

Business UNusual

FACILITATING UNITED NATIONS REFORM THROUGH PARTNERSHIPS

Commissioned by the United Nations Global Compact Office
Produced by the Global Public Policy Institute

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This report was produced in consultation with a broad group of experts and stakeholders under the guidance of the United Nations Global Compact Office. As far as possible, the report seeks to reflect the many insights and recommendations they provided. However, the views expressed, as well as any errors or omissions, are the responsibility of the authors.

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Foreword by the United Nations Secretary-General

The United Nations of the 21st century is operating in a very different world from the one that existed at its inception 60 years ago. New threats such as HIV/AIDS, climate change and catastrophic terrorism have emerged or taken on heightened significance. New technologies have connected the world in ever-expanding networks of trade, commerce and cultural exchange. Awareness of global interdependence continues to spread. And with the resources, know-how and tools at our disposal today, ours is truly the first generation capable of defeating the age-old scourges of poverty and hunger.

If the United Nations is to be a useful instrument in responding to these challenges, and if it is to effectively serve the world's peoples, the Organization must keep pace with this changing world. That is why, in recent years, the United Nations has been engaged in a broad and continuous programme of institutional change and reform. An important component of this process has been the progressive opening of the United Nations to non-state actors, including business and civil society, as indispensable partners in our work.

Almost all United Nations agencies, funds and programmes are engaging in partnerships with business. Some of these partnerships have been designed to advocate specific causes; others have developed norms for business conduct; still others have sought to support the development and expansion of sustainable markets. Whatever form they take, they have proven to be a critical tool in achieving two complementary objectives: strengthening the work of the United Nations for development, security and human rights and introducing the Organization to different and sometimes more efficient ways of management.

This publication, a collaborative effort of the United Nations Global Compact Office and the Global Public Policy Institute, provides an overview of recent partnership activities in the United Nations, as well as the challenges the Organization faces in its efforts to engage the private sector and create effective coalitions for change. It suggests ways to make such collaboration more effective, and offers insights that could contribute to the ongoing reform effort. As we proceed along the path of organizational renewal, I hope this publication will be a source of inspiration to Governments, business, civil society and United Nations entities in our shared global mission of prosperity, dignity and peace.

Kofi Annan
Secretary-General of the United Nations
August 2005



Executive Summary

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

The United Nations is currently undergoing the most significant transformation since its founding in San Francisco in 1945. Under the leadership of Secretary-General Kofi Annan, the United Nations has embarked on a road towards becoming a more effective and accountable institution. The end of the Cold War and the ongoing process of globalization have fundamentally transformed the environment within which the world body operates. One vital component of this process has been the progressive opening of the Organization to non-governmental actors, including civil society and business.

Originally conceived of as a purely intergovernmental organization, the United Nations has begun reaching out to civil society and business in search of new partners for shaping a new world. Partnerships with business and civil society have been one of the Organization's major innovations. The gradual and ongoing process of opening and engaging business and civil society is a result of the increasing realization that the world organization by itself will not be able to confront the manifold challenges of a globalizing world. In a world of complex and fast-changing transnational challenges, effective international cooperation among Governments is unquestionably more important than ever before. Yet, in order to effect change and improve the living conditions of billions of people in a sustainable manner, partnering with civil society and business is more than just an option. In many ways, it has turned into a necessity for the United Nations in order to “get the job done”.

The sustainability and impact of partnerships depends on the strength of partnership management and the degree to which partnerships feature local ownership.

Nurturing interface capacity is a process of profound institutional adaptation that necessarily involves changing institutional processes and attitudes.

Partnerships: A new growth industry

The sheer number of multisectoral partnerships that have developed during the past decade is astonishing. Their diversity defies both easy categorization and the drawing of general conclusions about what works and what does not. It is useful to loosely group partnerships under four functions: advocacy, developing norms and standards, sharing and coordinating resources and expertise and harnessing markets for development.

In **advocacy** partnerships, the United Nations partners with business and civil society in order to advance a cause or to place an issue on the global agenda. Such partnerships leverage the reputation and networks of the United Nations and key stakeholders to promote vital development issues, including the Millennium Development Goals (MDGs). As cases profiled in this report show, business can make an important contribution to agenda setting not only through financial support, but also through its expertise and extensive reach. This holds true both for the demand side, through outreach to its consumer base, and for the supply side, through its relations with suppliers and other business partners.

Other partnerships help to **develop codes of conduct** or other norms and standards that structure business conduct in the global economy. While generally not enforceable, such standards create reference frames that define acceptable behaviour. Standard-setting partnerships are the most complex and difficult to manage since they usually engage a broad variety of stakeholders. As some of the cases profiled in this report demonstrate, these stakeholders usually represent very diverse interests. As a result, such partnerships are contested spaces in which conflict and different perspectives need to be managed.

Partnerships can also serve as mechanisms to **share and coordinate resources and expertise**. In such cases, the United Nations partners with business and civil society in order to benefit from complementary resources and to coordinate different contributions to key development issues. Especially important in such partnerships is the dissemination and sharing of existing knowledge and technology. These partnerships often exploit economies of scale in knowledge generation and dissemination, thereby helping to build capacity in developing countries.

Finally, partnerships have also emerged as a novel means to **harness markets for development**. In such cases, the United Nations partners with business and civil society to support the development and expansion of sustainable markets – locally, regionally and globally. Such partnerships either provide access to markets, such as producer networks, or help to bridge or deepen markets by providing incentives for business to invest. Partnerships that provide access to markets are relevant especially for individual entrepreneurs and small businesses in developing countries that do not have the ability to market their products to consumers in the industrialized world.

Embedding a partnering approach in United Nations structure and culture: Accomplishments and challenges

Different types of partnerships pose different challenges in terms of their management, governance structure and accountability requirements. Research shows that the sustainability and impact of partnerships depends in particular on the strength of partnership management (i.e. agreement on clear goals and objectives, appropriate risk management, systematic evaluation and impact assessment etc.) and the degree to which partnerships feature local ownership.

Strong management and local ownership depend to a large extent on the ability of each partner – the United Nations, business, as well as civil society – to work effectively in multi-stakeholder alliances. Developing “interface capacity” is key in this context. Good interface capacity requires, among other things, that partnership work is integrated into the broader management frameworks of the individual partners. Nurturing interface capacity is not a series of fixed activities, such as one-off workshops or trainings. Rather, it is a process of profound institutional adaptation that necessarily involves changing institutional processes and attitudes as well as a deepening understanding about complex issues and how partnerships can help address them.

Encouraging first steps

During the past decade, the United Nations has begun to transform itself into an effective partnership player by nurturing such interface capacity. The trend towards working in partnership has triggered a process of structural and cultural change within the Organization. For example, various United Nations bodies have created dedicated partnership portfolios that facilitate engagement, harnessing partnerships to the mission and goals of their organizations. Others have taken first steps at decentralizing their partnership work by building capacity in regional and country offices – a key strategy to fostering local ownership in partnerships.

Almost all United Nations organizations have put guidelines in place that provide operational and legal guidance for the engagement of business and civil society. Today, most United Nations organizations work with staff who are experienced in building and managing partnerships. Some of these organizations have also started to include partnership management in job descriptions and provide various incentives for staff to reach out to external stakeholders. Many United Nations organizations have also launched websites geared at profiling their partnership activities and facilitating more effective outreach to potential partners. In many cases, the United Nations Global Compact has played a critical role in catalyzing these changes, particularly by reaching out to business, advocating business engagement within the United Nations and facilitating the internalization of United Nations Global Compact principles within the United Nations itself.

The United Nations
Global Compact
has played a critical role in
catalyzing change in the
United Nations.

Impact assessment forms
the basis for higher-level
strategy development,
appropriate resource
allocation and learning.

Remaining challenges

However, the process of structural and cultural transformation in the United Nations is by no means complete, nor has it progressed evenly across the system. The institutional reality in many United Nations organizations is still one in which partnership work remains at the institutional fringes, conducted parallel to, but disconnected from, the main lines of work. While some partnership units work with great commitment on partnership projects, the integration of their work into established work streams is often a challenge. As a result, often the United Nations finds it difficult to leverage its own core competencies to partnerships. Of course, this is not only true for the United Nations but also for many of its partners in business and civil society.

