



General Assembly

Distr.: General
10 August 2017

Original: English

Seventy-second session

Item 27 of the provisional agenda*

Towards global partnerships

Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector

Report of the Secretary-General

Summary

In its resolution 70/224, the General Assembly outlined recommendations for enhancing cooperation between the United Nations and the private sector, recognizing that achieving the 2030 Agenda for Sustainable Development would require greater engagement of business. With fewer than 5,000 days remaining to achieve the 2030 Agenda, the United Nations must urgently rise to the challenge of unlocking the full potential of collaboration with the private sector and other partners. While there is strong consensus across the United Nations system that achieving the Sustainable Development Goals requires a significant scale-up of alliances and partnerships, in particular with the private sector, there is also widespread acknowledgement that greater efforts are required to achieve that objective. Across the United Nations system, partnership approaches are evolving towards deeper and more strategic collaboration focusing on innovation, scalability and impact. To sustain and accelerate those positive developments, the United Nations system recognizes the need to further pivot towards partnerships that more effectively leverage private sector resources and expertise. The United Nations is also seeking to play a stronger catalytic role in sparking a new wave of financing and innovation needed to achieve the Goals — an important evolution and transformation in the role of the United Nations in the years ahead. To support such a transformation, the present report outlines a number of recommendations for facilitating a stronger system-wide approach to partnerships that will enhance the impact of collaboration with the private sector and accelerate progress in realizing the 2030 Agenda.

* A/72/150.



I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 70/224, in which the Assembly requested the Secretary-General to submit a report at its seventy-second session on the implementation of that resolution. The report builds on previous reports of the Secretary-General on cooperation between the United Nations and all relevant partners, in particular the private sector (A/56/323, A/58/227, A/60/214, A/64/337, A/66/320, A/68/326 and A/70/296).

2. In 2015, Member States adopted the 2030 Agenda for Sustainable Development to end poverty, protect the planet and ensure prosperity for all. The essential role of partnerships in achieving the 2030 Agenda was underscored in Sustainable Development Goal 17, which enshrines partnership as a goal in itself but also as a critical means of implementation for the entire Agenda. As reflected in Goal 17, the 2030 Agenda can only be realized with a strong commitment to partnerships at all levels between governments, the private sector, civil society and others. Similarly, the historic Paris Agreement of 2015 united the global community in an ambitious plan to combat climate change and adapt to its effects. Unprecedented levels of interest and commitment from a wide range of stakeholders, including responsible business leaders, are reinforcing the efforts of Member States to accelerate climate action.

3. In compiling the present report, two principal strands of research were conducted. First, two surveys were administered to gather system-wide input from 39 participating United Nations entities (see annex). One survey canvassed senior management to identify and explore the views of the United Nations system on partnership challenges and opportunities. The second survey canvassed staff from across the system to gather on-the-ground views on current partnership practices across the United Nations and identify needs and opportunities to enhance capacity, coherence and impact. In the second strand of research, in-depth interviews were conducted with United Nations partnership practitioners, and in some cases their business partners, to explore emerging best practices in partnership development, management and impact measurement. Drawing on those data-driven insights and the candid reflections of the staff of the United Nations system, the present report attempts to map a robust, evidence-based path towards system-wide transformations which can enhance the scale and impact of collaboration between the United Nations and the private sector to accelerate progress on the 2030 Agenda for Sustainable Development.

4. While the partnership ecosystem is vast and diverse, the present report, as with preceding reports submitted under the agenda item, focuses on partnerships between the United Nations and the private sector. At the same time, many of the trends, insights and recommendations outlined are applicable to all forms of partnership between the United Nations and other actors.

II. Scaling up partnership impact towards achieving the 2030 Agenda for Sustainable Development

A. Opportunity to increase private sector engagement for greater results

5. On the basis of information provided by the 37 United Nations entities that contributed data to the present report, there are over 1,500 business partnerships under way across the United Nations system. Bilateral partnerships dominate the landscape, with over half of reported partnerships involving only one company partner. Short-term collaboration also remains the norm: 79 per cent of all

partnerships between the United Nations and businesses reportedly last fewer than five years. As that data suggests, more concerted efforts may be required to develop further scalable business partnership models, including models designed to better engage multiple partners over an extended period of time, more systematically measure impacts and more effectively advance the 2030 Agenda for Sustainable Development.

6. There is universal consensus among entities in the United Nations system that new alliances and partnerships will be critical to achieving the 2030 Agenda for Sustainable Development, and increasing recognition that the private sector is one of the most critical partners in boosting United Nations capacity to deliver on the Sustainable Development Goals. A large majority of United Nations entities believe that achieving the Goals will not be possible without significant scaling up of partnerships between the United Nations and business. However, there is also widespread recognition that the United Nations is not yet adequately positioned to engage business for maximum impact: just a quarter of United Nations entities feel that the United Nations is doing enough to engage the private sector.

7. In an important convergence of views, business leaders share with the United Nations a recognition of the tremendous opportunities to increase business contributions to the 2030 Agenda for Sustainable Development. Of the more than 1,000 Chief Executive Officers (CEOs) participating in the United Nations Global Compact surveyed in 2016, half believed that the private sector would be the single most important actor in achieving the Sustainable Development Goals. They also identified partnerships as a key route to impact: 85 per cent of CEOs saw cross-sector efforts to address global challenges as critical to enabling business to help achieve the Goals. However, just as the majority of entities in the United Nations system feel that the Organization must do more to engage the private sector, many business leaders continue to view the United Nations as a challenging partner to work with. In that regard, as corporate interest in partnerships grows, companies have rising expectations of the United Nations, and the United Nations system sees the private sector becoming only more eager to engage.

