



THE GLOBAL
COMPACT



UNITED NATIONS
SYSTEM STAFF COLLEGE

United Nations System Private Sector Focal Points Meeting Final Meeting Report 26-27 May, 2005 Geneva

The fourth United Nations System Private Sector Focal Points Meeting was convened in Geneva on 26-27 May, 2005. The two-day event, co-hosted by the UN Global Compact and the UN System Staff College brought together more than 80 representatives from over 30 UN departments/agencies to discuss institutional challenges and assess strategies to enhance business and philanthropy for development. The meeting was designed to offer UN staff working with the private sector an opportunity to share recent experiences, discuss challenges, identify and analyze innovative approaches and assess core competencies and learning needs in order to facilitate partnership capacity-building and mainstreaming within the UN system.

There was broad recognition that the partnership agenda has evolved rapidly. Many UN organizations have learned how to build relationships and leverage the complementary skills of the private sector in order to achieve greater impact. However, there is great variety across UN organizations in terms of capacity and institutional knowledge. Most practitioners recognized that in order to more fully exploit the opportunities of working with the private sector, it is now important to build upon lessons learned. A number of important common themes and action points emerged from the discussions.

1. KEY THEMES OF DISCUSSION

Seven key themes emerged as issues that most United Nations departments/agencies are confronted with in their work with the private sector.

- 1) **Need to further advance institutional reform within the UN System.** Many participants expressed the point that often there is a significant gap between what senior management says in terms of the UN's willingness and capacity to work with the private sector and the resources, recognition and incentives provided to staff performing these functions. Although much has been accomplished already, there is an urgent need to further advance institutional reform to close this gap. Existing institutional incentive structures that emphasize avoiding risks and safeguarding the status quo need to be adapted to better support partnerships.
- 2) **UN value propositions and normative frameworks are a fundamental component and driver in the emerging UN-business relationship.** It was noted that the business community gravitates to the UN primarily for its brand and value mission. Thus, UN organizations have a unique comparative advantage in forging partnerships if the UN's value proposition and operational priorities form one integrated platform. The UN Global Compact was recognised as a value platform which could constitute a basis for long term sustainable relationships with business.

3) **Partnerships are primarily about relationship-building and relationship-management and therefore UN agencies require additional skills and capacities to develop more sustained efforts in these areas.** A few participants expressed the feeling that their agency needs to improve its outreach to business. For many others the primary challenge is not making initial contact with business, but rather the lack of institutional facilitation across UN organizations. A few agencies expressed concern at the possibility of a centralized UN brokerage function and indicated a strong preference for the current decentralised system.

4) **Demand for better information sharing and learning across the UN system,** including the exchange of best and worst practice on partnerships. There was a recognition that some UN agencies are far ahead of others in terms of their experiences in working with business. A precondition for enhanced UN staff partnership awareness and knowledge is a better understanding of partnerships and what they can achieve – this requires systematic data collection, thorough research and action learning on the micro and macro-foundations and processes of partnerships. The UN System Staff College was recognized as key system-wide resource for learning and mentoring on UN-business partnerships.

5) **Country (and regional) office involvement is the key to successful, sustainable partnerships.** Greater awareness of this fact must be reinforced at the headquarters level. At the country level, Resident Representatives should be made aware of the value-added that partnerships with the private sector bring to realizing UN agency (and UN Country Team) missions. Partnership practitioners, both current and potential, must be given opportunities to develop and enhance their skills to initiate and manage successful partnerships. Already a number of UN Resident coordinators have successfully spearheaded innovative approaches.

6) **Need for greater impact assessment and accountability in partnerships.** Whenever possible, impact assessment requires the formulation of quantifiable criteria for measuring progress and outcomes. Yet it was stressed that partnership is a methodology, not an ideology – partnership is not an end in itself. In addition, participants stressed that accountability concepts should be developed both within UN agencies and between the UN agency and its private sector partner. At the same time, accountability should not go so far as to stifle flexibility.