Another institutional reality is that some United Nations organizations have trouble supporting their commitment to partnerships with adequate resources (i.e. finances and staff). Very few United Nations organizations leverage resources specific to partnership activities. In some cases, partnership work has been added to the work programme of individual staff members already struggling to keep up with their existing work demands.

There are also practical impediments to more effective partnership building that almost all United Nations organizations grapple with. For example, a frequent criticism relates to legal hurdles that contribute to time lags in the implementation of partnerships. Another practical problem is the consistent application of partner selection schemes across the United Nations system. Some United Nations bodies use third-party certifiers; others engage in a case-by-case screening by themselves. Overall, there is a need for more consistency and greater transparency regarding partner selection.

Finally, another impediment to more effective partnership building is the lack of systematic and comparable impact assessment. Though individual partnership projects may be assessed as part of standard evaluation practices, these evaluations are usually not comparative. For the United Nations, impact assessment is not only important for accountability purposes – a comparative review of partnership engagements also forms the basis for higher-level strategy development and appropriate resource allocation as well as for learning.

Large-scale organizational change always takes time and requires sound strategy and sufficient resources. Also, there are no one-size-fits all solutions; each United Nations organization needs to develop its own, tailored approach towards partnering with business and civil society. Today, the United Nations is at a critical stage in this change process. Now is the time to learn from the experiences that have been made during the past decade and to take stock of what has worked and what has not. Some United Nations organizations have launched such strategic reviews. Others will hopefully soon follow.

It has become fashionable in recent years to dismiss the United Nations as a bureaucratic institution resistant to innovation and change. The innovative capacity and the degree of experimentation and organizational change that can be observed in the context of partnerships tell a different story. Partnerships have allowed the United Nations to become increasingly creative and sophisticated in its attempts to leverage the skills and resources of business and civil society toward the goals of the Organization. In fact, partnerships have become a catalyst for reform and institutional innovation across the entire United Nations system. The United Nations' value-based mission, convening power and geographical reach provide the Organization with unique strengths when partnering with non-governmental actors. These institutional strengths have proven to be important explanations for why business enters into partnerships with the United Nations. Furthermore, this report provides evidence confirming that once business accepts the United Nations' value proposition and aligns its practices with universal principles, a company's propensity to engage in operational initiatives increases significantly. United Nations principles can thus form a robust basis for long-term relation-

ships and ongoing engagement with business. The United Nations value proposition provides a profound incentive for its partners and should be further leveraged.

Governments are supporting this process by advocating and leveraging change in the United Nations. They also execute political oversight, thereby lending important legitimacy to the many ongoing initiatives. Many Governments actively participate in partnership projects themselves, as the case studies included in this report show. In fact, the participation of Governments – both local and national – is crucial for local ownership as well as partnership impact. Finally, many Governments have launched their own bilateral partnership programmes, reaching out to other stakeholders in order to enhance their work. Partnerships clearly serve as a vehicle for meeting Government goals and objectives. Governments should therefore continue to lend their backing for the United Nations as it reaches out to business and civil society – through oversight, progress reviews and resource support.

Partnerships have become
a catalyst for reform and
institutional innovation
across the entire
United Nations system.



chapter 1

Introduction

“If the United Nations is to be a useful instrument for its Member States and for the world’s peoples...it must be fully adapted to the needs and circumstances of the twenty-first century...Its strength must be drawn from the breadth of its partnerships and from its ability to bring those partners into effective coalitions for change across the whole spectrum of issues on which action is required to advance the cause of larger freedom.”

From: United Nations (2005). “In Larger Freedom: Towards Security, Development and Human Rights for All”. Report of the Secretary-General. A/59/2005. New York: United Nations, para. 153.

The United Nations is currently undergoing the most significant transformation since its founding in San Francisco in 1945. The end of the Cold War, more than 15 years ago and the ongoing process of globalization have fundamentally transformed the environment within which the world body operates.

United Nations Secretary-General Kofi Annan takes note of these changes in the bold reform proposals he sets out in his report “In Larger Freedom: Towards Security, Development and Human Rights for All.” The United Nations, he states, “was built for a different era”. Now, the challenge is to adapt the institution to the requirements of an ever moving, globalized world. Under his leadership, the United Nations has embarked on the road towards transforming itself into a more effective and accountable institution in this new environment.

A new focus on clear, measurable targets is one part of this overall transformation of the United Nations. The adoption of the Millennium Development Goals (MDGs) by world leaders in New York in 2000 has provided the United Nations with an action-oriented and quantifiable reference that has clearly energized the international community to take action on a variety of fronts. Today, the MDGs are the linchpin of international development policy. They are seen by many as the key to a more peaceful and secure world and as a bold promise to the billions of people living in abject poverty.

Under the leadership of Secretary-General Kofi Annan, the United Nations has embarked on the road towards transforming itself into a more effective and accountable institution.

During the 1990s,
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for shaping a new world.

This report focuses on one other vital aspect in these ongoing reform efforts: the progressive opening of the United Nations to non-governmental actors, including civil society and business.¹ In 1945, the United Nations was conceived of as a purely intergovernmental organization. During the Cold War, the world body remained by and large closed to actors other than Governments. During the 1990s, facing a fundamentally transformed world, the United Nations began reaching out to civil society and business in search of new partners for shaping a new world.

During the past decade, the spirit of multisectoral collaboration and “partnership” has gained prominence throughout the United Nations system and generated a broad range of activities and results. The successful cooperation between the United Nations and business as well as civil society in the wake of the 2004 tsunami disaster provides just one recent and very prominent example.

This report focuses on the role and performance of the United Nations in partnerships with other stakeholders, in particular the business community. It pursues two objectives. First, it offers an overview of current United Nations involvement in partnerships, in order to illustrate the progress that has been made during the past decade. Second, it provides a snapshot of the ongoing institutional transformation process in the United Nations, geared at enabling the organization to work more effectively in partnership with other stakeholders. In this context, the report highlights accomplishments as well as remaining challenges, providing the basis for the development of a progressive action agenda.

Opening up – opportunities and challenges

The gradual and ongoing process of opening is a result of a growing realization that the United Nations by itself will not be able to confront the manifold challenges of a globalizing world. Faced with complex and fast-changing transnational challenges, effective international cooperation among Governments is certainly more important than ever before. Yet, in order to induce change and improve the living conditions of billions of people in a sustainable manner, partnering with business and civil society is more than just an option. In many ways, it has turned into a necessity for the United Nations in order to “get the job done”. Business and civil society can bring key resources to the fore – knowledge, expertise, access and reach – that are often critical for successful problem-solving. The United Nations increasingly depends on these resources and tries to find innovative means to leverage them to its work. Governments are actively supporting these efforts at drawing non-governmental actors into the work of the United Nations, recognizing that it helps to make the world organization stronger and more effective. Many partnership initiatives also depend on the active participation of governmental authorities, on both the local and national level, to achieve impact and sustainability.

Reaching out to and engaging with other stakeholders in partnerships has also triggered some concern and criticism. Some sceptics claim that this new style of work has the potential to supplant the authority of Member States within the United Nations, while others allege that partnerships constitute a selling out of the United Nations, with the potential to ultimately undermine the reputation and legitimacy of the world organization. So far, however, there is no evidence that would lend credibility to these assertions. Even so, both supporters and sceptics of partnerships agree that engaging business and civil society requires attention, sensitivity and focus on the part of the United Nations. The process of organizational change

at the United Nations needs to continue so as to supply all the skills, policies, tools and mechanisms necessary to leverage the full potential of partnership to the mission and goals of the Organization. As this report demonstrates, making the United Nations “fit” for partnerships is a task that is aligned with the overall reform agenda which the world organization is currently facing.