8. Those trends are no doubt also influenced by the rapidly changing expectations of the role of business in society. Stakeholders, shareholders, governments, consumers and communities are increasingly demanding that companies recognize their shared responsibility to people and planet. Responding to those trends, in 2016 the United Nations Global Compact articulated a vision for the initiative to be achieved by 2030: to mobilize a global movement of sustainable companies and stakeholders to create the world we want. A global strategy inspired by that vision is now being implemented that aims to deliver impact at scale, breaking new ground in translating the Sustainable Development Goals for business and helping companies recognize the tremendous opportunities that lie within the 2030 Agenda for Sustainable Development, while also challenging companies to raise their ambitions and fully embrace responsible business practices in line with the 10 principles of the Global Compact.

B. Leveraging comparative advantages for enhanced partnership impact

9. United Nations and business partners agree that together they can achieve greater scale and impact, and advance more sophisticated solutions to common challenges, than if they were to “go it alone”. There is a broad appreciation of the additive value of those partnerships between the United Nations and businesses that align the core competencies and comparative advantages of all partners. The value proposition for companies partnering with the United Nations often lies in the Organization’s global reach, relationships with local communities around the world,

data resources, normative assets and reputation as a capable convener and honest broker. Synergies are being achieved by aligning those strengths with the entrepreneurial and innovative spirit of the private sector. For example, increased prioritization of partnerships between the United Nations and businesses involving technology and telecommunications solutions has driven innovation in programme delivery by leveraging private sector expertise in areas such as digital payment platforms, big data analytics, satellite data mapping, blockchain technology, digital identity and virtual reality.

Box 1**UNHCR and the Vodafone Foundation: the Instant Network Schools programme**

Since 2013, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Vodafone Foundation have partnered to enhance the quality of education in refugee camps. Working with a team from the UNHCR Innovation Service, Vodafone's technical expertise and core capabilities were leveraged to design the fit-for-purpose, instant classroom "digital school in a box" solution. Each box provides power (solar panels and batteries), Internet connectivity and tablets or computers so that students and teachers can access online and offline digital educational content and interactive tools.

As of January 2017, the Vodafone Foundation and UNHCR have deployed 31 Instant Network Schools, benefiting more than 40,000 young refugees and 600 teachers every month across seven camps in the Democratic Republic of the Congo, Kenya and the United Republic of Tanzania. By the end of 2018, the Vodafone Foundation aims to deploy five more Instant Network Schools to benefit an additional 20,000 refugees. To further quantify the impact of the programme, an initiative is being implemented to track social and educational outcomes resulting from participation, including school attendance rates, teacher/student motivation and confidence, exam results and digital literacy.

10. In partnering with the United Nations, the private sector gains access to global and local networks of actors and knowledge that can enhance its ability to pursue new market opportunities and contribute to advancing the Sustainable Development Goals. Recognizing that businesses are increasingly focused on finding partnership opportunities that draw on their core competencies and generate reciprocal value, many United Nations entities are shaping win-win value propositions as part of their partnership cultivation efforts. That shift is strategically important, given the continuing evolution in business interests and approaches to sustainability. In 2016, 87 per cent of CEOs surveyed by the United Nations Global Compact believed that the Sustainable Development Goals provided an essential opportunity to rethink approaches to sustainable value creation. Leading companies are already seeking ways to drive greater social impact through core business innovations. Through further investment in collaboration with the private sector, the United Nations has an important opportunity to accelerate that trend, which in turn has the potential to dramatically increase business contributions towards achieving the Goals.

Box 2

IFAD and Grameen Intel Social Business: economic growth in rural communities

In 2014, the International Fund for Agricultural Development (IFAD) partnered with Grameen Intel Social Business to pilot a programme to provide technical solutions to rural farmers in Cambodia. The Grameen Intel Social Business “eAgro Suite” is a set of mobile apps that enable farmers to reduce costs and increase productivity yields through soil testing and recommendations on seed selection, fertilizer use and pest control. The system is deployed locally by a network of micro-entrepreneurs who purchase software licenses and receive training to provide eAgro consulting services to local farmers. Since the pilot launch in Cambodia, more than 170 trained entrepreneurs have joined the system, and more than 1,650 farmers have been served. Farmers involved have reported 32 per cent higher yields and a 47 per cent higher gross margin than those using traditional practices only. By integrating a commercial model, where beneficiaries pay a small fee for software licensing and queries to call centres, the partnership has demonstrated itself to be financially self-sustaining. The “no loss, no dividends” principle of Grameen Intel Social Business demonstrates an innovative blend of for-profit and non-profit philanthropic motivation, as any profits derived from the programme are reinvested into the partnership to ensure its long-term sustainability, expansion and growth.

C. Evolving partnership approaches to accelerate impact

11. Looking to the future, the United Nations system sees five critical routes to accelerate the impact of partnerships with business. First, move away from donation-based partnerships, which the majority of United Nations entities feel will assume less importance over the next three to five years, and build more strategic business relationships. Second, shape more innovation-based partnerships that leverage core private sector competencies and technologies. Third, increase focus on multi-stakeholder partnerships, which agencies expect to more than double in number during the next three to five years. Fourth, connect and convene wider ecosystems of actors. Fifth, expand opportunities for engaging micro, small and medium-sized enterprises for greater local impact.

12. As the United Nations system is shaping more strategic partnerships with business, relationships are moving away from cash donations or single financial transactions: fewer than a third of the entities in the United Nations system estimate that their relationships with the private sector are based primarily on philanthropic or in-kind donations. Rather, three quarters of entities in the United Nations surveyed believe that partnerships between the United Nations and businesses are shifting towards longer-term, more strategic partnerships. United Nations entities are shaping projects not in the hopes of attracting philanthropic contributions from business but rather to engage with companies on issues of common interest to build deeper and more long-lasting collaborations.

13. United Nations organizations are also shifting their portfolios towards partnerships with greater potential for innovation, scale and impact. United Nations entities expect that innovation-based partnerships will become the most common focus of partnerships between the United Nations and businesses within the next three to five years, leveraging core business capabilities to drive greater impact. For example, the United Nations Population Fund (UNFPA), in consultation with the private sector on its strategic plan for 2018-2021, identified a number of ways that business innovations and technological expertise could advance UNFPA objectives

in areas such as data, research and development, new technology, service delivery, e-learning and talent development, logistics, distribution and the enabling of access to modern family planning. UNFPA and other agencies recognize that creating new, sustainable partnership models that are replicable and scalable requires capitalizing on the unique strengths of the private sector to fill United Nations capability gaps, and doing so in a way that focuses on co-creation, the joint ownership of programme design and partnerships that create reciprocal value.

