

CATALYZING TRANSFORMATIONAL PARTNERSHIPS BETWEEN THE UNITED NATIONS AND BUSINESS



Global Compact

LEAD

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The Global Compact LEAD Task Force on UN-Business Partnerships
is co-chaired by the UN Global Compact Office and Unilever



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1. Executive Summary

A fundamental and unprecedented shift is underway in international development and security

The world is changing rapidly. Technology is connecting societies in new ways, empowering and mobilizing new actors to seek change, both positive and negative. Threats to peace, security, the environment, and social and economic development are complex and these issues are becoming increasingly linked. At the same time, the scope and impact of Business has become more global in recent decades, reaching more broadly across the developing world to serve new markets. With this broader reach has come a more profound understanding that many of the underlying drivers of long-term profitability and success in the private sector— such as access to energy, good governance, sustainable economic development—overlap with UN priorities underpinning peace, security, and poverty reduction. These deepening ties between public and private interests create new opportunities for collaboration. Additionally, with its reach and unique capabilities, Business can be a powerful source of innovation and implementation power, working alongside the UN to develop better and more integrated solutions to important global challenges.

The need for effective collaboration between Business and the UN is paramount

UN-Business collaboration is not new, but the models of partnership have been evolving. New patterns of development involve partnerships and alliances shaped by common interests and shared purpose, and bounded by clear principles that encourage autonomy and synergy. Over the past two decades, a vanguard of UN entities and business leaders has been leading the way, with important progress made in areas such as anti-corruption, HIV/AIDS, clean water, food security, and the environment. Partnerships originally grounded in dialogue and learning have matured, leading to concrete action and progress. Much more needs to be done, however. The UN has set ambitious targets in the Millennium Development Goals, and significant obstacles remain in terms of achieving the scale and systemic impact necessary to hit these targets. In particular, new and more effective partnership models for the UN and Business are needed.

High-level working group with UN and Business leaders has been mobilized

In response to this need, a working group was formed to review the recent history of such partnerships, and to make recommendations for enhancing their effectiveness and scale. Under the leadership of Unilever and the UN Global Compact office, a Global Compact LEAD Task Force was mobilized with the support of leading CEOs. The Task Force reviewed dozens of partnerships representing a variety of geographies and sectors, and interviewed key stakeholders to better understand the challenges and solutions needed to enhance partnership impact and to facilitate increased engagement of businesses with the UN. New approaches and partnership models were discussed and debated with business and UN leaders at global forums in Davos and Paris. The outcome of these efforts is summarized in this report.

A call for more transformational partnerships to drive systemic change

A range of partnership and social mobilization models are addressed in the report, from philanthropic and strategic partnerships to broader issue-based networks and social movements. In particular, the report highlights the value of partnerships that have the capacity to transform the ways in which the UN, civil society, governments, and other stakeholders work with business to secure sustained and rapid realization of development goals. Problems are addressed holistically, often across multiple sectors. Additionally, transformational partnerships leverage core competencies of participants, and are designed for scale and sustained impact. As a result, these partnerships can

REQUIRED CHARACTERISTICS OF TRANSFORMATIONAL PARTNERSHIPS

☑ **Does the partnership address a systemic issue?**

☑ **Does the partnership involve the appropriate set of stakeholders?**

☑ **Does the partnership leverage core competencies of all partners?**

☑ **Does the partnership have an in-built capacity to reach scale and lasting impact?**

deliver transformative impact across sectors and geographies, addressing both public and private objectives through changes in policy, market structure, and/or social norms.

In practice, designing and implementing effective partnerships of any kind is fraught with difficulties. The following four challenges in particular are addressed in more detail, with solutions provided in Sections 4 and 5 of the report:

1. The UN and Business continue to mistrust each other's motives for entering into partnerships
2. Differences in organizational culture and limited capacity on both sides have tended to result in mismatched and unfulfilled expectations
3. Lack of coherence at both the global and country level within the UN prevents Business from partnering effectively with UN entities
4. Insufficient commitment to a concrete partnership governance structure, with a clear framework for measuring outcome-based results

While these challenges must be addressed for all partnerships, transformational partnerships can be more complex to develop and implement, necessitating a more effective platform to catalyze such endeavors.

Primary Recommendations

The Task Force calls on UN and business leaders to take joint action to create an enabling environment where transformational partnerships can flourish. Specifically, the Task Force proposes the following three recommendations to be taken together, corresponding to the stages of partnership development from exploration, to design, to implementation and evaluation:

1. **Co-creation of solutions focused on joint priorities**, with Business-led solutions responding to clearly articulated UN priorities. We envision a model where Business competes and collaborates with other private sector players to respond to partnership requests from the UN. To be effective, this model requires:
 - Greater coherence on the part of the UN in liaising with business partners, with centralized points of contact around specific thematic priorities (e.g., access to energy, food security). To be effective at country level, this needs to translate to a centralized approach on the ground as well, which the centralized points of contact can help facilitate (potentially in collaboration with UN Resident Coordinators in high priority geographies).
 - Involvement of the private sector at an earlier stage of ideation and development of solutions, allowing Business to leverage its unique competencies and expertise more fully. Such involvement can take place, for example, with the UN formally soliciting proposals from Business not only for implementation of projects, but also for the primary design and development of partnerships to deliver such projects. In addition to formal solicitations, the centralized thematic leads can work with other interested business partners to ensure all good ideas are considered.
 - A renewed emphasis by business partners to embrace UN and universal values as embodied in the Global Compact. An explicit adherence to a common agenda ensures long term alignment to shared objectives. Additionally, Business would ideally demonstrate long-term commitment independent from economic cycles.