This report highlights two key challenges which the United Nations must address to enable effective and sustainable partnerships:

First, partnerships must feature strong local ownership. In other words, local actors (from business, civil society and Government) need to have a stake in the conceptualization and implementation of partnerships. Some United Nations organizations have started building capacity at country and regional levels in order to foster local ownership in partnerships. However, more needs to be done. The United Nations has to strengthen its efforts at enabling country and regional offices to effectively work in partnership. In addition, the United Nations must develop mechanisms designed to link global initiatives with country-level programmes.

Second, partnerships require strong and transparent management. Having impact assessment mechanisms in place is particularly crucial. Impact assessment is an indispensable tool for partnership managers and it is a key mechanism for ensuring accountability – to partners, beneficiaries and donors. As this report shows, some partnerships have dealt effectively with the management and impact assessment challenges, often in an experimental and innovative fashion. The challenge now is to learn from these experiences and to move from the current experimentation phase toward a more systemic approach.

The level and quality of partnership management depends to a large extent on the ability of each actor to be an effective partnership player. What matters is their degree of “interface capacity,” i.e. the extent to which all the necessary skills, policies, tools and mechanisms are in place for effective partnering. As this report demonstrates, much has been accomplished on the partnership front within the United Nations. The world body has undoubtedly come a long way in its efforts to work in partnership with other stakeholders. Ten years ago, much of what is now accepted as common practice was deemed unthinkable.

However, there can also be no doubt that progress has been uneven across the United Nations system and that the process of institutional transformation is still in its early phases. Building interface capacity presents a tall order for any organization that is short on resources, including the United Nations. Clearly, the United Nations cannot successfully address these challenges alone and needs to collaborate with its partners from business and civil society, with Governments and other intergovernmental organizations in finding suitable and practical solutions.

As noted above, this report focuses on the role and performance of the United Nations in partnerships. In doing so, it concentrates in particular on the relationship between the world organization and the business community.² It goes without saying, however, that civil society organizations (i.e. NGOs, foundations, etc.) are equally important players in partnerships. The many case studies included in this report feature not only United Nations and business but also strong civil society involvement.

The report proceeds in four stages (see figure 1)

Chapter 2 briefly reviews the political debate on partnerships, defines partnerships for the purpose of this report and offers a categorization. It also presents the core of our empirical findings on partnerships, providing evidence on key partnership characteristics and partnership management challenges. Chapter 3 reviews recent trends in United Nations partnership work, focusing on efforts at building partnership management systems and promoting

Business and civil society can bring key resources to partnerships – knowledge, expertise, access and reach – that are often critical for successful problem-solving.

The process of organizational change at the United Nations needs to continue so as to supply all the skills, policies, tools and mechanisms necessary to leverage the full potential of partnership to the mission and goals of the Organization.

4 Business UNusual

strong local ownership. The chapter provides an assessment of what the United Nations has accomplished in transforming itself into a partnership player, and identifies future challenges. Chapter 4 concludes and offers recommendations for action by the United Nations.³

Figure 1 | Report structure

Chapter	Key question
1 Introduction	Why another report on partnerships, and why now?
2 Partnerships	Why do partnerships emerge, and what functions do they fulfill?
3 The United Nations as a partnership player	How, and to what extent does the United Nations contribute to the success or failure of partnerships?
4 Conclusion	What are the most important action items for the United Nations?

Endnotes

- ¹ The findings of this report are based on illustrative case studies and more than 60 in-depth interviews with United Nations staff members, business representatives, representatives from Governments, and civil society organizations. In addition, a survey was conducted among United Nations Global Compact business participants to investigate the business perspective on the United Nations as a partnership player. More than 150 companies participated in that survey. The survey as well as more details on data analysis can be accessed at <http://globalpublicpolicy.net/businessUNusual>.
- ² For the purpose of this report business is defined as all individual, for-profit, commercial enterprises, business associations and corporate philanthropic foundations. Individual businesses encompass multinational companies and large national companies (where the State is not the majority owner), as well as cooperatives, small and medium-sized enterprises and micro-enterprises. Business associations include representative, membership-based bodies, such as trade and industry associations, chambers of commerce and organizations of employers (which may have local, national and international structures). Corporate philanthropic foundations are directly funded and/or governed by business. See also Jane Nelson (2002). *Building Partnerships. Cooperation between the United Nations System and the Private Sector*. New York: United Nations.
- ³ The focus in this report on United Nations-business relations is a deliberate choice for two reasons. First, the scope of this report does not allow for a more comprehensive analysis of partnerships and the individual stakeholders that get engaged. And second, United Nations-civil society relations have recently been analyzed by the Secretary-General's Panel of Eminent Persons on Civil Society and United Nations Relations, the results of which include a number of highly interesting and useful observations relevant for the partnership debate. See United Nations General Assembly (2004). "We the Peoples: Civil Society, the United Nations and Global Governance. Report of the Panel of Eminent Persons on United Nations-Civil Society Relations, A/58/817." New York: United Nations. In January 2004, the Panel of Eminent Persons on Civil Society and United Nations Relations held a workshop on "Multistakeholder Partnerships and UN-Civil Society Relationships." A summary of the discussions can be found in Cardoso Panel Secretariat United Nations (2004) "Multistakeholder Partnerships and UN-Civil Society Relationships." Paper presented at the Multistakeholder Workshop on Partnerships and UN-Civil Society Relationships. New York, February 2004.



chapter 2

Appreciating the contribution of partnerships

The wide variety of partnership activities in which the United Nations has become involved reflects the diversity of mandates, work styles and governance structures within the United Nations system.

Over the past decade, the vast majority of United Nations organizations have started to actively engage business and civil society in their work. The sheer number of multisectoral partnerships that have developed is astonishing.¹ Many of these partnerships have produced impressive results, as the selection of illustrative cases profiled in this chapter shows.² The wide variety of partnership activities in which the United Nations has become involved reflects the diversity of mandates, work styles and governance structures within the United Nations system. This necessarily makes a categorization of partnerships both provocative and challenging.

This chapter proceeds as follows. First, it illustrates the ways and means by which partnerships are already contributing to the

work of the United Nations. Based on a set of brief case studies, the chapter offers a categorization of partnerships to allow for a more structured discussion of relevant partnership themes and issues. Second, drawing on the case studies, as well as on interviews conducted for this report, the chapter features a brief discussion of common challenges facing partnerships. In closing, the chapter raises a number of critical questions to which future research on multisectoral partnerships will need to respond. The objective of follow-up studies should be to move towards a systematic, conceptual approach to explaining the emergence and impact of partnerships.

Four functions of partnerships

A thorough assessment of what drives the emergence of partnerships and what determines their impact requires a systematic understanding of the phenomenon itself. What types of partnerships are out there? And what exactly do they do?

In principle, a categorization of partnerships can be achieved across numerous dimensions, such as governance structure or geography. This report offers a functional categorization of partnerships from the perspective of the United Nations. For the purpose of this report, this categorization helps to highlight the practical contributions of partnerships to enhance the work of the United Nations.³

Partnerships fulfil four types of functions:

- (a) **Advocacy** The United Nations partners with business and civil society in order to advance a specific cause and/or draw attention to a particular issue. Advocacy partnerships leverage the reputation and networks of both the United Nations and stakeholders to promote vital political and development issues, including the MDGs and human rights.
- (b) **Developing norms and standards** The United Nations engages with stakeholders for the purpose of developing codes of conduct, reporting guidelines, or other norms and standards that guide business conduct and help facilitate market transactions in the global economy. These codes and agreements serve as reference frames that define desirable and inappropriate behaviour.
- (c) **Sharing and coordinating resources and expertise** The United Nations partners with business in order to benefit from complementary resources and to coordinate contributions to key development projects, including humanitarian relief efforts. The strategic allocation and sharing of knowledge and technology is of particular importance.
- (d) **Harnessing markets for development** The United Nations partners with business for the purpose of supporting the development and expansion of sustainable markets at a local, regional and global level. Such partnerships either help provide access to markets (such as producer networks) or help to bridge or deepen markets (for example by providing incentives for business to invest).