14. The United Nations system also recognizes that mobilizing multi-stakeholder partnerships will be critical to complementing government efforts to achieve the Sustainable Development Goals. They expect the frequency of multi-stakeholder partnerships to more than double in the next three to five years and become the most common form of partnership undertaken by the Organization. By embedding multi-stakeholder partnerships into the business model of all United Nations entities, and by pooling system-wide knowledge, expertise, technologies and financial resources with those of relevant partners, the United Nations can reinvigorate its global leadership role as a convener, conveyor and facilitator of collaboration among a diverse range of actors.

15. One example of a United Nations-driven multi-stakeholder partnership mobilizing action among governments, multilateral organizations, the private sector and civil society is the Every Woman, Every Child initiative. Since 2015, more than 60 government commitments and 150 multi-stakeholder commitments to improving the health of women, children and adolescents have been made by Every Woman, Every Child partners, representing over \$27 billion in commitments. More than 7,000 individuals and organizations informed the drafting process for the Global Strategy for Women's, Children's and Adolescents' Health (2016-2030).

Box 3

The Connecting Business initiative

Launched at the World Humanitarian Summit in 2016, the Connecting Business initiative is a multi-stakeholder model that actively engages the private sector in disaster risk reduction and crisis preparedness, response and recovery. Thirteen private sector networks have been established, with operational support provided by the United Nations Development Programme and the Office for the Coordination of Humanitarian Affairs of the Secretariat, and technical support from the United Nations Office for Disaster Risk Reduction. As an inter-agency initiative, the Connecting Business initiative is also helping to better connect the humanitarian and development arms of the United Nations to foster greater collaboration and impact at local levels.

The Connecting Business initiative exemplifies the transformative role local business networks can play in improving risk-informed crisis preparedness, response and recovery efforts. For example, in March 2017, as Cyclone Enawo headed towards Madagascar, the Madagascar Private Sector Humanitarian Platform, a local initiative supported by the Connecting Business initiative, was able to enact a contingency plan to provide early alerts to its members, significantly reducing disaster risks for businesses and communities.

16. Strengthening outreach to micro, small and medium-sized enterprises to engage in partnership is an increasing area of interest across the United Nations; however, cultivating impactful relationships with those enterprises remains a challenge. Accounting for more than 90 per cent of global businesses and 60 to 70 per cent of employment worldwide, micro, small and medium-sized enterprises

play a pivotal role in stimulating economic growth, creating decent jobs and trade, eradicating poverty and improving livelihoods. That important role was recognized by the General Assembly in 2017 through the dedication of 27 June as a day to honour micro, small and medium-sized enterprises.

17. Although many United Nations entities contributing to the present report acknowledged that their work with micro, small and medium-sized enterprises has been limited or nascent, new partnerships and models for collaboration with such enterprises are emerging that offer important lessons. For example, United Nations entities such as the United Nations Industrial Development Organization (UNIDO) and the United Nations Development Programme (UNDP) are testing micro, small and medium-sized enterprise partnership models in which project costs are shared among business and United Nations partners. Unlike partnerships with larger companies that have resources to cover project costs, it is often critical for the United Nations to cover or co-invest in project costs to secure collaboration with smaller companies and unlock in-kind resources. Another promising pathway to greater engagement of micro, small and medium-sized enterprises involves mobilizing coalitions of small businesses to work together on structural issues, such as access to credit, capacity-building to enable greater market competitiveness and participation in international trade and involvement in policymaking.

Box 4

UNIDO: public-private development partnership for virtual reality forestry training

UNIDO and a consortium of small and medium-sized enterprises (including Naledi3d Factory, I.C.E. Forestry Consulting & Training, Cedara College of Agriculture, South African National Parks, Aikagroup and Kallion Konepaja Oy, among others), have partnered to revitalize forest training centres in the Southern African Development Community region. Although UNIDO was not initially seeking a virtual reality solution, Naledi3D Factory's software-based simulations demonstrated that forestry workers could be trained in chainsaw operations and maintenance handling in a safer environment that significantly increased learning comprehension over traditional methods.

To track positive economic and social outcomes from the training, UNIDO implemented an evidence-based beneficiary monitoring programme to evaluate the impact of the training programme on its approximately 200 participants to date. Tablet technology is used to collect demographic data such as education levels, income and employment prospects from training participants at course entry and exit. As of June 2017, over 70 per cent of students rated their current job situation as being better than before the training, and over 40 per cent reported an increase in earnings. Partners also noted changes in their own businesses or organizations as a consequence of involvement in the programme. Most notably, all partners observed an increase in technical staff capacity and innovation. Building on that success, UNIDO is considering expansion options for the partnership, such as a national expansion of the programme, roll-outs to other countries in the region and additional uses for the technology in other sectors.

III. Translating partnership challenges into opportunities

18. To drive more impactful partnerships across the United Nations, there are numerous system-wide challenges that have the potential to be translated into opportunities. Adapting to a more resource-constrained environment, the United

Nations has the opportunity to make a strategic pivot towards innovative partnerships which, among other objectives, can catalyse innovative financing and mobilize multi-stakeholder coalitions to advance the 2030 Agenda for Sustainable Development. Given widespread acknowledgement in the United Nations system that the Organization is not yet doing enough to leverage growing private sector interest in collaboration, the United Nations should address partnership skill sets and coordination gaps and embed partnerships, in particular multi-stakeholder partnerships, in business models throughout the Organization, especially at the local level. That would help reinforce the recommendations included in the quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/71/63-E/2016/8), including the importance of increasing capacity to engage in results-oriented innovative national, regional and global partnerships, and intensifying collaboration with all relevant stakeholders.

