



Dialogue on
Globalization

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Jens Martens

Multistakeholder Partnerships – Future Models of Multilateralism?

Dialogue on Globalization

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1. Preface

In times of growing dissatisfaction on the part of governments, international organizations as well as on the part of civil society organizations with the groaning pace of the global negotiation process, and the current difficulties on the part of governments to engage in new compromises on the multilateral front, new partnership models between governments, business and civil society are increasingly gaining attention. In fact, “multistakeholder initiatives” and “policy networks” between private and public actors are experiencing a boom which appears to be expanding unfettered within the United Nations system. These partnership models appear as the new “mantra” shaping the discourse on global politics and are perceived by many as a new hope for multilateralism.

However, there are also critical voices concerning the new partnership approach. Above all, the risk of an overwhelming influence of private business, in particular, the potential decision-making power private actors could gain on international political priorities and its financial commitments are widely criticized. But, despite the controversial assessments of these new developments, a more fundamental critical engagement with the new partnership models is still lacking, and, so far, there is no systematic evaluation of the existing partnerships within the UN system.

The Friedrich-Ebert-Stiftung (FES) strongly supports a multilateral system that is anchored in the United Nations, its politics and institutions. By promoting and hosting debates on the challenges for and the future of multilateralism, we intend to contribute to a reform process that ultimately leads to a system of global governance that is more democratic, coherent and effective. It is in this context that FES invited Jens Martens to analyse the ongoing changes in the relationship between the United Nations and private actors and the resulting challenges for the multilateral system.

Jens Martens is a respected expert and author on development issues with strong roots in the German and international NGO community, and as director of the European office of Global Policy Forum, he is also a well informed observer of the United Nations, its institutions and policies. His paper gives an overview of how relationships between the UN and private actors have changed over time, traces the scale and scope of “partnerships”, and discusses the limits, risks and side effects of this paradigm shift in international politics. Martens not only provides an important contribution to the so far lacking systematic evaluation of the new partnership models, but presents also a strong call for clear rules for partnerships between United Nations and private actors.

An earlier version of this paper has been submitted to an open and critical discussion at an international workshop held by Friedrich-Ebert-Stiftung and Global Policy Forum Europe in Bonn on October 26-27, 2006. We are grateful to the participants for the manifold comments and constructive criticism which contributed significantly to the final version of this Occasional Paper.

Thomas Manz
Co-ordinator
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2. Executive Summary

'Global partnerships', 'multistakeholder initiatives' and 'global public policy networks' are perceived as the future of international cooperation, moving beyond traditional nation-state multilateralism.

In recent years, a new form of multilateral cooperation beyond intergovernmental diplomacy has gained increasing importance. In this new paradigm of international cooperation, 'global partnerships', 'multistakeholder initiatives' and 'global public policy networks' are perceived as the future of international cooperation, moving beyond traditional nation-state multilateralism.

This trend is reflected within the United Nations, whose relationship to non-state actors has undergone a radical transformation since the 1990s. After the 1992 Rio Conference on Environment and Development, the UN was faced with the question of how to respond to and acknowledge the increased importance of NGOs both in its structures and in its work. Since the end of the 1990s, the dominant effort to integrate interest groups more actively into the UN's work has been focussed on private companies within the UN. One form this takes is a wide range of bilateral contacts and cooperation projects between the private sector and UN bodies, from individual projects right up to the level of the Secretary General of the UN. The other is in the context of dialogue events and collective initiatives between governments, intergovernmental bodies, the private sector and NGOs. These have become known as multistakeholder initiatives, a term developed during the follow-up process to the Rio conference.

The root causes of this general tendency are manifold and include both general dissatisfaction on the part of governments, international organisations and NGOs with the agonizingly slow pace of the cumbersome global negotiation process, and the lack of will and capacity on the part of many governments to engage in binding financial commitments to achieve global agreements, or to translate such existing commitments into practice.

But, these new forms of public-private interaction are also supported by corporations and business lobby groups, as the private sector can benefit from them in many ways, among others: new market opportunities, reputation and image enhancement, better risk management, access to development expertise and better links to governments.

'Partnerships' with the private sector and civil society are thus held up as the way to achieve what governments and the UN cannot manage alone.

'Partnerships' with the private sector and civil society are thus held up as the way to achieve what governments and the UN cannot manage alone. 'Partnerships' as a term is rapidly becoming the new mantra shaping the UN discourse on global politics. In fact, the term now covers virtually every interaction between state and non-state actors, particularly between the UN and the business sector.

Aside from the multistakeholder approach which they all share, there is no formula which otherwise unifies the varying combinations of actors, goals and timescales involved in the different projects. The spectrum ranges from concrete and time-limited cooperation projects working towards financing and carrying out national or international political goals to networks to coordinate state and non-state actors in a particular sector; from ad-hoc commissions to formulate international norms and standards to newly created permanent international institutions with functions as diverse as finance, policy making, coordination, norm-setting and decision-making.

Limits, risks and side effects

Listening to the discourse maintained in large parts of the UN, one would assume that there is simply no alternative to the partnership approach. Collaboration projects including business representatives and sometimes NGOs and other civil society organisations are seen as pragmatic, solution-oriented, flexible, efficient and un-bureaucratic – all attributes frequently lacking in purely intergovernmental projects and processes.

So, where is the problem? The basic problem is that these assessments of the advantages of global partnerships are for the most part not based on empirical research, and the widely-held notion that there is no alternative is often no more than a profession of faith.

Multistakeholder partnerships in fact bring a number of risks and side effects with them for the UN, which must be considered in any careful analysis of the approach:

1. *Growing influence of the business sector in the political discourse and agenda-setting.* Critics fear that partnership initiatives allow transnational corporations and their interest groups growing influence over agenda setting and political decision-making by governments.
2. *Risks to reputation: choosing the wrong partner.* It is particularly problematic for the UN to collaborate with partners whose activities contravene the UN Charter and UN norms and standards. This is especially true of partnerships with those transnational corporations accused of violating environmental, social or human rights standards.
3. *Distorting competition and the pretence of representativeness.* Project-related public private partnerships between international organisations and individual companies in particular, are generally exclusive. These partnerships can distort competition, because they provide the corporations involved with an image advantage, and also support those involved in opening up markets and help them gain access to governments. The selection of partners is also problematic in many multistakeholder initiatives. Often, the initiator of a partnerships rather than respective stakeholder groups nominates representatives to the partnership bodies.
4. *Proliferation of partnership initiatives and fragmentation of global governance.* The explosive growth in partnerships can lead to isolated solutions, which are poorly coordinated, contributes to the institutional weakening of the United Nations and its specialised agencies, and hinders comprehensive development strategies.
5. *Unstable financing – a threat to the sufficient provision of public goods.* The provision of public goods becomes increasingly privatised, it will become dependent on voluntary and ultimately unpredictable channels of financing through benevolent individuals.
6. *Dubious complementarity – governments escape responsibility.* Instead of considering partnership initiatives as complementary to inter-governmental processes, they are often promoted as replacements of intergovernmental agreements.
7. *Selectivity in partnerships – governance gaps remain.* Partnerships only develop selectively and concentrate on problems in which technical solutions lead to relatively quick wins (vaccination programmes, promoting renewable energy

systems). Long-term structural problems such as building up a health system or overcoming gender inequality are only peripherally touched.

8. *Trends toward elite models of global governance - weakening of representative democracy.* Inasmuch as partnerships give all participating actors equal rights, the special political and legal position occupied legitimately by public bodies (governments and parliaments) is sidelined.

Towards a ,common and systematic approach' to partnerships

If global partnerships are not to stand in the way of a democratic multilateralism, they need clearly to fulfil criteria that ensure that the long-term interests of the public are not damaged by the particular partnership initiative. This demands both a set of sophisticated partnership guidelines and systematic impact assessments.

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So far, the legal and institutional framework for partnerships contains considerable gaps. In contrast to the relationship with NGOs, the UN has neither an intergovernmental agreement regulating relations with the private sector nor a related intergovernmental decision-making body. Therefore, the United Nations should develop an effective regulatory and institutional framework for its relations to the private sector. Such a framework should include the following elements:

- *A set of basic principles of engagement with the private sector.*
- *Minimum standards for interaction between the UN and the private sector.*
- *Systematic impact assessments and independent evaluations.*
- *An ombudsperson as the UN contact point for complaints.*
- *An intergovernmental UN body for relations with the private sector.*

The boom in multistakeholder partnerships is a sign of a crisis of purely intergovernmental diplomacy.

The boom in multistakeholder partnerships is a sign of a crisis of purely intergovernmental diplomacy, which all too often reaches its limits at the global level because of stalemates between individual governments. Multilateralism is in fact in the process of searching for a way forward, and intergovernmental multilateralism clearly cannot solve global problems as it is. The new models, despite their image of greater flexibility and efficiency, bring their own serious risks and side effects. To go along with the trend uncritically might be in the interests of powerful business lobbies whose influence over shaping global policy can grow through such models, but not in the interests of the affected people.

The core question in the analysis of global partnerships should therefore not be – how can partnership models be strengthened or their management improved? The core question should instead be – how can global problems be solved in a framework of democratic multilateralism, and what role do models of cooperation between public and private actors play in this process? Experience so far suggests that this role can and should only be a very limited one.

International politics is at a crossroads. On the one hand, the path towards an elite multilateralism, which shifts decisions on global policy increasingly into exclusive clubs and political circles while excluding democratic control and participation; on the other, the path to a multilateralism of solidarity, which emphasises and strengthens the responsibility of democratically legitimate public institutions and complements this through a comprehensive involvement of civil society organisations and the well regulated interaction with the private sector. In the spirit of the UN Charter, one can only hope that over time, this model of a multilateralism of solidarity will prevail over the elite club model of global politics.

3. Introduction

In recent years, a new form of multilateral cooperation beyond intergovernmental diplomacy has gained increasing importance. A concept of global governance which emphasises the importance of networks between state and private actors in international politics appears steadily to be gaining weight in international political discourse. In this new paradigm of international cooperation, 'global partnerships', 'multistakeholder initiatives', 'global public policy networks' and governance concepts of 'variable geometry' (Helsinki group) are perceived as the future of international cooperation, moving beyond traditional nation-state multilateralism.

This trend is reflected within the United Nations, whose relationship to non-state actors has undergone a radical transformation since the 1990s. After the 1992 Rio Conference on Environment and Development, the UN was faced with the question of how to respond to and acknowledge the increased importance of NGOs both in its structures and in its work. Since the end of the 1990s, the dominant effort to integrate interest groups more actively into the UN's work has been focussed on private companies within the UN and some of its subsidiary bodies and specialised agencies. One form this takes is a wide range of bilateral contacts and cooperation projects between the private sector and UN bodies, from individual projects right up to the level of the Secretary General of the UN. The other is in the context of dialogue events and collective initiatives between governments, intergovernmental bodies, the private sector and NGOs. These have become known as multistakeholder initiatives, a term developed during the follow-up process to the Rio conference.

The root causes of this general tendency are manifold and include both general dissatisfaction on the part of governments, international organisations and NGOs with the agonizingly slow pace of the cumbersome global negotiation process, and the lack of will and capacity on the part of many governments to engage in binding financial commitments to achieve global agreements, or to translate such existing commitments into practice.

'Partnerships' with the private sector and civil society are thus held up as the way to achieve what governments and the UN cannot manage alone. 'Partnerships'¹ as a term is rapidly becoming the new mantra² shaping the UN discourse on global

There is general dissatisfaction with the slow pace of the global negotiation process, and the lack of will and capacity on the part of many governments to engage in binding financial commitments. 'Partnerships' with the private sector and civil society are thus held up as the way to achieve what governments and the UN cannot manage alone.

1 Using the term 'partnership' to describe the relationship between state and non-state actors is problematic, because it suggests that participants are working at the same level and share an equal status. The use of this term is thus not simply a question of style, but rather a reflection of the political approach which this paper aims to discuss critically. In order for the author to demonstrate distance from this approach, the term 'public-private partnerships' should in fact continue to be written in quotation marks throughout the paper. For the sake of flow, quotation marks will not be used from now on, but this does not mean that the author takes the term as self-evident – quite the opposite.

2 Quoted from the Panel of Eminent Persons on United Nations-Civil Society Relations (Cardoso-Panel) in its report published in June 2004 (UN Doc, A/58/817 from 11 June 2004, Point. 68)

global politics. In fact, the term now covers virtually every interaction between state and non-state actors, particularly between the UN and the business sector (see terminology box 1).

The number of global public private partnerships has risen sharply in the last few years, from about 50 in the 1980s to at least 400 today, and continues to grow.³ Aside from the multistakeholder approach which they all share, there is no formula which otherwise unifies the varying combinations of actors, goals and timescales involved in the different projects. The spectrum ranges from concrete and time-limited cooperation projects working towards financing and carrying out national or international political goals to networks to coordinate state and non-state actors in a particular sector; from ad-hoc commissions to formulate international norms and standards to newly created permanent international institutions with functions as diverse as finance, policy making, coordination, norm-setting and decision-making. Indeed it is these institutionalised partnership models which play a central role almost as ‚pilot‘ projects in the discourse on the future of global governance.

Concerns have been raised about the overwhelming influence of private business and the technocratic and profit-oriented approaches it encourages. The democratic legitimacy of those PPP models, which give private actors both decision-making power on the use of public money has also come under fire.

The new partnership approach, however, has by no means escaped criticism. Concerns have been raised about the overwhelming influence of private business and the technocratic and profit-oriented approaches it encourages. Some critics have also argued that founding more and more ‚satellite institutions‘ outside the UN system in fact weakens the United Nations and the implementation of comprehensive and cross-sectoral development strategies. The democratic legitimacy of those PPP models, which give private actors both decision-making power on international political priorities and the use of (at least partly) public money has also come under fire. Finally, critics challenge the notion that the internationally agreed development goals can be achieved much more effectively through the involvement of the private sector rather than through public and intergovernmental institutions.

Nonetheless, despite such criticism, the partnership approach is currently enjoying a boom. According to the study “Business UNusual” published on behalf of the UN Global Compact Office in September 2005,

*“Partnering with business and civil society has turned into a necessity for the United Nations in order to ‚get the job done“.*⁴

Inge Kaul, the former Director of the UNDP Office of Development Studies, also emphasises that

*“global public-private partnerships seem to be here to stay. They occupy an increasingly open middle ground between markets and states, permitting more nuanced and potentially more effective policymaking. They demonstrate that when markets fail, the policy response does not have to be government intervention alone. It can also be partnering. And where governments fail, the response is not necessarily to turn to the market. Again, it could also be public-private partnering.”*⁵

³ See Broadwater and Kaul (2005)

⁴ See Witte/Reinicke (2005), p. ix

⁵ Kaul/Conceição (2005), p. 220

According to the proponents of global partnerships, there is no alternative to the new models of multilateral cooperation. In publications and statements, they consistently neglect to question the model itself. Instead, both political discourse and academic analysis occupies itself with questions around how to strengthen partnerships, what conditions are necessary for success, how management can be improved and how the accountability and legitimacy of these partnerships can be encouraged. But any more fundamental critical engagement with this new paradigm of international politics is hard to find, and there is certainly no systematic evaluation of the UN partnerships to date.⁶

This Occasional Paper examines these developments critically and in detail. It begins with an overview of how relationships between the United Nations and private actors have changed over recent decades. The second part takes stock in general terms of the scale of initiatives in their various forms and presents some case studies. The third part considers arguments for and against the partnership approach and discusses the risks and side effects of this approach. Finally, the paper sketches out the challenges that arise from this discussion for future relationships between the United Nations and non-state actors, particularly the business sector.

The paper aims to contribute to the ongoing debate on the future of multilateralism and innovative forms of global governance. It is intended as a critical stimulus to the discussion but by no means as a replacement for a much-needed assessment of the global partnerships, multistakeholder initiatives and policy networks of which the UN is part. In particular, because the discourse on partnerships is currently so exhaustively dominated by representatives of international organisations, NGOs, multinational companies and western politicians and researchers, this paper hopes to stimulate greater engagement with these new trends in multilateral cooperation by civil society and state actors in the Global South.

⁶ Exceptions include contributions by Richter (2003 and 2004c), Utting (2000) and Zammit (2003).

Box 1: Civil society, private sector, NGOs – UN Definitions**Partnerships**

“Partnerships are defined as voluntary and collaborative relationships between various parties, both State and non-State, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks and responsibilities, resources and benefits.”⁷

NGOs

“Non-governmental organization (NGO). All organizations of relevance to the United Nations that are not central Governments and were not created by intergovernmental decision, including associations of businesses, parliamentarians and local authorities. There is considerable confusion surrounding this term in United Nations circles. Elsewhere, NGO has become shorthand for public-benefit NGOs – a type of civil society organization that is formally constituted to provide a benefit to the general public or the world at large through the provision of advocacy or services. They include organizations devoted to environment, development, human rights and peace and their international networks. They may or may not be membership-based. The Charter of the United Nations provides for consultations with NGOs.”⁸

Private Sector

“There is inconsistency, both within the United Nations system and more widely, on what constitutes the private sector. For the purpose of the present report, the private sector is defined as follows:

- a) Individual, for-profit, commercial enterprises or businesses, in both the informal and formal sectors, ranging from small and micro-enterprises, to cooperatives and large national and multinational companies;
- b) Business associations and coalitions, both representative membership bodies, such as chambers of commerce, employers’ organizations and trade and industry associations, and business-led groups that have been established specifically to promote corporate citizenship and the involvement of companies and individual business people in social and environmental issues;
- c) Corporate philanthropic foundations, directly funded and/or governed by business.”⁹

Civil Society

“Refers to the associations of citizens (outside their families, friends and businesses) entered into voluntarily to advance their interests, ideas and ideologies. The term does not include profit-making activity (the private sector) or governing (the public sector). Of particular relevance to the United Nations are mass organizations (such as organizations of peasants, women or retired people), trade unions, professional associations, social movements, indigenous people’s organizations, religious and spiritual organizations, academe and public benefit non-governmental organizations.”¹⁰

7 UN Doc. A/60/214, para. 8

8 UN Doc. A/58/817, Glossary

9 UN Doc. A/56/323, para.6

10 UN Doc. A/58/817, Glossary

4. A Brief History of Global Partnerships

International institutions and initiatives which involve civil society and/or the private sector are not unique to the 21st century, in fact dating back to the early 20th century. However until the 1980s, such collaborations tended to be one-offs, with international politics largely remaining the territory of governments. The United Nations was founded 1945 as a state organisation and then as now there was no international legal basis covering hybrid forms of international collaboration.

The move towards what we can now describe as a boom in global partnerships was not a linear progression, nor did it proceed at a steady pace. The post Second World War development took place in three broad phases:

- The first phase, from the 1940s to the 1960s, was characterised by the reconstruction and new creation of state structures after the Second World War destruction and the end of colonialism. International politics at this time was defined by decolonisation and the cold war, and by confrontation between states and blocks of states. Non-state actors played little or no role.
- In the second phase, the 1970s and 1980s, confrontation was no longer only between states but also between states and non-state actors. On the one hand global social movements for the environment, women's rights, disarmament, and democratisation, grew up in opposition to the political establishment. On the other, multinationals were gaining economic power and political influence. These developments tended to provoke defensive reactions from most governments who tried to maintain political control. The term 'partnership' was as yet a foreign concept within international political discourse.
- This changed in the third phase, which began in 1989 and is still ongoing. The end of Eastern European state socialism, the dominance of a neo-liberal ideology which pushes for less state intervention, deregulation and privatisation, together with overwhelming global problems including in particular environment and health, have opened the way for increasing integration of non-state actors into international politics.

The Early Years

The idea to found an international organisation in which states would not be represented only by their government had already surfaced immediately after the First World War. In 1919 the International Labour Organisation (ILO) was formed as a tri-partite 'multistakeholder' institution – partly in response to what was seen as the looming threat of world communism – in which employers and trade unions could participate and vote alongside governments.

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The end of Eastern European state socialism, the dominance of a neo-liberal ideology together with overwhelming global problems have opened the way for increasing integration of non-state actors into international politics.