Many partnerships fulfil more than one of these functions. In some cases, functions evolve over time. The scope and quality of the data on which this report is based do not provide the basis for far-reaching generalizations and broad conclusions. However, some common issues and trends emerge. These are discussed for each partnership category in order to highlight the core dynamics behind the various types of partnerships.

Issue advocacy

Business has emerged as a key partner for the United Nations in shaping global, regional and national policy agendas. Business can make an important contribution to such agenda setting, not only through financial support, but also through its expertise (i.e. in industrial marketing) and extensive reach all over the world. This holds true for the demand side – through outreach to its consumer base, as well as for the supply side – through its relations with suppliers and other business partners.

Business is not only getting involved in advocacy partnerships for philanthropic reasons. Cases such as the Global Alliance for Improved Nutrition (GAIN) (see Box 1) and the Global Handwashing Partnership (see Box 3) demonstrate that public and private interest sometimes overlap sufficiently to facilitate joint action. Indeed, partnerships that are based on the participating companies' business interests are more likely to be sustainable in the long run.

As noted above, it is rare for partnerships to fulfil merely one function. This applies in particular to advocacy partnerships. Many of these initiatives not only help place an issue on the global agenda, but they may also facilitate the dissemination of knowledge and technology.

Advocacy partnerships present a number of challenges for all partners involved. In particular, in such collaborative initiatives it appears to be extremely difficult to strike an appropriate balance between legitimate advocacy and product or brand advertising. All partners are entitled to expect some form of "return" on their investment. In this sense, companies that support advocacy campaigns financially or in other ways may understandably wish to claim adequate credit for their engagement. For instance, credit may encompass reputation benefits for a company's brand or products. The United Nations, however, must not be seen as endorsing particular brands or giving exclusive access to certain companies. One way the United Nations has tried to deal with this challenge is to bring together business coalitions in advocacy campaigns rather than relying on bilateral alliances.

Advocacy initiatives face tremendous challenges in fostering local ownership. By their very nature, many of these alliances are globally driven and often fail to incorporate local perspectives. This explains why various advocacy partnerships, such as the Stop TB Partnership (see Box 2), have begun to launch partnerships in individual countries; locally driven partnerships foster ownership and link global campaigns to local realities.

Finally, when choosing business partners for advocacy initiatives, organizations in the United Nations system must be both careful and considerate. Joint advocacy campaigns with business are intended to attract a high degree of publicity and attention. The United Nations needs to make strategic choices regarding the question of which companies and civil society organizations it engages in such campaigns. For the United Nations, legitimacy, reputation and "brand value," are key assets that the Organization cannot afford to squander.

Business has emerged
as a key partner
for the United Nations
in shaping global, regional
and national policy agendas.

Advocacy initiatives
face tremendous challenges
in fostering local ownership.



Dominican Republic: Wheat flour fortified with iron, folic acid, vitamin B



Uzbekistan: Flour fortified with Iron, zinc, folic acid, vitamin B

China: Soy sauce fortified with iron



© GAIN / Claudia Panaita

Bolivia: Wheat flour fortified with iron, folic acid, vitamin B



© GAIN / Françoise Chomé



Vietnam: Fish sauce fortified with iron

© GAIN / Françoise Chomé

Morocco: Wheat flour fortified with iron, vitamins A+B



© GAIN / Tim Higham



Mali: Cottonseed oil fortified with vitamin A

Box 1 | GAIN - Global Alliance for Improved Nutrition (www.gainhealth.org)

Vitamins are good for you! Everybody knows that... Few people are aware of the fact that more than a third of the world's population suffers from micronutrient deficiency. Given that the vast majority of these two billion people live in developing countries, micronutrient deficiency constitutes a major burden to many countries' growth and development prospects. This is where GAIN, the Global Alliance for Improved Nutrition, comes into play. GAIN seeks to build alliances of public, private and civil society partners in order to create awareness for micronutrient deficiency and to help eradicate vitamin and mineral deficiency worldwide.

GAIN's specific objective is to help improve the nutritional status of at least 600 million people in as many as 40 developing countries by 2007. The fortification of commonly available and locally consumed foods will serve as the primary means to accomplish this ambitious goal. Rooted in the idea of local ownership, GAIN provides financial and partnership resources for large-scale, country-based food fortification programmes. In addition to several smaller grants, the Alliance expects to award 40 country grants of up to US\$3 million each by 2007. Beyond its

financial resources, GAIN offers a mechanism for advocacy fashioned to create an enabling environment based on multisectoral cooperation. Participation of both local and multinational private sector enterprises is particularly crucial for the practical implementation of food fortification programmes.

GAIN's activities are well underway and already span the globe. Within two years, 15 Requests for Proposal in 14 countries have been approved and have received funding. In China, for example, fortified soy sauce is being made available to some 129 million people. In South Africa, fortification of maize meal and wheat flour with eight micronutrients was made mandatory in the fall of 2003.

The Bill & Melinda Gates Foundation provided an initial five-year establishment grant of US\$50 million to support the initiative. Other founding donors included USAID, CIDA and the Micronutrient Initiative. While the World Bank has been functioning as GAIN's interim trustee, UNDP will serve as the Alliance's administrative host agency until the end of 2005. Starting in 2006, GAIN will continue its activities independently. GAIN is governed by a Board and administered by

a small secretariat based in Geneva. Its constituents include donors, partners and National Fortification Alliances (NFAs), which constitute the backbone of GAIN-supported projects at the country-level. An NFA serves as a national consensus group that develops a National Fortification Programme (NFP), facilitates the process of creating and submitting a grant proposal and follows up on the implementation of the NFP. In addition to funding large national projects, GAIN has also devised a Small Grants Scheme with an annual budget of US\$2 million that assists countries in tackling challenges in their fortification programmes and supports GAIN's global and regional activities, such as advocacy and product development.

Monitoring and continuous evaluation are central components of the initiative's design. GAIN measures the progress and success of projects it supports and monitors the proportion of potentially fortifiable foods using established input, process, output and outcome indicators. Such impact assessment is seen as crucial in order to demonstrate accountability to beneficiaries and donors and to inform management decision-making.

Vitamins are good for you! Everybody knows that... yet over a third of the world's population is suffering from micronutrient deficiency. The multisectoral Global Alliance for Improved Nutrition (GAIN) is tackling this issue by fortifying local foods, such as fish sauce with iron in Vietnam and other foodstuffs around the globe.





Box 2 | Stop TB Partnership (www.stoptb.org)

As a global initiative with increasingly active national implementation networks, Stop TB is an advocacy partnership creating awareness on Tuberculosis. In addition, the initiative facilitates the sharing of expertise and knowledge on approaches to preventing and treating the disease. The partnership secretariat is independent from, but housed within, the World Health Organization (WHO). The WHO used its convening power to bring together a broad coalition of stakeholders, from the business community, civil society and Government, to create a strong and united coalition for the global fight against TB.

It is commonly agreed that TB is an epidemic fostered by poverty, putting an additional strain on the developing world. At the same time, the proliferation of multidrug-resistant TB strains means that the disease increasingly threatens industrialized countries as well. TB destroys millions of lives every year. Next to the human tragedy, the macroeconomic impact of the disease is enormous. In conjunction with HIV/AIDS and Malaria, TB is a major obstacle to economic development and therefore one important root cause of persistent poverty. Through its advocacy efforts, the partnership raises awareness and ensures that the disease is on the global agenda.

Stop TB was launched in 1998 by then Director-General of the WHO Gro Harlem Brundtland. Earlier efforts by Governments and international organizations to effectively fight TB had failed. Today, the initiative includes members from the business community, including ImmunoBiology, John Snow and Eli Lilly, as well as civil society members, including Africare, TB Alert and the International Federation of Red Cross and Red Crescent Societies. Also, Stop TB is supported by numerous Governments, including the United Kingdom. A complex network of partnerships – currently 361 partner organizations globally – was built within a relatively short timeframe. This rapid growth came hand in hand with a consistent budget increase funded by the WHO, the World Bank and the Rockefeller Foundation, to name only a few contributors.

