



Background Note

2006 UN System Private Sector Focal Points Meeting

“Engaging with the Private Sector: the UN’s Progress in 2005”

During last year’s UN System Private Sector Focal Points Meeting in May 2005, participants agreed to a common action agenda that would help UN private sector focal points tackle some of the most critical challenges in their partnership work and contribute to the more general process of organizational change within the UN. This paper provides an overview of the key issues and action points stemming from last year’s meeting and highlights the progress made in those areas by the UN system in 2005.

Issue #1. Further advance institutional reform within the UN System.

There is a significant gap between what senior management says re: UN’s willingness and capacity to partner and the resources, recognition and incentives provided to staff performing these functions. Existing institutional incentive structures that emphasize avoiding risks and safeguarding the status quo need to be adapted to better support partnerships.

Action Points and Progress:

- Clarify and simplify legal requirements for partnerships and streamline them across agencies in order to simplify the partnership creation process.

- Review UN policies (UN-Business Guidelines) in order to place a greater emphasis on solution-finding and the facilitation of partnerships.
 - Paragraph 12 of the General Assembly Resolution (A/RES/60/215), December 22, 2005 explicitly “Requests the Secretary General to take further appropriate action to enhance partnership management through ...the improvement of partner selection processes; and the streamlining of United Nations guidelines for partnerships between the United Nations and all relevant partners, including the private sector, and further requests the Secretary-General to report on these actions...”

 - A Task Force was established by the Deputy Secretary-General to develop guidelines for the acceptance of pro bono goods and services offered by the private sector. These guidelines were finalized and promulgated by the Secretary-General in March 2006.

- The Director of the General Legal Division at the UN's Office of Legal Affairs has expressed her interest in participating at the upcoming UN System Private Sector Focal Points Meeting to share experiences and lessons learned regarding the UN/Business Guidelines and related legal issues.
- Use the private sector focal points network to influence UN internal and external leadership, e.g. by issuing joint recommendations.
 - No progress thus far.

Issue #2. UN value propositions and normative frameworks are a fundamental component and driver in the emerging UN-business relationship.

The UN Global Compact was recognised as a value platform which could constitute a basis for long term, sustainable relationships with business.

Action Points and Progress:

- Before engaging in partnerships, UN agencies should encourage business to embrace UN principles in their operations, at the workplace and throughout their supply chains.
 - UNDP recommends that their Country Offices screen businesses before entering into partnership agreements. As part of the screening process, UNDP recommends that colleagues determine if the company has signed onto the GC and thus is already committed to UN principles at the CEO-level. However, UNDP does not have a formal requirement that the company is a GC signatory.
 - In September 2005, Innovest Strategic Value Advisors released “The Global Compact Plus” screening tool designed to assist investors and others in assessing companies’ relative capabilities and strategic positioning in addressing the competitive risks, challenges, and opportunities posed by the 10 Principles of the Global Compact. “The Global Compact Plus” differs from earlier generations of screening tools as it explicitly acknowledges that not all Environmental, Social and Governance issues are equally material in each industry sector. It focuses on assessing what companies actually do and provides a “best-in-class” ranking of companies relative to their same-sector competitors.
 - Overall, practices in partner selection and screening differ widely across the UN system, reflecting a lack of exchange of good practice and the fact that agencies, funds and programmes all have different requirements.
- The UN system should work to further advance the implementation of the Global Compact principles in its own procurement, facilities management and pension fund policies and practices.
 - Progress has been made by all working groups, most notably:
 - The UN Joint Staff Pension Fund is involved in the “Principles for Responsible Investment” (PRI) initiative co-sponsored by the UNEP Finance Initiative and the Global Compact. The initiative has mobilized a group of approximately 20

international public pension funds in the development of a core set of investment principles based on environment, social and corporate governance criteria.