Early networks between state and non-state bodies were also formed in the environment sector. In 1948, governments and NGOs founded what is now the world's largest environment organisation, the World Conservation Union (IUCN).¹¹

From the very beginning, even the UN was not exclusively a governments' forum. NGOs, trade unions and business associations (mainly from the USA) were represented at the foundation conference in San Francisco in 1945. They were active in influencing the formulation of the UN Charter, especially with regards to Article 71, which regulates the consultative relationship between the Economic and Social Council (ECOSOC) and NGOs.¹²

Under the classification of "NGOs", international interest groups from the business sector have had formal participatory rights since the UN's inception. The International Chamber of Commerce (ICC) was one of the first "NGOs" to receive consultative status at the UN in 1946, and the International Organisation of Employers (IOE) followed a year later. However, individual companies had no formal participation opportunities in UN bodies until the year 2000.

Individual companies did, however, appear early on at the UN as sponsors. One particularly symbolic example is that of multimillionaire John D. Rockefeller Jr.'s gift to the UN. At the end of the 1940s, he donated \$8.5 million to purchase a piece of land on the New York East River for the UN's headquarters. Without this donation, the UN today would probably have its seat on the outskirts rather than in the centre of the city.

In principle, companies and business associations kept their distance from the UN for many years. Distance became open animosity in 1973 when the Centre on Transnational Corporations (UNCTC) and the ECOSOC Commission on Transnational Corporations was founded, which critically monitored business activity and negotiated (without success) an internationally binding code of conduct for companies. In the 1980s US companies and lobby groups along with the Heritage Foundation constituted the driving force behind Reagan's political hostility to the UN.¹³

Parallel to this, collaborative projects between public and private institutions that today would be described as 'partnerships' were forming as early as the 1960s. Early examples are the FAO's Industry Cooperative Programme, which existed from 1966 to 1978, and the Consultative Group on International Agricultural Research (CGIAR) which was founded in 1971.¹⁴ Today this organisation consists of 64 public and private institutions working on international agricultural research issues, including 47 governments, 13 international organisations and four private foundations (Ford Foundation, Kellogg Foundation, Rockefeller Foundation and the Syngenta Foundation for Sustainable Agriculture¹⁵). Its co-sponsors are the World Bank, FAO, IFAD and the UNDP.

11 Originally the 'International Union for the Protection of Nature (IUPN)'. In 1956 it was renamed the 'International Union for the Conservation of Nature and Natural Resources (IUCN)' and since 1990 calls itself the 'World Conservation Union', but retains the acronym IUCN.

12 See Seary, p. 26.

13 See Paul (2001)

14 See www.cgiar.org

15 Syngenta is one of the world's leading Agri-Business Companies and plays a definitive role in the research of Genetically Modified Organisms (GMO). It is based in Basel, Switzerland.

Rio 1992

The Rio Conference 1992 was a key event. It took place at a time when many were querying the traditional directive and re-distributive role of the state. The ideological swing during the Reagan/ Thatcher era towards a belief in the primacy of free markets had made its mark in many countries, and the Eastern European centrally managed economies had only recently collapsed. Within this political climate, governments adopted Agenda 21, a programme of action for sustainable development, which is exclusively dedicated in one of its main parts to strengthening the so-called ‚major groups‘. The following nine groups are included by the UN under this term: Women, children and youth, indigenous people, NGOs, local authorities, workers and trade unions, business and industry, scientific and technological community, farmers.

Under the heading “strengthening the role of business and industry”, Agenda 21 deals expressly with the positive contribution of industry to development, demanding that

“Governments, business and industry, including transnational corporations, should strengthen partnerships to implement the principles and criteria for sustainable development.”¹⁶

With these words, Agenda 21 in fact indicated the direction in which the discourse on the role of non-state actors in international politics would develop over the following years. It was at this time that governments abandoned efforts to regulate industry through internationally binding agreements. As a result, and particularly under pressure from the US government and international business associations, 1993 saw the closure of the UNCTC, followed a year later by the dissolution of the Commission on Transnational Corporations.

At the same time, governments, placing a strong emphasis on the importance of the “major groups” for the implementation of Agenda 21 and the follow-up to Rio, effectively rejected the old model of straightforward intergovernmental multilateralism. In the following years multistakeholder initiatives acquired increasing importance, especially in the work of the UN Commission on Sustainable Development, CSD.

In 1995, in a report to the CSD, the Secretary General of the UN observed that

“Enabling partnerships with major groups are one of the few guarantees that Agenda 21 possesses for its successful implementation. (...) it might be argued that the political and practical significance of the major groups concept has, to some degree, influenced the way individuals, organizations and institutions at all levels are looking at the economic and social challenges that are before humanity.”¹⁷

¹⁶ Agenda 21, Chapter 30, Point 7 (UN Doc. A/CONF.151/26 (vol. III), 30.7)

¹⁷ UN Doc. E/CN.17/1995/9, 22 March 1995, para. 2

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In the follow-up to Rio, governments experimented with different ways of involving non-state actors. From 1998 on, dialogue events with representatives from the “major groups” (“multistakeholder dialogues”) became an official component of the annual CSD conferences.¹⁸

In 1996, ECOSOC adopted a new resolution to provide a legal framework for NGO participation which regulates all details of the consultative relationship between ECOSOC and NGOs.¹⁹ It provides for extensive participation opportunities for national and international NGOs in ECOSOC and its functional commissions such as the CSD. Besides this, the resolution also regulates NGO participation at international conferences hosted by the UN.

Kofi Annan 1997

When Kofi Annan arrived as Secretary General of the United Nations in January 1997 he further opened the UN to the private sector. In the very first month, Annan travelled to Davos for the World Economic Forum, where he told hundreds of the most influential business leaders in the world that

*“The close link between the private sector and the work of the United Nations is a vitally important one. (...) Strengthening the partnership between the United Nations and the private sector will be one of the priorities of my term as Secretary-General.”*²⁰

The goal of the Global Compact was for companies to engage voluntarily in helping to pursue central UN principles in the areas of human rights, core labour standards, environment and fighting corruption.

Since then Annan has used his annual speech to set the tone each year for the relationship between the UN and the business sector. His 1999 speech, in which he suggested a Global Compact between the UN and the business sector, was particularly important.²¹ The goal of this initiative, which came into being officially 18 months later on the 26th of July 2000 at the UN in New York, was for companies to engage voluntarily in helping to pursue central UN principles in the areas of human rights, core labour standards, environment and (since 2004) fighting corruption. In return, the Secretary General promised companies support in striving towards these principles but also to go further:

*“More important, perhaps, is what we can do in the political arena, to help make the case for and maintain an environment which favours trade and open markets.”*²²

Kofi Annan made this offer just months after the collapse of negotiations on an agreement on liberalising investment regulations in the OECD (the Multilateral Agreement on Investment, MAI) and at a time when the movement critical of neoliberal globalisation was gaining increasing importance and momentum worldwide. This positive appraisal of open markets and of economic globalisation and its proponents has been a visible connecting thread through Kofi Annan’s speeches and reports since then, and had a great impact on shaping the Global Compact as a consciously voluntary, i.e. non-binding rather than regulatory instrument.

¹⁸ See the UN Department for Economic and Social Affairs (2002)

¹⁹ ECOSOC Resolution 1996/31, 25 July 1996

²⁰ See United Nations Secretary-General (1997)

²¹ See United Nations Secretary-General (1999)

²² *ibid*

During this phase, the UN also found itself in a serious financial crisis due to underpayments by the USA, and was at times on the verge of insolvency²³; it was in this situation that the Secretary General sought out the political and financial assistance of US companies.

He received an especially public show of support from the founder of CNN, Ted Turner. Then vice-chairman of AOL Time Warner, Turner announced in September 1997 that he would donate \$1 billion to the UN. The money would be distributed over a period of 10 years to UN development projects through a new UN Foundation (UNF) created for this purpose. As a counterpart to the UNF, Kofi Annan set up the United Nations Fund for International Partnerships (UNFIP) in March 1998 as an autonomous Trust Fund within the UN secretariat. For Annan, the function of this collaboration with the UN Foundation was in part to convey a message: he observed at the time that

*“this successful partnership serves as a model to demonstrate my commitment to engage the private sector in a concrete manner. Jointly we can work in addressing the world’s problems.”*²⁴

The following years saw a rapid rise in the number of public private partnerships within and outside the UN system. Some of them were created with the explicit goal of promoting the concept of tri-sectoral collaboration between intergovernmental organisations, private businesses and NGOs. One of these, in which the World Bank played a significant part, was an initiative launched in 1998 called “Business Partners for Development”. Until 2001 it encompassed over 120 companies and state and intergovernmental institutions, as well as a few large international NGOs. Its goal was to develop and promote partnerships on the basis of strategic case studies in four areas (Natural Resources, Water and Sanitation, Road Safety, Youth Development).²⁵

After the election of Gro Harlem Brundtland as WHO Director-General in May 1998 the WHO became increasingly involved in Global Health Partnerships. Brundtland has been a strong supporter of the partnership approach since she has chaired the World Commission on Environment and Development in the late 1980s.²⁶ In 2000 the Global Forum on Health Research, with the support of the Rockefeller Foundation, the World Bank and the WHO, started the Initiative on Public Private Partnerships for Health (IPPH). The main aim was to provide information about international public private partnerships in the health sector and in doing so to promote them.²⁷ Health as an area was in fact experiencing an especially fast-paced boom in partnership initiatives. Some of the best known examples are the Global Alliance for Vaccines and Immunisation (GAVI) which was created in 1999, and the Global Fund to fight HIV/Aids, Tuberculosis and Malaria (The Global Fund), which began working in 2002.

²³ See Paul (2001) and Bennis (2001)

²⁴ Cited in www.un.org/unfip/2004Website/tedturnervision.htm

²⁵ See www.bpdweb.com

²⁶ See Richter (2004c), pp 76-81.

²⁷ See www.ippf.org. IPPH ceased activities at the end of 2004. Since then its projects are carried forward by the Global Forum on Health Research (www.globalforumhealth.org)

The driving force behind these initiatives was in part the secretariats of international organisations, especially the UN and the World Bank, in part private financiers such as the Bill and Melinda Gates Foundation, and finally also a number of individual companies, NGOs and governments.

At the intergovernmental level, however, the movement was slower to build momentum. The first time the United Nations General Assembly engaged with the topic was not until 2000. This was on the initiative of the German government, whose primary goal at the time was to support Kofi Annan's Global Compact initiative at the intergovernmental level. Since then, the topic has been an established item on the General Assembly's Agenda, under the heading 'Towards Global Partnerships'. (See Appendix 1)

It would therefore be wrong to suggest that the growing integration of business representatives and their interests into the UN's work was exclusively due to the policies of the Secretary General. At the intergovernmental level, too, the number of governments who support 'partnerships' has grown in the last few years.

Monterrey and Johannesburg 2002

For the first time in the history of the UN, the opportunity to become accredited was offered to individual companies.

This decision set a precedent, but one unsupported by any legal framework comparable to the ECOSOC resolution regulating the relationship with NGOs.

For the 2002 Monterrey Conference on Financing for Development, the private sector and NGOs were included systematically right from the start in the preparatory phase. For the first time in the history of the UN, the opportunity to become accredited was offered not just to business associations with consultative status at ECOSOC, but also to individual companies. This meant that companies such as Cisco Systems or Deutsche Bank were able to take part in the negotiations along side civil society organisations such as Third World Network, Oxfam or Social Watch. This decision set a precedent, but one which was unsupported by any legal framework comparable to the ECOSOC resolution regulating the consultative relationship with NGOs.²⁸

The trend continued at the Johannesburg Summit on Sustainable Development (WSSD) in September 2002. Over 200 partnership initiatives between public and private actors, the so-called "Type-2-Outcomes", constituted an integral part of the official process.²⁹ They ranged from a Dutch initiative to clean up second-hand bikes from Europe for resale in Africa, to a global initiative by a US company to enrich flour with iron to improve nutrition. Many NGOs were critical of the fact that some of the partnerships seemed to be simply 'green wash' initiatives, thrown together for the most part by the company's PR department and held up as 'Sustainability Projects'.

Just as Rio was much about legitimising the role of NGOs in global governance, Johannesburg was about the legitimacy of the role of business in development.

However, Simon Zadek, the director of the policy think tank AccountAbility, observed that

*"The Johannesburg Summit was more than anything about partnerships. Just as Rio was much about legitimising the role of NGOs in global governance as it was about the environment, Johannesburg was about the legitimacy of the role of business in development, working with public bodies and civil society organisations."*³⁰

²⁸ ECOSOC Resolution 1996/31, 25 July 1996

²⁹ During the preparatory process before Johannesburg, the official intergovernmental outcomes of the summit were divided into two sorts; the final declaration and the implementation plans ('Type 1') and partnership initiatives ('Type 2').

³⁰ Zadek (2004) p. 21

According to Jonathan Lash, president of the World Resources Institute, the partnerships actually marked the beginning of a new era in solving global problems:

“This Summit will be remembered not for the treaties, the commitments, or the declarations it produced, but for the first stirrings of a new way of governing the global commons – the beginnings of a shift from the stiff formal waltz of traditional diplomacy to the jazzier dance of improvisational solution-oriented partnerships that may include non-government organizations, willing governments and other stakeholders.”³¹

In the interim, 321 Partnerships for Sustainable Development have been registered with the CSD (as at June 2006). Since 2003, they have presented themselves at the Partnership Fair at the annual sessions of the CSD, and have significantly shaped the image of the UN in the Rio follow-up process.³²

Global Compact Leaders’ Summit 2004

The ‘Global Compact Leaders’ Summit’ held at the United Nations in New York at the invitation of the Secretary General, carried an even more symbolic meaning. Over 400 business leaders and some representatives from international organisations, governments and NGOs came together to discuss how business could develop and strengthen the UN principles in general, and the principles of the Global Compact in particular, through voluntary initiatives. It was the largest summit of this kind that had ever happened at the UN. Kofi Annan himself drew attention to the symbolism of the final event of the conference: for the closing plenary, the business leaders gathered in the General Assembly Hall and sat in the seats normally occupied by government representatives.³³ Not least because of this symbolism, the summit marked a climax in the new definition of the relationship between the United Nations and the private sector – the conflict of previous years is abandoned in favour of cooperation and partnership.

Cardoso Report 2004

A few days before this event, on the 11th of June 2004, the Cardoso Panel had presented its report entitled “We the peoples: civil society, the United Nations and global governance”.³⁴ Kofi Annan had appointed the panel of experts in spring 2003 to formulate proposals for the future relationship between the UN and civil society. However, the report does not actually limit itself to the relationship between the UN and civil society, as the title might suggest, but focuses instead on partnerships between governments, civil society and the private sector. Its recommendations under the heading “Investing more in Partnerships” are aimed explicitly at strengthening partnerships at the UN politically and financially. Indirectly, the panel even requests the redistribution of financial resources away from straight NGO forums.

“The Secretariat should foster multi-constituency processes as new conduits for discussion of United Nations priorities, redirecting resources now used for single-constituency forums covering multiple issues.”³⁵

31 World Resources Institute (2002): WRI expresses disappointment over many WSSD outcomes. Washington, D.C. (WRI news release, 4 September 2002)

32 See <http://www.un.org/esa/sustdev/partnerships/partnerships.htm>

33 See UN Press Release SG/SM/9387, 24 June 2004

34 See the Panel of Eminent Persons on United Nations-Civil Society Relations (2004) (“Cardoso-Report”)

35 Cardoso-Report; Proposal 5. For an evaluation of the Cardoso Report see also the more detailed commentary by Martens/Paul (2004)

In the intergovernmental negotiations on UN reform in 2005, the Cardoso Panel Report played no role at all. A similar fate befell the report of the so-called Helsinki Process on Globalisation and Democracy.

Reactions to the Cardoso Report were muted. NGOs either hardly acknowledged the report or reacted critically. Governments, too, made only cautious comments and no government published a comprehensive statement in response to the proposals.³⁶ In the intergovernmental negotiations on UN reform in 2005, the Cardoso Panel Report played no role at all.

A similar fate befell the report of the so-called Helsinki Process on Globalisation and Democracy.³⁷ It was published in June 2005 and at the time marked the climax of a process brought into being by the Finnish and Tanzanian government in 2002 in order to develop proposals for the democratisation of international relations. The Helsinki Process consistently follows a multistakeholder approach, involving representatives from governments, international organisations, business and civil society in its work. Not surprisingly, the key message on the front page of the report is as follows:

“Problems of a truly global nature cannot be solved by states alone – solving them requires goal-oriented cooperation between all stakeholders. The Helsinki Process offers the Helsinki Group multistakeholder concept as a sound and credible model for finding feasible solutions to global problems, and mobilizing political will for their implementation”.

World Summit 2005 and Beyond

At the UN World Summit in September 2005 in New York, the Helsinki initiative appeared to have no influence at all. The event was a purely intergovernmental affair between politicians and diplomats. Even the 2005 World Summit outcome document addresses the relationship to non-state actors only peripherally. Public-private partnerships are only mentioned twice, once in the context of health programmes³⁸ and the other time in the context of support for developing countries in the area of research and development. In this area, governments commit themselves to

*“(…) strengthening and enhancing existing mechanisms and supporting initiatives for research and development, including through voluntary partnerships between the public and private sectors, to address the special needs of developing countries in the areas of health, agriculture, conservation, sustainable use of natural resources and environmental management, energy, forestry and the impact of climate change.”*³⁹

In contrast to the New York Summit, at the Summit on the Information Society in Tunisia a few weeks later (16th-18th November 2005) governments made multi-stakeholder approaches the theme of their programme of action, the “Tunis Agenda for the Information Society”. The Agenda states among other things that

*“We encourage the development of multistakeholder processes at the national, regional and international levels to discuss and collaborate on the expansion and diffusion of the Internet as a means to support development efforts to achieve internationally agreed development goals and objectives, including the Millennium Development Goals”*⁴⁰

³⁶ See also Martens (2006)

³⁷ See Helsinki Process on Globalisation and Democracy (2005a)

³⁸ A/RES/60/1, 16 September 2005, para. 57(h)

³⁹ *ibid.*, para. 60(a)

⁴⁰ UN Doc. WSIS-05/TUNIS/DOC/6(Rev.1)-E, 18 November 2006, para. 80

As a result of the Tunisia Summit, governments decided to set up an Internet Governance Forum as a “new forum for multistakeholder policy dialogue” in 2006 under the aegis of the UN.⁴¹

The tendency towards multistakeholder partnerships continues to develop unhindered in international collaboration. Governments have not kept pace at the intergovernmental level with the burst of development that has happened in all areas of the UN system in the last few years. They have developed neither a common political strategy nor concrete criteria to evaluate such partnerships. As a consequence the General Assembly prompted the UN system in December 2005

*“to continue to develop, for those partnerships in which it participates, a common and systemic approach which places greater emphasis on impact, transparency, accountability and sustainability (...).”*⁴²

They also asked the Secretary General for *“the improvement of partner selection processes”, “the streamlining of United Nations guidelines for partnerships (...)”* and the promotion of *“impact-assessment mechanisms”*.⁴³ In order to do this, though, an exhaustive quantitative and qualitative appraisal of all multistakeholder partnerships involving the UN and its subsidiary bodies would be necessary. To date, no such study has been carried out.

Governments have not kept pace at the intergovernmental level with the burst of development that has happened in all areas of the UN system. The General Assembly prompted the UN system in December 2005 “to continue to develop, for those partnerships, a common and systemic approach.

⁴¹ See www.intgovforum.org

⁴² A/RES/60/215 vom 22 December 2005, para. 7

⁴³ *ibid*, paras. 12 and 13

5. Quantity and Quality of Global Partnerships

Nearly all areas of the UN system have now undergone the partnership boom. As the UN Secretary General observed in his 2005 report on the topic, “*today, partnerships are an integral part of the work of much of the United Nations system.*”⁴⁴ One can only guess at how many collaboration projects and institutions made up of public and private actors exist at international level.