Early in the process, the partners agreed to basic rules of the game for Stop TB. The “basic framework” spells out roles and responsibilities of different actors, gives guidance on matters of cooperation with the WHO and clarifies financial issues and other logistics. As a complement to the Millennium Development Goals, Stop TB has formulated specific targets for its work. These targets are not only important to motivate all partners to join the fight, they also allow the measurement of progress along the way.

In addition to its clear distribution of roles and responsibilities, Stop TB has also been successful in facilitating transparency in its work, through its website and other means. This transparency also extends to the members of the partnership. A partnership directory facilitates a search according to the country in which the respective partner is based.

In recent years, national Stop TB partnerships have been set up in order to provide more effective responses to local realities taking into account cultural and organizational diversity. Hence many high burden countries now feature national Stop TB initiatives, which are usually smaller “replicates” of the global Stop TB initiative.

The partnership has added value at the country level through at least three channels: the Global Drug Facility has triggered an increase in funding for national TB efforts; technical support streams facilitated through the Stop TB Partnership have fostered strategy development, problem-solving in the field, improved partnership coordination and training; and individual members of the Stop TB partnership have engaged in more active and coordinated advocacy work which has helped to raise the visibility of TB control.





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Box 3 | “Health In Your Hands”: The Global Public-Private Partnership for Handwashing with Soap (www.globalhandwashing.org)

Despite the fact that soap has been made available to 90 percent of all households worldwide, washing one’s hands with soap is not a global social norm. For public health professionals, this circumstance poses a great challenge, especially in developing countries. As long as people do not wash their hands regularly, illnesses such as diarrhoeal disease and respiratory tract infections - the two greatest killers of children in less developed countries - will remain a significant health threat.

Public health professionals at the World Bank, UNICEF and other institutions have been aware of this challenge for a long time. However, several attempts to spread awareness about the importance of hand washing through advocacy and marketing campaigns did not lead to satisfactory results. Over the course of some informal discussions, the idea of partnering with business emerged. International development professionals certainly know a lot about public health and development. However, they are not usually experts in effective, target-group focused marketing.

It did not take long to convince companies to participate in what was to become the Global

Public-Private Partnership for Handwashing with Soap. For the World Bank and UNICEF, it was a means of strengthening public health, which would be essential for greater development efforts. For soap companies, promoting hand washing meant expanding their markets and reaching new customer groups.

Since its inception in 2001, “Health In Your Hands” has grown into a global initiative. Combining the expertise of the soap industry with the resources of the World Bank and UNICEF, the initiative enables all partners to advance their respective interests. Governments and development agencies are in a better position to combat disease and poverty, while the private sector finds opportunities to expand markets. As hand washing directly relates to health improvement and to access and effective use of water, this Partnership contributes to the Millennium Development Goals.

Building on detailed consumer studies, country-based programmes reach out to target audiences through mass media, direct consumer contact and Government channels of communication. Through detailed monitoring and evaluation, the

programmes gather and disseminate relevant knowledge on the subject and on multisectoral collaborations. Country-based partnerships have been established in Ghana, Nepal, Peru and Senegal. At the global level, advocacy events are organized to promote the hand washing cause. Partners include the World Bank / Bank-Netherlands Water Partnership, the London School of Hygiene and Tropical Medicine, the Academy for Educational Development, UNICEF, USAID, the Environmental Health Project, as well as Colgate-Palmolive, Unilever, Hindustan Lever Ltd., Procter & Gamble and the Centres for Disease Control and Prevention. In order to evaluate the efficacy of hand washing campaigns in the field, a global monitoring and evaluation framework has been developed in collaboration with the London School of Hygiene and Tropical Medicine, the Centres for Disease Control and Prevention and the Environmental Health Project.

Despite the fact that soap has been made available to 90 percent of all households worldwide, washing one’s hands with soap is not a social norm everywhere.

Standards-setting partnerships are the most complex and difficult to manage since they usually engage a broad variety of stakeholders.

Developing norms and standards

Various partnerships have emerged in recent years for the purpose of developing norms or standards that fill gaps in global governance. These partnerships often respond to the failure of traditional governance mechanisms to come up with effective, binding frameworks.⁴ In other cases, voluntary codes of conduct or guidelines have become the tool of choice because they provide more flexible and adaptable means to influence behaviour.

Standards-setting partnerships are the most complex and difficult to manage since they usually engage a broad variety of stakeholders, most notably from civil society, but also from business and the United Nations. These stakeholders represent very diverse interests and as a result, such partnerships are contested spaces in which conflict and different perspectives need to be managed.

Standards-setting initiatives such as the Global Reporting Initiative (GRI) (see Box 4), or the Access to Basic Services for All initiative (see Box 5), are not only about upgrading broadly accepted mechanisms and tools. These kinds of initiatives emerge because, though there exist fundamentally different points of view, none of those who come to the table can afford to live with the current status quo indefinitely. Rather than remaining in conflict and stalemate, the stakeholders decide to invest in potential solutions.

However, when a standard-setting process is launched, it is by no means certain that the underlying conflicts can or will be successfully resolved. At the end of a negotiation process, even if the various stakeholders are able to agree to a set of common standards, there is no guarantee that these standards will be implemented. The more inclusive and open the process, the more likely it should be that the standards will find practical application in the real world. Under these circumstances, accountability and the degree to which such initiatives are seen as legitimate by all stakeholders has a direct impact on implementation.

At the same time, the more stakeholders that are included, the more difficult it becomes to manage the political process and to produce impact with a reasonable input/output ratio. Accordingly, standard-setting partnerships require a careful balancing of action and accountability, impact-orientation and inclusiveness.



Box 4 | Global Reporting Initiative (www.globalreporting.org)

The mission of the Global Reporting Initiative (GRI) is to develop comprehensive sustainability reporting guidelines in order to contribute to, and possibly merge, the wide range of Corporate Social Responsibility reporting guidelines. The guidelines issued by GRI are to be used by multinational organizations, public agencies, small and medium-sized enterprises as well as non-profit organizations to promote a single, comprehensive reporting standard on social and environmental performance. The GRI, convened initially by the United Nations Environment Programme (UNEP) and the Coalition for Environmentally Responsible Economies (CERES) in 1997, evolved into an independent organization in 2002. Today GRI is a UNEP Collaboration Centre and cooperates closely with the United Nations Global Compact Office.

Mission achievement poses an obvious challenge for the GRI. In order to flesh out universally acceptable reporting standards applicable to such a variety of target groups, it is imperative to involve a diverse group in the drafting process. In order to meet such requirements, the GRI has clear rules of the game and a sophisticated multi-stakeholder structure.

Today, there are 230 registered Organizational Stakeholders from 34 countries. Membership ranges from large multinationals, like ABN Amro or Canon, to NGOs, such as Oxfam or the African Institute of Corporate Citizenship. The first set of reporting guidelines was published in 2002. They are designed to help describe an organization's environmental, social and economic efforts and achievements. The guidelines are mainly endorsed by large multinationals issuing their annual sustainability reports, but NGOs and small and medium-sized enterprises are strongly encouraged to join the effort. However, one needs to keep in mind that the guidelines do not go as far as to prescribe performance standards; they offer no means for "measuring" or "evaluating" the above efforts.

Funding for the GRI was provided initially by several foundations, including the United Nations Foundation, the Rockefeller Foundation and the Ford Foundation. UNEP was also one of the first contributors. Over the years, the funding structure evolved and now there are also business donors - including Nike, PricewaterhouseCoopers and Royal Dutch/Shell.

Two challenges emerge from the Global Reporting Initiative's complex multistakeholder process. Firstly, it is important to include as many different actors as possible in a constructive process - regardless of disagreement in other areas. This is especially critical when businesses, labour unions and civil society representatives sit at one table. Secondly, one must assure the Guidelines correspond with, and possibly contribute to, existing norms and standards. Efforts have been made to respond to both of these challenges and GRI has been rather successful. According to participants, various stakeholder groups from different regions are involved and usually cooperate effectively.

