United Nations and Business Community: Out-Sourcing or Crowding In?

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Abstract The UN system is at a pivotal point in time. With its mandate to pursue justice for people and planet and address inequalities and insecurities at all levels, it must pivot unequivocally to public interest. Norms, standards and guidelines are needed to govern the interactions of the United Nations with the corporate sector. Priority must be given to establish an adequate intergovernmental framework and UN institutional capacity for assessing risk and ensuring impartial monitoring and oversight.

Keywords Corporate capture · Governance · Private sector · Development policy

In 2015, three landmark agreements were reached, which together have been interpreted to express the global collective commitment to the sustainable development of people and planet: the Paris Agreement on climate change, the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda for financing development. These agreements in the words of former Secretary-General Ban Ki Moon ‘are triumphs of multilateralism’. While assessments of success vary, there is agreement on the huge price tag for implementation—not only in dollars but also in policy changes.¹

In the processes leading up to these agreements, many studies and reports from inside and outside the United Nations (UN) have addressed the finance gap:

- The Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF) calculated US\$80–90 trillion in untapped assets for investment and offered blended financing as a major vehicle for ‘crowding in’ corporate funds. Their report highlights the need for ‘government policies to help overcome obstacles to private investment, in conjunction with additional public spending.’²
- The United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2014 estimated that: US\$5–7 trillion a year is needed to finance the Sustainable Development Goals (SDGs), the action plan of the 2030 Agenda. Developing countries will require some US\$ 3.9 trillion per year; and yet only US\$ 1.4 trillion is being delivered, leaving a gap of US\$ 2.5 trillion to be filled from private and public sources.³
- Recognizing this gap, the World Bank and Multilateral Development Banks (MDBs) have aimed to position themselves at the centre of financing the SDGs, stating: ‘The financing resources needed to achieve the SDGs will surpass current development financial flows’ (The OECD Development Assistance Committee calculated official development assistance (ODA) as US\$ 135 billion in 2013). According to the MDBs, these

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¹ Remarks to the Economic and Social Council (ECOSOC) Forum on Financing for Development Secretary-General Ban Ki-moon, Econ. & Social Council, 18 April 2016. http://www.un.org/apps/news/infocus/speeches/statments_full.asp?statID=3003#.VyIeCDArLIU.

² Report of the Intergovernmental Committee of Experts on Sustainable Development Financing 8 August 2014 <https://sustainabledevelopment.un.org/content/documents/4588FINAL%20REPORT%20ICESDF.pdf>.

³ United Nations Conference on Trade and Development (UNCTAD) World Investment Report 2014 http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf.

additional flows for development include philanthropy, remittances, South–South flows and foreign direct investment, which together amount to nearly US\$ 1 trillion.⁴

- The UNEP report, ‘The Financial System We Need: Aligning the Financial System with Sustainable Development’ released in 2015, emphasized the need to ‘access private capital at scale, with banking alone managing financial assets of almost US\$ 140 trillion and institutional investors, notably pension funds, managing over US\$ 100 trillion, and capital markets, including bond and equities, exceeding US\$ 100 trillion and US\$ 73 trillion respectively.’⁵

Outsourcing Funding and Decision-Making to Global Partnerships

To amass these resources and up-scale their three UN landmark agreements, Member States have insisted on the vital and central role of the ‘private sector’, or more accurately, the big business sector.

The Third International Conference on Financing for Development launched the Financing for Development Business Compendium, which highlights 33 efforts aimed at mobilizing business sector capital, claiming these provide ‘a strong indication of the broad scope of ongoing initiatives and the potential for scaling up to achieve the demands of the Sustainable Development Goals’.⁶ It also launched the Global Infrastructure Forum to bridge the ‘infrastructure gap’ The conference outcome document, the Addis Ababa Action Agenda (AAAA) agreed that:

Investing in sustainable and resilient infrastructure... is a pre-requisite for achieving many of our goals. To bridge the global infrastructure gap, including the \$1 trillion to \$1.5 trillion annual gap in developing countries, we will facilitate development of sustainable,

accessible and resilient quality infrastructure in developing countries through enhanced financial and technical support. (para 14)⁶

