accountability and transparency in development cooperation, the Global Fund model has built-in structural incentives for impact. Performance-based funding, an important element in the Global Fund architecture, helps ensure that funding decisions are based on a transparent assessment of results against time-bound targets, thus contributing to a positive bias for action and a culture of accountability.⁴⁰

and skill of the private sector that is not always borne out by reality.

Advocacy and Public Policy Engagement Partnerships

Private sector representatives seeking advocacy and public policy engagement have a range of opportunities at their disposal: individual companies or business associations engage directly in advocacy, public policy dialogue, and participate in the development of joint regulation. Others financially support or actively partake in efforts to build or strengthen public institutions and administrative capacity in order to bridge governance gaps, improve the enabling environment for business operations, and support more systemic change at the local, national or global level.⁴¹

These advocacy campaigns can be directed at different audiences. Initiatives including the Global Public-Private Partnership for Handwashing with Soap directly aim at **influencing individuals' behaviour in developing countries** to reduce the incidence of often fatal diseases like diarrhea. Others, like the Partnership for Clean Fuels and Vehicles, help achieve development goals by **encouraging government regulation** to prohibit, for example, the sale of leaded fuel. A third group aims at **raising general awareness** on certain issues. The “ninemillion.org Campaign for Child Refugees”, for example, aims to provide more than nine million refugee children better access to education, sport and technology by 2010 and gives voice

to those who often go unheard through the ninemillion.org website.⁴² The “Girl Up” campaign by the UN Foundation, to be launched in October 2010, aims to connect with US teen girls to raise awareness and funds for UN programmes for adolescent girls in the developing world.⁴³ A final group of advocacy initiatives is **targeting businesses and their employees directly** and aims at influencing their activities and behaviour, as is the case for example in partnerships focusing on raising HIV/AIDS awareness.

An important trend within advocacy and public policy engagement partnerships is that many initiatives are turning into more action-oriented collaborations, directly targeting business activities and conduct. For example, the “Addressing Sexual Violence Against Girls” Initiative, alongside other advocacy activities, seeks private sector collaboration with representatives of the media, fashion, new technology, and banking industries who are willing to promote self-regulation and positive messaging about the topic within their industries.⁴⁴

This movement is pushed on the one hand by an increased willingness of businesses – especially in the face of the anti-business backlash created by the financial crisis – to demonstrate good corporate citizenship. It is pulled on the other hand by the realization that business, with its natural tendency to avoid binding regulations, is not always the most natural ally for the United Nation’s attempts to create momentum for multilateral agreements and the adoption of national regulation. Since these initiatives relate to

BOX 8: RAISING AWARENESS FOR HIV/AIDS PREVENTION

The Global HIV Prevention Awareness Campaign through Post Offices, a partnership between the Joint United Nations Programme on HIV/AIDS (UNAIDS), the International Labour Organization, UNI Global Union and the Universal Postal Union, aims to increase global awareness of HIV prevention among postal workers and the general public. It has the potential to reach 660,000 post offices, more than 5 million postal workers and their families worldwide.

The Global Partnership on HIV and Mobile Workers in the Maritime Sector, a partnership between UNAIDS and the International Labour Organization, is committed to preventing HIV among seafarers. A pilot project has been launched targeting seafarers from the Philippines. It includes workplace education on ships and in ports and, in general, advocates for HIV prevention in the shipping industry.



core business operations, they are discussed in greater detail above in the section on core business partnerships.

Multistakeholder Issue Networks

In addition to these trends in core business and value chains, social investment and philanthropy and advocacy and public policy engagement, there has also been a proliferation of multistakeholder issue networks. These networks combine elements of all three types of partnerships and manifest themselves in three main ways: global initiatives such as the Stop TB initiative; sector-specific initiatives such as the Global Alliance for Improved Nutrition (GAIN); or innovative de-

velopment finance funds, such as the Global Alliance for Vaccines and Immunization (GAVI), which harness the potential of capital markets and business approaches to fund development efforts.