2. Focus on accountability for outcomes to foster a results-oriented culture, increase transparency, and disseminate learnings. For example, an Accountability Scorecard with metrics highlighting partnership outcomes (i.e., going beyond input metrics) should be used for all partnerships. Such a scorecard can build on existing best practices for monitoring partnership impact, while tailoring to suit the needs of UN-Business partnerships. In particular, the accountability and monitoring scorecard will be used to spotlight effective partnership practices and correct or terminate ineffective ones.

3. Partnership Accelerator Facility providing financial and advisory resources to catalyze partnerships with transformational potential. For maximum impact, such a Facility should be led by a senior level “CEO caliber” professional – a “Special Envoy to Business”, perhaps - with significant experience in the private sector, who also has deep understanding of and respect within the UN system. The Facility will support the development of sound operating guidelines, including governance, legal clearance, roles and responsibilities of partners, evaluation of impact, and brand management. Through this process, the Facility would help build the skills and capacity necessary for effective partnership management, both within UN entities and businesses. No such system-wide entity exists today. Existing “challenge” or “innovation” funds can be used as potential models to consider in fully developing such a Facility. To avoid additional bureaucracy, the Special Envoy would facilitate the involvement of key UN substantive leads focused on the priority themes.

While some components of this proposed environment will result in new structures and processes (and hopefully leverage existing ones), the resulting system is expected to provide simplicity and improved coordination. Overall, we see these recommendations as having the potential to deliver significant impact in a feasible and realistic manner.

The time to act is now

The international community must act. The Secretary General has made clear his faith in the transformational power of the UN partnering with Business to address shared priorities for sustainable development. At the same time, business leaders have come together to offer recommendations for how the UN and Business can work together more effectively. The potential for impact is tremendous. The time to act is now. The UN and Business must take seriously their commitment to forging this path to a shared future together.

2. The nature and potential of UN-Business partnerships

Though private companies and United Nations entities are clearly different kinds of organizations, in several important ways their goals are very much aligned. Leading businesses recognize that social goals such as food security, environmental sustainability, access to health and education, and good governance are fundamentally in their interests – mitigating risk, developing new markets, and cultivating sustainable relationships with customers and investors. In fact, the goals set down in the UN charter – preservation of peace, respect for international law, and better living standards with respect for universal values and principles– are the same conditions that most businesses need to serve their customers and investors. These overlapping areas of interest create opportunities for the UN and Business to work together.

As leaders of the G20, World Economic Forum, and Global Ministerial Environmental Forum have stated, solving global problems requires partnerships with holistic approaches involving the public, private, and non-profit sectors. In forging such partnerships, the UN has unique capacities: no other organization has the same convening power, credibility as a neutral broker, support from member governments, and deep knowledge of social and economic development, not to mention the UN's unique role as the upholder of shared values. By the same token, businesses can offer unmatched technical expertise, capacity for implementation, influence in shaping economic behaviors, resources, and the determination to deploy those resources when their interests are served.

To date, the full potential of partnerships between Business and the UN has yet to be realized. A variety of challenges have stood in the way. Overcoming these challenges will require strengthening the architecture whereby the UN and Business create partnerships, making the partnerships themselves more effective, and evolving from traditional structures to ones that are truly transformational. These newer structures include multi-stakeholder partnerships as well as broader networks or constellations of actors organized around complex systemic issues. Getting these newer types of partnerships designed and implemented effectively is more challenging, though the potential for transformational impact is high. To catalyze these transformational partnerships and networks we propose a new way forward for UN and Business to work together and realize the full potential of collaboration.

2.1. A range of UN-Business partnerships

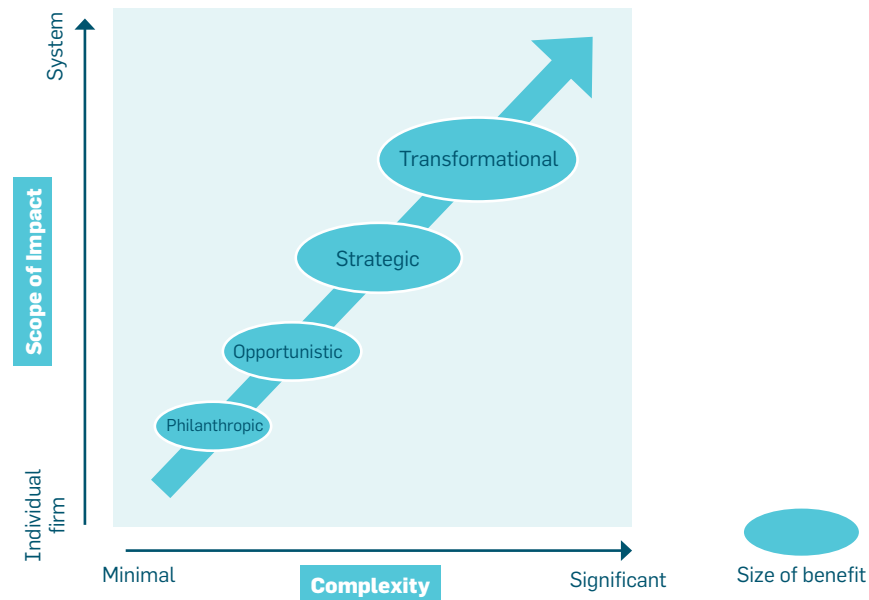
Partnerships between UN entities and Business can take on a variety of different attributes. A **philanthropic** partnership is a discrete effort with an emphasis on public relations and financial contributions. An **opportunistic** partnership is a program or action that brings short-term economic gain and may leverage core competencies but in an ad hoc manner. A **strategic** partnership uses core competencies to develop markets, products, and services deliberately, but is often a two party agreement and set within an existing system. A **transformational** partnership is a multi-stakeholder engagement that restructures 'the rules of the game' to make markets work, improve the enabling environment, and set global norms.