To mobilize this support, the AAAA endorsed blended finance and emphasized Public–Private Partnerships (PPPs) as a method of high potential among the instruments of blended finance. In order to assess this potential, it called for ‘inclusive, open and transparent discussion when developing and adopting guidelines’ for PPPs and iterated that they ‘should share risks, reward fairly, include clear accountability mechanisms and meet social and environmental standards’. (para 48)⁶

A recent study (March 2016) on PPPs from the United Nations Department of Economic and Social Affairs (DESA) has kick-started this vital discussion and assessment. It explores the effectiveness and suitability of PPPs as a key vehicle to implement the 2030 Agenda and the AAAA. It finds that PPPs are variously defined and are not easily measurable, as the cost of a project would need to be assessed over its lifetime, taking into account the various expenses linked to financing. For PPPs to effectively finance economic infrastructure projects: ‘it is necessary that countries have institutional capacity to create, manage and evaluate PPPs.’ Furthermore, ‘donor support for public sector capacity building in developing countries may be better spent than the current trend of blended finance, which frequently channels aid money directly to the private sector, including for PPPs.’⁷

To date, PPPs have been more commonly executed in developed countries as lower-income countries are less likely to attract large private investors. The extensive use of PPPs in Spain and Portugal contributed to their domestic financial crisis, yet domestic experiences are not informing the donor push for PPPs in developing countries. ‘If certain modalities are hugely unsuccessful in OECD countries, they are unlikely to succeed in less developed countries where cost recovery is more difficult (Fig. 1)’.⁷

At a global level, the embrace of partnerships with the business sector brings with it a number of risks, side-effects and spill-over effects that have not received careful consideration regarding compatibility with UN mandates; and their extra-budgetary funding lines remove the global partnerships from regular review and impact assessment.⁸

The fact that the action phase of the ‘big three’ landmark agreements is dominated by attracting private financing, demonstrates the extent to which market discourse has

⁴ From Billions to Trillions: Transforming Development Finance Post-2015 Financing for Development: Multilateral Development Finance 15 April 2016 [http://siteresources.worldbank.org/DEVCOM/MINT/Documentation/23659446/DC2015-0002\(E\)FinancingforDevelopment.pdf](http://siteresources.worldbank.org/DEVCOM/MINT/Documentation/23659446/DC2015-0002(E)FinancingforDevelopment.pdf).

⁵ The Financial System We Need: The UNEP Inquiry Report Aligning the Financial System with Sustainable Development 2015 <http://web.unep.org/inquiry/publications>.

⁶ Addis Ababa Action Agenda of the Third International Conference on Financing for Development 27 July 2015 http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf. Financing for Development Business Compendium Existing Initiatives & Actionable Proposals to Mobilize the Private Sector for Achieving the Sustainable Development Goals prepared in support of the Third International Conference on Financing for Development 2 August 2015 http://www.un.org/esa/ffd/wp-content/uploads/sites/2/2015/08/Addis_Financing_for_Development_Business_Compendium.pdf.

⁷ Public–Private Partnerships and the 2030 Agenda for Sustainable Development: Fit for purpose? February 2016 http://www.un.org/esa/desa/papers/2016/wp148_2016.pdf.

⁸ Fit for whose purpose? Private funding and corporate influence in the United Nations https://www.globalpolicy.org/images/pdfs/images/pdfs/Fit_for_whose_purpose_online.pdf.

Fig. 1 Private participation in infrastructure projects in different categories of developing countries. *Source:* http://www.un.org/esa/desa/papers/2016/wp148_2016.pdf

captured the agenda. On a planetary scale this discourse or narrative capture continues patterns well underway at national and global levels.

UN: A Pay to Play System?

The UN system is meant to serve all the peoples of this world and the planet they inhabit. Total UN funding per year is around US\$ 40 billion, around half the budget of New York City, and less than a quarter of the budget of the European Union and less than US\$ 6 person worldwide. A zero growth doctrine for the UN regular budget has been in place since the 1980s, as governments have bought into the narrative that the public sector is somehow less capable. The latest manifestation is the UN biennium budget prepared by the UN and adopted by Member States in December 2015, just weeks after the three landmark agreements. They adopted a budget of US\$ 5.4 billion for 2016–2017, compared with US\$ 5.8 billion for the previous biennium!⁹

How should the UN system respond to this finance gap? Increasingly, the answer has been to welcome in big business and private philanthropies. Private funding from philanthropies and big business for UN-related activities grew from US\$ 2.5 billion in 2012 to US\$ 3.3 billion in 2013, constituting 14 percent of all voluntary contributions. Between 1999 and 2014, total non-core resources for UN-related activities increased by 182 percent in real terms, while core resources increased by only 14 percent.