Multistakeholder issue networks are different from traditional public-private partnership approaches in a number of respects. First, whereas “classic” public-private partnerships are mainly project-driven and tend to have a clear institutional and legal structure, multistakeholder issue networks are **issue-driven, with dynamic governance structures, processes and activities** that tend to evolve with issue networks’ mission and time. Many global initiatives such as Stop TB may start with

DEFINING MULTISTAKEHOLDER ISSUE NETWORKS

Multistakeholder issue networks include actors from governmental institutions, business and civil society, including academia, who come together to develop and implement a common approach to a complex, urgent issue that affects them all. The geographic scope and scale of the issues being addressed by proliferating multistakeholder networks range from global and multi-sectoral to local and industry-specific.⁴⁵



BOX 9: GLOBAL MULTISTAKEHOLDER INITIATIVE: STOP TB

The global initiative Stop TB works to expand, adapt, and improve strategies to control and ultimately eliminate Tuberculosis as a public health threat.

Stop TB's mission has gradually expanded since the initiative was founded in 1998. What started off as a broad global advocacy partnership uniting stakeholders from the private sector, civil society and government to draw attention to and mobilize against the global health threat tuberculosis now applies the entire business partnership “toolkit”: core business and value chain, social investment and philanthropy, advocacy and public policy engagement. Today, Stop TB helps develop and share expertise on preventing and treating tuberculosis while mobilizing funds and providing financial support through its awards and grants, and raises awareness of the disease.⁴⁷

In the past decade, Stop TB has grown into a fully-fledged multistakeholder issue network of 1348 partners that fosters local ownership of its globally driven advocacy mission by linking the global advocacy level and the local implementation level. To provide more effective responses to local realities taking into account cultural and organizational diversity, dozens of national Stop TB partnerships in high burden countries have been built, which are usually smaller “replicates” of the global Stop TB initiative.⁴⁸



BOX 10: SECTOR-SPECIFIC MULTISTAKEHOLDER INITIATIVES

While the UN strongly values multistakeholder sector initiatives for their potentially significant role in identifying and scaling up successful initiatives to achieve more focused and larger development impact, many companies may find a that specific sector initiative can offer the best “fit” with their business model.⁴⁹ Wherever tangible added value from business engagement can be easily identified and communicated to internal stakeholders, the partnership commitment is greater and more sustained. Examples of promising sector initiatives can be found in the information and communication technologies (ICT) industry and the food industry.

ICT INDUSTRY

The International Telecommunication Union (ITU), the leading UN agency for information and communication technology issues, runs the global multistakeholder initiative “Connect the World: Connecting the Unconnected by 2015”. It seeks to bridge the global digital divide by creating an enabling environment, improving infrastructure and readiness and developing applications and e-services. An important new driver behind the initiative is the recently founded ITU/UNESCO top-level global Broadband Commission for Digital Development (2010). With the support of UN Secretary-General Ban Ki-moon, the commission brings together senior representatives from the industry of Information and Communication Technologies, UN agencies and civil society, to define practical ways in which developing countries can achieve ubiquitous access to broadband, in cooperation with the private sector. The partnership will present its findings to the United Nations MDG Summit in New York in September 2010.⁵⁰

FOOD INDUSTRY

The Global Alliance for Improved Nutrition (GAIN) was created in 2002 under the auspices of the World Health Organization and the Clinton Global Initiative, to fight malnutrition in the developing world. GAIN provides financial and partnership resources for large-scale, country-based food fortification programmes. Beyond strategic social investments, GAIN also offers numerous mechanisms for policy and advocacy fashioned to create an enabling environment for market-based approaches to fortifying local foods, including the Business Alliance (2005) supporting business engagement in this base of the pyramid market.⁵¹

Project Laser Beam (PLB) is a partnership initiative by the World Food Programme (WFP), with similar aims but a different approach to GAIN. Since its launch in September 2009, PLB strategically engages the private sector in filling gaps in critical nutrition-related products and services in the three nutrition related fields of health, behaviour and caring practices. In its first five years of operation, PLB has focused its efforts on two pilot countries, Bangladesh and Indonesia, with the goal of creating a replicable, scalable model of fighting child malnutrition for use in comparable contexts elsewhere.⁵²

advocacy and public policy engagement, but their mission scope expands in a way that requires activities along all three partnership functional types.⁴⁶

Second, these multistakeholder issue networks represent an important departure in the interaction between the United Nations and business from primarily bilateral to global, **multilateral settings** and from business observer status to **strong corporate representation** as acting members in their steering bodies.

