



'The United Nations - private sector partnerships arrangements in the context of the 2030 Agenda for Sustainable Development'

JIU/REP/2017/8



The imperative for change

The report identifies ways of improving the existing arrangements for cooperation with the private sector to reflect the new context, namely the holistic, integrative and universal approach of the 2030 Agenda. The changes needed are not easy to carry out. Yet, the United Nations system cannot “transform the world” unless it transforms itself. High level political commitments contained in the 2030 Agenda still represent an aspiration; they do not describe the existing reality.

They rather imply a process that needs to be supported by concrete and effective changes in the current normative, administrative and operational arrangements. It is against this background that the Inspector suggests in the report possible lines of action to be taken by the United Nations system to indicate its own readiness to adapt itself to the imperatives of its current responsibilities on the one hand, and to convey this vision and these goals to the private sector and motivate the latter to internalize them and put them into practice on the other hand.

An overwhelming majority of United Nations organizations have adapted, or are in the process of adapting, their respective strategies and/or policies to reflect the 2030 Agenda. The review ascertains the existence of advanced and comprehensive practices for dealing with the private sector. In the review, the Inspector does not attempt to focus on individual United Nations system organizations. A valuable collection of mature frameworks and formal agreements regarding partnerships with the private sector is already available. What is needed is more system-wide coordination and efficiency.

A new momentum

The concept of partnerships as a vehicle through which the United Nations can facilitate actions to achieve development goals has evolved over decades. Since the adoption of the Millennium Development Goals, the use of partnerships with the private sector as a means of implementing United Nations objectives has been increasingly recognized.

The multiple commitments undertaken through the adoption of the 2030 Agenda for Sustainable Development include the Global Partnership - Goal 17, as an essential instrument for capturing expertise and knowledge and mobilizing financial as well as in-kind resources from multiple sources, including the private sector.

The 2030 Agenda for Sustainable Development provides unique momentum for a renewed engagement of the private sector in the service of the United Nations goals. Such a need is not only dictated by the authority of the 2030 Agenda but is also an expression of the changes in the conditions for global collective action and the rise of non-governmental emerging powers.

While acknowledging and reviewing the existing safeguards regarding due diligence and risk management, this report places emphasis on making the United Nations system more effective in its cooperation with the private sector to support the 2030 Agenda and to foster sustainability in their business models.

The new context: the 2030 Agenda for Sustainable Development

The United Nations recognized in the drafting of the Agenda of the importance of the role businesses would play in the development and achievement of the goals and calls upon them (businesses) to contribute. Paragraph 67 of the 2030 Agenda states that:

"Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges. We will foster a dynamic and well-functioning business sector, while protecting labor rights and environmental and health standards in accordance with relevant international standards and agreements and other ongoing initiatives in this regard."

Goal 17 of the Agenda specifically focusses on partnerships with the private sector and establishes the following as a target:

"Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships."

The 2030 Agenda also calls imperatively upon all stakeholders to "enhance policy coherence for sustainable development". While contributing to the global goals of the 2030 Agenda, the United Nations should provide such policy coherence internally, namely at the system-wide level. This explains the main emphasis placed on recommendations for joint action in the report.

The report looks into the supporting framework provided by the United Nations system to facilitate the contribution of the private sector to the implementation of the 2030 Agenda with regard to several aspects: legal, financial, administrative, operational and motivational. The Inspector favors system-wide solutions that will fuel permanent and reliable forms of inter-agency interaction, resource pooling and knowledge sharing. The recommendations are intended to be realistic and do not necessarily require additional financial resources. Instead, they call for additional willingness to fight individual resistance to change and institutional inertia.

The report was also inspired by the increased need for a gradual shift in emphasis from ad hoc, short-term partnerships, focused primarily on resource mobilization, to multiple, long-term, more strategic and stable forms of collaboration with the private sector. While aware of the pre-existence of counterarguments, the Inspector also took the opportunity to recommend system-wide coordination on innovation partnerships. The implementation of this recommendation may prove that the system can indeed "deliver as one", at least on a newly emerged priority and in the environment conducive to change that the 2030 Agenda has created.

Measuring public-partnership impact:

The report and the recommendations it produced intended to have an impact in the following ways:

1. Enhancing transparency and accountability of partnership arrangements with the private sector;
2. Stimulating the interest of private companies in working in partnership with the United Nations system organizations in the context of the 2030 Agenda;
3. Facilitating mutual trust and understanding between the United Nations and the private sector;
4. Serving as a knowledge tool that facilitates the sharing of best practices and experiences among different participating organizations;
5. Identifying opportunities to enhance synergies and coordination in the United Nations system in building partnerships with the private sector;
6. Strengthening coherence and harmonization within the United Nations system when engaging in partnerships with the private sector, including with regard to due diligence processes and the selection of partners

17 PARTNERSHIPS FOR THE GOALS



Some challenges

- The disconnection between current financial mechanisms and other regulations and partnership requirements in place;
- Procurement rules do not encourage partnerships focusing on joint innovation and joint product or services design;
- The information published by some United Nations entities on partnerships is not systematic and it is often self-flattering, rather than rigorous;
- Most of the United Nations organizations do not systematically evaluate partnership impact. Evaluations are mainly ad-hoc and conditioned by specific partner and/or donor requirements;
- There is a reluctance from some Member States to cooperate with the private sector and there is a lack of appropriate impact assessments;
- There is a culture of risk-aversion in the United Nations system that has been identified by JIU in previous reports.