7) **Resources: First, additional resources are necessary in order to support partnership capacity-building within the UN system. Second, the importance of resource mobilization to support development projects was noted.**

UN resources: It was recognized that more effective information exchange, learning and capacity-building across the UN will require additional resources.

Resource Mobilization: Business representatives in particular stressed that UN staff should acknowledge the value of both cash and in-kind contributions from the private sector. UN focal points further discussed the need to differentiate with respect to different potential private partners (companies, foundations, and individual people) and to align messages accordingly. There are also benefits in engaging in mutual resource mobilisation, which is jointly conducted by a private sector partner and UN agency.

2. ACTION AGENDA

Participants put forward a range of specific recommendations to tackle some of the issues highlighted above. In the long run, such challenges must be addressed on a comprehensive, organizational scale, in order to transform the United Nations into a more effective partnership player. Given current realities, in particular the tremendous resource constraints, meeting participants suggested a number of concrete measures (“easy wins”) to initiate such a process of organizational change.

1) Further advance institutional reform within the UN System

- Use the private sector focal points network to influence UN internal and external leadership, e.g. by issuing joint recommendations.
- A broader effort should be made to review UN policies in order to place a greater emphasis on solution-finding and the facilitation of partnerships with the private sector in support of UN goals.
- Create a task force of relevant United Nations personnel, Private Sector Focal Points, and external stakeholders (from business and civil society) to review existing UN policies and incentive structures in order to make relevant recommendations.
- Clarify and simplify legal requirements for partnerships and streamline them across agencies in order to simplify the partnership creation process.

2) UN value propositions and normative frameworks

- Before engaging in operational partnerships with the private sector, UN agencies should encourage business to embrace UN principles in their operations, at the workplace and throughout their supply chains.
- 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. **(UN Global Compact)**
- UN departments/agencies should place greater emphasis on “eligibility criteria” rather than “exclusionary criteria” when selecting private sector partners.

3) UN agencies require additional skills and capacities in relationship-building and relationship-management

- Convene more regular meetings of UN Private Sector Focal Points and explore the possibility of developing sub-groups based on similar interests/experiences in working with the private sector. Continue to update the contact list of UN private sector focal points. **(UN Global Compact)**
- Involve the private sector in building UN-internal capacities and policies re: work with the private sector (training, IT, PR). **(UNESCO willing to collaborate)**
- Create a simple guide for the business community on how to collaborate with the UN and use existing ‘macro’ UN system mechanisms **(UN Global Compact, UNSSC, UNESCO, UNDG, UNFIP, etc.)** to communicate this information to the private sector.

4) Information sharing and learning

- Compile a list of the major UN, World Bank and external publications and toolkits on partnerships with business. **(UNSSC)**
- Create an online community of practice including an email list, and bulletin board to enable better networking and communication between UN focal points. **(UNSSC)**
- Create an email newsletter to foster an easier exchange of experiences among UN focal points. **(UN Global Compact in collaboration with the Global Public Policy Institute)**

- Building upon the existing UN/business website, create a central portfolio of ongoing partnerships in the UN system and disseminate concrete successful outcomes in order to build legitimacy to mainstream the partnership approach. This has a triple purpose of showcasing partnerships to both business and UN staff, avoiding duplication, and acting as a minimum accountability mechanism. All agencies should take responsibility for updating their own information/projects linked to the existing UN website. **(UNESCO willing to collaborate with others)**
- Disseminate an explanation of the link between the Global Compact and the MDGs. **(UN Global Compact)**
- Encourage staff secondments between business and UN agencies. **(UNSSC)**
- Promote collaboration on UN staff partnership training and capacity building between UN agencies via the **UNSSC's** 'Partnerships and Global Compact' programme and consider sharing content of the World Bank's *Program for Bank Staff on Engaging with Business for Development* (to be launched).