Exhibit 1 illustrates how various partnership types can be categorized based on their potential for social impact and the complexity of the relationship needed to execute.

Partnerships between UN entities and businesses have so far been mainly philanthropic or opportunistic in nature. They have often failed to leverage the core competencies of the organizations involved, which is the hallmark of a strategic partnership. They have also engaged fewer stakeholders than needed to address the world's most pressing problems in a sustainable way, thus falling short of transformational potential. These shortcomings stem mainly from the fundamental challenges associated with any collaborative process—building trust, bridging cultures, and establishing clear governance structures and operational guidelines.

EXHIBIT 1: TRANSFORMATIONAL PARTNERSHIPS IN CONTEXT

Transformational partnerships create systemic change to benefit society at large- increasing overall scale and impact



2.2. What makes partnerships transformational

To be truly transformational, a partnership must address a systemic issue. Solving complex global development issues such as access to clean water or gender equality requires a systemic change. Such a change could come from effective enforcement of existing rules or the institution of new rules, the correction of a market failure, a shift in behavioral norms, or a combination thereof.

Enforcing existing rules or instituting new rules can involve changing government procedures, policies and/or regulations. In the case of new rules, this can also take the form of changing accepted industry standards. Changing the rules requires that a critical mass of players coordinate to exert pressure on policy makers, or a coalition be built so that industry standards are adopted.

Correcting market failures often implies altering the incentives of businesses, either by removing an obstacle to delivering essential goods or services (e.g., monopoly) or creating incentives for curbing undesirable behavior (e.g., creating a market for carbon credits).

Shifting behavioral norms can occur in two ways. For individuals, system-level change may occur when large segments of the population independently decide to change their behavior (e.g., hand-washing). Though it is often difficult to engage the large disparate sets of individuals, possible awareness raising tools can be cause-related marketing (e.g., Product (RED)) or social-media platforms. Note that changing individual behavior is typically only possible if the cost and benefits reside with the same individual. In cases where the benefits to change are spread out while the costs to an individual from changing behavior is prohibitively high, change cannot come about without coordinated action (e.g., anti-corruption, nutrition).

In general, systemic change is impossible without the coordinated efforts of a wide variety of actors. To be most effective, the partnerships between these actors will have the following attributes:

REQUIRED CHARACTERISTICS OF TRANSFORMATIONAL PARTNERSHIPS

✔ Does the partnership address a systemic issue?

- Systemic issues are defined as fundamental market or governance failures that can only be addressed in an integrated manner, e.g., addressing malnutrition requires interventions in provision of food, sanitation, education, etc.

✔ Does the partnership leverage core competencies of all partners?

- Partnership leverages core competencies and skills of all partners to address the systemic issues across multiple sectors (i.e., across all relevant value chains)

✔ Does the partnership involve the appropriate set of stakeholders?

- Involves key partners in the UN system, private and public sectors, and in relevant geographies

✔ Does the partnership have an in-built capacity to reach scale and lasting impact?

- Incentives and funding are designed to drive partnership scale and sustained impact (i.e., partnership is designed to be scaled up, as long as it is demonstrating intended results)

- **Involving all stakeholders who play a necessary role** and pertain to the relevant geographies, and not involving any who fail to meet these criteria. Partnerships seeking to address large scale systemic issues need to incorporate relevant stakeholders across the UN system, private and public service, academia, and civil society, either as primary partners or as advisors.
- **Leveraging the core competencies of all partners** such as convening power, resources, local presence, technical expertise, or distribution network, etc., to address the systemic issue across the value chain.
- **Built-in capacity to reach scale and leave a lasting impact** whether as part of a fixed-length project or an ongoing, viable business model. Many systemic issues span multiple geographies and require long term efforts towards instituting new policies and rules, correcting market failures, and shifting behavioral norms. As such, scale and sustained impact is critical to achieve these results.



TRANSFORMATIONAL ATTRIBUTE IN ACTION:

INVOLVING ALL STAKEHOLDERS WHO PLAY A NECESSARY ROLE

Oxford Health Alliance (OxHA)

Dedicated to preventing and reducing the global impact of epidemic chronic disease by addressing tobacco use, physical inactivity, and poor diet.

Launched by Novo Nordisk, the World Health Organization, and the University of Oxford, OxHA serves as a platform for communication and collaboration among experts and activists from a wide range of disciplines. Originating as a discussion around diabetes, OxHA grew in scope and network, and now facilitates the Global Alliance for Chronic Disease (GACD).

www.oxha.org



SIEMENS



TRANSFORMATIONAL ATTRIBUTE IN ACTION:
LEVERAGING THE CORE COMPETENCIES OF ALL PARTNERS

Jogos Limpos / Clean Games

Promoting greater transparency and integrity of public spending procured to host the 2014 World Cup and the 2016 Summer Olympics in Brazil, through a collective action platform.

With financial support from Siemens Integrity Initiative, this project is coordinated by Instituto Ethos serving as Secretariat. The UN Global Compact and UN Office on Drugs and Crime bring their convening power and international expertise. Businesses and Brazilian politicians are asked to fight against bribery and corruption through voluntary pacts. The project releases transparency indicators so citizens, civil society, and transparency organizations can monitor ethical conduct of the games.

www.jogoslimpos.org.br



2.3. The structure of transformational partnerships

There is not just one model or structure for a transformational partnership; rather, there is a spectrum of structures that can be tailored to the needs of the partnership. Exhibit 2 depicts illustrative examples of the range of possible partnership structures.