There are currently about 600 organizations using the 2002 guidelines. However, there is still criticism that the guidelines are too complex to be followed efficiently. The GRI is currently working on a revised set of guidelines, which will most likely relieve some of the defects of the current version. The new set of guidelines (G3) will be published by mid-2006.





Box 5 | Access to Basic Services for All

“Who owns water?” is the provocative question asked by many NGOs in light of the fact that the poorest of the poor in many developing countries frequently do not have access to fresh water or other basic services. Basic service provision has long been a contentious issue. The trend in many developing countries from the 1980s onwards has been to establish public-private partnerships for basic services, in which the service infrastructure remains public, but provision is contracted out to private enterprises. The process has been divisive, as the water case illustrates. Critics contend that private water provision is concentrated into the hands of a few major players that are not accountable to the public. In Bolivia, they claim, water prices have tripled and in Argentina, service providers are accused of having “pulled out” of the country during its financial crisis.

It is against this backdrop that the Access to Basic Services for All Initiative was launched in 2002. The initiative seeks to develop an international standards framework on how to build effective and fair public-private partnerships that improve the delivery of and access to, basic services. The process brings together various actors – public and private, local, national and international – with the goal of developing a reference frame of their respective rights and responsibilities in the provision process. The initiative is based on the recognition that basic services are interrelated: well-planned, integrat-

ed strategies can save resources and permit simultaneous progress in basic services provision. Such strategies require the cooperation of all stakeholders involved in the provision of basic services. Cooperation can be improved by establishing a framework that specifies the partners’ roles and responsibilities. For companies, such a framework creates a more predictable environment for investment and operations. For NGOs, it offers a set of standards to which they can hold companies accountable. Governments, in turn, stand to benefit by improvements in meeting their responsibility of ensuring safe and affordable access to basic services.

The impetus for the initiative came from Véolia Environnement (formerly Vivendi), a French company involved internationally in local utilities management in water, energy equipment, waste and public transport. Véolia contacted the United Nations Institute for Training and Research (UNITAR) about the possibility of becoming involved in a project promoting the effective use of partnerships in local public services provision. The Access to Basic Services for All Initiative was developed at two ensuing meetings, the latter of which was held at the 2002 World Summit for Sustainable Development in Johannesburg.

In consultation with private companies, local and national Governments and NGOs, UNITAR and UN-HABITAT drew up two documents that identify three priorities for basic services provi-

sion. These are: to conduct sustainable pro-poor policies – to develop an effective multistakeholder partnership for basic services provision and to allocate a central role to local authorities in basic services provision. The documents propose the development of a declaration of principles on access to basic services, sets of guidelines that identify the roles, responsibilities and rights of individual stakeholders and regulations that further develop the general guidelines on a sector-specific basis. The World Urban Forum in September 2004 put forward the suggestion to establish an open-ended, multistakeholder Support Committee in charge of following-up the UN-HABITAT and UNITAR initiative. In April 2005, the Governing Council of UN-HABITAT adopted a resolution backing the Access to Basic Services for All principles and guidelines. The resolution, which had been introduced by the Governments of Brazil, France, the Philippines and South Africa, was passed with the support of the Group of 77, the People’s Republic of China and the group of African countries.

The consultative process is to be pursued in further detail at a July 2005 international meeting that will focus on the financial aspects of basic services provision as well as on the financing of basic services by local authorities. The final Declaration and Guidelines are to be discussed and adopted at the Millennium+5 Summit in September 2005 and by ECOSOC in July 2006.

“Who owns water?” critics have asked in response to the trend for privatizing water provision. The Access to Basic Services for All Initiative seeks to address these concerns by making clear the roles and responsibilities of stakeholders in public-private partnerships for the supply of basic services. Increased access to energy, sanitation and waste management as well as the construction of vital transportation arteries has had a major impact on impoverished regions worldwide, providing livelihoods for thousands of people previously cut off from the outside world.









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Partnerships that share and coordinate resources and expertise take advantage of technological innovation and the gains stemming from an exchange of information, experience and best practice.

Sharing and coordinating resources and expertise

Partnerships between the United Nations, business and civil society that share and coordinate resources and expertise take advantage of technological innovation and the gains stemming from an exchange of information, experience and best practice. Some of these partnerships exploit economies of scale in knowledge generation and dissemination and thereby help to build capacity in developing countries. As noted above, the United Nations partners with business and civil society to take advantage of complementary resources, thereby coordinating responses to key development issues including humanitarian relief efforts.

Partnership initiatives that share and coordinate resources face the risk of being overly supply-driven and thus of being initiated and managed using a top-down approach. This might be the case when a company is looking to promote its particular product or service at the local level. Excellent brokering skills are essential in many of these partnerships to ensure that supply and local demand meet. Catering to local needs and wants can be difficult. Communication structures that facilitate dialogue from the top-down and vice versa are vital in order to incorporate local perspectives into the partnership.

Most importantly, however, sharing and coordinating resources and expertise through partnerships frequently raises concerns over the sustainability of projects and the creation of dependencies. For example, in-kind programmes (which constitutes one component of the First on the Ground Initiative), can be challenging in the sense that they may have the potential to “hook in” partners to specific technologies or tools that may generate undue costs or simply reduce future development options.

Box 6 | WFP-TNT Moving the World

“Moving the World” is a partnership between the United Nations World Food Programme (WFP) and TNT, a mail, express delivery and logistics services firm and United Nations Global Compact participant. The partnership aims to support WFP’s fight against world hunger through knowledge transfer, on-the-ground logistical support and advocacy work. The partnership stems from the realization that the provision of food supplies is in many respects a logistics problem. As such, TNT and WFP are engaged in a complementary business: the fight against world hunger stands to benefit from the sharing of know-how, knowledge and technology between the two organizations.

TNT’s reasons for engaging in a partnership with WFP are manifold. The initial and primary motivation is social – seeking to make a valuable contribution to WFP’s fight against world hunger. The desire to demonstrate the company’s corporate social responsibility also plays a major role, given a growing sentiment that globally operating companies ought to contribute to social development. Finally, TNT also hopes that the corporate social responsibility drive would be a means by which to foster unity between the three business units (mail, logistics, express) operating under the TNT label, to motivate TNT

employees and, as a result, make TNT a more attractive company.

During the partnership development phase, TNT and WFP drafted a Memorandum of Understanding that outlined their cooperation. Here, TNT and WFP executives agreed on five work areas for cooperation: School Feeding Support, Private Sector Fundraising, Emergency Response, Joint Logistics Supply Chain and Transparency and Accountability.

Since 2002, TNT’s in-kind and financial commitments (US\$10 million in 2005) have generated 27 projects in some 60 countries within these five work areas. First, the Emergency Response initiative uses TNT Express networks to deliver non-food items and ICT equipment from WFP depots to areas of crisis. TNT has provided direct support in emergency operations in Iran, Chad, Liberia, Haiti and most recently in the tsunami affected areas of South East Asia. It has also opened up its aviation training programme and helped to improve WFP’s air operations. Second, the Joint Logistics Supply Chain initiative supports the logistics needs of WFP and other humanitarian organizations. This covers enhancing warehouse storage facilities, fleet management and engaging in joint procurement efforts.

Most recently, at the request of WFP staff in the area, TNT has reviewed the transport capacity of road relief corridors both to and within Southern Sudan – where 70 percent of WFP’s current relief work is done using airplanes. Third, the School Feeding Support initiative ties into WFP’s existing Global School Feeding Campaign, through which WFP provides food at schools in order to address both short-term hunger and long-term educational and development issues. Fourth, the Private Sector Fundraising Programme allows TNT to assist WFP in diversifying its traditionally Government-oriented donor base through the development of consumer and corporate fundraising strategies. Finally, the Transparency and Accountability initiative uses TNT’s best practice and training programmes to improve WFP’s capacities in the areas of accounting, auditing and human resource management.

TNT engages in regular reviews of the Moving the World Programme. One dimension of review concerns the benefits of the partnership to TNT, focussing on how the partnership has affected employee motivation internally and its brand reputation externally. A second dimension of review is an evaluation of the benefits of the partnership as a whole as well as its individual projects.