The UN Secretariat lists 321 “Partnerships for Sustainable Development” alone, which were created in connection to the 2002 Johannesburg Summit.⁴⁵ 164 of these are classified as global partnerships. The Global Forum for Health Research database contains 92 international partnerships, just in the health sector.⁴⁶

Virtually all UN specialised agencies and subsidiary bodies have significantly increased their engagement with multistakeholder partnerships, in particular the World Bank, FAO, UNESCO, WHO, UNIDO, UNDP, UNICEF, UNCTAD and UNEP. The FAO in a first evaluation counted more than 830 collaborative arrangements with external partners.⁴⁷ UNICEF lists 187 “corporate partners” on its website.⁴⁸

There is hardly any multinational corporation on the Fortune 500 list which does not run a partnership project with a UN organisation. Some of the most active companies include BP, Coca Cola, Daimler Chrysler, Microsoft, McDonald’s, Nike, Novartis, Shell and Starbucks.

The number of global partnerships depends, of course, on the definition of the term one uses in identifying them. The definition used by the UN (see Box 1) is formulated so loosely that it allows virtually any collaborative relationship between the public and private sector at the international level to be included. In contrast, Inge Kaul suggests the following five “defining characteristics of Global Public-Private Partnerships”⁴⁹:

- *Voluntary.* Arising from the partners’ self-interest.
- *Horizontally organized.* Maintaining the partners’ autonomy.
- *Participatory.* Involving joint governance and specifying the issues on which partners will consult or decide jointly.

44 See UN Doc. A/60/214, 10 August 2005, Summary

45 See www.un.org/esa/sustdev/partnerships/partnerships.htm

46 See www.ippph.org

47 See Sauvinet-Bedouin et al. (2005), p. 1. Within external Partners . the FAO counts both the private sector and NGOs/CSOs, and research institutes and intergovernmental organisations within and outside the UN system.

48 See www.unicef.org/corporate_partners/. The list comprises corporations who have partnered with UNICEF since 2003 with contributions valued over US\$100,000.

49 See Kaul (2006), p. 222.

- *Multiactor-based*. Bringing together different actor groups, such as government and intergovernmental organizations, business, academia, civil society, and charitable or philanthropic foundations.
- *Global*. Addressing issues or involving activities of worldwide reach and sometimes of multigenerational scope.

On the basis of these criteria, she then identifies 400 partnership initiatives worldwide.⁵⁰ These initiatives vary a great deal in terms of partners, objectives, and time scale. They range from global, long term established initiatives such as the Global Fund to fight AIDS, Tuberculosis and Malaria⁵¹, to shorter term collaborative projects such as the fundraising partnership between UNICEF and McDonald's on the 20th of November 2002, where donations were collected in all branches of the fast food chain.⁵²

Collaborative projects between the UN and private actors have grown explosively in the last few years and they have included many different types. To gain an overview of the diverse types of partnership it is useful to sort them into categories. There are a number of categorisation methods one could use, for example sorting by participants, by function, by level of institutionalisation, by time scale or by geographic range.⁵³ A pragmatic typology of global partnerships could equally sort them by function and by level of institutionalisation.

In principle, multistakeholder partnerships can be divided into 5 categories:

- **Influencing political and civil discourse (“advocacy”)**, whether through political dialogue, learning forums, or collaborative events and campaigns (for example the Global Compact, or the Roll Back Malaria Partnership)
- **Adopting international norms, regulations and standards (“standard setting”)**, especially in the areas of business and industry (for example the Global Reporting Initiative, or the ISO)
- **Mobilising private and public finances (“financing”)**, whether through one-off fundraising campaigns, sponsorship, or permanent institutional support (for example the collaboration between the UN Foundation founded by Ted Turner and the United Nations Fund for International Partnerships, UNFIP)
- **Technical cooperation and service provision (“implementation”)**, to help implement national or international political goals (for example, many of the Johannesburg Type 2 partnerships to implement Agenda 21)
- **Coordinating state and non-state activities in a particular sector (“coordination”)** for example through the global networking of public and private research institutions (for example the Consultative Group on International Agricultural Research, CGIAR).

⁵⁰ See www.thenewpublicfinance.org/partnerships.html.

⁵¹ See theglobalfund.org

⁵² See www.prnewswire.co.uk/cgi/news/release?id=88399,

⁵³ See the various proposals for a typology of partnerships for example in United Nations General Assembly (2001) and (2005), Nelson (2002), Caines et al. (2004), Carlson (2004), Börzel/Risse (2005), Witte/Reinicke (2005) and Kaul (2006).

Partnerships initiatives vary a great deal in terms of partners, objectives, and time scale. They range from global, long term established initiatives to shorter term collaborative projects.

Along the other axis of categorisation, partnerships can be sorted by their level of institutionalisation, for example within the following three categories:⁵⁴

- **Low level of institutionalisation:** time-limited, ad-hoc initiatives with narrowly defined objectives, without their own legal status and without a formalised membership or governing body (for example Business Partners for Development)
- **Medium level of institutionalisation:** groupings with an unlimited time scale, a clearly defined membership and their own secretariat, but without legal status, formalised decision-making structures or budget authority (for example the Global Compact)
- **High level of institutionalisation:** permanent multistakeholder institutions with their own legal status, formal membership, firmly established governing bodies, a secretariat and budget authority (for example the ISO and the Global Fund)

These two modes of categorisation together produce a two-dimensional matrix of global partnerships into which any partnership could, theoretically, be placed (see Box 2). It is however important to note that while individual initiatives always have a clearly identifiable level of institutionalisation, they do not necessarily fall into only one of the “function” categories. For example, the Global Fund for fighting AIDS, Tuberculosis and Malaria functions primarily to finance health programmes, but besides this also carries out both advocacy and coordination work. Also, both function and the level of institutionalisation can change over time. An initiative which begins as an ad-hoc alliance for an initially limited time period can develop over the years into an independent organisation.

The partnerships of particular importance for the UN and the future of global governance are those with a medium or high level of institutionalisation that give private actors norm-setting and decision-making powers.

The high concentration of global partnerships in the environment and health sectors is striking. Out of 400 partnerships listed by Inge Kaul, about half of them are engaged with environment or health issues.⁵⁵ Yet there are few if any multistakeholder approaches in other areas such as trade, human rights or security.

The partnerships of particular importance for the UN and the future of global governance are those with a medium or high level of institutionalisation that give private actors norm-setting and decision-making powers. The following section, therefore, will describe a few examples of these permanent multistakeholder institutions, and particularly examine their different governance structures.

1. The Global Fund to fight AIDS, Tuberculosis and Malaria

The Global Fund to fight AIDS, Tuberculosis and Malaria (Global Fund) originated in an initiative of the G-8 and the UN Secretary General, and began its work in January 2002.⁵⁶ Its remit is to finance national programmes to fight these three diseases. So far, the Global Fund has made about \$5.5 billion available in 132 countries. This makes it the world’s most significant financing tool in the fight

⁵⁴ See Risse/Beisheim (2005), p. 16ff, who undertake a similar categorisation.

⁵⁵ See Kaul (2006) p 222

⁵⁶ See www.theglobalfund.org

Box 2: Matrix of Global Public-Private Partnerships and Multistakeholder Bodies			
Primary function	Level of Institutionalisation		
	low	medium	high
Advocacy	Global Public-Private Partnership for Hand Washing with Soap	Global Compact Roll Back Malaria Partnership Stop TB Partnership	REN21 Global Alliance for ICT and Development (GAID)
Standard-Setting	Access to Basic Services for All	World Commission on Dams	ISO Global Reporting Initiative
Financing	Partnerships for disaster relief after the Tsunami 2004		Global Fund GAVI Alliance GAIN
Implementation	Sleeping Sickness Initiative Moving the World (WFP-TNT) Accelerating Access Initiative	UNESCO-Microsoft cooperation	
Co-ordination		ICT Task Force Global Water Partnership	CGIAR

against HIV/AIDS, Malaria and Tuberculosis. The Global Fund provides around 66% of all international financial resources devoted to tuberculosis, 45% of that devoted to Malaria and about 20% of that devoted to AIDS.⁵⁷

In order to manage the fund, entirely new institutional structures have been created (in large part due to pressure from the US) outside the UN system and its bodies responsible for health and HIV/AIDS (WHO and UNAIDS). Officially, the Global Fund is a Foundation registered under Swiss law. It is based in Geneva.⁵⁸

The Global Fund consistently uses a multistakeholder approach. Its governing bodies include representatives from NGOs, private business and affected communities, as well as governments and intergovernmental organisations. Its Executive Board has 20 voting members, of which eight represent donor governments, seven represent recipient governments and five are none-state representatives (three from NGOs or affected communities and two from the private sector.) In contrast to UNAIDS, these last have equal rights on the board as the governments representatives. Currently the private sector is represented by the

⁵⁷ See Bartsch (2005), p. 1

⁵⁸ See the amended version of the Global Fund bylaws of 30th September 2005 (http://www.theglobalfund.org/en/files/about/governance/Bylaws_governance.pdf)

Bill and Melinda Gates Foundation and the consultancy McKinsey. In addition, the WHO, UNAIDS, the World Bank, and the Swiss government have non-voting membership on the board.

The Global Fund does not just propagate the multistakeholder approach at the global level; in order to receive funding, a country must have a Country Coordinating Mechanism (CCM) in which state and non-state actors work together.

The Fund does not just propagate the multistakeholder approach at the global level; in order to receive funding from the Global Fund a country must have a Country Coordinating Mechanism (CCM) in which state and non-state actors work together. This body is responsible for coordinating the country's application to the Fund as well as for monitoring the implementation of the programme which receives funding. The Global Fund has formulated detailed guidelines on the tasks, structure and composition of CCMs.⁵⁹ It requires all relevant groups in society to be represented and recommends that at least 40% of the members should be from the non-state sector.

NGOs and groups representing affected communities have repeatedly criticised the dominance of state health institutions on CCMs and demanded that the Global Fund should make improving the inclusion of civil society in CCMs an obligatory condition for the allocation of funds. The Global Fund board responded with the argument that intervening too much in country-level coordination structures would go against the principle of country ownership. However the Fund did include some conditions designed to improve civil society participation in its revised guidelines.⁶⁰

The initiators of the Fund hoped, through the active recruitment of private companies and trusts, to be able to mobilise additional funds. This hope has not been realised so far. But fears that the private sector could have significant influence over the Fund's activities seem to have been unfounded so far.

Representatives from the private sector were also involved from the beginning in shaping the Global Fund. Now they are integrated into virtually all the Global Fund's areas of work, both at national and international level. The initiators of the Fund hoped, through the active recruitment of private companies and trusts, to be able to mobilise additional funds. This hope has not been realised so far, though, with 95.5% of the resources currently coming from public budgets and only 4.5% contributed by private donors. Of this amount, the Gates Foundation has contributed by far the largest proportion with \$150 million (94% of all private donations). In August 2006 the Foundation announced that it would provide the Global Fund with a further \$500 million over a 5-year period (2006-2010). This will make the Gates Foundation the 5th largest donor in 2006, ranking below the US at \$ 544 million, France at \$273 million, Japan at \$130 million and Great Britain at \$116 million, and above Germany at \$88 million. Through its financial contribution and seat on the Executive Board, the Gates Foundation wields considerable influence over the Global Fund's decisions. But fears that the private sector, especially the pharmaceutical industry, could have significant influence over the Fund's activities seem to have been unfounded so far. In her investigation of the Global Fund Sonja Bartsch comes to the conclusion that

"NGOs are therefore able to significantly influence GF policies and structures, as was demonstrated in the case of CCM composition at national level or PLWHA voting rights at global level. Actors from the private sector, on the other hand,

⁵⁹ See the Revised Guidelines on the Purpose, Structure and Composition of Country Coordinating Mechanisms and Requirements for Grant Eligibility, 18 November 2004 (www.theglobalfund.org/pdf/5_pp_guidelines_ccm_4_en.pdf)

⁶⁰ See Bartsch (2005), p. 9

*are not able to yield a corresponding influence and initial concerns that the GF could become an instrument for promoting the interests of pharmaceutical companies fortunately proved unfounded to a large degree.*⁶¹

Despite the extensive participation opportunities, private industry seems to have a rather half-hearted interest in involvement with the Global Fund. This is evident not just in the meagre financial contributions from private corporations but also in their presence (or lack of) at events hosted by the Fund. At its first Partnership Forum in 2004 there were just 11 representatives from companies out of around 400 participants.⁶²

2. The GAVI Alliance

The GAVI Alliance (up to 2005 Global Alliance for Vaccines and Immunisation, GAVI) was created in 2000 with the goal of improving access to immunisation for children in impoverished countries. GAVI was a response to the dramatic decrease in immunization coverage in Africa in the 1990s. The alliance consists of UNICEF, the WHO, the World Bank, and the Bill and Melinda Gates Foundation, as well as of governments, research institutions, pharmaceuticals and NGOs.⁶³ With GAVI's support, *"nearly 15 million more children were reached with basic vaccines"* by the end of 2005.⁶⁴

The financial arm of the Alliance is the GAVI Fund (originally the Vaccine Fund). So far, it has raised almost \$3.3 billion and actually received \$1.7 billion in contributions from governments and private donors and disbursed \$775 million for vaccination programmes in 73 countries (as of August 2006). Around two thirds of these funds were used to purchase vaccinations, and one third for *"capacity development and infrastructure"*.⁶⁵ For its second phase GAVI decided to invest more in strengthening recipient countries' health systems. For this purpose GAVI intends to allocate \$500 million between 2006 and 2010.

The Gates Foundation, with a contribution of \$908.5 million (through end of 2005), is by far the largest donor to the GAVI Fund. The Foundation has pledged a further \$750 million for 2006-2015 (\$75 million a year). The most significant public donors are the United States, Canada and Norway. Norway recently followed the example of the Gates Foundation and pledged \$750 million for the next decade (\$75 million a year).

The Gates Foundation has one of the 5 permanent seats in the 16-member GAVI Alliance Board, along with UNICEF (which has a seat and is also the chair), the World Bank and the WHO – a constellation reminiscent of the UN Security Council. The governments of industrialised and developing countries share three each of the non-permanent seats between them on regular rotation basis. Besides this,

61 Bartsch (2005), p. 9

62 See Global Fund (2004): First Biennial Partnership Forum Report, July 7-8, 2004, Bangkok (www.theglobal-fund.org/en/files/forum/report.pdf).

63 See www.gavialliance.org

64 See www.gavialliance.org/General_Information/About_alliance/progupdate.php.

65 See www.gavialliance.org/General_Information/About_alliance/FAQ/qanda.php#11,

the pharmaceutical industry is represented with two seats, research institutions with one seat and NGOs also with one seat.⁶⁶ All board members have equal voting rights.

GAVI's decision-making structure is complicated. As well as the GAVI Alliance Board there is also the GAVI Fund Board, which emerged from the originally independent Vaccine Fund. The GAVI Fund board has 17 members serving in their personal capacities. They include Graca Machel (chair), Nelson Mandela, Amartya Sen, and Rita Suessmuth.

In contrast to the Global Fund, in GAVI the business sector hugely outnumbers civil society.

The most important decision-making bodies between the GAVI Boards' meetings are two Executive Committees which members of the two boards belong respectively. They have complete decision-making authority between board meetings. The committees' make-up is notable: the Executive Committee of the GAVI Alliance Board contains the five permanent board members as well as two industry representatives and one representative each from the industrialised and the developing countries respectively. NGOs are not represented. In the GAVI Fund Executive Committee, the distribution of seats is even more unbalanced. Besides the CEO of the Fund, the committee simply consists of five private sector representatives. In contrast to the Global Fund, in GAVI the business sector hugely outnumbers civil society.

Civil society has actually lost influence since GAVI was originally founded. This conclusion was reached in a report by the GAVI Civil Society Task Team, which states that

“Civil society has played a critical role in the development and early years of GAVI. (...) As GAVI evolved, (...) civil society lost many of its opportunities to participate in the GAVI Alliance processes. Due to the varied nature of the civil society community, it has been difficult to develop the CSO GAVI Board and Working Group seats to fully represent the constituency (...)”⁶⁷

As a response to this criticism, GAVI started a consultation process and a series of pilot projects to increase civil society participation at global and country levels.

3. REN21 – the Renewable Energy Policy Network for the 21st Century

The Renewable Energy Policy Network for the 21st Century sees itself as a global policy and advocacy network which promotes the rapid expansion of renewable energies worldwide.⁶⁸ REN21 was officially launched in June 2005.⁶⁹ Its secretariat is based in Paris. The German government was one of the driving forces behind the network's creation. REN21 aims through enhanced collaboration of

⁶⁶ Currently, one seat on the GAVI Board is empty.

⁶⁷ See Civil Society in the GAVI Alliance: Reaching More Children through Improved Partnership. Interim Report of the Civil Society Task Team to the GAVI Alliance Board, June 2006, p.4. (www.gavialliance.org/resources/18brd_CivilSociety.pdf)

⁶⁸ See www.ren21.net

⁶⁹ See www.ren21.net/ren21/development.asp for the history of the network's development

all stakeholders to support and develop the decisions taken both at the 2002 World Summit on Sustainable Development in Johannesburg and at the international conference “Renewables 2004” in Bonn two years later to promote renewable energy.⁷⁰ One of the Network’s most important outputs is the Global Status Report on Renewable Energy, which has come out annually since 2005.⁷¹

The Multistakeholder approach characterises all levels of REN21’s work. It is reflected in the Steering Committee, the Network’s central decision-making body, which is made up of individual representatives of the following eight sectors: governments (up to 18 representatives), IGOs (five representatives), NGOs (5 representatives), industry (three representatives), finance (two representatives), regional governments (one representative), local governments (one representative) and four so-called At-large members. Currently the Steering Committee has 32 members, including representatives from the German, Brazilian, Chinese and US governments, the World Bank, UNDP and UNEP, the International Energy Agency (IEA) as well as from Greenpeace. Since May 2006 the chair has been Mohamed El-Ashry, former CEO and chair of the GEF. The Steering Committee sets the REN21 work plan and is responsible for the composition and structural development of the Network. As such it also decides its own future composition.

The Network sees its main work as being in the area of advocacy and knowledge exchange at the interface of environment, energy and development policy. Its activities are closely aligned to the processes and institutions of the UN. For example, REN21 presented a report on “Energy for Development. The Potential Role of Renewable Energy in Meeting the Millennium Development Goals” at the 2005 UN World Summit.⁷² It also has a close relationship to the UN Commission for Sustainable Development (CSD). REN21 is one of the 321 Partnerships for Sustainable Development (originally ‘Type-2 Partnerships’ from the Johannesburg summit) listed on the CSD’s database.

4. ICT Task Force and GAID

The United Nations Task Force on Information and Communications Technology (ICT Task Force) took up its work in November 2001.⁷³ Its mandate ended in December 2005. Its objective was

“to provide overall leadership to the United Nations role in helping to formulate strategies for the development of information and communication technologies and putting those technologies at the service of development and, on the basis of consultations with all stakeholders and Member States, forging a strategic partnership between the United Nations system, private industry and financing trusts and foundations, donors, programme countries and other relevant stakeholders in accordance with relevant United Nations resolutions.”⁷⁴

70 The network’s Mission Statement is: REN21 – providing international leadership for the rapid expansion of renewable energy in developing and industrial countries based on the cooperation of stakeholders from the energy, development and environment sectors. (see www.ren21.net/pdf/REN21_Mission_and_Concept_060310.pdf)

71 See www.ren21.net/globalstatusreport/issueGroup.asp

72 See www.ren21.net/pdf/REN21Report%20RETs%20for%20MDGs.pdf

73 See www.unicttaskforce.org

74 See Plan of Action of the ICT Task Force, para. 2 (www.unicttaskforce.org/about/planofaction.html).

ECOSOC set a precedent, as the ICT Task Force was the first UN body in which members, representing governments, civil society the private sector and organizations of the United Nations system had equal decision-making power.

The founding of the ICT Task Force dates back to an ECOSOC resolution in March 2001. With it, ECOSOC set a precedent, as the ICT Task Force was the first UN body in which members, representing governments, civil society (including not-for-profit foundations, NGOs and academia), the private sector and organizations of the United Nations system had equal decision-making power.