Exhibit 2: Spectrum of transformational partnerships

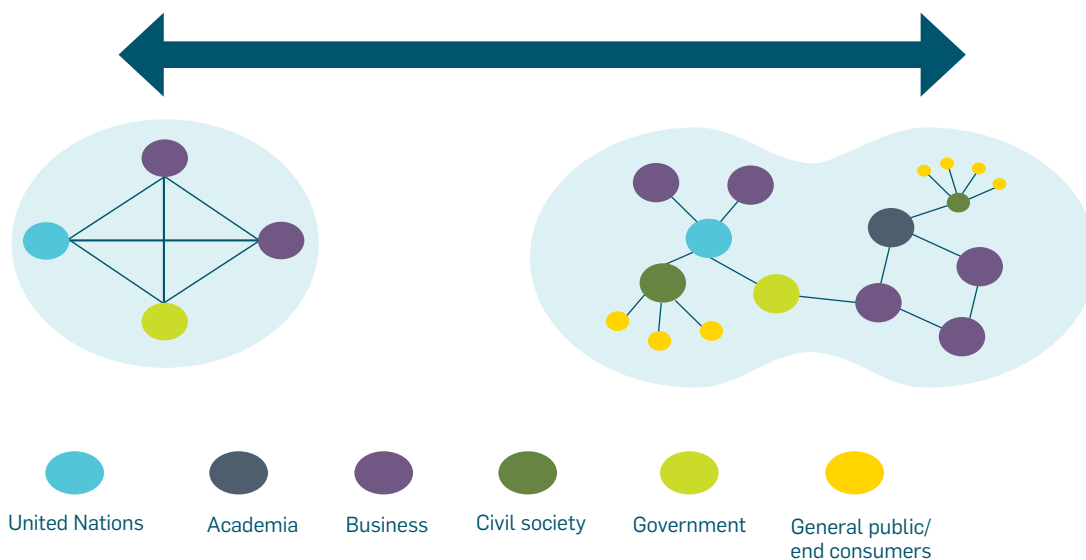
Spectrum of transformational partnerships composed of various partners

Multi-stakeholder construct

- Discrete number of partners
- Typically more formalized governance and accountability measures

Network construct

- More inclusive and broader set of partners
- Typically less formalized governance and accountability measures



At one end of the spectrum are partnerships with a discrete number of partners formally committed to the partnerships through a signed memorandum of understanding or contract with formalized governance. These transformational partnerships are oriented around tasks, with clear roles and responsibilities assigned to each partner and measures for accountability. Building these partnerships between the UN and Business requires aligning incentives with both internal and external stakeholders and ensuring operational excellence with adequate resourcing, governance, and structure built for scale. For additional information on how to build effective partnerships, please refer to the accompanying guide to this report, "Partnership Fundamentals: A 10-step guide for creating effective UN-Business partnerships".

On the other end of the spectrum are network constructs, which are more loosely organized and broadly inclusive. These social movements or issue-based networks (e.g., global action networks) are formed when stakeholders join together to develop solutions for a common cause. The partners in these networks can be individual businesses or non-governmental organizations, as well as other networks. For example, the Forest Stewardship Council, itself a network dedicated to sustainable forestry management, is part of ISEAL Alliance, which is a global association for social and environmental standards. The partners in these networks interact with varying degrees of intensity and connectedness, and typically accountability to the partnership is on a voluntary basis only, without formalized contracts in place. Many of these transformational partnerships evolved from what historically have been networks formed for dialogue and learning, rather than action. Today, however, more and more of these networks have expressly made social change a goal for the partnership. These partnerships achieve transformative change by drawing on the network effect of various actors, collaborating to reach a tipping point of social change.

3. Transformational partnerships in practice

Though some are in their early stages, a few partnerships involving UN entities and the private sector have already demonstrated transformative potential and results. These are reflective of movements where the UN has acted as a credible platform for industry players to converge their technical expertise or market clout. Below are short case studies of partnerships that are seeking to address systemic issues through the institution of new rules, the correction of a market failure, or a shift in behavioral norms.



The Coca-Cola Company



3.1. Instituting new rules: Refrigerants, Naturally!

Combating climate change and ozone layer depletion by substituting harmful fluorinated gases with natural refrigerants.

- Systemic issue addressed: Climate change and ozone layer depletion resulting from industry and regulatory practices within industries requiring refrigeration technology.
- Necessary stakeholders involved: Businesses committed to switching to natural refrigerant technologies over a set timeline, and involving other stakeholders such as their wider supply chain, industry peer groups, and policy makers by sharing technical information and results.
- Core competencies leveraged: Large Consumer Packaged Goods (CPG) member companies have market clout and technical expertise to change market standards and encourage other companies to join the coalition. UNEP and Greenpeace provide advocacy and convening power to promote the initiative and attract additional partners.
- Capacity for scale and lasting impact: Concerned stakeholders agree to new changes in refrigeration technologies. To date, Unilever has placed more than 400,000 hydrocarbon-based ice cream cabinets throughout Europe, Latin America, and Asia, while Coca-Cola and PepsiCo have installed about 300,000 bottle vending machines in the same regions, operating with either CO₂ or Hydrocarbon as the refrigerant.

www.refrigerantsnaturally.com





3.2. Correcting market failures: Global Alliance for Clean Cookstoves

Poverty reduction and improved health from increased access to clean energy and reduction of harmful indoor air pollution.

- Systemic issue addressed: Respiratory diseases and high energy costs in households resulting from the use of polluting, inefficient cooking practices.
- Necessary stakeholders involved: The UN Foundation, the World Health Organization, Shell, the Shell Foundation, Morgan Stanley, Impact Carbon, and other governments, implementing organizations, and donors necessary for the partnership.
- Core competencies leveraged: The UN Foundation used its convening and brokering capacity to convene partners and raise funds for the effort. Shell is using its knowledge of energy markets to assess the demand for clean cookstoves in several developing countries. Morgan Stanley and Impact Carbon are exploring ways to subsidize the cost of cookstoves through carbon credits generated by the reduction in pollution that results from their use.
- Capacity for scale and lasting impact: Through a combination of information sharing, consumer marketing, and financing mechanisms for affordability, the Alliance aims to create a self-sustaining market for 100 million clean cookstoves worldwide.

www.cleancookstoves.org



Rabobank

3.3. Shifting behavioral norms: Project Laser Beam

Eradicating child malnutrition by addressing interventions in food, hygiene, and behavioral change.