Third, because so many stakeholders from all three sectors are involved, the **convening power of the United Nations** and other reputable actors like the Clinton Global Initiative and the Gates Foundation is often essential in the initiation process to develop common ground among diverse actors and interests.⁵³

Lastly, the different governance structures, process ownership and evolving function(s) of multistakeholder issue networks can make **more varied private sector engagement possible** than the relatively static, project-focused partnership models that used to dominate the partnership landscape.

Multistakeholder issue networks are thus a promising trend in UN-private sector collaboration, offering more opportunities for public-private engagement as well as potential for further innovation and scaling to achieve greater developmental impact. Yet the growth of multistakeholder issue networks also brings up old and new challenges relating to public-private partnership governance.

First, the dynamism and flexibility of multistakeholder issue networks is one of their most important assets as they allow for

the accommodation of new actors, activities and ideas on an ongoing basis. At the same time, the arising complexity also presents a formidable governance challenge.

Second, as issue networks mature and many move away from pure global advocacy platforms toward more complex forms of action-oriented collaboration such as the Stop TB partnership, a new learning process needs to take place that reflects lessons learned.

Third, because many multistakeholder issue networks are globally driven, a particular challenge is fostering local ownership and the UN is becoming increasingly aware of the need to consistently link global issue networks to local realities.⁵⁶ Moreover, the contribution of issue networks needs to be well matched with development goals, coordinated with related activities of existing international development institutions and closely managed if duplication or fragmentation of efforts is to be avoided. More in-depth learning from practice is required to optimize current processes in this regard.

To address these challenges and take advantage of this new phase in United Nations business collaboration by promoting and facilitating the replication and scaling of successful initiatives, there is a clear need to focus more in-depth analysis on the specific workings of multistakeholder issue networks in order to identify “what works and what doesn’t” on a case-by-case basis. More knowledge needs to be generated on an on-going basis to identify, replicate and scale best practices, as well as improve strategies and processes both within current initiatives and among collaborating UN Agencies, Funds and Programmes.



BOX 11: INNOVATIVE DEVELOPMENT FINANCE: THE GLOBAL ALLIANCE FOR VACCINES AND IMMUNIZATION (GAVI ALLIANCE)

There is a growing range of new development finance and approaches involving new partnerships. The founding of the Global Alliance for Vaccines and Immunization (GAVI Alliance) in 1999, an international fund that pools public and private funds to finance immunization in developing countries, started this trend. Meanwhile, the GAVI Alliance has itself become a driver of further development funding innovation.

BONDS

The GAVI Alliance harnesses the potential of capital markets through an innovative bond development finance mechanism. The International Finance Facility for immunization (IFFIm, 2006) now largely funds GAVI by issuing bonds against legally binding ODA commitments from eight donor countries, with US\$ 2.4 billion raised by 2009.⁵⁴

GUARANTEES

GAVI Alliance partners also recently launched the Advance Market Commitment (2009) pilot project against pneumococcal disease. Under this model, donors join to correct for market failure by committing funds to guarantee the price of new vaccines for developing countries once they have been successfully developed. In exchange, participating businesses make the legally binding commitment to continue supplying the vaccines at a sustainable, low price even after donor funds have been spent. This guarantee provides vaccine makers with the powerful incentive to invest in research and development and produce low-price vaccines that would otherwise not be developed.⁵⁵

Conclusion

Collaboration between the United Nations and the private sector is no longer new — it has become engrained in the way the United Nations and its Agencies, Funds and Programmes function. Previously, most in the UN considered the private sector part of the problem. Now many accept that the UN needs to work toward making business part of the solution in confronting the complexity of global challenges and achieving development goals, including the Millennium Development Goals. In an extension of this culture shift, the United Nations is increasingly recognizing the private sector as a partner, and not just a donor.

This is just the beginning. As detailed in this report, there is a number of other key trends that are fundamentally changing the way the UN engages with the private sector. From becoming much more realistic regarding expectations of private sector contributions to increasing its capacity to deal effectively with the private sector, the United Nations is both “learning by doing” and taking advantage of new partnership knowledge and the activities of new actors to become more strategic in its approach to partnerships. After a decade of experimentation the debate is finally shifting toward demonstrating impact, comparative advantage and scalability. This involves a new emphasis of quality over quantity, strategic fit among partners, embedding UN values into businesses and markets, ensuring alignment between global and local programmes and more and better engagement with small- and medium-sized enterprises.