The Task Force had 55 members including 26 government representatives, 14 Directors of UN organisations and 11 business representatives including CEOs or board members of Cisco Systems, Nokia, SAP, and Siemens. At the 2001 launch of the Task Force Kofi Annan emphasised the special role of business in the Task Force, observing that

“Support from the private sector will be particularly important. Fortunately, the use of ICT for development is one of the areas where the long-term interests of the international community, governments and private business most obviously coincide. Empowering the poor and the marginalized can unleash vast creative energies. It can help level the playing field for entrepreneurs and for small- and medium-size businesses. And it can help expand and create new markets. Private companies can, in short, do well by doing good.”⁷⁵

Civil society organisations were represented by only four members of the Task Force. The Task Force itself perceived this as a weakness.

Civil society organisations by contrast were represented by only four members of the Task Force. The Task Force itself perceived this as a weakness. In its last report it observed that

“(...) the impact and sustainability of the Task Force’s initiatives and activities were, at times, constrained by several features of its make-up, procedures and practices, including its fixed, limited membership; inadequate representation and contribution by various stakeholder groups, including academia, women, youth, the disabled and others; lack of clarity in the division of responsibilities among different components of the Task Force (e.g. bureau, members, networks); absence of clear policies on members’ responsibilities and differing expectations on levels of engagement; absence of uniform policies on the formation of partnerships; limited resources and narrow funding base; and lack of measurable objectives and regular evaluation.”⁷⁶

As a de-centralised network, GAID is intended to be open to a broader range of actors than the ICT Task Force was. The GAID has developed sophisticated governance structures.

As a result the ICT Task Force mandate was not renewed beyond 2005. After a comprehensive consultation process,⁷⁷ the UN created a successor organisation in the form of the **Global Alliance for Information Communication Technologies and Development (GAID)**.⁷⁸ The founding meeting took place on the 19th and 20th of June 2006 in Kuala Lumpur (Malaysia). The new Alliance is mandated to the UN Secretary General and required to report to ECOSOC on its activities.

As a de-centralised network, GAID is intended to be open to a broader range of actors than the ICT Task Force was. In order to involve as many relevant stakeholders as possible, the GAID has developed sophisticated governance structures. The highest-level decision-making body is an 11 member Steering Committee of

⁷⁵ See UN Press Release SG/SM/8037 and DEV/2354, 20 November 2001

⁷⁶ *ibid.*, para. 80

⁷⁷ See Principles and elements of a Global Alliance for ICT and Development (Multistakeholder Forum), 2 March 2006 (<http://www.unictf.org/perl/documents.pl?id=1583>)

⁷⁸ See www.un-gaid.org

two government representatives and three representatives from IGOs, Civil Society and business respectively. Greg Barrett, CEO of Intel, is the chair. GAID's general political orientation is set by a Strategy Council which meets once a year. This consists of 60 members of which 30 are governments representatives, and ten each represent IGOs, civil society and business. The non-state members were selected through a nomination process coordinated by the International Chamber of Commerce (ICC) on behalf of the business representatives and the Conference of NGOs in Consultative Relationship with the UN (CONGO) on behalf of the civil society representatives. The technology companies in the Strategic Committee include Cisco Systems, IBM, Microsoft and Siemens.

These governance bodies are supported by a group of high-level advisers as well as by a so-called Champions Network of ICT activists and experts. Parallel to this, the Global Alliance plans to form Regional Networks, Stakeholder Networks and thematic working groups (so-called Communities of Expertise).⁷⁹ GAID has a small secretariat seated within the Department for Economic and Social Affairs (DESA).

While GAID's institutional structures are developed to a very detailed extent, the goals of the new Alliance are relatively vaguely formulated. GAID wants to complement the work of existing institutions and networks in the area of ICT at UN level, especially the intergovernmental follow-up process to the World Summit on the Information Society. GAID does not carry out projects on the ground, but rather wants to raise awareness and influence policy in order to help bridge the digital divide between industrialised and developing countries. The focus here is intended to be on the following four key priorities areas that are considered to have the most impact: education, health, entrepreneurship, and participation in policy debate and decision making.

5. Pilot Institutions in the UN System:

UNAIDS and the Permanent Forum on Indigenous Issues

Even before the mushrooming of partnerships in the last few years, the UN created two institutions in which non-state actors had formal participatory rights. These are UNAIDS and the Permanent Forum on Indigenous Issues. They are not multistakeholder institutions as such, as in each case only two stakeholders are involved. However, because of their official status within the UN system, they could function as examples for the future of multilateral cooperation at UN level.

UNAIDS is the joint UN programme to fight HIV/AIDS and coordinates the activities of the whole UN system in this area.⁸⁰ UNAIDS took up its work in 1996. Its secretariat is based in Geneva. The programme's core budget is \$320.5 million for the years 2006-7. What is remarkable about UNAIDS is that the Programme Coordinating Board (its central decision-making body) includes five NGOs, in addition to the 10 UN organisations (the so-called UNAIDS Co-sponsors) and 22

Even before the mushrooming of partnerships, the UN created two institutions in which non-state actors had formal participatory rights: UNAIDS and the Permanent Forum on Indigenous Issues. Because of their official status within the UN system, they could function as examples for the future of multilateral cooperation at UN level.

⁷⁹ See also Modalities for organizing the work of the Global Alliance for ICT and Development (GAID), Draft of 7 August 2006 (www.un-gaid.org/about/GAID.Modalities.Non-Paper.pdf).

⁸⁰ See www.unaids.org

governments. Like the representatives of the UN organisations the NGOs have no vote, but otherwise have the same participation opportunities as the governments. In this way the ideas and experience of civil society, especially of people living with HIV/AIDS, shall directly feed into the work of UNAIDS.⁸¹

It is up to the NGOs themselves to decide which civil society organisations are represented on the Programme Coordinating Board. Representatives can serve for a maximum of three years and at the end elect the successor from within the circle of applicants. These representatives are then formally appointed by the board. The requirements, rights and duties of the NGO representatives are laid out very specifically in the Terms of Reference.⁸²

UNAIDS demonstrates that extended participatory rights for NGOs by no means automatically lead to any loss of authority for governments.

UNAIDS was the first UN-institution (apart from the ILO) in which non-state actors had a formal seat in the highest decision making body. However, governments still retain sole decision-making power. UNAIDS demonstrates that extended participatory rights for NGOs by no means automatically lead to any loss of authority for governments. Beyond this, it is interesting to note that in contrast to most other global health partnerships, the private sector is not formally involved in UNAIDS. Governments have consciously limited the participation of non-state actors to the not-for-profit sector, and to organisations of people directly affected by HIV/AIDS.

The Permanent Forum on Indigenous Issues is an ECOSOC advisory body.⁸³ The Forum aims to generate more attention in the United Nations paid to indigenous issues. It was founded in July 2000⁸⁴ and has met once a year for a two-week session in New York since 2002.

The Forum has the following three basic objectives:⁸⁵

1. *provide expert advice and recommendations on indigenous issues to the Council, as well as to programmes, funds and agencies of the United Nations, through the Council;*
2. *raise awareness and promote the integration and coordination of activities related to indigenous issues within the UN system;*
3. *prepare and disseminate information on indigenous issues.*

81 For further information see the Modus Operandi of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (UNAIDS) (http://data.unaids.org/Governance/PCB01/mojune99rev_en.pdf). This includes amongst other things the rules that

„10. Five nongovernmental organizations (NGOs), three from developing countries and two from the developed countries or countries with economies in transition, shall be invited to participate in meetings of the PCB but without the right to take part in the formal decision-making process and without the right to vote (ECOSOC resolution 1995/2 refers).

11. The selection of the five nongovernmental organizations would be determined by the NGOs themselves from among those either in consultative status with ECOSOC or in relationship with one of the cosponsoring organizations or on the roster of NGOs dealing with matters pertaining to HIV/AIDS. The PCB shall formally approve the NGOs nominated. The terms of office of the selected NGOs shall not exceed three years.“

82 See Terms of Reference of the NGO Liaison Committee of the UNAIDS Programme Coordinating Board (www.unaids.org/unaids_resources/images/UNGASS/20060306_PCB_NGOTORs.pdf)

83 See www.un.org/esa/socdev/unpfii/index.html

84 See ECOSOC Res. 2000/22, 28 July 2000

85 For the Forum's Mandate see www.un.org/esa/socdev/unpfii/en/about_us.html

The Forum consists of 16 independent experts (*“serving in their personal capacity”*). Eight members are nominated by governments and elected by ECOSOC. The other eight are nominated directly by indigenous peoples’ organisations and then selected by the President of ECOSOC according to a prescribed regional code. All members serve for three years and can be re-elected or re-appointed once.

The Forum is not a political decision-making body whose resolutions are binding for governments. Rather, it is intended to support indigenous interests in inter-governmental political discourse through its moral authority and expertise. To this end, for example, the Forum in 2006 recommended to the General Assembly that it should adopt the long discussed Declaration on the Rights of Indigenous Peoples, and also redefine the MDGs to better take account of the needs of indigenous people.⁸⁶

The Permanent Forum on Indigenous Issues is a prototype of a UN body in which state and non-state actors are equally represented and work together with equal rights, without governments actually giving up their monopoly on political decision-making.

The organisations described above are only a small sample of the whole range of multistakeholder approaches and partnership institutions in which organisations of the UN system are involved in some way or another. They are certainly innovative and clearly fill gaps within the system of straight intergovernmental multilateralism. That does not of course mean that they are therefore automatically either effective or legitimate. The following chapter addresses the pros and cons of all these “Global Governance Innovations”.

The Permanent Forum on Indigenous Issues is a prototype of a UN body in which state and non-state actors are equally represented and work together with equal rights, without governments actually giving up their monopoly on political decision-making.

⁸⁶ See UN Permanent Forum on Indigenous Issues, Report on the fifth session (15-26 May 2006) (UN Doc. E/2006/43)

6 Opportunities, Risks and Side Effects of Multistakeholder Partnerships

Listening to the discourse maintained in large parts of the UN, one would assume that there is simply no alternative to the partnership approach. Collaboration projects including business representatives and sometimes NGOs and other civil society organisations are seen as pragmatic, solution-oriented, flexible, efficient and un-bureaucratic – all attributes frequently lacking in purely intergovernmental projects and processes.

This discourse is driven by numerous leading UN officials, as well as by academic institutions such as the John F Kennedy School of Government at Harvard, policy think tanks like AccountAbility or the Global Public Policy Institute, influential Foundations such as the Gates Foundation and the UN Foundation, and many private sector interest groups. A former chief lobbyist at DaimlerChrysler, speaking on the growing role of companies on the global political stage, talked of the “*economisation of international politics*” as a “*new global reality*”, which increases the global stability and acceptance of international strategies and processes.⁸⁷ The World Economic Forum observes a “*new consensus on the indispensability of partnerships*” since the Monterrey and Johannesburg conferences among all those involved.⁸⁸

Leading civil society spokespeople also seem to support the trend. For example, the 2005 Helsinki Group Report on Globalisation and Democracy advocates “new coalitions” of social actors to solve global problems. Specifically, the group proposes a series of Round Tables on the most pressing global problems, which should be open to all “interested and relevant” groups.⁸⁹ Besides governments and business representatives, the Helsinki Group itself included Susan George, Vice-President of Attac France till mid-2006, Martin Khor, Director of the Third World Network, and Irene Khan, Secretary General of Amnesty International. Jacob von Uexküll, founder of the Alternative Nobel Prize (Right Livelihood Award), launched a similar initiative for a World Future Council of leading representatives from the political, business and civil society sectors, which follows a similar multistakeholder model of Global Governance.⁹⁰

Supporters of global partnerships between public and private actors argue that the approach can fundamentally bridge the following three gaps which exist in traditional intergovernmental cooperation.⁹¹

87 Said by Michael J. Inacker, Director of Policy and External Relations at Daimler Chrysler (see Inacker (2004))

88 See World Economic Forum (2004)

89 Helsinki Process on Globalisation and Democracy (2005a), p. 13

90 See www.worldfuturecouncil.org

91 E.g. Haas (2004), who observes these gaps within global environmental politics. Reinicke/Deng talk of two governance gaps, in the form of an operational gap and a participatory gap, see Reinicke/Deng (2000), Executive Summary

Governance Gaps

The existing intergovernmental organisations are not in a position to solve many of the world's most pressing economic, social and environmental global problems. The creation of international institutions and norms needed to solve global problems is currently hampered by diverging governmental interests and insufficient capacity and competence, for example in the area of climate change. Instead of waiting endlessly for all the governments to agree on common solutions, alliances of like-minded governments and non-state parties can take a pioneering role and overcome the institutional deficit in the architecture of global governance through partnership initiatives. But, according to Simon Zadek, partnerships now are "little more than a glimmer of what is to come."⁹² And he adds: "Today's 'partnerships' are prototypes for tomorrow's governance arrangements and programmatic delivery vehicles (...)"⁹³

Participation Gaps

A basic indication of real democracy is the participation of all people in political decisions which affect them and the accountability of elected politicians and officials to their citizens. Even at a national level the criteria are often not fulfilled satisfactorily. With decision-making shifting increasingly to the international level, opportunities for affected citizens to participate and have a say are increasingly limited. In traditional intergovernmental organisations, citizens and representatives of their interests have no voice (e.g. NATO) or at best an advisory function (e.g. consultative status of NGOs with ECOSOC). National parliaments also have limited opportunities to influence intergovernmental decisions. Global Partnerships between state and non-state actors can help to overcome this participation gap by drawing non-state actors into their formal decision-making structures, sometimes even actively integrating groups normally underrepresented in decision-making structures at a national level (for example indigenous people or people living with HIV/AIDS).

Implementation and Financing Gap

Governments often fail to implement the decisions taken and pledges made at the international level because they lack know-how, tools, financial resources or simply political will. Particularly obvious examples of this are global decisions on climate issues and the pledges to realise the MDGs, especially Goal 6 on fighting HIV/AIDS and other serious diseases. Supporters of the public-private partnership approach argue that this implementation and financing gap can only be addressed through cooperation with private businesses and civil society. The idea is that the financing gap can be filled by mobilising extra funds through partnerships with corporations and wealthy private donors.

From the point of view of supporters of the global partnership approach, the United Nations and the private sector both profit equally from the new 'hybrid' model of international collaboration. This is often talked of as a "win-win" situation. Jane Nelson, in her study "Building Partnerships", commissioned by the UN Global Compact Office, summarised the potential advantages of such collaboration for the United Nations as follows:⁹⁴

⁹² Zadek (2004), p. 23

⁹³ *ibid.*, p.27

⁹⁴ See Nelson (2002), pp 38-40 und 151

Instead of waiting endlessly for all the governments to agree on common solutions, alliances of like-minded governments and non-state parties can take a pioneering role and overcome the institutional deficit in the architecture of global governance.

Global Partnerships between state and non-state actors can help to overcome the participation gap by drawing non-state actors into formal decision-making structures.

Supporters of the PPP approach argue that the implementation and financing gap can only be addressed through cooperation with private businesses and civil society.

- (I) Resource mobilization to support development – in terms of added funding, skills, knowledge and technology that can help to increase operational effectiveness and efficiency in the delivery of products and services to meet social, economic and environmental objectives;*
- (II) Greater support for UN values and activities – in terms of increased advocacy and awareness of the UN and what it stands for;*
- (III) Increased innovation – at the organizational level and in terms of international cooperation in general;*
- (IV) Shared learning, increased trust and mutual understanding – the creation of social capital, human capital and an improved body and dispersion of development knowledge;*
- (V) Better understanding of boundaries and expectations – opportunities to better define relative roles and responsibilities of different sectors and to prevent or resolve conflict across these boundaries;”*

The private sector too can benefit from partnerships in many ways. In addition to the general long-term benefits of a stronger UN (*“international norms and standards”, “better enabling environment”, “stability and peace”*), Nelson lists the following immediate advantages to be enjoyed by businesses when working with the UN:⁹⁵

- *New market opportunities;*
- *Reputation and image enhancement;*
- *Better risk management and risk reduction;*
- *Increased innovation and creativity;*
- *Retention, motivation and development of employees;*
- *Access to development expertise;*
- *Better links to Governments.*

So much ‘win-win’ rhetoric begs the question – where is the problem? The basic problem is that these assessments of the advantages of global partnerships and multistakeholder approaches are for the most part not based on empirical research, and the widely-held notion that there is no alternative is often no more than a profession of faith.

The Cardoso-Panel Secretariat concluded in its report on a workshop on multistakeholder partnerships that *“the impact of this ,new’ partnership mode on global governance and decision-making is not yet known. Further practical experience is needed to show where this path is going.”*⁹⁶

The observation that the “impact” of partnerships was not yet known did not prevent the Cardoso panel to call in its report for

*“(…) the United Nations [to] (...) foster multistakeholder partnerships to pioneer solutions and empower a range of global policy networks to innovate and build momentum on policy options.”*⁹⁷

⁹⁵ *ibid* p. 40

⁹⁶ United Nations (2004), p. 17

⁹⁷ Panel of Eminent Persons on United Nations Civil Society Relations (2004), Proposal 1.

In an OECD survey of 101 environmental partnerships registered with the CSD, only 32 partnerships responded to a questionnaire and of them, only 28% had completed an evaluation.⁹⁸

Assessment and analysis so far has tended to be of individual partnerships within individual sectors or individual countries. An example of this is the number of evaluations of the Global Fund's activities.⁹⁹ Only very recently have more comprehensive studies of partnerships in a particular sector or international organisation been undertaken. Some examples can be found in the evaluations of FAO partnerships¹⁰⁰, of the global programmes the World Bank is involved in¹⁰¹, the independent report on the implementation of four global public-private initiatives in health in five African countries and three Indian states,¹⁰² and the impact assessment commissioned by DFID of Global Health Partnerships (GHPs).¹⁰³ But even these very thorough studies found that:

*“the evidence base on the effectiveness of GHPs is still limited, though growing. (...) There is as yet little evidence about the collective impact of GHPs, though this is now emerging as a potential area of concern.”*¹⁰⁴

Finally, some independent investigations do exist, some of which examine the effectiveness, legitimacy and accountability of global partnerships across the sectors.¹⁰⁵

All these internal evaluations and independent studies still do not provide a systematic and complete assessment of all multistakeholder partnerships in which the UN is involved. They do, however, give clear indications that this appraisal cannot be quite so positive as proponents of the model usually suggest.

Multistakeholder partnerships in fact bring a number of risks and side effects with them for the UN, which must be considered in any careful analysis of the approach. This is especially true of the problems listed in the following section.

Multistakeholder partnerships in fact bring a number of risks and side effects with them for the UN, which must be considered in any careful analysis.

1. Growing Influence of the Business Sector in the Political Discourse and Agenda-Setting

Critics fear that the framework of partnership initiatives allows transnational corporations and their interest groups growing influence over agenda setting and political decision-making by governments.¹⁰⁶

Representatives from the business sector can use partnerships both to pursue short-term economic interests and to influence political discourse at the international level in their own interests in the long term. Their proposed solutions to

Critics fear that the framework of partnership initiatives allows transnational corporations and their interest groups growing influence over agenda setting and political decision-making by governments.

⁹⁸ See OECD (2006), pp.11-12.

⁹⁹ See www.theglobalfund.org/en/links_resources/library.

¹⁰⁰ See Sauvinet-Bedouin et al. (2005).

¹⁰¹ See World Bank (2004)

¹⁰² See WEMOS et al. (2005).

¹⁰³ See Caines et al. (2004)

¹⁰⁴ See Caines et al., p. 10

¹⁰⁵ See for example Zammit (2003), Richter (2003) and (2004c), Andonova (2005), Bull/McNeill (2006) and Utting/Zammit (2006).

¹⁰⁶ See for example the influential article by Utting (2000)

global problems are inherently (and understandably) guided by their own interests. They regularly involve dismantling trade barriers, opening markets, creating a business friendly investment environment, and removing state or intergovernmental regulations limiting free trade. At the same time they demand very strict intergovernmental regulation to protect their own interests, for example in the case of the TRIPS agreement.

