

**Global Policy Watch** 



Promoting transparency and accountability in the Post-2015 and Financing for Development processes

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## UN partnerships in the public interest? Not yet.

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The World Bank, together with the International Monetary Fund (IMF) and the development banks, have been proclaiming since 2015 that "to meet the investment needs of the Sustainable Development Goals (SDGs), the global community needs to move the discussion from 'billions to trillions'" — that is from billions in official development assistance (ODA) to trillions in investments of all kinds: public and private, national and global, in both capital and capacity.

Further, many Member States have promoted and the UN has been exploring so-called 'blended financing' as a major vehicle to "leverage" or 'crowding in', corporate funds. Deputy Secretary-General (D S-G) Amina Mohammed declared in her first remarks as D S-G: "Bringing partnerships and agencies together in a coherent and more coordinated manner will further leverage resources and different partnerships in a mobile [development] agenda, this is becoming more complex but it is bringing in more returns."

The UN General Assembly partnership resolution is the main intergovernmental framework in place to govern non-State partnerships and hold them to account yet it lacks robust reporting and implementation. Its latest iteration is "Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners" (A/RES/70/224) which references the UN Global Compact's 10 principles and also the United Nations Guiding Principles on Business and Human Rights (UNGPs).

In his report "Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector?" (A/72/310), the Secretary-General recognizes that the UN Global Compact is a voluntary rather than a regulatory initiative. Yet, "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."

But how effective is this in practice? Reporting is not impact assessment. The Global Compact principles pre-date and are inadequate for the SDGs. Currently the UN development system's plethora of partnerships is unevenly defined and managed, with many motivated primarily not by the potential for better development, but by the quest for additional funds or intangibles such as 'brand recognition' (see Global Policy Watch's "Partnerships and the 2030 Agenda: Time to reconsider their role in implementation") The result has been a dilution of governance and a degrading of the quality of assistance. There is growing concern about how "crowding in" corporate funding may be "crowding out" public accountability.

Member States are raising such questions, calling for greater transparency and accountability. At the 2016 ECOSOC Partnership Forum, the G77 and China emphasized "all kinds of partnerships between entities of the UN development system and other stakeholders should aim to prevent further imbalance between core and non-core resources while giving priority to core resources". Additionally, they stated the need for "action-oriented outcomes and concrete suggestions on ways to enhance Member States' oversight of partnerships involving the UN, with a view to enabling Member States to examine and adopt guidelines to ensure coherence, impact, accountability and due diligence of the partnerships between the UN system, including the Funds and Programmes and specialized agencies and the private sector, philanthropic organizations, academia and other related stakeholders". They added: "it would be highly appreciated if information could be made available regarding partners, their contributions and matching funds and projects for all partnerships with the UN, including at the country level. It would also be helpful if systematic reporting on such partnerships to the relevant Executive Boards could be strengthened".

At the 2017 ECOSOC Operational Activities for Development segment, the European Union stated: "First of all, partnerships will be critical to delivering the 2030 Agenda and making the UN development system (UNDS) work more effectively", and called for "enhanced transparency and accountability with regard to the financing of the system as well as observance of the principles of aid/development efficiency as important building blocks".

In her presentation to the UN General Assembly 2nd Committee consideration of the partnerships resolution, the Executive Director of the Global Compact, Lise Kingo, stated that "senior UN leaders recognize the need to make a further pivot towards partnerships that leverage business resources and expertise even more effectively". Yet the S-G recognizes in his report "Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector"? (A/72/310), there are a number of systemic issues which must be addressed by the UN to take on such a role.

Developing clearer partnership rules and tools should be grounded in the notion that partnerships are not a panacea or a common function, but should be carefully selected as warranted by global, regional or national development requirements, in line with international standards. They should complement and add clear value to multilateral assistance, not replace it, or serve mainly as a source for additional profit or a reputational boost.