In this context, partnerships between the United Nations and the private sector are maturing. The UN overcoming its skepticism of the “business motive” and is, instead, embracing core business approaches and expertise, products and services to achieve its goals. The realization has set in that direct financial contributions from the private sector are limited in amount. As a result, the initial strong focus on fundraising is being replaced by efforts to collaboratively promote business development, change business behaviour along the supply chain to reflect United Nations values and harness the expertise, products and services of the private sector to make more strategic social investments. Partnership activities are increasingly being directed at areas where there is considerable value in collaboration and measurable impact, and not just “partnerships for partnership’s sake”. The rise of multistakeholder issue networks is combining key aspects of all partnership types to bring all relevant actors to the table to scale up activities while ensuring alignment among global and local initiatives.

These are major steps on the part of the United Nations. Nevertheless, there is still work to be done. First, scope remains for significant progress in developing a more coherent brand management system. There is an urgent need for the UN to improve, promote and protect its brand value to ensure that partnership risks are mitigated and the UN is not selling itself short in partnership deals.

Second, many collaborations are still in “pilot mode”. Further institutional learning and operational support will be required to overcome current difficulties at understanding the real impact of initiatives and bringing them to scale. A promising step in this direction is the launch of the “Blueprint for Corporate Sustainable Leadership” within the UN Global Compact, which incorporates current and emerging leadership practices by companies, addresses performance gaps, and builds new opportunities especially as they relate to the second Global Compact commitment — undertaking actions in support of broad UN goals and issues.

Third, vast differences persist in the UN between those Agencies, Funds and Programmes who are implementing more strategic partnership programmes and those who are still in the initial, experimental phases. To address this asymmetry in sophistication, continuing and expanding UN intra-organizational exchange and learning is highly recommendable.

Fourth, while the UN has improved its processes in dealing with the private sector, scope for significant improvement remains in addressing cultural differences between the UN and the private sector, as well as procedural and legal difficulties. Greater efforts to bridge these will enhance the effectiveness of UN-private sector collaboration.

Finally, as promising partnership innovations often come from the ground level, more needs to be done to improve the effectiveness of the “One UN” approach or similar coordination efforts to speak with one, united voice to potential private sector partners at the country level. This would also have a significant effect on the ability of the United Nations to improve, promote and protect its brand value.

Acknowledgements

The Global Compact Office would like to extend special thanks to the United Nations Foundation and United Nations Office of Partnerships, who made the production and publication of this report possible.

The report was prepared by the Global Public Policy Institute (GPPi), an independent, non-profit think tank based in Berlin and Geneva with the mission to develop innovative strategies for effective and accountable governance and to achieve lasting impact at the interface of the public sector, business and civil society through research, consulting and debate.

The authors of the report are Wade Hoxtell, Domenica Preysing, and Julia Steets, with important research assistance provided by Christopher Murillo. They are grateful for being able to draw on previous research work by GPPi in the area of UN public-private partnership governance, namely by Wolfgang Reinicke, Jan Martin Witte, Thorsten Benner, Markus Palenberg, Kristina Thomsen and Martin Sprött.

The authors would further like to thank all United Nations staff who shared their insights on developments and trends in UN-private sector collaboration since 2000. The report benefitted especially from the input and comments of Georg Kell and Melissa Powell.