How business interests influence the UN discourse, can be seen for example in the report of the Commission on the Private Sector and Development set up by the UNDP; the title alone, “Unleashing Entrepreneurship”, betrays its ideological framework.¹⁰⁷

The bitter experience which many developing countries have had in the last two decades with the consequences of deregulation, liberalisation and the forced opening of markets shows that the simple equation of modernisation, “good for business = good for society”, does not hold.¹⁰⁸ The social, environmental and macroeconomic goals of society are not automatically covered and often actually contradictory to those of the private sector. Further, the corporate responsibility often showed by corporations in conjunction with partnerships is frequently not reflected in their every-day practice. Secretary General Kofi Annan did point to these problems at the end of the 2004 Global Compact Leaders’ Summit, saying:

“Business must restrain itself from taking away, by its lobbying activities, what it offers through corporate responsibility and philanthropy.”¹⁰⁹

One example of how development discourse at the UN is shifted and narrowed by collaboration with business is the “partnership” between the Financing for Development (FfD) Office in the UN Secretariat and the World Economic Forum (WEF). It originates from a General Assembly resolution in December 2003 calling the secretariat to carry out a multistakeholder consultation on “*mobilising resources to finance development and fight poverty*”.¹¹⁰ As a first step in implementing this resolution, the FfD Office and the WEF agreed in May 2004 to organise a series of workshops looking at just two questions: 1) understanding how public private partnerships can improve the scope and effectiveness of aid; and 2) improving the climate for private investment.¹¹¹ Setting these two issues as the basis for discussion meant that a critical position on the role of public-private partnerships and foreign investment in development was excluded right from the starting point. The shaping of the content and the organisation of the process was led by the WEF, but the WEF only took on a third of the cost of the workshops. The rest was shared between the FfD Office and the Swiss government. The report on the public-private partnership consultation, which was presented at the 2005 World Summit, was entitled “*The Growing Role of Public-Private Partnerships in Mobilizing Resources for Development*“, confirming the bias towards business predictable from the nature of the workshops.¹¹²

107 See Commission on the Private Sector & Development (2004). The Commission was headed by the former Canadian Prime Minister Paul Martin and the former Mexican President Ernesto Zedillo. The report was released on the 1st of March 2004. In it the Commission explicitly thanks McKinsey & Co. for their support, input and advice to the Commission for the duration of the project.

108 See SAPRIN (2004) as one example of the numerous studies on the negative consequences of Structural Adjustment Programmes guided primarily by economic interests.

109 UN Press Release SG/SM/9387, 24 June 2004

110 A/RES/58/230, 23 December 2003

111 See World Economic Forum (2004)

112 See World Economic Forum (2005a)

2. Risks to Reputation: Choosing the Wrong Partner

Many see the greatest asset of the UN in its moral authority and credibility as a world forum to mediate on conflicts of interest. For this reason, it is particularly problematic for the UN to collaborate with partners whose activities contravene the UN Charter in spirit, who are responsible for violating UN norms and standards and who are repeatedly subject to public criticism. It reflects badly on the UN and damages its reputation. This is especially true of partnerships with those transnational corporations accused of violating environmental, social or human rights standards. Examples of partnerships criticised by civil society are the collaboration projects between UNDP and Shell and Coca Cola, or Nestlé's involvement in the Global Compact.¹¹³ But collaboration with companies not accused of violating human rights or social and environmental standards can also be harmful to the image of the UN. Examples of this are the partnerships between UNESCO and Microsoft and between UNICEF and McDonald's (in 2002).

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The FAO also faces these problems. The assessment of its partnership projects clearly indicates this:

*"(...) there are reputation risks associated with partnering with the private sector, and more generally with non-state constituencies, which may represent interests divergent from FAO's mission and may bring undue influence or, in any case, reduce the Organization's credibility by damaging its image of impartiality. There is evidence that the neutrality, objectivity and credibility of the Organization have been questioned at times. In addition to these 'technical' risks, the Organization must safeguard itself from being associated with organizations that have a negative image in the public eye and do not comply with the basic principles upon which the UN system works. While this is a cross-cutting risk that the Organization must deal with in managing its partnerships, it is of particular concern in the cases of expert advice and when funding is involved."*¹¹⁴

In addition to these general findings, the FAO assessment also gives a specific case study:

*"In the area of nutrition requirements some undue influence was reportedly exercised by industry in the selection of experts, running of meetings, and final conclusions of a 1997 report. The incident was highlighted by the BBC in 2004, which stated in a TV programme that FAO was influenced by the sugar and food industries protecting their own interests, causing damage to the credibility and reputation of the Organization."*¹¹⁵

The secretariats of the UN organisations are thus clearly aware of these criticisms. Many have in fact now adopted guidelines to help prevent the selection of the wrong partners (see more on this in chapter 5). Particularly important are the "Guidelines on Cooperation between the United Nations and the Business Community" put out by the Secretary General on 17th July 2000.¹¹⁶

113 See Richter (2004a)

114 See Sauvinet-Bedouin et al. (2005), para. 189

115 *ibid.*, para. 100

116 See www.un.org/partners/business/otherpages/guide.htm

Even these were heavily criticised by NGOs as too weak and non-binding. An open letter from NGOs to the Secretary General on 28th of July 2000 summarises:

“In short, Mr. Secretary General, the Global Compact partnership and the Guidelines for Cooperation do not ‘ensure the integrity and independence’ of the United Nations. They allow business entities with poor records to ‘blue wash’ their image by wrapping themselves in the flag of the United Nations. They favour corporate-driven globalisation rather than the environment, human health, local communities, workers, farmers, women and the poor.”¹¹⁷

Neither the Secretary General’s Guidelines nor the “Integrity Measures” actually provide for a serious examination of a company before it becomes a member of the Global Compact.

In part in response to the NGO criticism, the Secretary General produced so-called “Integrity Measures” in August 2005 which are supposed to apply to all Global Compact members.¹¹⁸ They are important because other UN organisations have now begun to perceive membership of the Global Compact as a quality and selection criterion in itself. The FAO assessment suggests that in future, a company’s membership of the Global Compact should be used as a “pre-screening” criterion for partnership with the FAO.¹¹⁹ But neither the Secretary General’s Guidelines nor the “Integrity Measures” actually provide for a serious examination of a company before it becomes a member of the Global Compact. The possibility of excluding a company from the Compact if it violates UN standards is not even mentioned in the “Integrity Measures”. They simply state that

“The Global Compact is a voluntary initiative (...). The initiative is not designed, nor does it have the mandate or resources, to monitor or measure participants’ performance.”¹²⁰

NGOs, by contrast, have to undergo a complicated and demanding screening process before receiving consultative status at ECOSOC.

The UN therefore continues to apply double standards to its relations with NGOs and with business.

NGOs, by contrast, have to undergo a complicated and demanding screening process before receiving consultative status at ECOSOC, and through it an official relationship with the UN. NGOs with General or Special Consultative status have to report regularly to the responsible NGO committee of ECOSOC and prove that their activities are compatible with the United Nations Charter. In some cases, applications for consultative status are turned down (although mostly for political reasons rather than because the NGO’s activities go against the Charter). The suspension and withdrawal of consultative status is also very explicitly laid out in the relevant ECOSOC resolution.¹²¹ There are no comparable rules for private sector companies. The UN therefore continues to apply double standards to its relations with NGOs and with business.

3. Distorting Competition and the Pretence of Representativeness

The argument often used to defend the legitimacy of multistakeholder partnerships is that they reduce the participation gap in international politics, and in so doing contribute to the democratisation of global governance. Examples supporting this argument include the HIV/AIDS groups in UNAIDS and the Global Fund, the equal

¹¹⁷ See www.twinside.org.sg/title/compact.htm

¹¹⁸ See www.unglobalcompact.org/AboutTheGC/integrity.html

¹¹⁹ See Sauvinet-Bedouin et al. (2005), Recommendation 10

¹²⁰ See www.unglobalcompact.org/AboutTheGC/integrity.html

¹²¹ See ECOSOC Res. 1996/31, 25 Juli 1996, Part VIII (Suspension and Withdrawal of Consultative Status)

status of members in the Permanent Forum on Indigenous Issues, or the participation of environmental NGOs such as Greenpeace in REN21. But under closer examination, global partnerships throw up critical questions which challenge this portrait of broad participation.

First, who is responsible for selecting the partners? In the more operational partnerships, with a small number of actors involved, it is usually the partners themselves who agree to work together. Project-related public private partnerships between international organisations and individual companies in particular, are generally exclusive. There are many examples of this type, such as the “Moving the World“ partnership between the World Food Programme and the international logistics company TNT; health partnerships involving international pharmaceuticals such as Merck and Pfizer; collaboration between UNESCO and Microsoft; or the numerous UNDP partnerships, for instance with Hennes and Mauritz (H&M).¹²² Critics fear that collaboration with individual corporations can disadvantage the corporations’ competitors. These sorts of partnerships can distort competition, because they provide the corporations involved with an image advantage, and also support those involved in opening up markets and help them gain access to governments.

The selection of partners is also problematic in many multistakeholder initiatives with a wide membership. Often it is the initiators of partnerships rather than respective stakeholder groups who nominate representatives to the partnership bodies. Thus, for example, the German government was responsible for putting together the Interim Steering Committee for REN21. At the World Commission on Dams, decisions on the institutional design, mandate and groups to be involved were taken by a small group of individuals who in turn were selected by the World Bank and the IUCN.¹²³ In the Country Coordinating Mechanisms of the Global Fund (CCMs) it is often governments who choose representatives from civil society. Due to NGO criticism of this practice, the revised CCM guidelines now require civil society representatives to be elected from within their respective groups.¹²⁴

Some initiatives, such as the Global Fund, the new Global Alliance for Information and Communication Technology and Development (GAID), the Extractive Industries Transparency Initiative (EITI) and the Permanent Forum on Indigenous Issues, have developed participatory processes for nominating civil society representatives to their governing bodies. Groups from all over the world can nominate candidates who are then chosen by a selection committee which generally consists of civil society representatives. Basic requirements for candidacy, however, normally include access to the Internet; specialist knowledge; connection to one’s own constituency; good foreign language skills; and the willingness and ability to take on staff expenses. This significantly limits the circle of candidates and casts doubt on the representativeness of partnerships.

Do global partnership initiatives help to provide better participation opportunities to actors who are often underrepresented in traditional intergovernmental bodies?

¹²² UNDP (2006)

¹²³ Dingwerth (2004), p.88.

¹²⁴ See Revised Guidelines on the Purpose, Structure and Composition of Country Coordinating Mechanisms and Requirements for Grant Eligibility, 18 November 2004.

Oppositional groups and movements critical to globalisation are excluded by definition. This leaves important sectors of society and interests systematically excluded from partnerships.

This question is especially apposite for civil society groups in the Global South. For some individual initiatives, as discussed above, the answer is yes. But they tend to be the exception. Experience and research thus far point instead to deficits in the representativeness of partnerships. This is not just due to the problem that multistakeholder partnerships only involve civil society groups who prove themselves ready to cooperate with governments and business. Oppositional groups and movements critical to globalisation are excluded by definition, and mostly not interested in participating in any case. But this leaves important sectors of society and interests systematically excluded from partnerships.

Many initiatives do not in practice fulfil their own objective of involving all relevant stakeholders. The ICT Task Force for example spoke self-critically in its last report of the

“(...) inadequate representation and contribution by various stakeholder groups, including academia, women, youth, the disabled and others.”¹²⁵

The GAVI Civil Society Task Force acknowledged that:

“Due to the varied nature of the civil society community, it has been difficult to develop the CSO GAVI Board and Working Group seats to fully represent the constituency (...).”¹²⁶

Sonja Bartsch, in her investigation on the role of the Global South in Global Health Partnerships, uses the example of the Global Fund to develop a sophisticated appraisal, according to which the governments and civil society from the South played no active role in establishing the fund. Since then, though, they have been recruited and are represented with equal rights in the Fund’s decision-making bodies, and continue to act as a counterweight to the representatives of pharmaceutical sector interests. However, actors from the South are

“(...) not able to influence the decision-making of the GF as much as the donor countries are, who are responsible for 98% of the GF funding.”¹²⁷

This points to the third question of discrepancy between formal representation and actual influence in global partnerships. The term ‘partnership’ suggests an equal relationship between participants and also that actors have a comparable status to each other. Aside from the fact that the equality of rights between state and non-state actors in decision-making bodies of multistakeholder initiatives is disputed both politically and legally (see point 8), the official situation does not in any case reflect the actual power relationships in the ‘partnerships’.

On the Global Fund Board, the representative of the National AIDS Council of Burundi and the representative of the US government have equal voting rights – but they certainly do not wield the same power. On the GAVI Alliance Board the Bang-

125 UN Doc E/2006/63, 5 Mai 2006, para. 15

126 See Civil Society in the GAVI Alliance: Reaching More Children through Improved Partnership. Interim Report of the Civil Society Task Team to the GAVI Alliance Board, June 2006, S.4. (www.gavialliance.org/resources/18brd_CivilSociety.pdf)

127 bartsch (2006), p. 25

ladeshi Health Minister and the Gates Foundation each have one vote, but the Gates Foundation, as a 'majority shareholder' of the GAVI Fund, virtually maintains a veto right on all important decision making, which is further consolidated by its position as a permanent Alliance Board member. On paper many partnerships give the impression of equal rights for stakeholders and broad representation, but in practice it is the wealthy actors from the North who dominate, whether they are governments, corporations or private foundations.

This impression is largely confirmed by an investigation into the Type-2 Partnerships for Sustainable Development in the follow-up to the Johannesburg Summit.¹²⁸ Of the 231 partnerships it examines, in 2003 only 14 could demonstrate a broad involvement of stakeholders including governments, international organisations, NGOs and business. 75% of the partnerships were led by international organisations (29%), governments of industrialised countries (22%), or international NGOs (24%). In comparison, only 6% were led by governments of developing or transition countries. NGOs from these countries were also highly under-represented.¹²⁹

With a few positive exceptions, multistakeholder partnerships reproduce precisely the power relationships and asymmetries that exist in the international system. In some senses they even intensify them by strengthening the dominance of a few powerful governments, multinationals, private foundations, and well-organised international organisations from the North, while governments and civil society organisations from the South often play only a token role.

4. Proliferation of Partnership Initiatives and Fragmentation of Global Governance

A further problem caused by the explosive growth in partnerships is the proliferation of countless independent initiatives and new 'satellite funds' outside the UN system. This can lead to isolated solutions, which are poorly coordinated. This not only contributes to the institutional weakening of the United Nations and its specialised agencies, but also actually hinders comprehensive development strategies. This problem is especially obvious in the health and energy sectors.

The assessment of global health partnerships carried out by DFID counts 47 initiatives in the area of HIV/AIDS, Malaria and Tuberculosis alone, of which 24 are concerned with researching and fighting HIV/AIDS.¹³⁰ Effectively coordinating all these initiatives at a global level is hardly feasible any more. Even at the national level, attempts to integrate the health partnerships into respective health systems are reaching the limits of what is possible. A 2004 investigation into health partnerships in Africa found that in Tanzania alone, 28 international public-private partnerships were being implemented in the health sector.¹³¹ The DFID assessment observes that

On paper many partnerships give the impression of equal rights for stakeholders and broad representation, but in practice it is the wealthy actors from the North who dominate, whether they are governments, corporations or private foundations.

The proliferation of countless independent initiatives and new 'satellite funds' outside the UN system can lead to isolated solutions, which are poorly coordinated. This not only contributes to the institutional weakening of the United Nations, but also actually hinders comprehensive development strategies.

128 See Andonova/Levy (2003)

129 See also the Background Paper of the UN Department for Economic and Social Affairs (2005), which does not, however, distinguish between actors from the North and South, and see <http://webapps01.un.org/dsd/partnerships/public/welcome.do> for up to date statistics

130 See Caines et al. (2004), p. 44

131 See Wulf (2004), p. 139

*“While individual GHPs may be seen as effective and helpful, the wider concern is that individual GHPs do not and cannot have a whole systems view of the health system they worked in, and in general rely on. There is a serious risk that weak human resources and systems capacity at central and local levels can be overwhelmed by the growing proliferation of GHPs – and other HIV/AIDS initiatives – with separate demands.”*¹³²

The Paris Declaration on Aid Effectiveness, in which governments from industrialised and developed countries agreed on measures to improve the quality of development cooperation in March 2005, also bemoans the

*“(...) insufficient integration of global programmes and initiatives into partner countries’ broader development agendas, including in critical areas such as HIV/AIDS.”*¹³³

A similar problem exists in the energy sector, especially in multistakeholder initiatives to promote renewable energy. The following five initiatives, all created in the last few years, represent just a fraction of the more than 50 energy partnerships listed in the CSD database alone:¹³⁴

Box 3: Multistakeholder Partnerships Promoting Renewable Energy

REN21 – Renewable Energy Policy Network for the 21 st Century	www.ren21.net
Renewable Energy and Energy Efficiency Partnership (REEEP)	www.reeep.org
Global Network on Energy for Sustainable Development (GNESD)	www.gnesd.org
Global Village Energy Partnership	www.gvep.org
EU Energy Initiative for Poverty Eradication and Sustainable Development (EUEI)	www.euei.org

The variety of global initiatives results either in work being duplicated through thematic overlap, or in high costs to coordinate the work. This could be avoided through the strengthening of the responsible intergovernmental organisations.

Supporters see the variety of global initiatives as a strength, as the only possibility to maintain political flexibility and to mobilise a broad range of different actors. However, it in fact results either in work being duplicated through thematic overlap, or in the generation of high costs to coordinate the work at international and national levels. This could be avoided at least to some extent through the substantial strengthening of the responsible intergovernmental organisations such as WHO and UNEP. However, there is currently no consensus on this between member states. As ever more new partnerships are created at global level, these problems of coordination are likely to become worse in future years.

5. Unstable Financing – a Threat to the Sufficient Provision of Public Goods

One of the main arguments in favour of multistakeholder partnerships is that through the involvement of non-state actors, urgently needed additional financial resources can be mobilised. But in practice, so far this has clearly only been the

¹³² Caines et al. (2004), p. 26

¹³³ OECD/DAC (2005), p. 2

¹³⁴ See UN Doc. E/CN.17/2006/6, 2 March 2006, para. 44

case to a very limited extent. In particular, the hope that partnerships could generate significant extra funds from the business sector for environmental and development purposes has not been fulfilled.

In the FAO, the financial contributions which private companies have paid into trust funds in conjunction with partnership projects in the last six years are \$7.6 million, which represents 13% of non-state funding and only 0.22% of the total trust funds of the FAO.¹³⁵

Of the resources pledged till 2004 for the Type-2 partnerships of Johannesburg (\$1.02 billion) about 83% was from governments, 15% from international organisations, 1% from NGOs and only 0.9% from the private sector.¹³⁶ Further, the public funds did not always represent additional money; some of this money was from the regular budgets of international organisations or from initiatives already in existence before 2002 which were re-labelled at Johannesburg (for example the Nile Basin Initiative, which had already started in 1999). Thomas Hale and Denise Mauzerall, in their investigation of the Johannesburg partnerships, concluded that

*“This finding suggests that partnerships have failed to bring a substantial amount of new, multi-sectoral resources to sustainable development activities.”*¹³⁷

The area of Global Health Partnerships is similar; the DFID study found that

*“There is little evidence that donor funding has been able to leverage additional financial support (...). Financial contributions from the private sector have often been rather disappointing though there have been significant, but often unquantified, in-kind contributions and support at the country level. Thus, it would appear that the GHPs have largely been an effective way of raising resources from existing sources rather than a means of diversifying the funding base.”*¹³⁸

An example of this is the Global Fund, 95% of whose funding comes from governments and less than 5% from private donors (see above).