Much of this increase has gone through a proliferating number of UN trust funds. The growing use of these trust funds—where contributions have jumped by 300 percent over the last decade—allow donor governments and

corporate interests to direct UN funding choices outside the ‘one country, one vote’ UN policy processes.⁸

Core or un-earmarked resources have plummeted from nearly half of all resources in 1997 to less than a quarter today. Some 84 percent of UN development system expenditures in 2014 were funded with voluntary and earmarked resources. These non-core resources have grown significantly faster than core resources. Non-core resources are typically determined bilaterally at the country level and outside the intergovernmental mandates and processes of the UN. This represents a growing ‘bilateralization’ of funding for multilateral aid.¹⁰

As Fig. 2 illustrates non-core or earmarked funding is currently the driving force shaping the functions, capacity, organizational arrangements and governance of the UN development system (UNDS), leading to fragmented development results. The existing funding architecture imposes huge transaction and operational costs on the UNDS entities, increasing administrative burdens and diluting programmatic focus and undermines their efficiency, effectiveness, relevance and credibility.

In the face of ongoing UN Member State calls for more coordination and for a ‘One UN’,¹⁰ the funding architecture furthers fragmentation, competition and overlap.

Funding Gaps and Fragmentation

Efforts to diversify funding sources have encouraged a turn to the private sector, often without fully acknowledging the reputational risks that may be involved, or the strong potential for further fragmentation and the undercutting of

⁹ Press Release: Fifth Committee Recommends US\$5.4 Billion Budget for 2016–2017 Biennium as It Concludes Main Part of Seventieth Session 23 December 2015 <http://www.un.org/press/en/2015/gaab4185.doc.htm>.

¹⁰ A new funding architecture of the UN Development System for the 2030 Agenda: Options and Challenges 29 March 2016 <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/qcpr/ecosoc-dialogue-funding-of-unds.pdf>.

Fig. 2 Thematic representation of UNDS in the current context.
 Source: <https://www.un.org/ecosoc/sites/www.un.org/ecosoc/files/files/en/qcpr/ecosoc-dialogue-funding-of-unds.pdf>

the multilateral nature and value of the UN development system and entities.

The Global Policy Forum study—*Fit for Whose Purpose? Private funding and corporate influence in the United Nations*, includes many examples of the consequences of this myopia across the UN system, weakening accountability and risking the reliance on, and consequent capture of UN institutions by, a limited number of donors, public and private.

In 2012, the Global Fund to Fight AIDS, Tuberculosis and Malaria, created following donor dissatisfaction with UN agencies, was, ironically, the largest donor to UNDP—exceeding even the largest government contributor. It is financed in large part by the Gates Foundation, which is now also the second largest donor to the World Health Organization, behind only the United States.⁸

The United Nations Educational, Scientific and Cultural Organization (UNESCO) has attempted to market itself to private donors by promising ‘a strong image transfer by associating yourself with a reputable international brand’ as well as ‘benefit(ing) from UNESCO’s role of a neutral and multi-stakeholder broker’ and ‘strengthen(ing) your brand loyalty’.⁸

Since its establishment in 1966, the funding profile of the United Nations Capital Development Fund (UNCDF) has changed dramatically. It has faced stagnating or declining core resources from governments throughout its operation, but has seen substantial growth in its non-core resources, which have gone from under US\$ 10 million in 2006 to over US\$ 70 million in 2014. Since 2010 its non-core resources have over-taken those of core and it has received multimillion dollar donations from the Gates

Foundation, Visa, MasterCard and Citigroup. This could be due to market possibilities from the estimated 2.7 billion people around the world who do not yet have access to formal financial services. Much of this funding goes to programmes promoting the use of electronic banking platforms.⁸

These trends are nowhere more evident than in the growing number of UN ‘multi-stakeholder partnerships’. The underlying thinking is that the public sector can benefit not only from greater private resources, but from the efficiency and effectiveness of big business. Not factored into this equation is how inefficient and ineffective large corporate interests in particular have often been in sustaining public goods and upholding human rights.