A. Driving a strategic pivot towards transformational partnerships

19. As the United Nations enters an era of increasing resource constraints, there is a risk of regressing towards older models of collaboration. United Nations entities may feel pressure to direct what limited resources are available for private sector partnerships towards fundraising efforts, at the expense of building and scaling up transformational partnerships, which require greater staff time and resources to develop but have exponentially greater potential to drive progress towards the 2030 Agenda for Sustainable Development. A majority of entities in the United Nations system that contributed to the present report acknowledged that their ability to engage in transformational and innovative partnerships was limited by resource constraints, and that there was a tension between the need to diversify funding sources in the current resource-constrained environment and the opportunity to build relationships, coalitions and other forms of collaboration designed to influence a broader range of actors and achieve greater and more long-lasting effects..

20. In spite of that tension, the United Nations is striving to be more strategic and agile in focusing limited resources on issues and opportunities where the Organization can be most relevant and effective. Agencies, funds and programmes are becoming more adept in communicating their strategic interests and refining their value propositions for partners. The private sector is also seeking deeper forms of collaboration that align partnership investments with core corporate values and company sustainability objectives. As corporate sustainability reporting and stakeholder expectations of companies have evolved over the last decade, the business case for traditional philanthropic donations to the United Nations is becoming less compelling for companies than projects or investments in regions where companies have interests and operations. Many companies are looking beyond traditional profit motivations and anchoring their core business in creating value through societal impact. Four out of five CEOs surveyed by the United Nations Global Compact in 2016 said that demonstrating a purpose-driven commitment to sustainability was already a differentiator in their industry.

21. Against that landscape of converging interests, the United Nations should focus on supporting businesses to assume a greater role and responsibility in addressing global and local challenges by embracing fundamentally responsible and sustainable business practices. Working with the United Nations can help companies embrace the Sustainable Development Goals in a holistic, integrated manner. While a clear majority of entities in the United Nations believe that cross-sector alliances, networks and partnerships are essential to accelerating progress on the Sustainable Development Goals, bilateral partnerships of short duration still dominate the partnership landscape. Resources could be more efficiently deployed and long-term

impact maximized by shifting from labour-intensive bilateral implementation projects towards scalable multi-year, multi-stakeholder initiatives in which the United Nations plays a greater convening and catalysing role.

Box 5

The Global Environment Facility: en.lighten and United for Efficiency (U4E) initiatives

The en.lighten initiative was established in 2010 to accelerate a global market transformation to energy-efficient lighting technologies and accelerate the phasing out of incandescent lamps to reduce carbon dioxide and mercury emissions from fossil fuel combustion. Operating as a public-private partnership between the Global Environment Facility of the United Nations Environment Programme, Osram, Philips Lighting and other programme partners, the partnership serves as a platform to build synergies among international stakeholders, share global best practices, design policy and regulatory frameworks, address technical and quality issues and encourage countries to develop national and/or regional efficient lighting strategies. The Global Efficient Lighting Partnership Programme has partnered with more than 60 countries to date, forecasting savings of more than \$7.5 billion and 35 million tons of carbon dioxide annually from country pledges. Building upon the effective model demonstrated by en.lighten, the U4E initiative was launched in 2015 to drive market transformation for six additional high-efficiency product categories. The initiative is now pursuing a goal of engaging 70 countries.

B. Unlocking innovative financing

22. Achieving the 2030 Agenda for Sustainable Development requires significant transformation in the Organization's approach to financing. To secure the trillions of dollars of investment needed to achieve the Sustainable Development Goals, greater effort is required to unlock new financial flows, especially from mainstream institutional investors. The United Nations system recognizes that the time is right for a strategic pivot towards approaches that go beyond mobilizing private sector funds for the Organization's own work to instead facilitating financial innovations which can leverage public and private investment in the Goals while reinforcing responsible business growth. That was a key theme at the United Nations Private Sector Forum in 2017, where CEOs, investors and leaders from government, civil society and the United Nations system explored ways to increase collaboration and unlock prosperity by financing the 2030 Agenda.

23. One example of such collaboration is a multidisciplinary action platform of finance practitioners and experts involving the United Nations Global Compact and the United Nations Environment Programme (UNEP) Finance Initiative and based on the Principles for Responsible Investment. The platform aims to develop innovative private financial instruments that have the potential to direct private finance towards critical sustainability solutions. With a particular focus on emerging or frontier markets, the platform is creating guidance on impact investment strategies that support the Sustainable Development Goals with the aim of improving the risk/return profile of investments and attracting institutional investors.

24. A second example is the Sustainable Stock Exchanges Initiative, a collaboration among the United Nations Conference on Trade and Development, the United Nations Global Compact and the UNEP Finance Initiative and based on the Principles for Responsible Investment. The Initiative, involving more than 60

partner stock exchanges, is a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators and companies, can enhance corporate transparency, and ultimately performance, on environmental, social and corporate governance issues and encourage sustainable investment.

25. Partnership models in which the primary United Nations role and objective is to enable capital flow are already being tested. In 2017, UNDP launched a transformational “crowd-investment platform” partnership with TRINE, a company that connects investors with solar power entrepreneurs through a crowd-funding platform. The partnership is expected to raise up to \$7 million in private capital loans from individual investors for social enterprise projects, aiming to lift 540,000 people in five sub-Saharan African countries out of energy poverty. UNDP is establishing a guarantee fund to help reduce the risk to each investor’s principal, and will measure and verify the social and environmental impact of each funded project to enable investors to make informed decisions.

26. As the United Nations system faces increasing resource constraints, self-funding or self-sustaining partnership models that leverage new social and environmental finance instruments are of growing interest across the United Nations. Nearly half of the entities contributing to the present report indicated that they were considering projects that would be eligible to issue a green bond, social impact bond or development bond; however, significant gaps exist between ambition and action. While nearly one third of United Nations entities contributing to the present report indicated that they would be interested in undertaking projects eligible for certified carbon offsets, only one has done so. To encourage United Nations entities to launch new and innovative financing projects, there is a need to support increased risk tolerance and create safe spaces to learn from failure.