The partnership between Dutch mail, express delivery and logistics firm TNT and the World Food Programme stems from the realization that the fight against world hunger is, in many respects, a logistics problem.





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Box 7 | First on the Ground Initiative

In order to facilitate the provision of mobile GSM networks to a number of United Nations humanitarian agencies, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) is partnering with Swedish Telecommunications giant Ericsson. Ericsson shares its expertise and resources with the United Nations system, helping various United Nations bodies to improve emergency relief operations.

In the early 1990s, Ericsson had already set up the Ericsson Response Programme as an independent, corporate-led relief programme. As part of that programme, Ericsson started cooperating with several United Nations agencies (OCHA, UNFIP, UNDAC and the United Nations Global Compact Office) and the IFRC (International Federation of Red Cross and Red Crescent Societies) to provide fast and un-bureaucratic disaster relief – for example during the Bam earthquake in Iran in 2003. This was done principally by way of providing communication networks or mobile phones for aid organizations and their affiliates.

Over the course of the late 1990s, an ongoing communication process between Ericsson and various United Nations organizations progressed and the idea of a more formal partnership between the company and United Nations OCHA (as the coordinating body in the United Nations system for disaster relief) developed. As a result of this process, the “First on the Ground Initiative” was launched in 2001. As part of the partnership agreement, the United Nations formally accepted the donation of a “switch” to be located at the United Nations Logistics Base in Brindisi (Italy). This switch facilitates standby capacity in order to provide mobile GSM networks to disaster-struck areas. Technology is delivered both to the main switch and in the form of mobile GSM units – to be administered by United Nations staff on a demand basis. As part of the “First on the Ground Initiative,” Ericsson also set up the Technical Reference Group as a permanent branch. This group is composed of Ericsson employees with the relevant technical expertise to assist United Nations and IFRC relief

organizations in identifying needs and developing technical proposals and applications for more efficient disaster response. The group meets twice a year to digest outcomes of research projects and studies. Usually representatives from relief organizations participate in these meetings. Currently, the GSM units are ready for testing. However, the project has not yet reached the final delivery phase.

Ericsson’s incentives to partner with the United Nations are manifold. Most importantly, the company has benefited from the extensive and almost entirely positive media coverage the partnership has generated. Moreover, the First on the Ground Initiative allows Ericsson to be recognized as one of the leading global technology companies able to leverage complex technical solutions in difficult environments.

(Above Left) Ambassador Lakhdar Brahimi, Head of the United Nations Assistance Mission in Afghanistan until December 2004, making the first phone call from a telecommunications unit installed by the Ericsson Response Programme.





Box 8 | Partnerships for disaster relief: The recent tsunami experience

On December 26, 2004, an earthquake, followed by a massive tsunami, devastated the Indian Ocean coastlines from Thailand to Somalia, claiming the lives of more than 295,000 people and leaving 1.5 million displaced and 500,000 homeless. The disaster resulted in a massive and unprecedented outpouring of help from business. Existing channels of communication between the United Nations and business ensured that contributions were put to use rapidly and effectively.

A number of examples illustrate this point:

- The accounting firm PricewaterhouseCoopers, previously involved in a variety of other partnerships with United Nations organizations, is providing pro bono services to assist the United Nations in leveraging the massive outpouring of help as efficiently as possible to the affected regions. To do so, the company donated 8,000 hours of staff time that is being used to develop a website which will enable the public to track the use of their donations to the United Nations system. The initiative's initial focus is on a US\$997 million United Nations flash appeal launched to address the basic needs of tsunami victims over the first six months.
- The mail, express and logistics provider TNT made available an additional US\$2.9 million of in-kind support to its ongoing partnership with the World Food Programme. With TNT's help, WFP staff members in the field were equipped and trained in the use of scanners that are an instrument of WFP's COMPAS system. COMPAS, a corporate commodity tracking

system, enables rapid and effective planning of food shipping deployments. Finally, TNT donated US\$270,000 to WFP, raised by TNT employees in the Asia Pacific region.

- The mobile communications firm Ericsson, which works with a number of United Nations agencies on disaster relief, donated mobile phones and a GSM network to facilitate communication among aid organizations in Indonesia.
- BASF, a German chemicals company with a record of partnering with the United Nations, joined forces with UN-HABITAT to support post-tsunami reconstruction in Sri Lanka. BASF will help construct a six-stall wholesale fish market that will sustain the local fishing fleet, whose facilities were destroyed by the tsunami wave.

At the same time, the tsunami disaster also prompted numerous companies with no previous United Nations partnership experience to inquire about how they could assist in the relief activities. One of the challenges has been matching company donations, particularly in-kind contributions, with the appropriate United Nations bodies. One effort aimed at addressing these problems has been the launch of an inter-agency website entitled "Business Contributions to UN Emergency Relief Efforts: An Orientation Guide" by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the United Nations Global Compact Office (<http://ochaonline.un.org/businesscontributions>). The guide outlines the roles of various

United Nations organizations in emergencies and helps businesses identify effective ways to support ongoing and future relief efforts. A further, agency-specific effort is UNDP's Corporate Partnerships in Emergencies (COPE) Programme (www.undp.org/cope). The programme facilitates the matching of private sector cash and in-kind donations with UNDP's humanitarian relief work in the tsunami-struck regions. The website offers businesses updated information by sector on UNDP's specific on-the-ground needs.

The tsunami disaster illustrates the importance of existing partnerships and channels of communication in ensuring rapid and effective joint private sector and United Nations action in emergency relief operations. It has also shown, once again, that business is keenly interested in contributing towards disaster relief efforts. At the same time, the disaster also raised awareness in the business community of the scale and scope of the United Nations' work, as well as its organizational limits. The creation of instruments that match the expertise of the United Nations with the expertise of the business community generates opportunities for addressing and overcoming some of these limits. In the coming months and years, the United Nations must continue to effectively channel the private sector's interest and goodwill for its emergency relief work. Addressing the United Nations General Assembly on 18 January 2005, Secretary-General Kofi Annan noted: "The generosity and support we have seen over the past few weeks have set a new standard for our global community. It is my hope that we will find a way of capturing this moment, nurturing this spirit and bringing it to bear in other crises around the world."

The tsunami disaster prompted numerous companies with no previous United Nations partnership experience to inquire about how they could assist in the relief activities. One response has been the launch of an inter-agency website entitled "Business Contributions to UN Emergency Relief Efforts: An Orientation Guide" by UN OCHA and the United Nations Global Compact. (Left) In his role as the United Nations Special Envoy for Tsunami Recovery, President William J. Clinton has emphasized the role of business in contributing to emergency relief and reconstruction.





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One of the
key impediments
to poverty reduction
is the absence
or failure of markets.

Harnessing markets for development

One of the key impediments to poverty reduction is the absence or failure of markets. A variety of partnerships between the United Nations, business and civil society attempt to address these challenges, either by providing access to markets or by deepening and bridging them.

Partnerships that provide access to markets, such as the Shea Butter Production Initiative in Burkina Faso (see Box 9), or the UNIDO Automotive Partnership (see Box 10), are particularly relevant for individual entrepreneurs and small businesses in developing countries that do not have the ability to market their products internationally. In other cases, markets do not produce socially desirable results. Partnerships can act as a corrective mechanism, providing incentives for markets to be bridged or deepened, as the Allianz-GTZ-UNDP Micro-Insurance Initiative illustrates (see Box 11).

When compared with partnerships that share and coordinate resources and expertise, initiatives that fall into this category tend to put a strong emphasis on market sustainability. These partnerships seek to correct markets through innovative means, including via systemic components designed to adjust market incentives. The fact that almost all partnerships in this category feature strong public sector participation is not coincidental. This demonstrates that in order to have a long-term sustainable impact such partnerships also need to effect change in the political-regulatory environment in which they operate.