Small Island States reiterated this point during its statement to the 2nd Committee concerning the partnerships resolution, pointing to the need for "consistency with the national priorities, strategies and plans to function and achieve efficient results". "Meaningful partnerships must be beneficial to all the sides involved." During briefing by UN Regional Commissions to the 72nd UNGA 2nd Committee, the Caribbean Community (CARICOM) group noted that "private financing must come requisite with public interests". The EU proposal to the 72nd UNGA 2nd Committee built on their call for transparency and accountability, making room for more than discussion. "We believe tabling a partnership resolution should be postponed in order to await further developments of discussions." This could mean the partnerships resolution intended for the current session would be postponed to the General Assembly's 73rd session in 2018 to allow further discussion and development of processes to this end, including the need for multistakeholder involvement, guidance for transparency and accountability, addressing the Global Compact's role in fostering partnerships and promoting a system-wide approach to partnerships.

Since the 2015 partnerships resolution was put in place, two other UN processes are informing the debate on governance of partnerships. One is the Quadrennial Comprehensive Policy Review (QCPR) (A/RES/71/243) — which among other things seeks "revamped capacities in partnerships and financing". The other is the Human Rights Council resolution establishing an Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (OEIGWG), which seeks "an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises" (A/HRC/RES/26/9).

It is possible that the S-G report on the partnerships resolution (A/72/310) is referring to these mechanisms, stating: "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, corporate sustainability and public transparency to be of the highest importance."

While the embrace of partnerships continues, the Secretary-General 's "Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all," (A/72/124) has put in motion the mandate from the QCPR to "recalibrate and enhance other critical United Nations skill sets to match the needs of the 2030 Agenda". The Global Policy Watch briefing, "The UN development system: Can it catch up to the 2030

Agenda?", suggests that the Deputy Secretary-General, in charge of the S-G's management reform and development reform tracks, relook at partnerships across the UNDS, in line with resolution A/70/224 on a principle-based approach and the United Nations Guiding Principles on Business and Human Rights (UNGPs). UN initiatives are underway to review partnerships by launching the following "partnershipfocused work-streams (outlined in A/72/124):

- (i) a process to be developed among the United Nations Global Compact, the Department of Economic and Social Affairs and the United Nations Development Group aimed at adopting a system-wide approach to partnerships;
- (ii) a review of the role of the Global Compact and its application in the context of country teams, to enhance engagement with entrepreneurs, the private sector, financial institutions and others to more effectively support national priorities in the framework of the Goals; and
- (iii) an analysis of ways to strengthen the United Nations development system's capacities to foster and support South-South and triangular cooperation, building on the United Nations Office for South-South Cooperation and the Organization's country presence."

The UNGPs (A/HRC/RES/17/4) provide a roadmap to both States and businesses, and are structured on three pillars: the State duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy, but "show serious shortcomings", further outlined in "The Struggle for a UN Treaty: Towards a global regulation on human rights and business". The Human Rights Council established the OEIGWG to develop a binding agreement or treaty, and mandate of the Working Group on the issue of human rights and transnational corporations and other business enterprises. In their remarks to the 72nd UNGA 2nd Committee, the Working Group welcomed "Member States' efforts to improve regulatory frameworks to address businessrelated human rights abuses."

They have also, in line with their renewed mandate (June 2017) made 10 key recommendations, which "set out key steps to embed human rights in the 2030 Agenda".

In this regard, the 2016 Spotlight on Sustainable Development report, the Reflection Group on the 2030 Agenda for Sustainable Development (a global coalition of civil society organizations and trade unions) stated: "It is important to ensure that the monitoring and review process, like the implementation strategies themselves, not be dominated by the rich and powerful, including both countries and multinational corporations. In this regard, it is particularly worrying that in some cases not only the implementation of certain goals and targets but also their monitoring is being outsourced to 'partnerships' involving funders, corporations, foundations and civil society organizations. This selfmonitoring undermines independent and objective assessment."

The 2030 Agenda sees "multi-stakeholder partnerships" as "complements" to the Global Partnership for Development (Goal17.16) and defines them as those that "that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries." Yet, partnerships are increasingly being promoted as the major means of implementation by some Member States and senior UN officials without due assessment of the actual resources mobilized or shared by them and without consideration for the impact on the *global partnership* among states and state responsibilities across all policy areas.

The limited scope and history of the "Towards Global Partnerships" resolution predates the adoption of the 2030 Agenda and is out of sync with the UN reform drive of the Secretary-General and his team. Pausing the negotiations in the 2nd Committee on the partnerships resolution would contribute to breaking down the siloes in considerations on the subject and aligning with the momentum around UN reform.

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