Box 6

UNDP: Rhino Impact Investment Project

In 2015, UNDP and a number of other multi-stakeholder partners united to develop the world’s first rhinoceros impact bond to address illegal hunting and poaching. The rhino impact bond, a variant of development and social impact bonds, will be an outcome-based, payment-for-performance financing mechanism, and is the first such instrument for species conservation that aims at a financial return. Unlike traditional donor funding models, donors become “outcome-payers”, only repaying investors their initial investment and interest if the intervention is successful. Success is defined as the identification of key rhinoceros conservation sites, the improved protection of rhinoceros populations and a reduction in poaching activities. The project is currently in a three-year pilot phase to develop evaluation metrics and prepare the proposed rhinoceros conservation sites in Kenya, Namibia, South Africa and Zimbabwe. The primary project goal is to launch a \$25 million to \$35 million rhino impact bond by 2018.

C. Addressing partnership skill sets, integrity and coordination gaps

27. As the United Nations system looks ahead to new partnership models that bring together their core competencies with partner core business assets, there is an opportunity to transform and enhance the culture and impact of its collaboration with businesses by addressing skill set gaps in the Organization, embedding partnerships in business models and strengthening partnership integrity, effectiveness and coordination.

28. A third of the partnership professionals who shared insights for the present report indicated that a lack of coordination across the United Nations system was one of the most pressing challenges to effective partnership. The United Nations system recognizes the benefits of increasing inter-agency collaboration on partnerships; however, there are a variety of challenges to such cooperation, including inter-agency competition for partners, a lack of common tools and templates and confidentiality barriers to disclosing partner names and partnership details. The United Nations system recognizes an urgent need to embrace a more coordinated, and less internally competitive, approach to partnerships, in particular given the growing opportunities to engage companies in multiple partnerships across the Organization and the corresponding need to urgently combat the perception that unfortunately persists among many companies that the United Nations is a challenging partner to work with. For example, multinational companies with diverse global operations may have the ability and the interest to engage in multiple partnerships simultaneously. Corporate investments in collaboration with the United Nations could be enhanced and scaled up through more coordinated relationship management across the Organization.

Box 7

FAO: advancing organizational partnership capabilities

Since 2013, the Food and Agriculture Organization of the United Nations (FAO) has actively pursued greater engagement with the private sector. The *FAO Strategy for Partnerships with the Private Sector* (2013) supported the organization's transition from a historically risk-averse view of partnerships towards a risk-managed approach. To institutionalize partnership knowledge, seminars were held and enabling tools and training were created, including a handbook on private sector partnerships, an internal database of lessons learned and best practices and other capacity-building materials. At the same time, streamlined due diligence processes were introduced, which have led to improved efficiency for due diligence decisions (reducing the time taken for such decisions from several months to two to four weeks) and the generation of 120 new partnerships, 80 of which were with the private sector. FAO credits the success of the programme to the significant encouragement from the Director General and senior management, which created a positive environment for engaging in those efforts.

29. Despite the growing interest in partnering with business, United Nations partnership capacity has not kept pace with demand. Half of the entities of the United Nations system see a lack of partnership skills within their agency as a key barrier to effective partnerships. Although there is widespread acknowledgement that increased partnership resources and skill set enhancements are critical to achieving the 2030 Agenda for Sustainable Development, the growth of staff teams dedicated to partnerships has slowed in recent years. Only a third of United Nations entities have increased the number of staff working on partnerships between the United Nations and businesses since 2015, and 19 per cent reported a reduction. The United Nations system sees partnership capacity as vital to both maintaining existing partnerships and growing new ones, but as a result of staffing constraints, some entities are limiting their focus to managing existing partnerships and are unable to effectively develop new strategic relationships.

Box 8

UNICEF: mainstreaming awareness of private sector partnerships at the country level

As the number of staff tasked with private sector partnerships is flatlining or even in some instances decreasing, mainstreaming awareness of the role of business in advancing the 2030 Agenda for Sustainable Development and embedding multi-stakeholder partnerships in business models across the United Nations can help sustain and scale up new forms of collaboration. For example, the United Nations Children's Fund (UNICEF) recently offered basic training on the private sector for all staff in India to build awareness and mainstream understanding of the role of business in supporting UNICEF in the pursuit of its mandate. Undertaking similar efforts in other agencies, in particular at the country level, could be a constructive way to begin embedding a stronger culture and business model of partnerships across the Organization to accelerate progress on the 2030 Agenda.

30. Another critical enabling factor in furthering the scaling up and impact of partnerships is the maintenance and increase of support from senior officials of the United Nations system. Nearly half of the entities of the United Nations system believe that the most critical factor to scaling up partnerships moving forward will be executive leadership and support for pursuing collaboration. Building on the good efforts to coordinate and share knowledge among partnership practitioners through the annual meetings of the United Nations System Private Sector Focal Points, convened by the Global Compact Office, senior officials from the United Nations should also meet with representatives of the United Nations Global Compact on a regular basis to reinforce working-level coordination efforts and facilitate a stronger system-wide approach to partnerships.

31. More than three quarters of the entities of the United Nations system that contributed to the present report also felt that legal policies and procedures continued to create significant barriers to scaling up partnership. That impression may further perceptions among some companies that partnering with the Organization involves undue bureaucratic hurdles. To address those challenges, legal staff and partnership practitioners should be given the resources and encouragement necessary to more actively work together to find creative solutions to partnership roadblocks. Ensuring that well-resourced legal teams with sufficient partnership knowledge and understanding are able to dedicate time to partnerships, and creating more active communication channels between senior partnership practitioners and senior legal experts, could help streamline approaches to establishing and growing new partnerships. The recent creation of an inter-agency due diligence working group of the United Nations System Private Sector Focal Points represents another effort to improve the Organization's capacity to engage with business while adequately protecting against reputational risk in a more coordinated manner.