- Systemic issue addressed: Child malnutrition as the cause of all deaths of children under five years of age.
- Necessary stakeholders involved: Brings together UN entities with Fortune 500 companies, amongst other stakeholders, to work on integrated solutions to child malnutrition – solutions across food, hygiene, and behavioral change. Project Laser Beam is currently conducting 5-year pilot programs in Indonesia and Bangladesh, leveraging local governments and companies to deliver these locally-focused solutions.
- Core competencies: The UN has convening power, experience, and access into difficult territories, which often prove to be the most challenging new markets. Private sector partners have the nutritional expertise, supply chain, and capacity for in-country presence to effectively implement interventions.
- Capacity for scale and lasting impact: Interventions are designed to change market dynamics and consumer behavior. The partnership aims to include more private and public sector actors. Additionally, Project Laser Beam's pilot programs in Bangladesh and Indonesia will be replicable across geographies.

www.wfp.org/laserbeam



4. Strengthening UN-Business partnerships

In the context of the UN Private Sector Forum, the Secretary General has the opportunity to give all UN agencies, funds and programmes a clear mandate to work with private sector companies as necessary partners in the next wave of transformational change. Partnerships involving UN entities and private companies have faced several recurring challenges, and overcoming them will be the key to success across all the levels of the hierarchy described in Chapter 2. The following are some of the most pressing issues and proposals for how they might be addressed. For more specific steps in the creation of strong partnerships, please refer to "Partnership Fundamentals: A 10-step guide for creating effective UN-Business partnerships".

4.1. Building trust

One of the most pressing among these issues is that the UN and Business continue to mistrust each other's motives for entering into partnerships. The dominant UN culture is skeptical of using markets or harnessing commercial interests as solutions to development challenges. UN entities may question if there are ulterior profit or publicity motives for businesses interested in entering into a partnership. And despite the clear benefits to be gained from partnering with the private sector, there is constant concern about going too far with private sector partnerships. Companies, on the other hand, perceive the UN as seeking them out only for donations rather than as partners in the truest sense of the word. Businesses may resent being asked to fund fully-formed ideas, without having a hand in originating, developing, or implementing the solution.

To overcome this mistrust, both sides must recognize the incentives inherent to each party. The UN needs to embrace that the private sector requires a viable long-term business case for sustained partnership. Engagements that are purely philanthropic are often dependent on the generosity of internal champions and risk unpredictable funding flows. Conversely, a well-formulated business case for entering into partnerships with the UN is likely to improve the odds of sustained funding. The UN could make clearer to Business the necessity for partnering and recognizing overlapping interests. Furthermore, Business can improve relations by demonstrating commitment to UN values in order to position itself as a partner with shared priorities.

It should be noted that the UN and Business have already taken concrete steps to build trust and have a history of working together. In particular, the UN Private Sector Forum is one concrete example of how both sides have come together to address shared priorities, in this year's case a shared interest in expanding access to sustainable energy for all.

4.2. Building capacity to bridge cultural differences

In addition to the lack of trust, cultural differences have tended to result in mismatched expectations regarding the pace and operationalization of UN-Business partnerships. Companies are accountable to their shareholders and operate on quarterly and yearly reporting cycles. In tackling global development issues, the UN typically has a much longer term horizon, and does not feel bound to business cycles. Crafting multi-stakeholder solutions to social issues is challenging, and while the pay-offs may be immense, they may also come at a much longer time horizon than companies are traditionally comfortable with.

An attitude change is also required by both UN and Business to bridge the gap in terms of the amount of effort and time that go into partnerships, and the pay-off that should be expected from them. Both sides must commit dedicated staff resources, often with technical expertise, to manage and execute the partnership. Additionally, both sides must strive to create opportunities for cross-sector exposure, such as testing out partnerships with pilot phases to first understand respective working styles, creating volunteer and exchange programs, and modifying hiring practices to emphasize cross-sector experience in liaison roles. Furthermore, both sides must strive to build capacity through partnership skills training (e.g., in-house seminars that could be sponsored by universities or corporations) that revolve around the principles of understanding incentives, governance, and other partnership fundamentals described in this report.



**UNITED NATIONS
PRIVATE SECTOR
FORUM 2011**



**SUSTAINABLE
ENERGY FOR ALL**

UN PRIVATE SECTOR FORUM

The UN Private Sector Forum itself is a major innovation. The Secretary-General convenes the Private Sector Forum on an annual basis on the occasion of the General Assembly debate so the voice of the private sector can contribute to inter-governmental negotiations on key topic areas. As the primary UN platform for business leaders and public policy makers, the Forum was designed to bring the public and private sectors together to inspire further individual and collective commitments by business. The 2011 Forum's focus on private sector input into the UN Secretary General's strategy on Sustainable Energy for All will lead-up to the Rio+20 - United Nations Conference on Sustainable Development. www.unglobalcompact.org/Issues/Business_Partnerships



ATTRIBUTE IN ACTION: BRIDGING CULTURAL DIFFERENCES

Skills for Success

Among other programs run jointly with UNDP Ukraine, Skills for Success helps children and adults develop skills in Information and Communications Technology (ICT), problem solving, and project management.