There is a specific group of private trusts which represent a significant exception, including Ted Turners UN Foundation and the Bill and Melinda Gates Foundation. The UN Foundation had provided \$594.3 million to the United Nations by June 2004 in cooperation with the UN Fund for International Partnerships (UNFIP). The Gates Foundation has donated \$6.5 billion to the health sector and \$2.7 billion to the education sector since it was founded in 1994.¹³⁹ A large proportion of the funds went through partnership initiatives such as GAVI (see above). After Warren Buffett, the second richest in the world after Bill Gates, announced in June 2006 that he would donate \$31 billion to the Gates Foundation, one can expect an increase in donations and hence also in its financial power from the Gates Foundation (see Box 4).

135 See Sauvinet-Bedouin et al. (2005), para. 109

136 Hale/Mauzerall (2004); p. 235

137 ibid

138 Pearson (2004), p. 7

139 As of June 2006, see www.gatesfoundation.org/Grants

The hope that partnerships could generate significant extra funds from the business sector for environmental and development purposes has not been fulfilled.

It is not just the private sector holding back on contributions, but also governments who actually spend relatively little through partnerships.

Nevertheless, one cannot count on the funds necessary for realising the MDGs and for providing global public goods being mobilised through partnerships. It is not just the private sector holding back on contributions, but also, apparently, governments, who actually spend relatively little through partnerships. The US government, for instance, which pushed for the establishment of the Global Fund outside the UN system in the first place, now prefers to give money for health projects bilaterally. Of the \$15 billion that the Bush administration spends on the global research of and fight against HIV/AIDS in conjunction with the President's Emergency Plan for AIDS Relief (PEPFAR), between 2004 and 2008, only \$1 billion goes to the Global Fund (\$200 million per year).¹⁴⁰

To close the financing gap in the area of global health programmes, governments have recently started to introduce various innovative financing mechanisms. Two projects in particular are important:

- The British initiative of an **International Finance Facility for Immunization (IFFIm)**.¹⁴¹ It aims to mobilise \$4 billion by the year 2015 through 'front-loading' on capital markets. The money generated will go to GAVI. IFFIm issued its inaugural bonds in November 2006. While IFFIm is supported by the governments of UK, France, Italy, Spain, Sweden, Norway, Brazil and South Africa, others (including the German government) as well as some NGOs have been sceptical about this new model of "development assistance on credit".
- The French initiative for an **International Drug Purchase Facility (UNITAID)**.¹⁴² This will use revenues raised through an Air Ticket Levy, which is being implemented by France and a number of other countries to fund development. Some of the UNITAID funds will go to the Global Fund. UNITAID was launched in September 2006 by France, Brazil, Chile, Norway and the UK at the UN General Assembly in New York.

The new finance instruments are hoped to contribute to long term funding for global health programmes, increasing their stability and predictability. In particular it is hoped that this will reduce the problem of volatile funding streams.

This problem of volatility exists particularly with partnerships which are funded by one-off donations or are time-limited from the start.

This problem of volatility exists particularly with partnerships which are funded by one-off donations or are time-limited from the start. Countries heavily dependent on a large amount of external financial support are either unable to continue programmes after external financing has run out, or can only do so by re-allocating existing resources. This is a serious problem, as the DFID study established:

*"In effect, there is a risk that country spending patterns will be dictated by the GHPs, and the need to sustain the activities and services provided by them, rather than by national priorities"*¹⁴³

Some partnerships have taken on the consequences of this and extended their original mandate. The Gates Foundation in particular contributes to the predictability of GAVI and the Global Fund through its long-term pledges (\$75 million

140 See PEPFAR: www.usaid.gov/our_work/global_health/aids/pepfarfact.html

141 See www.iff-immunisation.org

142 See www.unitaid.eu

143 Caines et al. (2004), p. 30

per year till 2015 to GAVI and \$100 million per year till 2010 to the Global Fund). Gates thus far exceeds the usual pledges given by governments. However, it also means that these partnerships are very dependent on the continued support of Bill and Melinda Gates.

Box 4: The Rise of Foundations to Finance Public Goods

In recent years the provision of public goods through private funding has expanded, and private foundations – most notably from the United States – have played a significant role in this development.

The US has traditionally held philanthropy and private funding of public goods in high regard: at the beginning of the 21st Century, there were 65,000 foundations in the United States, with assets totalling US \$475 billion. Annual grants increased from US \$11.3 billion to US \$30.1 billion between 1994 and 2003, and the proportion that went toward international funding peaked at US \$3.3 billion in 2001.

Although that number has dipped slightly in the last few years, new foundations with a global development focus have emerged alongside big institutions such as the Ford Foundation and the Rockefeller Foundation. CNN founder Ted Turner led the way in 1997 by establishing the United Nations Foundation, which earmarked a total of US \$1 billion, to be distributed over 10 years, for various UN programmes dealing with issues of health, education and the environment (www.unfoundation.org).

Ted Turner's donation seems almost modest compared to the grants provided by the Bill and Melinda Gates Foundation, the largest private foundation in the world. With an endowment of US \$29.2 billion and annual grant payments of US \$1.36 billion, the Gates Foundation has reached a level of development financing that is on par with countries such as Canada, Sweden, Denmark, and Italy. It has invested over US \$6.5 billion in global health projects, and has made a total of US \$10.5 billion grant commitments since its inception in 1994. Warren Buffett's historic pledge to give US \$31 billion of his fortune to the Gates Foundation will likely double its spending in the coming years, and increase its total assets to an estimated US \$60 billion.

Yet the charity boom has also emerged from something other than a growth in private beneficence. Image promotion and economic strategies are decisive motives for private donors. The United States and many other countries have in fact directly encouraged this trend through their fiscal policies. Substantial tax cuts have led to a redistribution of wealth in favour of the rich: global capital assets of millionaires increased by 375% between 1986 and 2001. 8.7 million people in the world were designated as 'high net worth individuals' (those with financial assets of at least US \$1 million) in 2006, and command a total global wealth of US \$33.3 trillion, according to the World Wealth Report. Since President Reagan's 1986 Tax Reform Act, affluent Americans have been able to avoid as much as 60% of their taxes by donating to charity. In this way, the state forgoes annual tax revenues that amount to billions of dollars, which considerably reduces government funds that could otherwise go toward the provision of public goods.

Box 5: **Top 20 US Foundations by Assets and Total Giving, 2004-2005**

Rank	Name	Asset (in US \$)	Total Giving (in US \$)	As of Fiscal Year End Date
1	Bill and Melinda Gates Foundation	29,153,508,000	1,356,327,000	12/31/05
2	The Ford Foundation	11,570,213,000	511,679,000	09/30/05
3	J. Paul Getty Trust	9,642,414,092	NA	NA
4	The Robert Wood Johnson Foundation	8,991,086,132	359,500,275	12/31/04
5	Lilly Endowment Inc	8,360,760,584	427,465,199	12/31/05
6	The William and Flora Hewlett Foundation	7,336,131,000	319,916,093	12/31/05
7	W.K. Kellogg Foundation	7,298,383,532	219,862,847	08/31/05
8	The David and Lucile Packard Foundation	5,792,094,000	150,115,645	12/31/05
9	The Andrew W. Mellon Foundation	5,301,066,615	181,186,431	12/31/04
10	Gordon and Betty Moore Foundation	5,042,534,007	225,986,140	12/31/04
11	John D. and Catherine T. MacArthur Foundation	5,023,223,000	209,996,176	12/31/04
12	The California Endowment	3,729,571,524	153,242,789	02/28/05
13	The Starr Foundation	3,546,599,566	168,167,773	12/31/04
14	The Annie E. Casey Foundation	3,295,299,665	171,354,926	12/31/04
15	The Rockefeller Foundation	3,237,183,825	143,202,709	12/31/04
16	The Kresge Foundation	2,752,257,750	97,714,540	12/31/04
17	The Annenberg Foundation	2,603,501,021	251,663,628	06/30/05
18	The Duke Endowment	2,542,619,779	105,774,927	12/31/04
19	Charles Stewart Mott Foundation	2,480,562,766	113,334,381	12/31/05
20	Carnegie Corporation of New York	2,244,208,247	91,053,489	09/30/05

Based on the most current audited financial data in the Foundation Centre's database as of July 27, 2006 (www.foundationcenter.org)

An additional argument used to justify the involvement of the private sector in partnership initiatives is that it leads to a reduction of prices for products made by the respective companies, for example medicines or vaccines. The reality is mixed.¹⁴⁴ While some initiatives such as the Tuberculosis Global Drug Facility clearly led to a reduction in prices for medicines, the prices of the vaccines provided by GAVI did not go down. Prices for anti-retrovirals, offered in conjunction with the Accelerating Access Initiative (AAI) by the member pharmaceuticals (Abbott Laboratories, Boehringer Ingelheim, Bristol-Myers Squibb, GlaxoSmith-Kline, Gilead Sciences, Merck & Co., F. Hoffmann-La Roche), are higher than those of comparable generic drugs. This led Benedicte Bull and Desmond McNeill in their investigation into Global Health Partnerships to conclude that

“In summary, there are some examples of behaviour by the big pharmaceutical companies which appear to be altruistic, but also many cases in which the companies have enjoyed the benefits of an expanded market without contributing to bringing the prices down. For example, it is relatively clear that the pharmaceutical companies have benefited greatly from the expansion of the market due to the increased funding for vaccination resulting from GAVI’s activities; but prices still reflect supply and demand and the limitations of the current patent system, rather than any form of corporate philanthropy.”¹⁴⁵

“There are some examples of behaviour by the big pharmaceutical companies which appear to be altruistic, but also many cases in which the companies have enjoyed the benefits of an expanded market without contributing to bringing the prices down.”

6. Dubious Complementarity – Governments Escape Responsibility

A further argument used in favour of partnerships is that these types of initiatives complement intergovernmental processes without replacing them. The Cardoso Panel Report observed that

“Charting new global possibilities through strategic alliances does not compete with traditional multilateralism – it complements, and strengthens it. But the power of this new diplomacy has yet to be fully recognized.”¹⁴⁶

In practice this complementarity is far from guaranteed. Quite the opposite: the US government, for example, promoted the Type-2 initiatives at the Johannesburg Summit not as complementary but precisely as replacements for the intergovernmental agreements seen to be ineffective.

Many NGOs at the time pointed out critically that governments would use partnerships to escape responsibility. Sunita Narain, Director of the Centre for Science and Environment (CSE), New Delhi, commented at Johannesburg that

“The US is trying to undermine the multilateral nature of the WSSD by shifting focus to voluntary partnerships. Instead of agreeing to a rule-based system to govern the management of the global environment, where nations take responsibility for their actions and can be held accountable for them, the US is trying to shift focus onto voluntary agreements that have nothing to do with rules or responsibility, and over which there will be very little control.”¹⁴⁷

144 For the following see Caines et al. (2004), p. 19ff

145 Bull/McNeill (2006), p. 129

146 Panel of Eminent Persons on United Nations Civil Society Relations (2004), para. 34

147 CSE Press Release, 31 August 2002 (www.cseindia.org/html/eyou/geg/press_20020831_1.htm)

There is a similar problem to be found with the Global Compact. Outwardly, the Global Compact presents itself as a complementary tool to state and intergovernmental regulation of business. But in practice, while the Secretary General untiringly stresses the effectiveness of voluntary initiatives (“Our experience with the Global Compact over the past four years has shown conclusively that voluntary initiatives can and do work“¹⁴⁸) he has avoided lending political support to more extensive and binding instruments such as the UN Norms for Transnational Corporations with regard to Human Rights.¹⁴⁹ Added to this, it was in fact Kofi Annan’s most important partner in the Global Compact, the International Chamber of Commerce (ICC), together with the International Organisation of Employers (IOE), who were the most vocal in the opposition to the UN Norms. One of the arguments was that the Norms were

“(...) counterproductive to the UN’s ongoing efforts to encourage companies to support and observe human rights norms by participating in the Global Compact.”¹⁵⁰

As a rule, multistakeholder partnerships appear to develop not as complementary projects but as replacements for intergovernmental initiatives.

As a rule, multistakeholder partnerships appear to develop not as complementary projects but as replacements for intergovernmental initiatives, especially in the areas in which political consensus between governments is either not possible or not wanted, and hence governance gaps exist as described above. This does not, however, apply consistently to all areas of global politics.

7. Selectivity in Partnerships – Governance Gaps Remain

Public-private partnerships in other areas such as trade, economics, financial systems, human rights and peacekeeping, are limited or non-existent.

Up to now, multistakeholder partnerships have developed particularly in the health and environmental sectors. Added to these are more project-specific partnerships in the areas of development and humanitarian aid. Public-private partnerships in other areas such as trade, economics, financial systems, human rights and peacekeeping, are limited or non-existent.

The reason for this is that in these areas, generally one of the following four basic conditions for the creation of a public-private partnership is not fulfilled:

1. High pressure of the global problem (as with HIV/AIDS)
2. Relatively weak intergovernmental organisations
3. Well-organised actors from the business sector and/or civil society, who are interested in a global partnership
4. Willingness on the part of governments or intergovernmental organisations to give up a certain amount of state sovereignty for the benefit of private actors in a particular area and to delegate or privatise public duties.

¹⁴⁸ See UN Press Release SG/SM/9387, 24 June 2004

¹⁴⁹ The Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, were adopted by the UN-Sub-Commission on the Promotion and Protection of Human Rights on the 13th August 2003 (see UN Doc. E/CN.4/Sub.2/2003/12/Rev.2 (2003), 13 August 2003). The Human Rights Commission, however, did not ratify them in 2004 or 2005.

¹⁵⁰ UN Doc. E/CN.4/Sub.2/2003/NGO/44, 29 July 2003

The conditions are clearly better fulfilled in the areas of health and energy than in other areas in which governments are less eager for collaborative initiatives with business and civil society or where other forms of collaboration between the state and private sector already exists (for example cooperation between industry and the military.)

But even within the environmental and health sectors, partnerships only develop selectively and concentrate on problems in which mostly technical solutions lead to relatively quick wins (vaccination programmes, promoting renewable energy systems). Long-term structural problems such as building up a health system or overcoming gender inequality are only peripherally touched on by multistakeholder initiatives.

This means that multistakeholder initiatives, even aside from the deficits and problems described, are in no way a solution to overcoming global governance gaps. They are only created where a critical mass of like-minded state and non-state actors already exists and where largely short-term technical solutions are possible. Where this is not the case, the governance gaps remain.

8. Trends toward Elite Models of Global Governance – Weakening of Representative Democracy

Inasmuch as partnerships give all participating actors equal rights, the special political and legal position occupied legitimately by public bodies (governments and parliaments) is sidelined. Public-private partnerships implicitly devalue the role of governments, parliaments and intergovernmental organisations, and overvalue the political status of private actors, including transnational corporations involved in these models of corporation. This is especially problematic with partnerships whose goal is to develop internationally binding norms and who influence the social and economic development of a country.

Some partnerships, such as the Global Fund, are quite aware of these problems, and have stressed the importance of national 'ownership' and the primacy of national sovereignty. Civil society groups however emphasise in turn that national sovereignty must not be confused with the sovereignty of the government. In countries without functioning structures of representative democracy, clearly structures cannot be further weakened by partnerships. On the contrary, through involving civil society actors they can enhance the political participation of the country's population and through this promote the process of democratisation.

But whether or not partnerships actually lead to democratisation of international relations (or the opposite), depends entirely on who selects the participants, how transparent the partnership is, how representative its composition is, and how accountable the partners are to their own constituency (see point 3 above). If members are handpicked by governments or international organisations, then the partnership simply gives the illusion of democratic participation. If the partners are self-nominated and exclude important groups affected by the partnership's activities, then it cannot purport to be democratically legitimate. Global policy

Even within the environmental and health sectors, partnerships only develop selectively and concentrate on problems in which mostly technical solutions lead to relatively quick wins. Long-term structural problems are only peripherally touched on by multistakeholder initiatives.

PPPs implicitly devalue the role of governments, parliaments and intergovernmental organisations, and overvalue the political status of private actors. This is especially problematic with partnerships who develop internationally binding norms and who influence the social and economic development of a country.

networks, too, which have no political decision-making function but rather aim to build awareness and carry out advocacy and coordination work, are highly problematic if they actually resemble exclusive clubs while projecting a picture of democratic representativeness on the outside. Such 'World Councils' or global round tables are based on an elitist model of global governance which sees the solutions to global problems lying in the top-down creation of small multistakeholder circles. The counter-model is a participatory bottom-up approach as exemplified by the World Social Forum and regional and national Social Forums. These kinds of approaches, though, are undoubtedly a lot more difficult to implement.

If global partnerships are not to stand in the way of a democratic multilateralism, they clearly need to fulfil criteria that ensure that the long-term interests of the public are not damaged.

If global partnerships are not to stand in the way of a democratic multilateralism, they clearly need to fulfil criteria that ensure that the long-term interests of the public are not damaged by the particular partnership initiative. This demands both a set of sophisticated partnership guidelines and systematic impact assessments.

Does the End Justify the Means?

Despite the risks and side effects of global partnerships discussed, supporters can still argue that at the end of the day partnerships fulfil their purpose and have delivered positive results for the provision of global public goods. Political scientists speak of the 'output legitimacy' of partnerships. So do multistakeholder partnerships substantially contribute to protecting the environment, fighting poverty or promoting human rights?

Considering the lack of wide ranging assessments of partnerships this question can hardly be answered. Some individual partnerships, especially in the area of health, show quantifiable positive results. These include the Global Fund, which had supported the treatment of 544,000 people with anti-retrovirals by June 2006, treated 1.4 million tuberculosis patients and distributed 11.3 million malaria nets. GAVI, too, delivers very concrete successes; according to its figures, the lives of 1.7 million children have so far been saved through the Alliance's vaccination programme.

Very little is known, though, about the indirect effects of these programmes, for example on health systems or the distribution of income and wealth. The DFID assessment of global health partnerships observes that:

*"There is as yet little evidence on impact. (...) Individual GHPs tend mostly to lack specific indicators or measures for equity aims. At country level, they cannot show that the very poorest people are benefiting, and most lack specific objectives to work with country partners for delivering such impact."*¹⁵¹

The assessment showed that the effect of partnerships is heavily dependent on the political conditions in a given country:

*"A clear conclusion from this study's fieldwork is that at country level, GHPs are in practice only as pro-poor or gender-sensitive as the policy environment and health systems they operate within."*¹⁵²

¹⁵¹ Caines et al (2004), p. 16

¹⁵² ibid, p.17

It is a great deal harder to evaluate the effects of those public-private institutions, which are discourse-oriented and have an advocacy or coordination function. Generally they have a long-term perspective and by definition no immediately quantifiable results.

In the case of the Permanent Forum on Indigenous Issues, it is at least possible to observe that the establishment of this Forum considerably improved the level of engagement at UN level with the interests and rights of indigenous peoples.

An assessment of the impact of the Global Compact carried out by the consultancy McKinsey in 2004 delivered mixed results. On the one hand, the study deemed the initiative a success, observing moderately that

*“The Global Compact has had noticeable, if incremental, success in the areas we assessed. A solid participant base and the power of the idea of high-level UN engagement with the private sector have largely driven these successes to date. (...) The Compact has contributed to some reform in companies, acting primarily as an accelerator and facilitator of action, rather than the dominant force for change. Participation in the Compact has spurred greater attention and resources for corporate citizenship efforts, accelerated the implementation of new policies and led to a proliferation of partnership projects and some policy change.”*¹⁵³

On the other hand, the results of the survey of Global Compact companies showed that their policy had changed by only a fraction because of their participation in the Global Compact. In answer to the (very general) question of whether reforms at their company towards ‚corporate citizenship‘ were supported by their participation in the Global Compact, respondents answered as follows:

- 40% *“participation had no significant impact”*,
- 51%, *“changes would have happened anyway, but participation made it significantly easier or brought change forward significantly”*,
- 6% *“change would have been difficult to implement without being a participant”*,
- and 3% *“the changes would not have happened without being a participant”*.¹⁵⁴

In other words: in 91% of the surveyed companies, the Global Compact, according to their own analysis, had either no effect or at least did not lead to a supplementary improvement of their environmental, social or human rights performance.