32. While the partnership opportunity space continues to expand, a diversity of United Nations approaches to partner selection and due diligence continue to undermine efforts to effectively safeguard the integrity of the Organization. Divergent approaches and standards for screening and engaging business partners can yield inconsistent decision-making on partner selection across different agencies, which may heighten integrity or reputational risks for the whole Organization.

33. Most United Nations entities conduct due diligence independently, and fewer than a third seek advice from colleagues in other agencies when gathering

information on potential corporate partners. Due diligence exclusionary criteria also vary. For example, 61 per cent of United Nations entities exclude companies in the tobacco industry from partnership consideration as a policy measure; 19 per cent of United Nations entities view companies from that sector as high-risk prospective partners but do not exclude them from partnership consideration; and 20 per cent do not have specific policies in place that apply to the tobacco industry.

34. In spite of those challenges, significant progress has been made through the efforts of the due diligence working group of the United Nations System Private Sector Focal Points to map the wide range of integrity practices across the United Nations system, share knowledge of good practices and build the case for taking a more coordinated approach to due diligence in policy and practice. To enable informed decision-making in the selection of business partners, the United Nations Global Compact facilitates access to two external due diligence research service providers for 18 United Nations entities. However, an analysis of company reports obtained in the past year through those services showed that on numerous occasions multiple United Nations entities were screening the same companies. Compounding that inefficiency, the results of each United Nations entity's due diligence screenings were not shared systematically with other entities.

35. A more coordinated approach to selecting and engaging responsible business partners could help safeguard United Nations integrity, meet rising business expectations for a more consistent framework for United Nations engagement and enhance efficiency. Over half of United Nations entities would be willing to consider applying a common due diligence framework and supporting the inter-agency sharing of templates for partnership agreements and memorandums of understanding. Most are also willing to share organizational partnership and due diligence policies, procedures and templates to help foster a more coherent approach. Implementation of a centralized due diligence support function could further address the inefficiency of each entity undertaking due diligence screenings, relieve human resource constraints and reduce the risk of perceived or actual conflicts of interest between those evaluating potential partners and those involved in the management of the partnership.

36. In its resolution 70/224, the General Assembly requested the United Nations to engage in a more coherent manner with companies that support core United Nations values and that commit to United Nations Global Compact principles by translating them into operational corporate policies, codes of conduct and management, monitoring and reporting systems. The Assembly also called for the implementation of the Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector, which were reissued by the Secretary-General in 2015 to serve as a common framework for all organizations of the United Nations system as a basis for their collaborative efforts with the business sector.

37. Together, resolution 70/224 and the Guidelines created a solid policy framework to guide United Nations agencies, funds and programmes in their efforts to partner with business. However, further efforts across the United Nations system are needed to advance the implementation of the framework and strengthen the integrity, accountability and transparency of partnerships between the United Nations and businesses. Some 80 per cent of United Nations entities look into whether a prospective business partner is a signatory to the United Nations Global Compact. One United Nations entity makes participation in the Global Compact a mandatory requirement for partners, and numerous entities are actively considering such a policy measure or exploring how to roll out that change.

38. While the United Nations Global Compact is a voluntary rather than a regulatory initiative, when a company's highest-level executive commits publicly to

the Secretary-General to make progress towards the 10 principles of the Global Compact and support United Nations goals, it signals that the company has the potential to be a strong long-term partner of the United Nations. Reinforcing the importance that companies commit to the 10 principles, and that they report annually on their progress in support of the initiative or risk expulsion from the initiative, also sends a strong and consistent message to the private sector that the United Nations views responsible business practices, corporate sustainability and public transparency to be of the highest importance.

39. As was reflected in the dialogue and debate at the Forum on Partnerships of the Economic and Social Council held in 2017, many Member States continue to call on United Nations entities to select business partners who respect the 10 principles of the United Nations Global Compact as a way to help safeguard against reputational risk and foster greater coherence in partnerships between the United Nations and businesses. As numerous Member States have noted, while each agency may make their own judgments based on their mandates and risk management approach, making Global Compact participation a universal business-partner expectation offers a logical system-wide approach, which should be taken into consideration in strategic planning exercises for agencies, funds and programmes. In a decentralized operating environment, a constructive starting point for implementing such a policy measure could involve an initial roll-out with the Secretariat.

40. The need for robust integrity and due diligence practices is not limited to partnerships between the United Nations and the business sector. Partnerships involving the United Nations and non-governmental organizations, particularly those affiliated with private sector entities, present unique challenges that need to be addressed through further development of policies and best practices to manage risk. Progress has been recently made in that regard with the creation of a draft set of guidelines, developed by the Department of Economic and Social Affairs of the Secretariat in consultation with a variety of other United Nations partners, intended to govern the risk management in partnerships involving non-governmental organizations affiliated with business entities.

IV. Measuring and communicating partnership outcomes

A. Barriers to reporting partnership results

41. Through previous General Assembly resolutions, Member States have made repeated requests for the disclosure of partners, contributions and matching funds for all relevant partnerships, including at the country level. The Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector mirror those disclosure and reporting requirements. However, comprehensive reporting of partnership activity involving the private sector remains a challenge. Very few United Nations entities presently meet the full requirements of the Assembly resolutions. Most United Nations entities fail to publish all of their partnership activity in a readily accessible manner. While some report partners and contributions but not matching funds, others report partners but provide no detail on the financial dimensions of the partnerships. Still others do not publicly report their partnerships in any consolidated location.

42. Given the multiple formats and varying content of the partnership information disclosed in online databases, websites and reports, the information is not easily collated to provide a central overview of partnership activity across the United Nations system and enable comparability and measurement. Agency headquarters

have also noted challenges in maintaining a comprehensive overview of the number and scope of business partnerships occurring across disparate field operations.