5) Country Office Involvement

- Strengthen private sector engagement in the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF) planning and priority-setting processes at the country level.
- Integrate a partnership module into the **UNSSC's** Resident Coordinator System project.
- Ensure that all CO programme staff, including **UN Volunteers**, are included in country and regional office training on partnerships with the private sector.
- Reinforce the partnership building learning competencies in the Senior Management Network Learning Framework via the "UN Learning Community" of senior UN human resources managers. **(UNSSC)**
- Build on existing UN structures, frameworks and experiences: i.e. the regional partnership training model of **UNDP Europe and CIS Region**.
- Build the capacity of business associations in countries where this is lacking.

6) Impact assessment and accountability mechanisms

- Ensure that the above mentioned partnerships portfolio not only contains general information on partnerships but systematic, comparable data and an impact assessment methodology.
- 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.).
- Develop tools that help to clarify how individual partnerships contribute to an agency's mission.
- Develop practical accountability mechanisms and concepts. This, of course, requires further research into when accountability mechanisms are most crucial, to whom accountability must be ensured and how to strike a balance between accountability and flexibility.

- Encourage staff to involve more than one company when there is uneasiness regarding working with one specific company.

7) UN Resources to support capacity-building and resource mobilization

- Partnership Capacity Fund: **UN Foundation and UNFIP** were asked to jointly build a central partnership capacity building fund that, among other things, would support system-wide training programmes.
- Engage business and UN partners in joint fundraising for projects.
- Disseminate a few examples of effective donor coordination (i.e. **UNDP, GTZ** in Vietnam).
- Encourage UN staff to broaden their own agency's ongoing private sector partnerships to include participation by other appropriate UN agency partners.

3. MINUTES

Opening Plenary Session and Discussion: Reviewing UN-Business Relationships

Jane Nelson (IBLF and Harvard University), the meeting's facilitator, identified the **five key objectives of the meeting**: Offering the UN private sector focal points an opportunity for networking and exchange; identifying and learning from innovative partnership approaches; providing input to the Secretary General's report on UN partnerships; identifying the learning needs of UN staff as well as UN system-wide priority issues for improving partnerships.

Georg Kell (UN Global Compact) opened the plenary session by characterising the Global Compact as a global brand with local content. As such, the Global Compact can serve as an entry point for businesses seeking to engage with the United Nations, acting as a partnership umbrella rather than an implementer.

Timothy Cartwright (UNSSC) identified the Staff College's role in promoting UN partnerships with business by means of awareness raising, training and learning opportunities, and support for institutional capacity building conducive to partnerships.

Angel Silva (UNFIP) outlined UNFIP's partnership engagement and noted that UNFIP would welcome a portfolio of ongoing partnerships in the UN system to showcase current and future partners.

Jan Martin Witte (Global Public Policy Institute) then presented some of the key recommendations stemming from draft version of the UN Secretary General's Report to the General Assembly. He identified local ownership and strong partnership management, including accountability, as two key characteristics of effective, sustainable partnerships.

Subsequent discussion revolved around:

- The predominance of multinational corporations in UN-business partnerships and the need for (and difficulties of) engaging with domestic businesses, particularly those *not* in the export sector, and local business associations.
- The need for sharing both best and worst practices in partnership across the UN system.

Working Group Sessions and Subsequent Plenary Discussion

Working Group A: Accountability Mechanisms

Lead discussants: Julia Steets (Global Public Policy Institute), Cornis van der Lugt (UNEP)

Discussion in this working group centred on the need for clear accountability structures within the UN agency and company on the one hand (accountability to stakeholders, shareholders, executives) and the need for joint accountability between the two partners on the other (clarity regarding goals and outcomes, responsibilities and evaluation criteria). Subsequent discussion in the plenary dealt with the issue of striking a balance between accountability and flexibility. Transparency (e.g. making information on all partnerships available online) was identified as a minimum means for providing accountability.