As first time partners, Intel and UNDP partnered to enhance the education curriculum in Ukraine with a focus on ICT, problem solving, and project management. Targeting both teachers for curriculum training and students for education modules, the partnership began with a 1.5 year pilot phase that limited engagement to co-funding seminars. This crucial period built trust and allowed for each partner to appreciate and recognize their complementary skill sets.

www.undp.org.ua

4.3. Delivering as one

Equally important, the lack of coherence at both global and country levels within the UN prevents Business from partnering effectively with UN entities, if at all. Although the issue of system-wide coherence has received much attention in recent years, and great progress has been made on “One UN” and “Delivering as One”, there is still much room for improvement in the way UN entities live up to the ideals in practice. At the country level, businesses who wish to partner with the UN find themselves acting as their own coordinator for UN entities, putting significant time and effort into understanding who is in charge of what, and aligning the various UN entities towards the goals of a potential partnership. Businesses view this as a time consuming task that is not their responsibility, and it is a significant deterrent for partnering with the UN. Lack of coherence at the global level is also detrimental to the UN in that when UN agencies, funds and programmes directly compete with one another, businesses respond by shopping around different UN entities to find the best “deal,” rather than the best partner. It is critical that the UN create a more effective enabling partnership platform for interfacing with the private sector. As will be elaborated below, such a partnership platform should include issue-based or thematic leads who can coordinate across the various UN entities that address a particular issue or theme. Various models already existing include that of a Special Representative who leads food security and nutrition through the Scaling Up Nutrition (SUN) Initiative, or the UN Global Compact, which serves as a conduit through which the private sector can adopt UN principles.

COORDINATION THROUGH GLOBAL THEMATIC LEAD

Scaling Up Nutrition (SUN) Movement

Governments, civil society groups, businesses, researchers, international organizations, development partners (including banks, foundations, and donor agencies) are joining the SUN Movement to create conditions for accelerated and sustained improvements in nutrition - in particular, maternal and child nutrition during the critical period between pregnancy and age two. The core of the SUN Movement is a framework - endorsed by over 100 stakeholders - that countries can adopt for improving national nutrition.

With its integrated UN partnership platform that supports the Movement, SUN exemplifies the idea of a central thematic lead further expanded in Section 5. A stewardship team, chaired by a Special Representative of the UN Secretary General, coordinates action among governments, UN entities such as FAO, WFP, WHO and UNICEF, and other stakeholders. Working through a country reference group and several task forces, this team creates conditions needed for the Movements' multiple actors to work in synergy, back high quality country-led plans, and converge towards agreed results.

www.scalingupnutrition.org

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ATTRIBUTE IN ACTION: COMMITTING TO COHERENT GOVERNANCE

BASF / UN-HABITAT Partnership

UN-HABITAT and BASF provide innovative solutions for shelter and sustainable development, particularly as they relate to disaster relief and reconstruction.

In partnering to provide solutions for shelter and sustainable development, BASF and UN-HABITAT grounded their partnership in a signed MOU agreement outlining responsibilities. The partners have jointly tackled more than ten projects in disaster relief, reconstruction, and infrastructure education. Individual projects last anywhere between 1-3 years, allowing for short term milestones and regular reassessment of project impact. Each individual initiative is formalized by project documents and agreements in accordance with UN-HABITAT rules and regulations.

4.4. Committing to concrete governance

Lastly, many UN-Business partnerships have failed when there has not been sufficient determination to commit to a governance structure with a clear framework for measuring outcomes. Partnerships fail at inception when there is a lack of will from both sides to commit to clear governance (ideally laid out and agreed to in a MOU or contract) cementing decision-making authority and accountability. The governance structure should enable effective resource and project management, with tracking of metrics that are focused on outputs and outcomes rather than just inputs. Furthermore, given that the UN and Business are different entities who are accountable to different "shareholders," a frank discussion is needed upfront about reporting (e.g., metrics for success) needed by each side to ensure the partnership's longevity. For example, while businesses often tout the social benefits of a partnership, they are typically more reticent to articulate the business case for the partnership (i.e., the financial benefits). This is unfortunate in that tracking metrics to support the business case could actually increase internal buy-in and, therefore, the partnership's chances of continued funding.

UN and Business should not proceed without first investing the time in developing a concrete partnership plan and a structure to facilitate implementation of that plan. Hallmarks of a sophisticated transformational partnership plan include a contractually binding contract or signed MOU that explicitly outlines the partnership's governance structure, each partner's roles, expected staff time and resource commitments, responsibilities, and milestones. In some cases, existing MOU templates and legal processes within the UN must be adapted to enable more flexible or expansive partnerships. Lastly, the partners should develop a monitoring and evaluation framework to track partnership impact through an outcome-based approach (rather than simply tracking input metrics). It is also important to track the contributions of each partner to ensure they are living up to their commitments. The key performance indicators in this framework should serve as the basis for project management as well as the impetus for partnership review and renewal.

5. Recommendations for fostering transformational partnerships

The Task Force recommends three primary recommendations across the partnership lifecycle that will create the necessary platform for collaborations to become transformational.



1) Co-creation of solutions around joint priorities

To serve as a more effective interface with Business, the UN needs to build on the “One UN” concept and emphasize coherence in strategy, structure, and implementation both at the global and local level when forging partnerships with Business.

Establish centralized UN Global Thematic Leads

An optimal structure for partnering with Business could take the form of centralized UN points of contact representing 3-5 of the Secretary General’s thematic priorities. These leads would work across the UN system and also coordinate with country level UN Resident Coordinators in countries relevant to the priorities. In creating these Global Thematic Leads, existing centralized people/structures should be leveraged to minimize additional bureaucracy.

Global Thematic Leads to solicit proposals from Business for partnerships and solutions

Leads would be responsible for framing addressable systemic global problems in the context of relevant countries for which issues are a priority, and would invite proposals from the private sector to co-create solutions. Leads would be empowered to work with business partners to identify partnership solutions through formal solicitations, but should not be limited to such formal channels alone in order to allow all high-impact solutions to be considered. Furthermore, existing structures and systems, such as the website business.un.org, can be leveraged to simplify this process. Companies with the highest potential impact would be selected to jointly discuss possible partnerships. Involvement by Business at an earlier stage of ideation and development of solutions will allow Business to contribute more fully and to leverage its unique competencies and expertise. The Global Thematic Leads would also enhance UN coherence by serving as matchmakers to convene suitable companies and UN entities at both global and local levels.