43. Some United Nations entities have theorized that competition among United Nations system organizations for corporate partners discourages the publishing of details about business partnerships, especially with regard to the disclosure of their financial elements. Others suggest that their business partners insist on anonymity when making financial contributions, which inhibits full disclosure. Practices for capturing the value of in-kind contributions of goods and services also vary significantly; most United Nations entities acknowledge that it is an area where performance improvement and skill set upgrades are needed.

44. Reporting efforts also tend to vary over partnership life cycles. While more than half of United Nations entities indicated that they always or usually reported partnership information at the outset of collaboration, fewer than half provided further reporting on the partnership throughout its duration. Fewer than one in five provided any kind of reporting at the conclusion of a partnership.

45. Efforts to develop common principles for partnership reporting are under way. For example, the Partnership Data for Sustainable Development Goals (PD4SDGs) initiative, launched by the Department of Economic and Social Affairs, the United Nations Global Compact and the United Nations Office for Partnerships at the special event on partnership exchange held during the high-level political forum on sustainable development in 2016 seeks to bring greater transparency, coherence, impact and comparability to the work carried out by multi-stakeholder partnerships and voluntary initiatives aimed at advancing the Goals. The initiative is advocating for a standardized framework for online platforms that publish partnership information, suggesting that, at a minimum, all platforms should publish information in accordance with the SMART criteria: specific, measurable, achievable, resourced-based and time-bound.

B. Enhancing efforts to measure and communicate partnership impact

46. Sustaining and accelerating progress on the 2030 Agenda for Sustainable Development depends on the effective measurement of all activities undertaken, across sectors, to realize the Sustainable Development Goals. When it comes to partnerships, the United Nations system agrees that it must better measure, track and communicate the value of collaboration with the private sector. While nearly three quarters of United Nations entities seek to define reciprocal value propositions for all partners, fewer than half report capturing robust results and lessons learned from their partnerships. Many United Nations entities admit to challenges in tracking concrete results, particularly where partnerships do not demonstrate a “clear line from A to B” or where outcomes for beneficiaries may take years to determine.

47. United Nations entities also highlight a lack of organizational guidance, standardized methodologies and clear expectations for measuring impact. Partnership evaluation approaches vary widely: half of United Nations entities rarely or never define partnership key performance indicators. Fewer than a third report that they have evaluated all their partnerships, and fewer than two thirds report evaluating more than half of partnerships. Capacity shortfalls were cited as the key obstacle to enhancing partnership impact measurement practices: only a quarter of United Nations entities report increased focus on impact measurement in the past two years. Lacking rigorous evaluation criteria and results-based management practices, it is not surprising that nearly half of the entities in the United Nations system are unsure if the expected benefits of partnerships between the United Nations and businesses are being fully realized.

48. Good practices are, however, beginning to emerge across the United Nations system. For example, the UNDP Business Call to Action initiative has established an impact measurement services practice to support its members in conducting ongoing measurement of their social and environmental impacts, along with their operational performances. Since 2015, the initiative has worked with 21 inclusive businesses to measure the baseline impact of their business models with a view to scaling up their efforts through access to customer and market insights. In 2017, the initiative will launch a free online “Impact Measurement Learning Lab” to support a greater number of companies in measuring and managing their impacts.

49. Taking action in the following four key areas can help address barriers to capturing and communicating partnership results and better tracking the contribution of partnerships towards the 2030 Agenda for Sustainable Development. First, partnership metrics and goals should be clearly defined from the outset to provide clear benchmarks for measuring impact. Second, a common baseline is needed across the United Nations system to set principles and minimum expectations for partnership reporting. Third, performance management criteria for partnership practitioners should incorporate partnership metrics to reward and encourage best practices. Fourth, strong partnership advocates at all levels of the Organization must be cultivated and must continue to champion collaboration and best practices.

50. The United Nations system recognizes a need for common language and goals for tracking and reporting partnership results. Three quarters believe that a common view of partnership measurement and reporting across the system would enable greater opportunities to scale up efforts and increase impact. The United Nations-Business Action Hub (<https://business.un.org>) has the potential to serve as a resource-effective partnership accountability and coordination mechanism. The platform, originally designed to help companies and United Nations entities connect to explore collaboration, has untapped potential to be leveraged as a central repository for reporting on system-wide partnership activity and impact.

51. In addition, embedding partnerships into performance management criteria for relevant United Nations staff and senior officials could drive a stronger commitment to delivering results, ensuring that partnership discussions are more frequently and meaningfully translated into action and measurable impact. Such incentives will be of particular importance to scaling up local partnerships. As was noted in the latest quadrennial comprehensive policy review, United Nations resident coordinators and country teams must strengthen support for multi-stakeholder collaboration to advance national development needs and priorities and achieve the 2030 Agenda for Sustainable Development. When it comes to engaging local business communities in such multi-stakeholder efforts, Global Compact Local Networks have the potential in many country settings to work closely with resident coordinators and country teams to mobilize entrepreneurs, financial institutions and other private sector actors to advance national sustainable development priorities.

V. Recommendations

52. The 2030 Agenda for Sustainable Development presents an historic opportunity for the United Nations to cultivate new pathways for achieving common societal goals by expanding the scope and impact of collaborations between governments, the private sector, civil society, academia and others. To unlock the full potential of those partnerships, in particular business partnerships, a number of priorities to strengthen accountability and

transparency, enhance coherence and capability and advance system-wide collaboration are recommended.

53. United Nations entities should be encouraged to embed multi-stakeholder partnerships into their core business models to reinvigorate the global leadership role of the United Nations as a convener, conveyor and facilitator of collaboration among a diverse range of actors.

54. To strengthen capacity to engage in innovative partnership models and leverage financing for the 2030 Agenda for Sustainable Development, the United Nations should prioritize investing in talent development among partnership practitioners and other relevant staff to address current skill set gaps. Building support among governments and the leadership of the United Nations system for increased risk tolerance and creating safe spaces to learn from failure will be critical to driving more innovative partnerships and financing models.