Working Group B: Learning and Capacity Building

Lead discussants: David Murphy (UNSSC), Christophe Nuttall (UNITAR)

The Learning and Capacity Building working group pointed to the advantages of using existing UN learning and human resource frameworks and mechanisms to strengthen organizational and individual learning on partnerships. In particular, the group identified a need for education of headquarters staff to ensure high-level buy-in regarding partnerships, as well as on-the-job, skills-oriented training for field-level staff. The UNDP Europe and CIS regional business partnerships training course was highlighted as an example of best practice. The group pointed to two specific needs among others: training on impact-assessment and reporting mechanisms and some means for sharing good and bad practice on partnerships within and between UN departments/agencies.

Working Group C: Country Level Partnerships

Lead discussants: Kai Bethke (UNIDO), Arun Kashyap (UNDP)

The Working Group on Country Level Partnerships advised that country offices look more closely at national needs when building partnerships, and intensify efforts to partner with local, developing country businesses. Particularly important aspects of partnership building include open, process-oriented communication, the formulation of clear goals and periodic impact assessment.

Working Group D: Resource Mobilization: New Strategies and Trends

Lead discussants: Ayşen Tanyeri-Abur (FAO), David Carter (UN Foundation)

The Resource Mobilization Working Group pointed to the advantages of differentiating more clearly with respect to the type of resource mobilisation (pure fundraising, co-financing of projects, investment for development, etc.) and with respect to potential partners (companies, investors, foundations, individual wealthy donors). Resource mobilization efforts must be clear about who is being targeted and should align messages regarding the benefits of partnering accordingly.

Plenary Session: Policies and Procedures for Effective Partnerships

Cornelis van der Lugt (UNEP) presented UNEP's guidelines for working with business. He referred to the Dow Jones Sustainability Index, the ftse4good and a report entitled "Cut the Fluff from CSR" as useful indices for screening companies.

Anne Mary Grey (UNICEF) discussed UNICEF's long-running experience working with the private sector. In particular, she pointed to the need for greater capacity regarding legal guidance, UNICEF's experiences with KLD Research&Analytics as a third party evaluator in company screening, and UNICEF's guidelines for preventing abundant logo usage. She stressed that UN departments/agencies should place greater emphasis on "eligibility criteria" rather than "exclusionary criteria" when selecting partners.

David Del Vecchio (UNFPA) then provided a mixed review of Calvert's Corporate Information System which UNFPA has been using to screen potential corporate partners.

Subsequent discussion focused on striking a balance between protecting the UN as a brand and yet not hindering valuable innovative work with the private sector. Participants identified a need for clearer guidelines regarding UN logo usage and what types of actions constitute an “endorsement”.

Plenary Session: Perspectives from Business and Civil Society Partners

Philipp Müller-Wirth (UNESCO) introduced the session which provided business and civil society partners with an opportunity to present their experiences working with the UN/business. He highlighted the need for frankness between partners.

Andreas Blüthner (BASF) outlined BASF’s projects with UN HABITAT, UNEP and UNIDO. He identified communication with UN private sector focal points about project results as a positive aspect of BASF’s experience of partnering with the UN. There is room for improvement within the system with respect to accepting that there can indeed be common goals between the UN and the private sector - even given diverging interests and organizational cultures.

Tim Garmager (Deloitte) summarized Deloitte’s recent work with UNDP, particularly in standardising the monitoring and evaluation mechanisms of UNDP country offices, and pointed to complex procurement rules as a major barrier to partnerships.

Gilles Carbonnier (International Committee of the Red Cross) explained that ICRC works with business through two channels: Firstly, through partnerships, especially for fundraising. Secondly, by engaging in dialogue with multinational corporations operating in conflict zones (from whom ICRC will not accept donations). His presentation highlighted the fact that ICRC is facing many of the same challenges UN focal points are encountering in their efforts to engage the private sector.