The UN’s Every Woman Every Child initiative aims to save the lives of millions of women and children. How is it doing so far? According to the 2015 report of the independent Expert Review Group on Information and Accountability for Women’s and Children’s Health (iERG), it fell short of its target to save 16 million lives between 2010 and 2015 with only 2.4 million deaths averted.¹¹ In 2010, the above-mentioned Initiative identified a funding gap of US\$ 88 billion for reproductive, maternal, newborn and child health services in 49 countries. To date, it has met at most 19 percent of this gap, with only a portion of committed resources becoming actual disbursements. However, the number of commitment-makers has tripled, including a number of governments, foundations, large NGOs and other ‘global partnerships’ (see footnote 8). Excerpts from the initiative’s 2015 progress report by the iERG, showed ‘the egregious betrayals of the poor by the powerful continue to distort the history of women’s and children’s health,’ despite the initiative’s claim of ‘substantial gains’, while their numbers drastically miss their projections.¹¹

Other examples include the Sustainable Energy for All (SE4ALL) and Scaling Up Nutrition (SUN) initiatives. The former has allowed a definition of renewable energy to include hydropower and bio-fuels, despite negative environmental consequences from both. Its initial Global Action Agenda was developed by a High-Level Group where half the representatives were from the private sector, including top managers from Bank of America (a major financier of the coal industry), Accenture, Renault-Nissan, Siemens and Statoil. Only one civil society representative was invited to attend, from the Barefoot College in India.

¹¹ Every Woman, Every Child, Every Adolescent: Achievements and Prospects The Final Report of the independent Expert Review Group on Information and Accountability for Women’s and Children’s Health (executive summary) September 2015 http://www.who.int/woman_child_accountability/ierg/reports/2015/iERG2015-Executive-Summary-EN.pdf (Full Report: http://www.who.int/woman_child_accountability/ierg/en/).

Similar patterns have persisted throughout the Advisory Board and other governance structures set up to manage SE4All, with the board now chaired by the UN Secretary-General and the President of the World Bank.⁸

The SE4All initiative has also mobilized a series of both financial and non-financial commitments from public and private actors, like the US Power Africa initiative. Among the biggest beneficiaries of the US\$ 7 billion scheme: General Electric. Companies that make commitments under SE4All are prominently featured on the initiative's website, but come with no effective mechanisms to monitor and review implementation.

The Scaling Up Nutrition initiative (SUN) regards itself as a 'global movement uniting governments, UN organizations, CSOs, and businesses to combat under-nutrition'. However, there is little evidence that SUN is contributing substantially to increased public funding to combat under-nutrition, but rather adding to the proliferation of global partnerships on food security and nutrition. Corporate partners within SUN, such as Mars or PepsiCo create demand for their own products and tap new markets with the blessing or even support of the UN.⁸

UN Gateways for the Business Sector

UN cooperation with the business sector has been facilitated through the two structures put in place over two decades ago: the UN Global Compact and the UN Foundation/UN Fund for International Partnerships (UNFIP).

The UN Global Compact was founded in 1999, as a voluntary corporate responsibility initiative, which laid out ten principles that business entities could sign on to or endorse concerning human rights, labour, environment and corruption in their operations. In 2006, it established a private non-profit foundation, the Foundation for the Global Compact, based on the idea that public-private partnerships are essential to solving global problems. The foundation solicits contributions from companies that participate in the UN Global Compact to support its programme activities, such as conferences and capacity building. Although legally separate entities the office and the foundation today present themselves as the 'UN Global Compact Headquarters'.⁸

The UN Foundation (UNF) is a US-based non-profit foundation. It was established in 1998 as a US public charity by billionaire Ted Turner to channel resources to the UN development entities, working in conjunction with the UN Fund for International Partnerships (UNFIP).