Beyond this, the McKinsey report, despite its ambitious title ‚Assessing the Global Compact’s Impact‘, said nothing about whether changes in company policy had an actual effect on products and production conditions. Instead it was only based on the companies’ self-assessment. The terms of reference did not provide for any verification of the companies’ statements and the stakeholders affected by the companies’ policies were not surveyed.

¹⁵³ McKinsey (2004), p.3

¹⁵⁴ *ibid.*, p. 4

This fact is a clear example of a fundamental problem in the assessment of multi-stakeholder partnerships. The quality and extent of the assessment depends hugely on the terms of reference of whoever commissioned the study, which is inherently guided by the interest of the commissioning party.

Given the potential risks and side effects of partnerships, then, independent evaluations of existing partnerships ex post but also systematic impact assessments of partnerships ex ante are needed. This necessity is summarised by the UN Secretary General in his 2006 partnership report:

“Impact assessment is the first crucial step to clarifying the contribution of partnerships to the work of the United Nations. However, individual impact assessments and evaluation studies will not be sufficient to detect larger patterns and trends. Current research on partnerships suffers from a lack of comparable case studies and other data. Resources should be made available to facilitate such applied research work in order to improve the systematic understanding of where, when and under what circumstances partnerships are likely to deliver.”¹⁵⁵

This research should not be limited to the question of whether the partnership has fulfilled or will fulfil its self-defined goals. To be sufficiently thorough, it should amongst other things assess what influence private actors have on the analysis of problems, the political prioritisation and the financing of such partnerships. Besides this, of course, the actual contribution of partnerships to realising the goals and objectives of the UN, especially the MDGs, needs to be examined.

Beyond this, the extent of influence by individual business actors on discourse and decision making processes in the UN needs to be investigated in the context of the transparency and accountability demanded by the General Assembly. This applies for example to the ICC, the WEF, the Gates Foundation and McKinsey&Co.

Finally, it is important to explore to what extent informalising the multilateral process of building political will (as public private partnership approaches and networks appear to do) limits the decision-making power and influence of democratically legitimate institutions, and thus endangers the laborious development of democratic decision-making structures at global level.

It is important to explore to what extent informalising the multilateral process of building political will limits the decision-making power and influence of democratically legitimate institutions.

¹⁵⁵ UN Doc. A/60/214, para. 58

7. Steps toward a ‚Common and Systematic Approach‘ to Partnerships

Partnership initiatives and policy networks between UN institutions and private actors have mushroomed in recent years, driven by secretariats of UN institutions, financially powerful foundations and corporations, business associations, consultancies and a few international NGOs. While some governments, for example the US and Germany, have supported this trend, most have reacted much more cautiously. The General Assembly partnership resolutions have repeated like a mantra the call for collaboration to be undertaken *“in a manner that maintains the integrity, impartiality and independence of the Organization”* (see Appendix 1). Yet intergovernmental regulations and an institutional framework that could ensure this are still not in place. The political level has not kept pace with the operational level.

The secretariats of various UN institutions involved in partnerships have become increasingly aware that there can be no collaboration with private actors without a minimum level of principles and regulation. Otherwise, partnerships could put the integrity and reputation of the organisations in the line of fire. This applies especially to collaboration with private companies and foundations, because relations with NGOs have been regulated for a long time by ECOSOC resolutions as well as through equivalent intergovernmental resolutions of many subsidiary organs and specialised agencies of the UN. The following section will, therefore, focus on the relations between the UN and the private sector in particular.

1. UN Guidelines – the status quo

In the last few years, the secretariats of various UN institutions have each created declarations of principles and guidelines for partnerships in general, and for relations with business in particular (see Appendix 2). Especially important are the guidelines for cooperation between the United Nations and the Business Community released by the Secretary General in July 2000. They form the basis and act as a point of reference for most of the guidelines subsequently produced.

The guidelines vary greatly in scope, objectives and quality. Most formulate general principles of collaboration, describe possible types of relationships and regulate the use of the organisations’ names and emblems. On the central question of which criteria apply to the selection (or exclusion) of partners, most remain vague and selective (see Box 6). The Secretary General in his Guidelines excludes companies

“(...) that are 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 mines or their components or otherwise do not meet relevant obligations or responsibilities stipulated by the United Nations (...)”

The guidelines vary greatly in scope, objectives and quality. On the central question of which criteria apply to the selection (or exclusion) of partners, most remain vague and selective.

UNHCR and UNICEF also exclude collaboration with companies who are involved in the production or sale of weapons and military equipment. Along with UNDP they also blacklist the tobacco and alcohol industries, albeit only half-heartedly. The UNDP guidelines require that “extra caution should be exercised” with such corporations; UNICEF does prohibit any form of collaboration with them as “*unacceptable under any circumstances*” but one sentence later declares its willingness “*to consider alliances with corporate affiliates of companies in the alcohol or tobacco industry, but only within strict limits.*”

2. Limitations and Weaknesses of the Current Principles and Guidelines

Altogether, the various processes within the UN system to regulate partnerships and the selection of business partners are inadequate.

Altogether, the various processes within the UN system to regulate partnerships and the selection of business partners are inadequate for several reasons:

- **Not binding enough:** guidelines are generally formulated and adopted in the secretariats of the relevant UN organisations. In contrast to the participatory rights for NGOs, governments have neither adopted the guidelines nor are they responsible for their implementation and monitoring. Thus rather than having a legally binding status, they act simply as manuals for UN staff. Some guidelines still only exist in draft form (for example UNV). In some cases the UN staff involved are themselves responsible for developing and updating the texts. For example the UNEP guidelines state that “*to remain valid, the Guidelines for Co-operation between UNEP and Business should be critically reviewed regularly and updated. Ensuring this is the responsibility of the UNEP focal point for business.*”¹⁵⁶
- **Inconsistent selection standards:** the UN organisations do not use a standardised set of criteria to select or exclude potential partners. This leads to a situation in which companies who for example are involved in weapons production do not satisfy UNICEF and UNHCR standards but can still be part of the Global Compact (e.g. EADS).
- **Imprecise language:** the principles and selection criteria are sometimes so general in their formulation that they leave considerable room for interpretation. For example, the Secretary General’s Guidelines exclude collaboration with companies who do “not meet relevant obligations or responsibilities stipulated by the United Nations” without specifying which obligations are “relevant”.
- **Lack of the will for implementation:** some guidelines deliberately leave loopholes open for cooperation with companies who have not in the past met UN standards by 100%. UNDP recommends for example that “*When making a final decision about a particular company, Resident Representatives are encouraged to assess the business on its current record and not solely on its past history.*”¹⁵⁷ The UNIDO guidelines virtually apologetically note that “perfect partners who fully comply with all the principles of a UNIDO partnership will not necessarily be found. Rather than ‘perfection’, it is the willingness and ability of prospective

¹⁵⁶ UNEP (2004), p. 5

¹⁵⁷ UNDP (2001), p. 5

partners to comply that counts.”¹⁵⁸ But if companies are judged on their words rather than on their deeds, this fundamentally challenges the credibility of the guidelines.

- **Non-transparent screening and ineffective monitoring:** it is unknown how potential private sector partners are actually screened and how the respective UN organisations ensure that the companies involved continue to respect the principles and basic standards during the project in question, as laid out in the guidelines in the first place. Most guidelines contain neither specific details on screening and monitoring processes nor a complaints procedure. UNICEF’s 2001 guidelines are not even publicly available; instead, there is only a three-page executive summary on their website.

The lack of effective screening and monitoring processes is particularly problematic in the Global Compact, because it has begun to be used by some as the new “international ‘gold standard’ for CSR performance.”¹⁵⁹ A company’s participation in the Global Compact is used by an increasing number of UN institutions as a quality and selection criteria (UNDP, UNEP, FAO etc). The Global Compact requires participant companies to abide by its 10 principles as well as to follow the UN Secretary General’s Guidelines. But the Global Compact Office expressly does not monitor compliance. It did adopt so-called ‘Integrity Measures’ in 2005, but those provide for sanctions only in the case of misuse of logos or if the company fails to submit the annual “Communication of Progress” report. There is still no monitoring of whether a company is involved in violating human rights, in producing or selling anti-personnel mines, or tolerates forced or child labour. If a complaint is made about a Global Compact company, the Integrity Measures decree that

“(...) should the behaviour of a participating company undermine the good efforts made by others, or the integrity of the initiative as a whole, the following measures will be taken. The purpose of applying these measures is to assist the company to align its behaviour to the commitment it has made to the Global Compact.

When a complaint is presented in writing to the Global Compact Office, it will endeavour to:

- Use its good offices to encourage resolution of the complaint.*
- Refer the issue to one or more of the UN organisations that are guardians of the principles for action, assistance or advice.*
- Ask the relevant country/regional Global Compact network, or other Global Compact participant organisation, to assist in finding a solution.”¹⁶⁰*

Beyond this, the Global Compact Office determines no further measures to be taken. Thus just by their CEO sending a simple letter declaring their entry into the Global Compact, companies can receive a seal of approval which basically cannot be removed from them even if they break the rules. One should note that if an NGO violates the equivalent ECOSOC resolution, the rules explicitly provide for the suspension and withdrawal of their consultative status.¹⁶¹

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¹⁵⁸ UNIDO (2002), p. 17

¹⁵⁹ Press Release of the investment consultancy Innovest, 23 September 2005, in which Innovest presented a Global Compact Assessment Tool (Global Compact Plus) to assess companies with.

¹⁶⁰ www.unglobalcompact.org/AboutTheGC/integrity.html

¹⁶¹ See ECOSOC Res. 1996/31, 25 July 1996, Part VIII (Suspension and Withdrawal of Consultative Status)

The UN secretariat does at least now acknowledge the problem of inconsistent standards in selecting partners. A Background Note of the Global Compact Office in June 2006 states that

*“Overall, practices in partner selection and screening differ widely across the UN system, reflecting a lack of exchange of good practice and the fact that agencies, funds and programmes all have different requirements.”*¹⁶²

In light of these problems, governments called on the Secretary General to promote *“the streamlining of United Nations guidelines for partnerships between the United Nations and all relevant partners, including the private sector”*¹⁶³ in the 2006 partnership resolution. Yet this was clearly not to help equip the UN with a more effective tool, but rather just to simplify the procedures. The Secretary General had described *“the complexity of legal processes within the United Nations”* as *“one impediment to establishing partnerships”* in his 2006 partnership report. He concluded that

*“While it is recognized that such proceedings are critical for protecting the United Nations brand, reputation and credibility, they should not be so time-consuming as to stifle the establishment of partnerships. (...) Streamlining this revised process across agencies will be critical to speeding up the partnership-creation process.”*¹⁶⁴

The basic aim should however not be to simplify the partnership guidelines to reduce the burden of labour currently on respective UN staff and to increase the number of partnerships. Much more necessary are clear rules and procedures which ensure that the risks and side effects discussed above are avoided. A revision and standardisation of the current UN partnership guidelines, however sophisticated, would not be enough, even though such a revision is long overdue. The last sentence of the 2000 Secretary General’s Guidelines states that

*“Cooperation with the business community is influenced by changes in the political and economic environment. To remain valid, these guidelines should be critically reviewed at regular intervals and updated in due course”*¹⁶⁵

To this date (October 2006) this has not happened.

Given the increasing importance of the interaction between the UN and the private sector, a comprehensive legal and institutional framework for multistakeholder partnerships involving UN institutions is needed.

But, the UN needs much more than a staff manual at operational level. Given the increasing importance of the interaction between the UN and the private sector, a comprehensive legal and institutional framework for multistakeholder partnerships involving UN institutions is needed. The 2006 General Assembly partnership resolution moves in this direction in that it

*“(...) encourages the United Nations system to continue to develop, for those partnerships in which it participates, a common and systemic approach which places greater emphasis on impact, transparency, accountability and sustainability (...)”*¹⁶⁶

162 UN Global Compact Office (2006), p. 2

163 A/RES/60/215, para. 12

164 A/60/214, para. 54

165 www.un.org/partners/business/otherpages/guide.htm, para. 20

166 A/RES/60/215, para. 7

So far, the legal and institutional framework for partnerships contains considerable gaps. In contrast to the relationship with NGOs, the UN has neither an inter-governmental agreement regulating relations with the private sector nor a related intergovernmental decision-making body. At the level of the UN secretariats the diverse range of partnership guidelines is reflected in an obtuse assortment of Private Sector Focal Points with varying functions and competencies. At the 2006 annual Focal Points conference in Paris, over 50 representatives from all areas of the UN system took part. The Secretary General had already planned in his 2002 reform initiative to create a new 'Partnership Office' as a centralised point of contact for cooperation between the United Nations and business.¹⁶⁷ The office was to integrate the United Nations Fund for Global Partners (UNFIP) and the Global Compact Office. The plan was not implemented.

3. Elements of a Regulatory and Institutional Framework for UN-Private Sector Relations

A 'common and systematic approach' to relations between the UN and the private sector should not, however, simply be limited to operational guidelines and improved cooperation between the Focal Points in the secretariats. The United Nations should develop an effective regulatory and institutional framework for its relations to the private sector. Such a framework should include the following elements:

3.1 A Set of Basic Principles

All interaction between the UN and private actors should be based on a set of basic underlying principles. Their formulation need not start from scratch but could perhaps use as its starting point the principles outlined in the 2000 Secretary General's guidelines and the 2006 General Assembly partnership resolution. This resolution¹⁶⁸ states that collaboration between the UN and its partners should

- *serve the purposes and principles embodied in the Charter of the United Nations;*
- *make concrete contributions to the realization of the Millennium Development Goals and the other goals contained in the Millennium Declaration, as well as in the outcomes of major United Nations conferences and summits and their reviews;*
- *shall be undertaken in a manner that maintains the integrity, impartiality and independence of the Organization;*

In addition, the resolution formulates the following 'partnership principles':

- *common purpose,*
- *transparency,*
- *bestowing no unfair advantages upon any partner of the United Nations,*
- *mutual benefit and mutual respect,*
- *accountability,*

¹⁶⁷ See UN Doc. A/57/387, 9 September 2002, para. 142ff

¹⁶⁸ A/RES/60/215

- *respect for the modalities of the United Nations,*
- *striving for balanced representation of relevant partners from developed and developing countries and countries with economies in transition,*
- *sectoral and geographic balance,*
- *and not compromising the independence and neutrality of the United Nations system in general and the agencies in particular.*

Beyond these general principles, other UN institutions formulated more detailed statements such as the Principles of Engagement with the Private Sector adopted by the UN System Standing Committee on Nutrition (SCN) in March 2006 (see Box 6). While they are meant to guide the work of the SCN, they provide a useful example for other UN institutions as well.

Box 6: Principles of Engagement with the Private Sector of the UN Standing Committee on Nutrition

“Collaborative engagement with the private sector, beyond mere commercial transactions such as buying products and services, is guided by the following principles:

- a. **Relevance to Vision and Mandate:** Any collaborative activities with PSOs must have a direct relevance to and be in support of achieving SCN’s vision and mandate. SCN shall establish and pursue its own agenda for private sector engagement, rather than only react to proposals.
- b. **Effectiveness and Efficiency:** Securing concrete outcomes in line with achieving the goals of the SCN, as well as the appropriate use of the SCN’s resources as compared to alternative actions.
- c. **Managing Conflict of Interests:** Identification of interests of collaborating individuals and institutions, assessment of potential conflicts of interest, in keeping with SCN’s policy on such conflicts (...) and subsequent management of these or exclusion from participation.
- d. **Independence from vested interest:** Maintaining the credibility of SCN by ensuring independence from commercial interests.
- e. **Transparency:** While respecting individual privacy and institutional confidentiality, as appropriate, the aim must be for all interested persons to easily obtain information on the activities, including through posting on websites.
- f. **Diversity:** Diversifying types of PSOs, to ensure that no one type (size/origin) dominates engagements, and ensuring that those who have no commercial interests in the issues have preferential participation.
- g. **Differential Safeguards:** Distinguishing between activities that relate to public policy making and should be particularly safeguarded from corporate influence, and other activities with less relevance to or influence on public policy. Differentiating between PSOs involved in activities that are confluent¹⁶⁹ with the interests of SCN, and those that are not.
- h. **Human rights based:** promoting and respecting human rights principles, treaties and covenants.”¹⁷⁰

¹⁶⁹ Confluent here means not only to be not antagonistic to SCN vision, mandate and principles, but to have mutually supportive interests.

¹⁷⁰ UN System Standing Committee on Nutrition (2006), p. 3.

But it is not enough just to formulate a set of principles. In order for them not to simply remain diplomatic clichés, they must be translated into operational guidelines that can be monitored.

3.2 Minimum Standards for Interaction between the UN and the Private Sector

To give these general principles concrete meaning, governments should agree to minimum standards for the interaction between the UN and the private sector. This could be in the form of a General Assembly resolution, comparable to the ECOSOC resolution on the regulation of the consultative relationship with NGOs. Such a resolution should set minimum standards for the shape and composition of initiatives involving the private sector. This should ensure the prevention of an undue influence of business actors on public policies, any distortion of competition, and a lack of representation of affected populations.

To minimise the risk to the UN's reputation, this resolution should define standardised partner selection and exclusion criteria which apply to the whole UN system. It should prevent companies and private actors who violate internationally agreed environmental, social and human rights conventions or otherwise violate UN principles (for example through corruption, breaking UN sanctions, proven lobbying against international UN agreements, distorting competition, evading taxes etc) from entering into collaborative relationships with the UN.

The selection and exclusion criteria used so far in the Secretary General's Guidelines are full of gaps and have to be supplemented. A new provisional measuring stick should not be based on the vague principles of the Global Compact but rather on the broader Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, adopted in 2003 by the UN-Sub-Commission on the Promotion and Protection of Human Rights, as well as on the OECD Guidelines for Multinational Enterprises.

Beyond this, the resolution should contain a consolidated list of product areas and business sectors which are fundamentally out of the question for UN partnerships. These could include:

- arms production and trade, including components
- the alcohol and tobacco industries
- production of goods damaging to children and young people (such as games which glorify violence or toy weapons)

The UN and NGOs can learn from each other in the area of selection criteria for partners. Some NGOs, such as terre des hommes Germany for example, have developed their own basis for cooperation with companies as well as comprehensive checklists for assessing companies.¹⁷¹

¹⁷¹ See terre des hommes Deutschland (2006).

In order for them not to simply remain diplomatic clichés, they must be translated into operational guidelines that can be monitored.

Minimum standards and detailed partnership selection and exclusion criteria will remain useless if not systematically implemented. A regulatory framework for relations between the UN and private actors therefore needs also to ensure a transparent screening process.

Minimum standards for partnerships and detailed partnership selection and exclusion criteria will remain useless if not systematically implemented. A regulatory framework for relations between the UN and private actors therefore needs also to ensure a transparent screening process and the institutional capacity necessary for this at the UN. This includes an accessible complaints procedure as well as mechanisms regarding the termination of partnerships and the exclusion of companies who do not abide by the minimum standards.

3.3 Systematic Impact Assessments and Independent Evaluations

Before the United Nations enters into a new multistakeholder initiative or partnership with private actors, the possible impacts of these activities must be systematically assessed. This should include evaluating the added value of the initiative for the realisation of the UN's goal; the relation between the risks, costs and side effects and the potential benefits; and the possible alternatives to the planned activities. Systematic impact assessments of this kind have not been done in the past, and in the future should be a requirement for every new 'partnership' (see chapter 4 above for more detail). The same applies to independent evaluations of existing initiatives and partnerships. The impact assessments and evaluations should be carried out by neutral bodies and not by institutions which see themselves as promoters of the partnership approach and who are pursuing the rapid expansion of global partnerships (for example the Global Compact Office). The results of the investigations must be made publicly accessible and discussed. A precondition for the independent assessment and evaluation of partnerships is the public availability of information. The UN should, therefore, establish a comprehensive system-wide database of partnerships. The CSD Partnership Database could be used as a model for this.