Jean-Paul Jeanrenaud (WWF International) outlined WWF’s partnerships with the private sector, including Lafarge, Ogilvy, Canon, HSBC and Nokia. In particular, he pointed to rules of engagement that allow partners to ‘agree to disagree’, the independence of partners in relationships of equals and win-win situations as characteristics of successful partnerships.

Plenary Session: Engaging Business at the Country Level: Perspectives from the Field

Jeya Wilson (UNDP) pointed to UNDP’s two priorities in partnership development: The engagement of country offices and the Growing Sustainable Business (GSB) initiative as a means to encourage pro-poor, for-profit investment and to encourage entrepreneurship in developing countries.

Søren Petersen (UNDP Nordic Office) mentioned a series of partnerships UNDP has developed with various companies and highlighted the fact that the achievement of the MDGs goes hand-in-hand with profitable and responsible business. He raised the important point that partnerships may or may not be advantageous depending on circumstances and ended by quoting Secretary-General Kofi Annan “The development of effective partnerships is an art, not a science.”

Drawing on the example of Croatia, Kai Bethke (UNIDO) stressed the need to promote CSR as a business development tool, rather than as corporate philanthropy. Achieving this requires the engagement of both the public sector as an incentive provider and the private sector.

Karolina Mzyk (UNDP Regional Centre for Europe and the CIS) outlined a partnership between UNDP Poland, PKN Orlen, Levi Strauss and municipal authorities, which used private sector

financial contributions to establish a small-grants scheme for NGOs implementing a sustainable development strategy in Plock, Poland.

Linda Merieau (UNHCR) noted that working with business is still a new field for UNHCR. She pointed to a number of challenges, including providing incentives for staff to engage in and institutionalize partnerships as well as creating awareness among staff that added-value from business does not just come from funding but may also be provided through pro-bono activities.

Plenary Session: Business Responses to the Tsunami Disaster: Lessons for Future Emergencies

Christelle Loupforest (OCHA) opened the session by noting that the business response to the December 2004 tsunami disaster demonstrated that the UN is frequently perceived by the outside world as one entity, and that, when necessary, there is a need to present the UN as a well-coordinated accessible system. Moreover, the tsunami disaster highlighted the need for clear policies and legal instruments for handling business contributions to UN disaster relief and reduction efforts.

Daniella Ballou-Aares (Dalberg) introduced the online UN (OCHA/GC) Orientation Guide for Business Contributions to UN Emergency Relief Efforts (<http://ochaonline.un.org/businesscontributions>), which acts as an access point for businesses who want to contribute to UN relief efforts and communicates relevant UN procedures departments and agencies to the private sector.

Salvano Briceno (UN IDSR) outlined the UN's International Strategy for Disaster Reduction, particularly early warning and risk reduction mechanisms, and noted that in order for partnerships to effectively contribute to disaster reduction, necessary work must be done beforehand.

Marcel Fortier (International Federation of the Red Cross and Red Crescent Societies) noted that of the USD 2.2 billion raised in the tsunami disaster emergency appeal by the national Red Cross and Red Crescent societies, an estimated ten percent came from businesses. SMS-donations had proven to be a particularly successful, innovative way of fundraising. He emphasized that policies and systems must be in place prior to disasters in order to effectively channel corporate sector contributions.

Tetsuo Kondo (UNDP Regional Centre for Asia and the Pacific) introduced the Corporate Partnerships in Emergencies (<http://cope.undp.org>) mechanism, which aims to match private sector contributions (in-kind and cash) with the needs of local communities affected by natural disasters.

Concluding Plenary Session: Common Priorities and Next Steps

Jane Nelson, together with Georg Kell and David Murphy lead the concluding session, which allowed meeting participants to identify proposals for improving UN partnerships with the private sector. The suggestions generated in this session, combined with participants' written comments, are reproduced in the Action Agenda outlined above.