A focus on system-wide action

Indeed, a new wave of creating silos is once again taking place. This is being done with the same good intentions for the future but following the same individualistic ways as in the past. While many organizations consider the 2030 Agenda as an overall framework to guide their work, most of them indicated that there was a need for a consistent and coordinated approach to engagement with the private sector, from a United Nations system-wide perspective.

The 2030 Agenda also calls imperatively upon all stakeholders to “enhance policy coherence for sustainable development”. While contributing to the global goals of the 2030 Agenda, the United Nations should provide such policy coherence internally, namely at the system-wide level. This explains the main emphasis placed on recommendations for joint action in the report.

The report looks into the supporting framework provided by the United Nations system to facilitate the contribution of the private sector to the implementation of the 2030 Agenda with regard to several aspects: legal, financial, administrative, operational and motivational. The report favours system-wide solutions that will fuel permanent and reliable forms of inter-agency cooperation, resource pooling and knowledge sharing.

The recommendations are intended to be realistic and do not necessarily require additional financial resources. Instead, they call for additional willingness to fight individual resistance to change and institutional inertia. The report was also inspired by the increased need for a gradual shift in emphasis from ad hoc, short-term partnerships, focused primarily on resource mobilization, to multiple, long term, more strategic and stable forms of collaboration with the private sector.

While aware of the pre-existence of counterarguments, the Inspector also took the opportunity to recommend system-wide coordination on innovation partnerships. The implementation of this recommendation may prove that the system can indeed “deliver as one”, at least on a newly emerged priority and in the environment conducive to change that the 2030 Agenda has created.

Soft Action Lines

The executive heads of the United Nations organizations, where appropriate, should encourage human resources exchanges with businesses (internships, joint training programmes, sabbatical years, etc.) on a reciprocal or unilateral basis, in order to bridge the cultural and operational differences and incompatibilities.

The heads of United Nations organizations should consider using a system of symbolic awards related to the Sustainable Development Goals, when appropriate, individually or system-wide, aiming at recognizing and rewarding publicly companies that have introduced into their business models the sustainability elements contained in the 2030 Agenda.

The Global Compact should identify existing external professional services that could provide an impartial and objective certification or rating of companies according to their adherence to and implementation of the Sustainable Development Goals, based on a strict and transparent methodology, which would include inputs from the United Nations system organizations and civil society organizations. The Inspector also recommends that the Global Compact encourage those professional services to provide such certifications or ratings.



Formal Recommendations

1 Revision of the Guidelines

The General Assembly should consider a review of the ‘Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector’ with a view of bringing about an increase in contributions from the private sector for the achievement of the 2030 Agenda.

2 A new set of rules

The Secretary-General should propose a set of rules and operational guidelines designed to match the specific needs of partnerships with private sector entities. This would allow for greater flexibility, simplification of procedures, and speed in reaction.

3 Brokering partnerships and providing advice

The Secretary-General, assisted by the United Nations Global Compact, should coordinate and streamline a unique, system-wide package of information about the opportunities for partnerships offered to the private sector.

4 Streamlining responsibilities

The Secretary-General of the United Nations should review, streamline, clarify and strengthen the division of labor and the specific lines of responsibility and accountability within various departments of the Secretariat.

5 Enhanced role for the Private Sector Focal Points

The heads of the United Nations organizations should enhance the role and responsibilities of the Private Sector Focal Points Network to share knowledge, promote good practices, and find innovative solutions to partnership related problems with the private sector.

6 Vetting: a system-wide database

All heads of the United Nations system organizations, assisted by the United Nations Global Compact, should jointly create a common database on the profiles of the businesses that are involved, or potentially interested, in partnerships with the United Nations.

7 Common procedures on due diligence

The Secretary-General of the United Nations and all the executive heads of participating organizations should identify and agree on a minimum set of common standard procedures and safeguards to be applied system-wide in a transparent way.

8 Revised mandate for the Global Compact

The General Assembly should initiate a revision of its current mandate: a clearer role at the global and national levels; an enhanced role for Member States in its governance structure; a clear definition of the relationship with the Local Networks.

9 Action at regional level

The Economic and Social Council should invite the Executive Secretaries of the regional economic commissions to initiate and institutionalize a dialogue with high-level representatives of private sector in regard to contributing to the implementation of the 2030 Agenda for Sustainable Development.

10 Action at country level

The Secretary-General of the United Nations should encourage a multi-stakeholder mechanism of consultations and solution-seeking at the country level, steered by the Resident Coordinator, in which the businesses are involved from the beginning in the design of partnerships.

11 Coordination of Innovation Partnerships

The Secretary-General and the executive heads of interested organizations should build on existing and ongoing efforts to continue to empower the United Nations Innovation Network or other existing United Nations joint innovation initiatives to identify and discuss issues that are relevant for the coordination of the existing innovation initiatives, funds, labs, accelerators and incubators, and their interface with the private sector.

12 Support for engagement by SMEs

The Secretary-General should request the United Nations System Staff College Knowledge Centre for Sustainable Development to host a system-wide online platform to facilitate communication with micro, small and medium-sized enterprises on the 2030 Agenda for promotion of good practices and opportunities to engage with United Nations operations.