UNITED NATIONS
FOUNDATION



United Nations Office for Partnerships

GPPi
global public policy institute

Endnotes

- 1 United Nations, 2009. *Guidelines on Cooperation between the United Nations and the Business Sector*. Preamble. (November 2009) [Online] Available at: <http://business.un.org/en/documents/6602> [Accessed 2 June 2010]
- 2 Steets, J. & Thomsen, K, 2009. *Global Landscape: A Review of International Partnership Trends*, Berlin: GPPi, p.5.
- 3 United Nations General Assembly, 2007. *Toward Global Partnerships*. Resolution A/C.2/62/L.33/Rev.1, para.2
- 4 Ki-moon, B., 2008. *Remarks to the 1st Private Sector Forum on the Millennium Development Goals* [Speech] 24 Sept. 2008, New York
- 5 UNCTAD, 2009. *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development*. New York & Geneva: UNCTAD, p.22
- 6 The UN Global Compact. [Online] Available at: <http://www.unglobalcompact.org>. [Accessed 27 May 2010]
- 7 The Global Compact, 2010. *Blueprint for Corporate Sustainability Leadership*. New York: The Global Compact.
- 8 Spratt, M., Hoxtell, W., Preysing, D. & Strakhova, M., 2010. *Review of Global Cause-Related Marketing Activities*, [internal UNICEF study], Berlin: GPPi
- 9 UNHCR: The UN Refugee Agency. 2010. *Council of Business Leaders* [Online] Available at: <http://www.unhcr.org/pages/49c3646c30b.html>. [Accessed 4 June 2010]
- 10 TNT offers four forms of support to the WFP: Knowledge transfer: sending out specialist employees all over the world to transfer skills and knowledge; hands-on support: supporting WFP in the field to improve on distribution and logistics during Emergency Operations; awareness & fundraising: raising awareness and funds for WFP through public information activities, marketing campaigns and employee fundraising initiatives; and transport for good: together with WFP working towards sustainable aid and development, occasionally with third party involvement. Moving the World. [Online] Available at: <http://www.movingtheworld.org/> [Accessed 4 June 2010]
- 11 Joint Programme on HIV/AIDS (UNAIDS). *Advocacy Partnerships*. [Online] Available at: <http://www.unaids.org/en/Partnerships/Advocacy+partners/default.asp> [Accessed 10 June 2010];
- 12 Growing Inclusive Markets Website, "About Growing Inclusive Markets", http://www.growinginclusivemarkets.org/index.php?option=com_content&view=article&id=45&Itemid=62. [Accessed 17 May 2010]; Further sources of practical partnership knowledge are: the International Business Leaders Forum (IBLF) that produces a number of publications aiming to improve UN-private Sector collaboration, including the "Partnering Toolbook" and the "Brokering Guidebook"; Dalberg Global Development Advisors put together the "Business Guide to Partnering with Non-Governmental Organizations (NGOs) and the United Nations" providing practical information for businesses on how to increase the quality and number of partnerships. Analytical and academic sources of partnership knowledge are: the Glogov joint research project headed by the Vrije Universiteit in Amsterdam, as well as civil society sources such as Accountability and the Global Public Policy Institute (GPPi).
- 13 UN Office for Partnerships. [Online] Available at: <http://www.un.org/partnerships/> [Accessed 27 May 2010]
- 14 The UN DESA Division for Sustainable Development. [Online] Available at: <http://www.un.org/esa/dsd/index.shtml> [Accessed 27 May 2010]
- 15 The UN University. [Online] Available at: <http://www.unu.edu> [Accessed 27 May 2010]; The UN System Staff College Website. [Online] Available at: <http://www.unssc.org>. [Accessed 27 May 2010]
- 16 The creation of the "One UN" or "Delivering as one" approach was recommended by the Secretary-General's High-Level Panel on UN System-wide Coherence, a group of heads of state and policy makers tasked to examine ways to strengthen the UN's ability to respond to the challenges of the 21st Century. Source: United Nations Development Programme. *Delivering as One*. [Online] Available at: <http://www.undp.org/partners/un/one-un.shtml>. [Accessed 27 May 2010]; United Nations Development Group (UNDG), *Delivering as One: Making the UN system more coherent, effective and efficient*. [Online] Available at: <http://www.undg.org/?P=7> [Accessed 27 May 2010]
- 17 UN Global Compact, 2008. *Final Meeting Report: United Nations Private Sector Focal Points Meeting*. New York: UN Global Compact Office.
- 18 United Nations General Assembly, 2009. *Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector* (Report of the Secretary-General), Resolution A/64/337, para.11-13
- 19 UN Global Compact, 2008. *The United Nations and the Private Sector: A Framework for Collaboration*. New York: UN Global Compact.
- 20 United Nations Development Programme (UNDP). *Growing Sustainable Business for Poverty Reduction*. [Online] Available at: <http://www.undp.org/partners/business/gbsl>. [Accessed 14 May 2010]