By 2005 the UNF had shifted from financier to facilitator. It has described itself an 'actively involved problem solver,' working with different issue campaigns alongside the UN Secretary-General to 'solve the great challenges of the 21st century — poverty, climate change, energy access,

population pressure, gender equity, and disease.' The UNF is not a UN entity but has a special association with the UN through a 'Relationship Agreement' between the UN and the UN Foundation. As its functioning has evolved, the UNF has 'outgrown' the understanding expressed in the Relationship Agreement. In its internal audit in 2013, the Office of Internal Oversight Services (OIOS) expressed concerns about the imbalance in the relationship between the UNF and the UNFIP and the diminished role of UNFIP: 'Inadequate review of donors by UN Fund for international Partnerships (UNFIP) may result in a reputational risk to the United Nations and conflict with its ethical values'.¹²

From starting out as a direct funder, the Foundation has solicited contributions from private and—surprisingly—public sources. Over the last decade contributions have risen, notably from the Bill & Melinda Gates Foundation. Others include ExxonMobile, Goldman Sachs, Cemex, Bank of America and Shell. The UNF has received direct funding from Member States such as Canadian International Development Agency (CIDA); Department for International Development (DFID UK); European Commission; Government of Denmark; Government of Japan; Government of the Netherlands; Government of Norway; Government of UK; Italian Ministry of Environment; Government of UAE; US Agency for International Development (USAID); and US Center for Disease Control and Protection (CDC).

Who is Capturing WHO?

The WHO experience is a classic example of the changing funding patterns, the shift from core to non-core and the priority and programme consequences.

An ongoing budget crisis has threatened the stability of the WHO, long seen as the global health authority, even amidst enormous global health concerns. Until 1998, half its budget came from assessed government contributions spent based on what the organization saw as the most compelling priorities. By 2014, assessed contributions comprised less than a quarter of the budget.

These shifts in priorities driven by financing considerations were readily on display during the Ebola crisis, where the WHO's weakened capacities due to laying off staff with requisite experience led to their diminished and inadequate response.⁸

However, a growing number of major pharmaceutical companies have become significant donors to WHO, including

¹² UN Office of Internal Oversight Services (2015): Audit of the management of the United Nations Fund for International Partnerships. Report 2015/001. New York. <https://oios.un.org/page/download/id/261>.

Glaxo-Smith Kline, Hoffmann La Roche, Novartis, Bayer, Merck and Pfizer. In the swine-flu outbreak of 2009–2010, experts who advised that WHO declare it a pandemic had ties with drug companies that in turn used the occasion to establish new vaccine contracts with governments.⁸

WHO Director General Margaret Chan, in reference to her now highly earmarked budget, says it is ‘driven by what I call donor interests’. Efforts to prevent non-communicable diseases go against the business interests of powerful economic operators. With regard to the corporate influence on health, Chan stated:

In my view, this is one of the biggest challenges facing health promotion. [...] it is not just Big Tobacco anymore. Public health must also contend with Big Food, Big Soda, and Big Alcohol. All of these industries fear regulation, and protect themselves by using the same tactics.

Research has documented these tactics well. They include front groups, lobbies, promises of self-regulation, lawsuits, and industry-funded research which confuses the evidence and keeps the public in doubt. Tactics also include gifts, grants, and contributions to worthy causes that cast these industries as respectable corporate citizens in the eyes of politicians and the public. They include arguments that place the responsibility for harm to health on individuals, and portray government actions as interference in personal liberties and free choice.

This is formidable opposition. Market power readily translates into political power. Few governments prioritize health over big business. [...] This is not a failure of individual will-power. This is a failure of political will to take on big business.

All this exemplifies and defends the need for coordinated action. Current competition among entities leads to disregard of programme priorities and mandates defined by intergovernmental bodies, and high transaction costs. From its creation, the UN system has meant to serve as a democratic, inclusive and responsive system to the needs of all—not just a few.

Who is Minding the Store?

Since he took up the post of Secretary-General, Ban Ki Moon has spelled out the UN interest in working with the business sector, stating, in 2008: ‘the United Nations and business need each other’.¹³ He reiterated this in 2015 at

the launch of the Business2030.org business portal for engagement with the UN in the 2030 Agenda. ‘I urge the private sector to take its place at the table and plot a path forward for the next 15 years, reaffirming once again that responsible business is a force for good.’¹⁴ At the first UN Global Compact meeting of 2016, he stated that ‘Partnerships between the private sector and humanitarian organizations offer great mutual benefits in preventing, preparing for, responding to and recovering from emergencies’.¹⁵

Without a doubt, the SDGs are capturing the interest of the business community. In September 2014 Paul Polman, CEO of Unilever, declared at the launch of the Post-2015 Business Manifesto: ‘We believe the economic and business case for engagement in the SDGs is as strong as that already made for reducing greenhouse gas emissions’.¹⁶ At the Paris Agreement Signing Ceremony in April 2016, he stated ‘The private sector has now embraced the business case for a rapid transition to a low-carbon world’.¹⁷

Mr. Torben Möger Pedersen, Chief Executive Officer, Pension Denmark declared at UN headquarters that the SDGs have come to be looked at as a ‘big catalog of investment opportunities’.¹⁸

With growing interest from the business community in partnering with the United Nations system to achieve the SDGs and tackle climate change, new rules and tools for engagement and for the reporting are long overdue.