A unified “UN partnership brand” should be explored

The merits of a single overarching partnership brand and logo for private sector partnerships should be explored. A unified brand would replace a system that is often described as individual UN entities and brands competing for funding from the private sector. Advantages of a single partnership brand include:

- **Facilitating matchmaking** to ensure the most appropriate UN entities are represented – a single partnership brand would reduce competition and incentivize the various UN entities to seek out the most suitable partnerships for the best interests of the UN as a whole.
- **Mitigating UN reputation risk** – reputation risk could be mitigated (or at least be confined to a single brand) by co-branding and sharing a unified logo for initiatives. The UN process of conducting due diligence around partner selection can also be harmonized under a single brand.
- **Embodying UN values** – a separately managed partnership brand would stand for UN values and requirements (e.g., by ensuring that potential business partners maintain a demonstrable adherence to UN values, building upon the UN's "Guidelines on Cooperation between the UN and the Business Sector").
- **Communicating the UN's unity and commitment to partnership** – the brand makes it clear to Business and other partners that the UN embraces partnerships and is committed to investing in them.

Additional consideration must be made to determine the exact brand positioning, and other details/ costs associated with the establishment of a new brand. One approach may be to establish an over-arching unified partnership brand that can exist in parallel with individual UN entity brands, many of which have their own distinct branding and brand equity that may be important to maintain separately.

2) Focus on accountability for outcomes

UN and Business partners should look to create a culture of accountability in the partnership by institutionalizing a results- and outcome-based monitoring and evaluation framework. This involves going beyond the measurement of inputs (e.g., number of children fed) to measuring progress towards outcomes (e.g., impact on malnutrition). Transparency around the results is also a critical element of true accountability. One way to accomplish this objective is to implement a Partnership Scorecard, which would serve as an accountability and transparency tool that measures:

- **Partnership strength** – alignment with UN priorities, business case, participation among stakeholders, etc.
- **Performance and impact** – tracking outputs, key performance indicators (KPIs) measuring partnership impact, and the responsiveness and accountability for missed targets
- **Momentum around sustained impact and scale** – funding, ability to attract new partners, potential for sustained impact once partnership has ended, etc.

As mentioned earlier, this accountability mechanism would also serve as a transparency and learning tool for other partnerships by publicizing (e.g., on a visible public portal such as the UN's business.un.org website or newsletters) both best practices and missteps, and creating a basis for altering or terminating the partnership if results are not realized. Such scorecards can be adapted and used more broadly for other partnerships in the UN system.

3) Partnership Accelerator Facility

To support high-potential proposals, a new Partnership Accelerator Facility will offer advisory, training, legal, and financing services to UN and Business in order to catalyze the formalization of partnerships and ensure the development and implementation of proper operational guidelines. No such system-wide entity exists today. For maximum impact, such a Facility should be led by a senior level "CEO caliber" professional with significant experience in the private sector, and with deep understanding of and respect within the UN system. Ideally, this leader will serve in a capacity similar to a "Special Envoy to Business," perhaps reporting directly to the Secretary General.

Services provided by the Facility will include:

- A **partnership advisory team** comprised of experienced legal, consulting, and accounting professionals to streamline processes and lower transaction costs. This team would be deployed for a limited time (~3 months) to assist in designing a governance structure, contracts, milestones, and a monitoring and evaluation system.
- **Training provided by the advisory team** to develop tangible partnership skills (e.g., negotiation, communication, governance design), primarily supporting UN participants.
- **Seed funding for the partnership pilot phases.** To demonstrate support for more effective and transformational partnerships, companies, member states and (where possible) the UN initiating units should contribute to this fund. As an example of how corporations can contribute, one model that could be replicated is the membership structure of Global Compact LEAD participant businesses. Existing “challenge” or “innovation” funds can be used as potential models to consider in fully developing such a Facility, with co-funding from the UN initiating unit.

Once formalized, operational guidelines can be made available to be used more broadly across the UN where appropriate.

The exact structure and funding details for this Facility remain to be finalized, pending agreement and approval to move ahead.

6. The time is now

We are at a unique inflection point where we can look back at the recent history of UN-Business partnerships. We can reflect with some pride on past successes, but must also recognize that not all efforts have delivered results. The Secretary General has made clear his faith in the transformational power of the UN working with Business as a true partner to address shared priorities for sustainable development. At the same time, leading CEOs in the business community have come together to offer recommendations for how the UN and business can work together more effectively. The potential for impact is tremendous, and we call on the UN and business communities to renew their commitments to forging this path together. The time is now to act and make transformational partnerships of all forms a more frequent reality.

Both the UN and Business must continue to play an active role. The world looks to the UN to identify the global development priorities, and the UN with its global reach is well suited to determine the root causes of complex multi-faceted issues. The UN can use its brand to convene the necessary stakeholders to co-create bottom-up solutions that tackle multiple aspects of development priorities. Beyond convening business, civil society, and government to co-create solutions, the UN can also play a lead role in encouraging partnerships and collaboration amongst these stakeholders. Businesses should expect to contribute their expertise and resources to those transformational partnerships that will serve to contribute to their long-term profitability. Businesses often have a deeper geographic presence in terms of people and facilities than many other stakeholders. UN entities as well as other stakeholders should leverage this knowledge of the local context so that the solutions developed are grounded and have bigger impact. Furthermore, when the payoff is attractive, businesses have the resources and the determination to deploy those resources quickly, to bring about change. System-wide changes often have large payoffs attached, however Business should also recognize that these payoffs come over a longer period of time, and must be willing to sacrifice short term gain for longer term benefit. This may require a change in the way value is calculated for Business.