- The UN Procurement Service has developed a "UN Supplier Code of Conduct", and supporting implementation documents including an implementation guide; self-assessment checklist; and a remediation guide. The code is an "aspirational" document containing a set of standards that the UN expects its suppliers to abide by in the spirit of continuous improvement - it is not a "compliance-based" code. The UN Procurement Service has received final approval by the legal office and expects to promulgate these documents by April/May 2006.

- The UN Facilities Management Division organized the sixth annual meeting of the Inter-agency Network of Facilities Managers (INFM) and working groups agreed on the following actions related to their efforts to implement the Global Compact principles: To advance on progress reporting; promote results; continue their educational role; better communicate/coordinate efforts with other UN departments; provide and develop tools (technical information) for consistent implementation of the principles and to implement an Environmental Management System (EMS).

Issue #3. Demand for better information sharing and learning across the UN system.

A precondition for enhanced partnership awareness and knowledge is a better understanding of partnerships and what they can achieve.

Action Points and Progress:

- Promote collaboration on partnership training and capacity building among UN staff.
 - In 2005, in response to growing demand within the UN system for cross-sector partnering capacity building and learning, the UN System Staff College (UNSSC) and The Partnering Initiative¹ launched a new phase of an earlier programme called "Partners in Action" (1998). This next phase builds on the pioneering joint pilot training efforts of UNSSC and the Prince of Wales International Business Leaders Forum (IBLF).
 - In December 2005, "Partners in Action" launched the first of a series of partnering skills courses "Partnering Skills for Strategic Engagement" designed to enhance the abilities of UN staff to engage in and promote multistakeholder partnerships. Following the launch in Vienna, a second programme was held in Geneva in February 2006. Three more courses are planned in 2006 – Paris (16-18 May), Rome (July) and Nairobi (October). The course is targeted at individuals in UN agencies/other international organizations who have responsibility for building partnerships with business, foundations, civil society and donors.

¹ The Partnering Initiative is managed by IBLF in association with the University of Cambridge and provides a range of learning services to organizations in the UK and globally.

- UNSSC and The Partnering Initiative are currently working with various partners to develop country and sector-specific capacity-building initiatives to enable UN-business partnerships to achieve greater reach and scale. These include a pilot project to build partnering capacity for disaster risk reduction and sustainable development in India with the International Strategy for Disaster Reduction and other global and local partners.

- Possibility of developing UN private sector focal points sub-groups/projects based on similar interests and experiences in working with the private sector.
 - The “Inter-agency task-force on private sector partnerships” was constituted to build an online guide for businesses on how to contribute to disaster relief. The task-force comprises agencies working in emergency response (including FAO, UNDP, UNFPA UNHCR, UNICEF, WFP, WHO and IFRC) as well as OCHA, the Global Compact and UNFIP. Coordinated by OCHA, in early 2006 the group agreed to meet every two months to discuss new initiatives, compare notes on partnerships and to share experience and policies.

 - The Office of the Special Envoy for Tsunami Recovery is developing a report focused on “The role of business in the tsunami relief and reconstruction effort”. The report will be published in fall of 2006 and will feed into the broader Tsunami “Clinton principles”/lessons learned report. This report aims to make a meaningful contribution to the field of public/private partnerships, philanthropy and CSR and will help to inform agencies and other key players who work in partnership with the private sector as they respond to humanitarian crises and reconstruction efforts in the future.

- Create an email newsletter to foster an easier exchange of experiences among UN focal points.
 - In early April 2006, the Global Compact Office will launch “The UN-Business Focal Point” quarterly electronic newsletter. It will provide UN private sector focal points with the latest news, tools, resources and content concerning the UN System's engagement with the private sector.

- Involve the private sector in building UN-internal capacities and policies re: work with the private sector.
 - The co-organizers of the upcoming UN Private Sector Focal Points Meeting 2006 have expanded the number of private sector participants invited to seek additional input and feedback from corporate partners.