¹⁴ Launch of Business for 2030: The Portal for Business Engagement in the UN 2030 Agenda for Sustainable Development, September 2015 <http://www.uscib.org/event/business-for-2030-the-portal-for-business-engagement-in-the-un-2030-agenda-for-sustainable-development/>.

¹⁵ UN Secretary-General’s remarks at the UN Global Compact Board Meeting January 2016 <http://www.un.org/sg/statements/index.asp?nid=9384>.

¹⁶ Sustainable Development Goals: Unilever has sought to play a leading role in advocating the creation of the Sustainable Development Goals January 2015 [https://www.unilever.com/sustainable-living/the-sustainable-living-plan/our-approach-to-reporting/sdg/Sustainable Development Goals and the Post-2015 Agenda Business Manifesto January 2015 https://www.unilever.com/Images/sustainable-development-goals-and-the-post-2015-agenda-business-manifesto-january-2015_tcm244-423602_en.pdf](https://www.unilever.com/sustainable-living/the-sustainable-living-plan/our-approach-to-reporting/sdg/Sustainable%20Development%20Goals%20and%20the%20Post-2015%20Agenda%20Business%20Manifesto%20January%202015_tcm244-423602_en.pdf).

¹⁷ Unilever CEO Paul Polman attended the signing of the Paris Agreement under the framework of the United Nations Framework Convention on Climate Change (UNFCCC). 2 April 2016, <https://www.unilever.com/news/news-and-features/2016/Paris-Agreement-An-unstoppable-movement-for-collective-action.html>.

¹⁸ President of the General Assembly’s High-Level Thematic Debate 21 April 2016 Panel Discussion 1, High Level Thematic Debate on Achieving the Sustainable Development Goals - General Assembly; Interactive Panel Discussion 1: Financing poverty eradication and sustainable development 21 April 2016 <http://webtv.un.org/search/panel-discussion-1-high-level-thematic-debate-on-achieving-the-sustainable-development-goals-general-assembly/4856404531001?term=SDGs>.

¹³ Framework for Business Engagement with the United Nations September 2008. http://www.un.org/millenniumgoals/2008highlevel/pdf/background/UN_Business%20Framework.pdf.

The important role being allocated to partnerships in the current discourse makes the adoption of such rules and tools by Member States a matter of urgency not only for the review and follow up of the UN development responsibilities but also for the future role of the UN system in the multilateral sphere.

There is growing concern about the UN's ability and commitment to provide an enabling environment for human rights and sustainability to ensure that 'crowding in' corporate funding is not 'crowding out' publicly accountable governance. Many of the UN initiative or partnership examples demonstrate new forms of public-private governance largely taking place outside UN mandates, yet waving the UN flag. UN partnerships or initiatives have quickly mobilized new and additional resources, particularly from the private sector, but have they just as quickly sabotaged policy coherence? What implications and to what extent does big business influence intergovernmental policymaking. What effect does this trend have on the role of the UN?

Governance or Promotion?

While Member States have negotiated and adopted nine UN General Assembly resolutions on global partnerships since 2000, they have only recently squarely addressed the governance issues, highlighting 'integrity measures' and the risks of engaging with the corporate sector—something that was clearly articulated in the UN Secretary General's report on 'enhanced cooperation between the United Nations and all relevant partners, in particular the private sector,' which states:

as an intergovernmental organization, the United Nations must mitigate the risk of excessive corporate influence by admitting input from private sector partners into the strategic goals of partnerships only and not, for example, the broader decision-making of the organization. (A/70/296)¹⁹

The latest General Assembly resolution (A/70/224) on partnerships called for attention to the improved information disclosure, and risk management and safeguard measures and action:

To disclose the partners, contributions and matching funds for all relevant partnerships, including at the country level;

To strengthen due diligence and risk management measures that can safeguard the reputation of the Organization and ensure confidence-building;²⁰

The resolution addresses the UN system as a whole 'to develop a common and systemic approach which places greater emphasis on transparency, coherence, impact, accountability and due diligence...' and:

To ensure that these elements are coherently reflected in the reporting of partnership activities by the United Nations funds, programmes and, as appropriate, agencies to their respective governing bodies; and To ensure that these elements are reflected in system-wide reports and the reports on initiatives of the Secretary-General to be submitted for the consideration of Member States. (A/70/224)²⁰

High on the list for immediate action should be implementation of the 'Guidelines on a principle-based approach to the cooperation between the United Nations and the business sector.' These guidelines were first issued in 2000, revised and reissued in 2009 and revised again in 2015, as requested by Member States.

The 2015 revision, for the first time, makes clear: 'Cooperation between the United Nations and the business sector is principle-based' and references 'the United Nations Guiding Principles on Business and Human Rights, which have been unanimously endorsed by the Human Rights Council, serve as the baseline reference point for expected business conduct, and as a benchmark for responsible business implementation'.²¹

The Guidelines also specify:

The United Nations will not engage with business sector entities which contribute to or are otherwise complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour, are involved in the sale or manufacture of anti-personnel landmines or cluster bombs, or that otherwise do not meet relevant obligations or responsibilities required by the United Nations.²¹

With another 'first', the 2015 Guidelines include the provision that active participation of would-be

¹⁹ Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector Report of the Secretary-General 6 August 2016 A/70/296 <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/248/27/PDF/N1524827.pdf?OpenElement>.

²⁰ Resolution adopted by the General Assembly [on the report of the Second Committee (A/70/479)] 70/224. Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners 22 December 2015 http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/224.

²¹ Guidelines on a principle-based approach to the Cooperation between the United Nations and the business sector 2015 https://www.unglobalcompact.org/docs/issues_doc/un_business_partnerships/guidelines_principle_based_approach_between_un_business_sector.pdf.

‘beneficiaries’ of partnerships be included in the monitoring and evaluation process:

Such monitoring and evaluation process should seek to ensure that the partnership’s activities have been responsive to the concerns and objectives of the communities that the activities were intended to address.²¹

Yet these guidelines seem to leave implementation in the hands of each ‘partnership agreement’.

Partnership agreements are alliances of self-selected collaborators and by their nature lack impartiality. Without the capacity to monitor risk and assess the contribution of partnerships within UN mandates, norms and standards system-wide, partnerships are vulnerable to conflicts of interest.

Improved information and disclosure is essential in order for the UN system to coordinate partnerships. There is currently no systematic reporting of the funds that the UN receives in the form of extra-budgetary resources, and they are not subjected to regular surveillance by Member States.⁸

Information disclosure requirements include the latest Relationship Agreement between the UN and the UNF.

OIOS has drawn attention in its 2015 audit of the United Nations Fund for International Partnerships to the new reality of UNF–UN relationship, which has detoured far from its original intent. It points out that from 2008 to 2012 ‘the existing operational practices were not in line with the Relationship Agreement,’ and recommends the

establishment of policies and procedures to ensure that funds are from acceptable donors.¹²

That a number of Member States—mainly major contributors to the UN system—are amplifying the shift in funding to the UNF and UNF-led partnerships is a cause of concern. Does this illustrate the desire to support and give priority to new initiatives that implement the SDGs? Or is it an intended or unintended off-the-books method to reform the UN system?

Conclusion: Re-capturing the Narrative

For the UN system to respond adequately to today’s critical challenges, funding must be high in quality, with strict limits on earmarking. Norms, standards and guidelines must be set to govern all interactions of the United Nations with the corporate sector; and the intergovernmental framework and UN institutional capacity for assessing risk and ensuring impartial monitoring and oversight must expand.

Responsibilities need to be more than just generically ‘shared’—they must be well delineated and defined, grounded in norms that protect the collective public interest. They must draw a clear distinction between those who regulate and those who are regulated.

As has been frequently stated the UN system is at a pivotal point in time. With its mandate of justice for people and planet and to address inequalities and insecurities at all levels it must pivot unequivocally to public interest.