Transformational partnerships are an exciting and relatively new space for collaboration. Throughout this report we have highlighted some examples of UN-Business partnerships striving to make a difference, and have suggested a path forward to making such partnerships more effective and transformational. Models of partnership are continually evolving from more static forums for dialogue to more dynamic action networks. At the same time, these networks are themselves becoming more inclusive and sophisticated in their approach and methods employed to drive massive change. There is much productive innovation in these areas, coming from both the public and private sectors. We hope that the recent attention on making UN-Business partnerships more effective will continue to drive innovation and experimentation with new partnership models in the future.

7. Annex

A) Participant list: Davos 2011 Meeting of Global Compact LEAD Task Force on UN-Business Partnerships

We appreciate the time and insights offered by the following individuals who attended a meeting in Davos in January 2011 to share their thoughts on the initial set of challenges identified, as well as potential recommendations to address those challenges.

Business

Accenture	Mr. Mark Foster	Group Chief Executive—Global Markets and Management Consulting
Acciona	Mr. J. Joaquin Mollinedo Chocano	Chief Innovation & Sustainability Officer
Intel Corp.	Mr. Arvind Sodhani	President, Intel Capital & EVP, Intel Corp.
KPMG International	Lord Michael Hastings	Global Head of Citizenship and Diversity
Novo Nordisk	Ms. Lise Kingo	Executive Vice-President & Chief of Staff
Telefonica (TBC)	Mr. Luis Abril Perez	General Technical Secretary for the Chairman's Office
The Coca Cola Company	Ms. Dominique Reiniche	President, Europe Group
TNT Express	Ms. Rose Verdurmen	Director, Moving the World
Unilever	Mr. Paul Polman	Chief Executive Officer

United Nations

United Nations	Dr. David Nabarro	Special Representative to the Secretary-General on Food Security
United Nations Development Programme (UNDP)	Ms. Helen Clark	Administrator
United Nations Educational, Scientific and Cultural Organization (UNESCO)	Ms. Irina Bokova	Director-General
United Nations Foundation (UNF)	Mr. Timothy Wirth	President
United Nations Global Compact Office (UNGC)	Mr. Georg Kell	Executive Director
UN HABITAT	Mr. George Deikun	Senior Policy & Programming Adviser
United Nations High Commissioner for Refugees (UNHCR)	Mr. Alexander Aleinikoff	Deputy High Commissioner
UN Women	Ms. Michelle Bachelet	Executive Director
World Food Programme (WFP)	Ms. Josette Sheeran	Executive Director
World Health Organization (WHO)	Dr. Margaret Chan	Director-General

Experts

Dalberg Global Development Advisors	Ms. Sonila Cook	Partner
Dalberg Global Development Advisors	Ms. Christin Hokenstad	Project Leader
Harvard University	Ms. Jane Nelson	Senior Fellow and Director of Corporate Social Responsibility Initiative
World Economic Forum	Mr. Robert Greenhill	Managing Director

Accompanying Advisors - Business

Accenture	Mr. Peter Lacy	Managing Director, Sustainability Services
Acciona	Mr. Juan Ramon Silva Ferrada	Area General Manager Sustainability
The Coca Cola Company	Mr. Kelly Brooks	Director, Stakeholder Relations
DSM	Mr. Fokko Wientjes	Sustainability Director
Unilever	Ms. Patricia O'Hayer	Vice President Communications
Unilever	Mr. Miguel Pestana	Vice President Global External Affairs

Accompanying Advisors - United Nations

United Nations Global Compact Office (UNGC)	Mr. Ole Lund Hansen	Senior Adviser
United Nations Global Compact Office (UNGC)	Mr. Gavin Power	Deputy Director
United Nations High Commissioner for Refugees (UNHCR)	Mr. Olivier Delarue	Senior Corporate Relations Officer
United Nations High Commissioner for Refugees (UNHCR)	Ms. Amanda Sellet	Head of Private Sector Fundraising
World Food Programme (WFP)	Ms. Monica Marshall	Private Donor Relations
World Food Programme (WFP)	Ms. Nancy Roman	Director of Communications, Public Policy & Private Partnerships
World Health Organization (WHO)	Dr. Ian Smith	Adviser to the Director-General

B) Interviewees

We would also like to thank the following individuals for providing valuable input along the way:

BUSINESS

Accenture

Gib Bulloch
Peter Lacy
Ian Lobo
Morgana Ryan

Acciona

Juan Ramon Silva
Ferrada

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Afzaal Malik
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Global Public Policy Institute

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Intel

Richard Hall
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KPMG

Richard Hamilton

Kraft

Perry Yeatman

NovoNordisk

Susanne Stormer
Bo Wesley

Shell

Andrew Vickers
Karen Westley

Telefonica

Belen Izquierdosans

TNT

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UN / NGOS

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Susan Simmons Lagreau
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UN Special Representative on Food Security and Nutrition

David Nabarro

UN Foundation

Leslie Cordes

UN-HABITAT

Christine Auclair

UNDP

Casper Sonesson
Elena Panova

UNICEF

Nichole Brown

UNIDO

Barbara Kreissler

UNIDO

Rana Fakhoury

WFP

Monica Marshall
Isabel Burchard
Peter French
Sharon Riggie
Tanuja Rastogi

WHO

Derek Yach
(currently at PepsiCo)

EXPERTS

Harvard University

Jane Nelson

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The results of this endeavor are our responsibility but the work could not be completed without the help of so many. Any imbalances, insufficiencies, or unintended mistakes in the presentations, findings and comments expressed herein above should be ascribed to us.

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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 should 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.