55. To cultivate strong partnership advocates at all levels of the Organization, to reward and encourage best practices and to drive a stronger commitment to deliver results, partnerships and related metrics should be integrated into the performance management criteria of relevant United Nations staff and management.

56. To address some of the resource limitations and barriers to effectiveness identified in the present report, United Nations entities should be encouraged to offer training and awareness-building opportunities for all staff in order to mainstream understanding, throughout their organizations, of the role of partnerships, in particular multi-stakeholder partnerships and partnerships involving the private sector, in advancing the 2030 Agenda for Sustainable Development.

57. To reinforce working-level partnership coordination efforts and facilitate stronger system-wide capacity and coherence, building on the good efforts of the United Nations Global Compact to coordinate and share knowledge among partnership practitioners through the meetings of the United Nations System Private Sector Focal Points, leaders of the Global Compact should also meet with the senior leadership of the United Nations system on a regular basis to make joint decisions and share knowledge sharing on partnerships.

58. To ensure that the Office of Legal Affairs of the Secretariat and the legal teams of United Nations agencies, funds and programmes have the knowledge and expertise necessary to play an enabling role in facilitating greater partnership scale and impact while appropriately managing risks, increased investment in legal resources dedicated to supporting partnerships is needed. Legal teams and partnership practitioners should be supported in cooperating to address partnership challenges in a creative and collaborative fashion.

59. To safeguard the reputation of the Organization, as a common minimum standard, companies who partner with the United Nations should make a public commitment to the 10 principles of the United Nations Global Compact. To support United Nations entities who apply such a due diligence standard, a centralized due diligence support function could be facilitated by the Global Compact to more effectively manage risk and create operational efficiencies.

60. United Nations entities should be encouraged to redouble their efforts to meet existing expectations for reporting on partnership activity. Agreeing on common baseline principles for partnership reporting, and leveraging digital platforms such as the United Nations-Business Action Hub to aggregate data on United Nations partnerships with businesses in a single repository, offers a

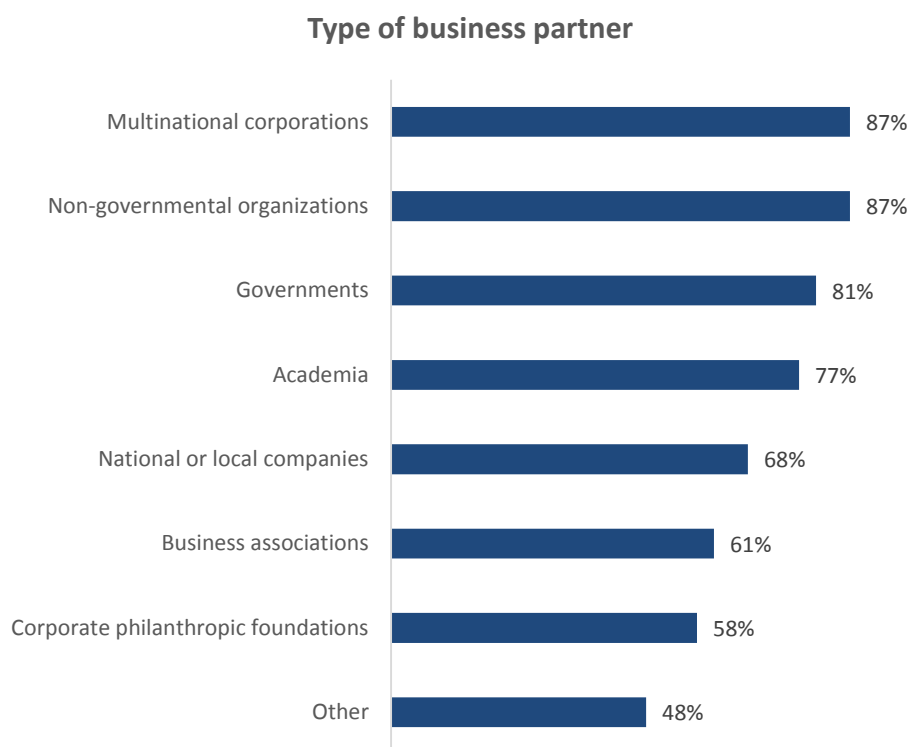
pathway for better monitoring of partnership activities and impacts across the United Nations system. To better track the contributions of partnerships towards achieving the 2030 Agenda for Sustainable Development, such data could be compiled into an annual system-wide report, which could be prepared by the United Nations Global Compact with contributions from all United Nations entities that partner with businesses.

61. To accelerate progress on the 2030 Agenda for Sustainable Development at the local level, Global Compact Local Networks and the United Nations system at the country level should strengthen their collaboration and coordination efforts. For example, resident coordinators and other United Nations country team leaders could be formally tasked with outreach to and engagement of Global Compact Local Networks and the business community to advance national sustainable development priorities. Recognizing that the capacity and reach of Global Compact Local Networks varies, the Networks should be included in United Nations country team planning and coordination where possible and appropriate.

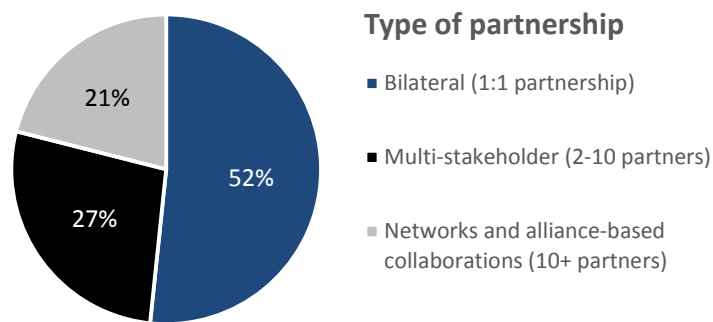
Annex

Types of United Nations system business partners and partnerships, and the average length of business partnerships, as of 2017

A. Percentage of United Nations organizations with each type of business partner



B. Estimated breakdown of types of business partnership, by percentage



C. Average length of business partnerships, by percentage