- Compile a list of the major UN, World Bank and external publications and toolkits on partnerships with business.
 - UNSSC has compiled this list based largely on materials provided by private sector focal points following last year's meeting. Various drafts of the list have been circulated to focal points and others across the UN system, and the list has been regularly updated based on feedback received. This list is integrated into the

“Partners in Action Learning Community” section of the UNSSC website, a password-protected web space for participants on the Partnering Skills course. The list will be made available to all via the public UNSSC website prior to the upcoming UN Focal Points meeting this year.

- Create an online community of practice including an email list, and bulletin board to enable better networking and communication between UN focal points.
 - UNSSC has developed the “Partners in Action Learning Community” as part of the Partnering Skills course which includes over 40 participants at present. The idea is to build this community of practice organically with new members being added with each new cohort of the course. Wider participation of UN private sector focal points is envisaged by the second half of 2006.
 - A section of the ‘UN-Business Focal Point’ newsletter is devoted to providing an updated list of private sector focal points and contact details from across the UN system.

Issue #4. Foster greater awareness re: country (and regional) office involvement is the key to successful, sustainable partnerships.

Country level partnership practitioners must be given opportunities to develop and enhance their skills to initiate and manage successful partnerships.

Action Points and Progress:

- Integrate a partnership module into the UNSSC’s Resident Coordinator System (RCS) project.
 - This idea has been discussed within UNSSC and has also been proposed to the UN Development Group Office (UNDGO) in New York. Currently, there is a one-hour session on partnerships included in the RCS orientation programme for new resident coordinators. Partnerships and the role of the private sector also feature in some regional and country-specific RCS workshops. UNSSC will continue to work with UNDGO and other partners to explore how best to integrate partnership and the role of the private sector into the RCS project.
- Ensure that all Country Office (CO) programme staff are included in country and regional office training on partnerships with the private sector and build on existing UN structures, frameworks and experiences. (i.e. the regional partnership training model of UNDP Europe and CIS Region)
 - UNDP and its Regional Bureaus are exploring the possibilities of offering business partnership training to all CO focal points in targeted regions. UNDP expects that such training will take place in the Asia-Pacific region this year.
- Reinforce the partnership building learning competencies in the Senior Management Network (SMN) Learning Framework via the “UN Learning Community” of senior UN human resources managers.

- The UNSSC and The Partnering Initiative have maintained regular contact with members of the UN Learning Community via face-to-face meetings, phone and email about the Partners in Action programme. Learning managers in Vienna, Geneva, Paris, Rome and Nairobi have been key conduits for recruiting participants for the Partnering Skills courses and securing funding for course fees. Further action is needed specifically related to the SMN Learning Framework.

Issue #5. Need for greater impact assessment and accountability in partnerships.

Whenever possible, impact assessment requires the formulation of quantifiable criteria for measuring progress and outcomes.

Action Points and Progress:

- Convene a research group of UN Focal Points as well as outside experts with the mandate to develop an impact assessment framework for partnerships (proper indicators, appropriate methodology, etc.)
 - The Global Compact Office and UNDP's Nordic Office are currently exploring, with potential partners, the establishment of a working group that would develop an impact assessment framework for partnerships that could be used by focal points across the UN System.
 - UNDP is working on developing a "Partnership Report on the Private Sector's Contribution to the MDGs" that will include impact assessment.

Issue #6. Resource mobilization.

UN staff should acknowledge the value of both cash and in-kind contributions from the private sector. There are also benefits in engaging in mutual resource mobilization, which is jointly conducted by a private sector partner and UN agency.

- Engage business and UN partners in joint fundraising for projects.
 - This is a core element of UNFIP's mandate. UNFIP has been increasingly engaging UN and external partners in resource mobilization for UN projects on the ground together with UN colleagues (UNDP, UNICEF, UNEP, WFP, OCHA and many others).
 - Disseminate a few examples of effective donor coordination
 - Progress has not yet occurred but the "UN-Business Focal Point" newsletter will provide a tool to disseminate such examples.
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