- 21 Business Call to Action. Fact Sheet. [Online] Available at: <http://bcta-initiative.org/>. [Accessed 14 May 2010]
- 22 United Nations Development Programme (UNDP). *Growing Sustainable Business for Poverty Reduction*. [Online] Available at: <http://www.undp.org/partners/business/gsb/>. [Accessed 14 May 2010]
- 23 United Nations, 2009, *Guidelines on Cooperation between the United Nations and the Business Sector*. (November 2009) [Online] Available at: <http://business.un.org/en/documents/6602> [Accessed 2 June 2010]
- 24 UN Global Compact. *Caring for Climate*. [Online] Available at: http://www.unglobalcompact.org/Issues/Environment/Climate_Change/. [Accessed 27 May 2010]
- 25 UN Global Compact. *CEO Water Mandate*. [Online] Available at: http://www.unglobalcompact.org/issues/Environment/CEO_Water_Mandate/ [Accessed 27 May 2010]
- 26 United Nations Environment Programme (UNEP). *Climate Neutral Network*. [Online] Available at: <http://www.unep.org/climateneutral/About/tabid/95/Default.aspx> [Accessed 2 June 2010]
- 27 United Nations Environment Programme (UNEP). *UNEP Sustainable Buildings and Construction Initiative* (Brochure) [Online] Available at: http://www.unepsbci.org/SBCIRessources/Brochures/documents/UNEP_SBCI_Sustainable_Building_Construction_Initiative/SBCI_Broch_2.pdf. [Accessed 2 June 2010]
- 28 Refrigerants, Naturally! *Welcome*. [Online] Available at: <http://www.refrigerantsnaturally.com/>. [Accessed 4 June 2010]
- 29 United Nations Environment Programme Finance Initiative (UNEP FI). *About UNEP FI*. <http://www.unepfi.org/about/index.html>. [Accessed 28 May 2010]
- 30 Principles for Responsible Investment (PRI). [Online] Available at: <http://www.unpri.org/> [Accessed 10 June 2010]
- 31 The UN Foundation. [Online] Available at: <http://www.unfoundation.org> [Accessed 27 May 2010]
- 32 Sprott, M., Hoxtell, W., Preysing, D. & Strakhova, M., 2010. *Review of Global Cause-Related Marketing Activities*, [internal UNICEF study], Berlin: GPPi
- 33 Bennet, R., 2002. Corporate Perspectives on Cause-related Marketing. *Journal of Nonprofit and Public Sector Marketing*, 10(1), pp. 41-59, p.50; Cone, 2010. *Nonprofit Marketing Tracker*. Boston: Cone
- 34 Or 40 % of total corporate fundraising revenue. Source: Spott, M., Hoxtell, W., Preysing, D. & Strakhova, M., 2010. *Review of Global Cause-Related Marketing Activities*, [internal UNICEF study], Berlin: GPPi
- 35 Cordua, J., 2010. *On the nature, scale and impact of PRODUCT(RED)*. [Email] (Personal communication, June 9, 2010)
- 36 Deutscher, E., 2010. *Development Cooperation Report 2010*, Paris: OECD, p. 32
- 37 The Global Fund to fight AIDS Tuberculosis and Malaria Website, "About the Global Fund", <http://www.theglobalfund.org/en/about/?lang=en>. [Accessed 27 May 2010].
- 38 The other international health fund combining private and public finance, whose creation marked the beginnings of this trend, is the Global Alliance for Vaccines and Immunisations (GAVI), founded in 2000 to finance major immunization campaigns.
- 39 The Global Fund, 2001. *The framework document of the Global Fund to Fight Aids, Tuberculosis and Malaria*. Geneva: The Global Fund.
- 40 The Global Fund, March 2009. *The Five-Year Evaluation of the Global Fund to Fight AIDS, Tuberculosis, and Malaria: Synthesis of Study Areas 1, 2 and 3*. Geneva: The Global Fund, p. 30
- 41 UN Global Compact, 2008. *The United Nations and the Private Sector: A Framework for Collaboration*. New York: UN Global Compact. [Online] Available at: http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2008_09_24/UN_Business_Framework.pdf [Accessed 17 May 2010]
- 42 Ninemillion.org. *About Ninemillion*. [Online] Available at: <http://www.ninemillion.org/index.php?site/Sections/About>. [Accessed 1 June 2010]
- 43 Girl Up. [Online] Available at: <http://www.girlup.org/> [Accessed 10 June 2010]
- 44 "Addressing Sexual Violence against Girls" (2009) is a joint initiative by the UN Children's Fund (UNICEF), the Joint UN programme on HIV/AIDS (UNAIDS), the UN population fund (UNFPA), the UN development fund for women (UNIFEM), the World Health Organization (WHO), the Centers for Disease Control and Prevention, CDC Foundation, Nduna Foundation and Grupo ABC. Source: UN Children's Fund (UNICEF). *Joint Press Release: New initiative to address sexual violence against girls launched at Clinton Global Initiative Annual Meeting in New York*. [Online] Available at: http://www.unicef.org/media/media_51217.html/ [Accessed 10 June 2010]