3.4 Institution Building

For the UN to realise a regulatory framework for partnerships, especially those with the private sector, they need to create the conditions necessary to support this work in their secretariats and at the intergovernmental level. This would include taking the following steps:

- **Building up staff capacity:** the additional duties of screening companies, legal advice, and monitoring and evaluation of partnerships cannot be covered with existing staff resources. Current efforts to simplify guidelines and legal requirements for partnerships in order to facilitate the establishment of new initiatives means that the required impact assessments and a serious examination of potential partnerships is impossible. It is necessary instead to build up UN staff capacity. To respect the principles called for by governments of 'integrity', 'impartiality', 'independence' and 'neutrality', as well as to prevent partisanship and corruption, the UN staff responsible for partnerships need to have a critical distance from potential partners. It would be counterproductive if the Private Sector Focal Points effectively acted as the representatives of private business interests within the UN system. It is particularly problematic in this context if private business representatives take on official functions at the UN secretariat or secretariats in any of the specialised agencies of the UN.
- **Strengthened impact assessment and evaluation capacity:** To systematically examine the implications of planned partnerships and collaboration projects

with business and to evaluate existing initiatives independently, the United Nations should set up a new impact assessment and evaluation mechanism. This task could possibly be fulfilled by the existing Joint Inspection Unit of the UN, if its financial resources and mandate were extended accordingly.¹⁷²

- **An Ombudsperson:** as the point of contact for complaints. People and groups who are directly or indirectly affected by UN partnership initiatives and collaboration projects need an independent place to address complaints to. A new Ombudsperson within the UN secretariat could take on this role.¹⁷³ It would have a similar function as the ombudsperson in the European Commission or the World Bank Inspection Panel. The mandate of the Ombudsperson could also include examining complaints about individual UN partner companies.
- **An Intergovernmental UN Body for Relations with the Private Sector:** Relations between the UN and the private sector are too important to be left only to the operational level of the secretariats. They affect the political future of the UN and should therefore be addressed politically. Discussing the topic sporadically in ECOSOC, and dealing with it every two years as one of 150 agenda items in the General Assembly, is not sufficient. It might therefore be necessary to set up an intergovernmental body which would deal with the relations between the UN and the private sector and the shaping and monitoring of partnership initiatives on an ongoing basis. It could have a similar status as the ECOSOC NGO Committee or the former ECOSOC Commission on Transnational Corporations. Its duties could cover monitoring the implementation of the principles, minimum standards and guidelines for partnerships, and to develop them if necessary; analysing the impact assessments and evaluations and drawing appropriate conclusions; and making decisions on complaints. Full transparency and the comprehensive participation of NGOs should prevent the body from falling into the web of the business lobby or that governments block each other over national business interests – admittedly a difficult task.

Even with a thorough set of principles, detailed minimum standards and effective institutions, multistakeholder partnerships and collaborative projects with the business sector would not be free of risks and problems. This applies especially to the areas outside the UN's sphere of influence. The more effective the directive and coordinating roles within the UN system, the greater the tendency with some companies, business and associations and governments to establish their joint initiatives outside the UN system. This happened with numerous business partnerships at the 2002 Johannesburg Summit. In the run-up to the Summit, companies announced 95 new partnership initiatives in conjunction with the Business Action for Sustainable Development. But hardly any of these were registered as a 'Type-2' partnership and thus most were removed from the monitoring and influence of the UN.¹⁷⁴ This sort of proliferation of partnership initiatives can contribute to the weakening of multilateral cooperation under the UN system and to the fragmentation of Global Governance.

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172 See www.unjiu.org.

173 Since 2002 there has been an Ombudsman at the UN-Secretariat. However they are only responsible for internal affairs and conflicts between UN staff-members. see www.un.org/ombudsman.

174 See Andonova/Levy (2003), p. 30

On the other hand, the numerous partnership initiatives of recent years show that UN institutions have in no way been marginalized but in fact have profited from initiatives. In some cases, partnership projects have helped increase their room to manoeuvre in areas where previously the strategies of individual governments to block progress at the intergovernmental level had hampered them (for example on renewable energy). In others, they have mobilised supplementary funding withheld by governments for political or ideological reasons. For example, while the Bush administration systematically withholds money from UN projects on birth control and reproductive health, the Ted Turner and Bill and Melinda Gates foundations explicitly support these projects.

The boom in multistakeholder partnerships is a sign of a crisis of purely intergovernmental diplomacy, which often reaches its limits at the global level because of stalemates between individual governments.

The boom in multistakeholder partnerships is a sign of a crisis of purely intergovernmental diplomacy, which all too often reaches its limits at the global level because of stalemates between individual governments. Multilateralism is in fact in the process of searching for a way forward, and intergovernmental multilateralism clearly cannot solve global problems as it is. The new models, despite their image of greater flexibility and efficiency, bring their own serious risks and side effects. To go along with the trend uncritically might be in the interests of powerful business lobbies whose influence over shaping global policy can grow through such models, but not in the interests of the affected people.

The core question should be – how can global problems be solved in a framework of democratic multilateralism, and what role do models of cooperation between public and private actors play in this process? Experience so far suggests that this role can and should only be a very limited one.

The core question in the analysis of political networks and global partnerships should therefore not be – how can partnership models of this type be strengthened or their management improved? The core question should instead be – how can global problems be solved in a framework of democratic multilateralism, and what role do models of cooperation between public and private actors play in this process? Experience so far suggests that this role can and should only be a very limited one.

International politics is at a crossroads. On the one hand, the path towards an elite multilateralism, which shifts decisions on global policy increasingly into exclusive clubs and political circles while excluding democratic control and participation; on the other, the path to a multilateralism of solidarity, which emphasises and strengthens the responsibility of democratically legitimate public institutions and complements this through a comprehensive involvement of civil society organisations and the well regulated interaction with the private sector. In the spirit of the UN Charter, one can only hope that over time, this model of a multilateralism of solidarity will prevail over the elite club model of global politics.

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Abbreviations

ACC	Administrative Committee on Coordination
CEO	Chief Executive Officer
CFC	Common Fund for Commodities
CGIAR	Consultative Group on International Agricultural Research
CIAT	International Center for Tropical Agriculture
CoC	Code of Conduct
CSD	Commission for Sustainable Development
CSO	Civil Society Organization
DESA	Department for Economic and Social Affairs
ECOSOC	United Nations Economic and Social Council
EITI	Extractive Industries Transparency Initiative
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environmental Fund
GF	Global Fund to Fight AIDS, Tuberculosis and Malaria
GPPP	Global Public-Private Partnerships
IAEA	International Atomic Energy Agency
ICT	Information and Communication Technologies
ICT4D	Information and Communication Technologies for Development
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
IFI	International Financing Institution
IGO	Inter-Governmental Organizations
IMF	International Monetary Fund
ITC	International Trade Center
IUCN	World Conservation Union
MDG	Millennium Development Goals
NGO	Non-Governmental Organizations
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
PLWHA	People Living With HIV/AIDS
PRSP	Poverty Reduction Strategy Paper
PSO	Private Sector Organisation
SCN	Standing Committee on Nutrition
UN	United Nations
UNCT	United Nations Country Team
UNCTC	United Nations Centre on Transnational Corporations
UNCTAD	United Nations Conference for Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNF	United Nations Foundation
UNFF	United Nations Forum on Forests
UNFIP	United Nations Fund for International Partnerships
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNPFII	United Nations Permanent Forum on Indigenous Issues
UNV	United Nations Volunteers
VIO	Volunteer Involving Organization
WB	The World Bank Group
WFP	World Food Programme
WFS	World Food Summit
WHO	World Health Organization

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Appendices

Appendix 1: “Towards Global Partnerships”

The first time that the UN General Assembly addressed global partnerships between the United Nations and private actors was in 2000. This was done on the initiative of the German government, whose primary goal was to promote the Global Compact at the intergovernmental level a few weeks after its official launch (26th July 2000). Until that point, the Global Compact initiative had been mainly carried by Kofi Annan and business representatives. G-77 governments especially felt left out and responded initially to the Global Compact with suspicion.

Since 2000, the topic has been an established item on the General Assembly agenda under the heading “Towards Global Partnerships”. Since 2001, the General Assembly deals with the issue on a bi-annual cycle, on the basis of a report from the Secretary General.

The First Partnership Resolution (A/RES/55/215, 21 December 2000)

The first General Assembly resolution reflects the scepticism still held at the time by many governments towards the concept of public-private partnerships. It explicitly underlines the intergovernmental nature of the United Nations. At the same time it stresses “the need for Member States further to discuss partnerships and consider, in appropriate intergovernmental consultations, ways and means to enhance cooperation between the United Nations and all relevant partners (...)” To this end, it requests the Secretary General to research and prepare a report on the various positions held by governments on the issue. The resolution does not mention the Global Compact.

The First Partnership Report of the Secretary General (A/56/323, 9 October 2001)

The report, entitled “Cooperation between the United Nations and all relevant partners, in particular the private sector” feeds back the (overwhelmingly positive) position on collaboration with the private sector of the member states. Its findings, however, are not very representative, as they are only based on comments by 23 member states (Brazil, China, Cuba, Israel, Japan, Pakistan, Russia, Sweden (for the EU), USA and Switzerland). Of the 132 members of the G-77, only 3 gave their position. The report identifies 5 types of collaboration with the private sector (policy dialogue, advocacy, mobilizing private funds, information and learning, operational delivery), gives examples, and examines how co-operation with the private sector should be managed. In an annex it documents the “Guidelines for cooperation between the United Nations and the business community” which the UN Secretary General had published on the 17th of July 2000.



The Second Partnership Resolution (A/RES/56/76, 11 December 2001)

The second resolution continued to reflect the fear of many governments of a shift in power from purely intergovernmental bodies to partnerships with private actors. Governments “encourage” the private sector to accept and implement the principles of corporate responsibility, and in this context also mention the Global Compact. They also identify the following general principles as bases for partnerships with the United Nations: “common purpose, transparency, bestowing no unfair advantages upon any partner of the United Nations, mutual benefit and mutual respect, accountability, respect for the modalities of the United Nations, striving for balanced representation of relevant partners from developed and developing countries and countries with economies in transition, and not compromising the independence and neutrality of the United Nations system in general and the agencies in particular”.

The Second Partnership Report of the Secretary General (A/58/227, 18 August 2003)

The second partnership report, now entitled “Enhanced Co-operation”, deals with the definition and modalities of partnerships, and reports on new developments in the relationship between the UN and the private sector. It shows a particular interest in the World Summit on Sustainable Development, the Financing for Development process, the UN Information and Communication Technology Taskforce, the Global Compact and UNFIP. It draws conclusions from experiences so far, and extracts from them practical recommendations for the further promotion of the concept of partnerships in the UN. In this context, the report also includes a checklist of “Characteristics of Successful Partnerships”. Fundamentally, it observes, “(...) there is a need to implement a more coherent and systematic approach to developing and supporting partnerships across the United Nations system.” In order to do this the Secretary General announces his intention to create a partnership office at the secretariat, which should integrate the Global Compact and UNFIP.

The Third Partnership Resolution (A/RES/58/129, 19 December 2003)

The substance of this resolution does not differ substantially from its 2001 predecessor, and it contains numerous identical text passages. In particular, it repeats the demand “to ensure the integrity and independence of the Organization”. In addition, the resolution explicitly stresses “that partnerships should be consistent with national laws, national development strategies and plans, as well as the priorities of countries where their implementation takes place, bearing in mind the relevant guidance provided by Governments.” Besides this, the governments ask the UN and their partners to provide sufficient information about existing partnerships.

The Third Partnership Report of the Secretary General (A/60/214, 10 August 2005)

The third Secretary General report came out a few weeks before the 2005 World Summit and during this heated period of negotiations, especially around Security Council reform and the establishment of the Human Rights Council and Peace Building Commission, it was hardly discussed. The report deals slightly more explicitly than the previous ones with partnerships between the UN and business and comes up with a modified categorisation. It identifies four functions which

partnerships fulfil: a) advocacy, b) developing norms and standards, c) sharing and coordinating resources and expertise, and d) harnessing markets for development. For each of these functions the report presents case studies. Besides this the report gives information about the recent developments in the relations between the various UN institutions and business actors. In conclusion the report formulates some concrete steps “(...) the United Nations system should take to build the necessary conducive cultural and institutional environment for its partnerships with the private sector.”

Its recommendations are given under the following six headings:

- *Build institutional capacity in United Nations country offices*
- *Promote training of United Nations staff at all levels*
- *Streamline guidelines for partnerships*
- *Improve clarity and practicality of partner selection processes*
- *Build the foundation for smart selectivity through systematic impact assessment*
- *Enhance coherence in the United Nations and foster transparency through improved learning and best practice exchange*

The report is in fact simply a summarised version, down to the letter, of the publication “Business UNusual. Facilitating United Nations Reform Through Partnerships” launched by the UN Global Compact Office on the eve of the 2005 World Summit in New York.

The Fourth Partnerships Resolution (A/RES/60/215, 22 December 2005)

Some of the recommendations from the Secretary General’s third partnership report appear in the General Assembly resolution which followed it. Although the resolution still repeats passages from previous resolutions, it does go further on a number of important points. While four years before, governments still emphasised the need for further clarification of the concept of partnerships, in 2005 they agree for the first time on a universal definition, which states that “partnerships are voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits.” Political positions on partnerships in general and on the Global Compacts in particular have changed in the resolution. While previously, governments had simply “taken note of” partnerships, they now “encourage” the development of public-private partnerships in many areas of the UN, and welcome innovative approaches to the use of partnerships to realise the United Nations’ goals and programmes. For the first time, they express a positive response to the work of the Global Compact Office, and welcome the nomination of the new special adviser on the Global Compact. At the same time, however, they demand a common, system-wide approach from the UN to partnerships and the standardisation of the various UN Guidelines for partnerships. Finally, they emphasise the necessity of improving the management of partnerships, and also the need to encourage impact assessment mechanisms. The new Secretary General is to present a report on the implementation of this resolution at the 62nd General Assembly in 2007, which is when the topic “Towards Global Partnerships” is next on the agenda.

Appendix 2: Principles and Guidelines for Partnerships and UN-Business Co-operation		
UN System Standing Committee on Nutrition	2006	SCN Private Sector Engagement Policy http://www.unsystem.org/scn/publications/html/FinalSCNPrivateSectorEngagementPolicyAgreedJune2006.doc
High-level Forum on the Health MDGs	2005	Best Practice Principles for Global Health Partnership Activities at Country Level http://www.hlfhealthmdgs.org/Documents/GlobalHealthPartnerships.pdf
UN Secretary-General	2005	Global Compact Integrity Measures http://www.unglobalcompact.org/AboutTheGC/integrity.html
UNV	2005	The Private Sector and Volunteerism for Development. A Guidance Note for Volunteer-Involving Organisations. (Draft) http://glow.civiblog.org/V4D_GuidanceNote_PvtSector_Eng.pdf
UNEP	2004	Guidelines on Co-operation between the United Nations Environment Programme and Business http://www.uneptie.org/Outreach/home/Pub-Priv-SG-Guidelines-UNEPversionFINAL.pdf
UN	2002	Guiding Principles for Partnerships for Sustainable Development ('type 2 outcomes'), „Bali-Principles“ http://www.un.org/esa/sustdev/partnerships/guiding_principles7june2002.pdf
UNESCO	2002	Report by the Director-General on the Progress Made in the Preparation of Guidelines for Selecting Partners in the Member States, Including the Rules and Regulations Governing the Use of UNESCO's Name and Emblem by these Partners. 165 EX/37 http://portal.unesco.org/en/file_download.php/53353be6c66ed86734759127fdbba18b165+ex.37.E.pdf
UNIDO	2002	Partnership Guide http://www.unido.org/file-storage/download?file%5fid=12978
UNDP	2001	UNDP Guidelines for Working with the Business Sector
UNICEF	2001	UNICEF Guidelines and Manual for Working with the Business Community Identifying the Best Allies – Developing the Best Alliances http://www.unicef.org/videoaudio/PDFs/Summaryguidelines.doc
UN Secretary-General	2000	Guidelines for Cooperation between the United Nations and the Business Community. www.un.org/partners/business/otherpages/guide.htm
UNESCO	2000	Guidelines for Selecting Partners in the Member States, Including the Rules and Regulations Governing the Use of UNESCO's Name and Emblem by these Partners: Proposals by the Director-General. (159 EX/30) http://unesdoc.unesco.org/images/0011/001194/119456E.pdf
WHO	2000	Guidelines on working with the private sector to achieve health outcomes. Report by the Secretariat. http://ftp.who.int/gb/pdf_files/EB107/ee20.pdf
UNHCR	No date	UNHCR Corporate Code of Conduct www.unhcr.org/cgi-bin/texis/vtx/partners?id=3d904d954

Appendix 3: Business Partner Selection Criteria	
UN Secretary-General	<p>„(a) Business partners should demonstrate responsible citizenship by supporting United Nations causes and core values as reflected in the Charter and other relevant conventions and treaties;</p> <p>(b) Within their sphere of influence, private enterprises should have demonstrated a commitment to meeting or exceeding the principles of the Compact by translating them into operational corporate practice;</p> <p>(c) Business entities that are 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 mines or their components or otherwise do not meet relevant obligations or responsibilities stipulated by the United Nations are not eligible for partnership.“ (para. 12)</p>
UNDP	<p>„When making a final decision about a particular company, Resident Representatives are encouraged to assess the business on its current record and not solely on its past history. In general, extra caution should be exercised when considering partnerships with companies that produce, deal in or are affiliated with the tobacco and alcohol industries, in order to ensure that the benefits substantially outweigh any negative impact from UNDP being affiliated with such businesses. Additionally, as per the Secretary-General’s Guidelines, UNDP should not engage in partnership activities with “[b]usiness entities that are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour¹, are involved in the sale or manufacture of anti-personnel mines or their components, or that otherwise do not meet relevant obligations or responsibilities by the United Nations ...“ (p. 5)</p>
UNESCO	<p>„(e) Ethical criteria and professional principles: partners’ adherence to the United Nations Charter and the Global Compact, as well as to UNESCO’s Constitution, are a prerequisite for partnerships; guidelines will include a reference to UNESCO’s strategic objectives and other relevant policy and programming features.</p> <p>(f) Selection of partners: the guidelines will include specific criteria for potential partners from the private sector, such as their commitment to social responsibility and international development, especially in the context of relevant initiatives and practices of the United Nations system and their adoption of strategies and practices aimed at fostering social responsibility and practices.“(165 EX/37, para. 9)</p>
UNHCR	<p>„Companies (including subsidiaries) engaged in any of the following activities shall not be eligible for partnership with UNHCR:</p> <p>Weapons sale or manufacture, including components.</p> <p>Systematic and sustained forced labour or child labour.</p> <p>Operating in countries subject to UN sanctions.</p> <p>UNHCR may choose not to engage with any company whose public image is severely compromised by past activity in one of the above mentioned categories or in other areas which may be deemed, at any given time, to reflect negatively on the agency.“</p> <p style="text-align: right;">➔</p>

¹ As defined by ILO Convention 182: Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

<p>UNICEF</p>	<p>“UNICEF has identified a number of eligibility criteria that help guide its assessment of whether to enter into a proposed alliance. UNICEF looks for alliances with entities that display corporate responsibility and leadership in the community; make a positive contribution to society; have a record of socially-responsible behaviour; have a positive public and/or product/service image; have a history of commitment to development-related causes; have responsible labour practices; and employ responsible environmental practices.</p> <p>We have also identified exclusionary criteria and UNICEF gives special attention to some industry sectors. Some are unacceptable under any circumstances. Thus, for example, no alliances are possible with businesses in the armaments and weapons sector; toy manufacturers manufacturing replica weapons marketed to children; alcohol or tobacco companies; companies which violate United Nations Sanctions; manufacturers of infant formula whose marketing practices violate the International Code for the Marketing of Breast-milk Substitutes; and companies involved in pornography, exploitative and/or corrupt practices; companies found in violation of environmental laws. UNICEF is prepared to consider alliances with corporate affiliates of companies in the alcohol or tobacco industry, but only within strict limits.”</p> <p>UNICEF Summary, para. 5-6.</p>
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