- 45 Building on the definition of Global and Regional Partnership Programmes by the World Bank, UNICEF has defined global partnership programmes as voluntary and collaborative relationships that: reach an explicit agreement at the global level on programmatic objectives that are relevant to the promotion and protection of children's rights, and to the achievement of internationally agreed development goals, including the Millennium Development Goals; have a programmatic focus that extends across more than one region of the world; Involve multiple public and non-public stakeholders, who are actively engaged in the partnerships and programmatic decision making at the global level; and establish formal or informal modalities of cooperation to meet these objectives in a medium- or long-term framework. Source: UNICEF, 2009. *A Study of UNICEF Engagement in Global Programme Partnerships*. New York: UNICEF
- 46 Patricia Chaves (CSD), 2009, Discussion on trends in UN-business collaboration, [Interview] (Personal communication, July 2009)
- 47 Stop TB partnership. [Online] Available at: <http://www.stoptb.org>. [Accessed 28 May 2010]
- 48 Cf. Witte, J. M. & Reinicke, W., 2005. *Business UNusual: Facilitating United Nations reform through partnerships*. New York: Global Compact, pp. 9,13.
- 49 SEED. *Information for policy makers: The potential of Multistakeholder partnerships*. [Online] Available at: www.seedinit.org/download-document/5-seed-insight-policy-partnerships-potential.html [Accessed 27 May 2010]
- 50 International Telecommunication Union. *Connect the World*. [Online] Available at: <http://www.itu.int/ITU-D/connect/> [Accessed 7 June 2010]
- 51 Global Alliance for Improved Nutrition (GAIN). [Online] Available at: <http://www.gainhealth.org/> [Accessed 28 May 2010]
- 52 World Food Programme (WFP). *Statement by WFP Executive Director, Josette Sheeran, on Project Laser-beam*. [Online] Available at: <http://www.wfp.org/news/news-release/statement-wfp-executive-director-josette-sheeran-project-laserbeam> [Accessed 10 June 2010]
- 53 Cf. Roloff, J., 2008. Learning from Multistakeholder Networks: Issue-focused Stakeholder Management. *Journal of Business Ethics*, 82, pp. 233-250
- 54 Deutscher, E., 2010. *Development Cooperation Report 2010*, Paris: OECD, pp. 26-32
- 55 GAVI Alliance. *Vaccine financing push brings results*. [Online] Available at: http://www.gavialliance.org/media_centre/news/2010_WHO_vaccine_financing_brings_results.php [Accessed 28 May 2010]; Advance Market Commitments for Vaccines. Update: GAVI Partners Fulfil Promise To Fight Pneumococcal Disease. [Online] Available at: http://www.vaccineamc.org/updatejun_09.html [Accessed 28 May 2010]
- 56 cf. Witte, J. M. & Reinicke, W., 2005. *Business UNusual: Facilitating United Nations reform through partnerships*. New York: Global Compact

PHOTO CREDITS

Page 5 © UN Photo/Mark Garten
Page 7 © UN Photo/Eskinder Debebe
Page 11 © UN Photo
Page 14 © TNT
Page 17 © UN Photo/Paulo Filgueiras
Page 19 © UN Photo/Mark Garten
Page 22 © UN Photo/Eskinder Debebe
Page 24 © Starbucks Coffee Company
Page 27 © The Global Fund/John Rae
Page 29 © (top) The World Bank/Julio Etchart,
(bottom) UNHCR-Nine Million
Page 30 © The World Bank/ Zoran Mrdja
Page 31 © (left) GAIN, (right) Mohamed Hendy
Page 33 © UN Photo/Marie Frechon

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4 the elimination of all forms of forced and compulsory labour;
Principle 5 the effective abolition of child labour; and
Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;
Principle 8 undertake initiatives to promote greater environmental responsibility; and
Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