Partnerships that bridge or deepen markets face a number of important challenges, some of which are particularly prominent and already fairly well explored, especially in the global public health arena.⁵ These partnerships often require complex legal arrangements. In the area of global health for instance, challenging questions need to be addressed at the nexus of R&D financing and the institutionalization of intellectual property rights. If these legal issues are not resolved, partnership ventures are not likely to succeed in the long-term since the underlying incentive structures of the partners will not be sufficiently aligned. Even if such partnerships manage to bridge a market and trigger the development of a new or improved drug that would not have been developed under other circumstances, access remains a potential problem. Drug development is surely a significant cost factor, but in many cases drug delivery is even more difficult and costly. Deficient national health care systems, zones of conflict and various other factors impede the effective delivery of drugs. In addition to capacity-building in national health care systems, a critical element in resolving this problem is a more systematic and effective engagement of civil society in health partnerships – as the profiled Sleeping Sickness Initiative indicates (see Box 12).⁶





Box 9 | Shea Butter Production Initiative

The Shea Butter Production Initiative, a partnership between French cosmetics firm L'Occitane en Provence and the United Nations Development Fund for Women (UNIFEM), aims to help women producers in rural Burkina Faso gain direct access to markets for their product.

Shea butter – called “women’s gold” in Burkina Faso – is a product of the shea tree (karité), which is native to the Sahel savannah of Western Africa. Crushing the fruity part of the nut yields a nut butter that is used in skin and hair care as well as in the manufacture of chocolate. By tradition, the harvesting of shea nuts and the production of the butter are women’s work.

In the 1990s, the Burkinabè Government sought to diversify its economy and the development of the shea butter industry, which had been in decline during the 1980s. This was seen as a means by which Burkina Faso could support a second major export crop and improve the economic situation of rural women. Following Government appeals for assistance, bilateral donors and NGOs began supporting a number of shea butter projects. One of these was the National Shea Project (Projet National Karité, PNK), launched by the Government in 1995.

In 1996, UNIFEM West Africa was commissioned by the Government of Burkina Faso to evaluate the PNK project. UNIFEM found that there continued to be a need to improve women’s access to means of production and to potential export markets. At the request of the Government, UNIFEM became involved in the National Shea Project in 1997 and subsequently initiated a partnership with French cosmetics firm L'Occitane en Provence. L'Occitane currently operates 500 stores in nearly 60 countries in addition to its mail-order sales. The company has a long-running commitment to producing cosmetics based on strict ethical guidelines.

The UNIFEM-L'Occitane partnership aims to strengthen production capabilities with the goal of assisting shea butter producers to gain access to international markets. The women are provided with financial assistance from UNIFEM and the United Nations Foundation in order to bolster their ability to produce shea butter. This assistance flows through the local producers cooperatives. These groups give women the opportunity to use United Nations funds as well as to pool their own resources in order to invest in necessary equipment, such as nut presses. L'Occitane also offers training on processing and storage techniques.

Periodic trade fairs allow women producers to gain direct access to markets for their product. These fairs are funded by UNIFEM and organized by the Government of Burkina Faso, the Centre Canadien d'Étude et de Coopération Internationale (CECI) and a number of local partners. The goal of these fairs is to allow local producers to forgo the intermediaries used by most foreign companies, which buy the shea butter at 25 times less than it is sold for on the international market. At the 2001 fair, L'Occitane en Provence relinquished this practice by buying substantial amounts of shea butter from the Unions des Groupements Kiswendsida (UGK), a group which comprises more than 100 local shea organizations. Moreover, L'Occitane pays in advance for the butter it purchases.

The initiative has shown tremendous impact. The shea butter sector has increased rapidly in Burkina Faso. It has also been supported by international developments, including an August 2001 European Union directive that allows for the use of vegetable fats, including shea butter, in chocolate. The partnership between UNIFEM and L'Occitane has since been recommended for replication in Benin.

The partnership between UNIFEM and French cosmetics firm L'Occitane en Provence has enabled women in Burkina Faso to sell shea nut butter on the international market.



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Box 10 | UNIDO Automotive Partnership

In 1999, the United Nations Industrial Development Organization (UNIDO) launched a multistakeholder partnership with FIAT in order to strengthen small and medium-sized Indian automotive component manufacturers through quality management and technology upgrading. The ultimate purpose of this partnership was to provide small and medium-sized enterprises with access to the global market.

Fiat had a great desire to improve the product quality of its Indian suppliers. Due to a lack of resources and local access, Fiat was not able to achieve the desired improvements on its own. Cooperation with UNIDO proved advantageous for both partners. Whereas Fiat profited from UNIDO's local contacts and start-up financing, UNIDO was able to offer local suppliers a guaranteed and well-funded buyer and therefore access to international markets.

The initial phase of the programme was exceptionally successful. Within two years the participating manufacturers reported a wide range of improvements, including increases in turnover and productivity, safer production methods and most importantly, an increased awareness of continuous improvement. These developments represent a significant step towards operating a globally competitive business.

In the second phase, 40 local businesses were granted access to the programme. In order to increase sustainability, local engineers were trained to create a pool of Indian experts who could then facilitate business training in the future. The influence of Fiat/Magneti Marelli on the programme gradually decreased and the Indian Automotive Component Manufacturers Association (ACMA) strengthened its position within the partnership.

The partnership, now in its third phase, has evolved into a cooperative body with sophisticated governance structures. The content of the programme is determined by UNIDO and ACMA, both of which cooperate closely with engineering institutes, corporations and regulators. In its new format the programme targets 100 local businesses and runs for 30 months, ensuring broader geographical coverage and a large number of target businesses. Its framework corresponds to the multisector UNIDO Partnership Programme Approach and UNIDO, ACMA and the Government of India have now formed a Programme Steering Committee that provides guidance on implementation and monitoring methods.

The constant efforts to build local ownership and to thereby create a high degree of sustainability are reflected not only in the creation of a pool

of local engineers. The same holds true for project financing, which also shows a strong element of local ownership. As the programme stands now, it is financed in part by the Indian Government and in part by small fees which are paid by local manufacturers in return for the received training. UNIDO provides in-kind support for the partnership, mainly in the form of human resources.

Due to the strong business case, impact assessment mechanisms have from the outset, occupied an important role within this partnership and there are now advanced internal evaluation mechanisms in place. This is partially due to the results-driven focus of the main stakeholders, but also to existing monitoring frameworks which are easily adapted from the commercial world. Impact assessment is therefore strong and well developed.

As it stands, the partnership poses a prime example of cooperation between a United Nations organization and the business community. It has evolved into a self-sustaining framework and UNIDO is planning to withdraw its support in 2007.⁷

A multistakeholder partnership that includes UNIDO and FIAT has allowed small and medium-sized automotive component manufacturers in India to bring their products up to globally competitive standards.





Box 11 | Allianz-UNDP-GTZ Micro-Insurance Initiative

It is a well-established dictum that the world's 2.7 billion people who live on less than US\$2 a day cannot afford a premium product such as insurance. However, a new partnership among the United Nations Development Programme (UNDP), the German Agency for Technical Cooperation (GTZ) and the Allianz Group is out to challenge that notion. The Allianz-UNDP-GTZ Micro-Insurance Initiative, launched in 2004, is an attempt at bridging the market in order to provide micro-insurance products in developing countries. Micro-insurance is the provision of insurance to low-income households. Poor households pay a very small premium for limited coverage in the event of losses. The Allianz Group is one of the world's leading insurance and financial services providers and their interest in this venture has been two-fold. First, it provides an opportunity to explore the market potential and medium to long-term prospects for private insurers in developing countries. Second, partnering with UNDP and GTZ for the purpose of poverty reduction and the achievement of the Millennium Development Goals is a good way of demonstrating the compa-

ny's corporate social responsibility. It is also important to recognize that in the case of India, providing risk-reducing products to low-income households also meets regulatory demands by State authorities and thus gives Allianz an indirect license to operate.

The Micro-Insurance Initiative is being implemented in four stages. The first, launched in 2004, constitutes a demand and market analysis, which examines and appraises the most pressing social security needs of poor populations in selected target countries (India, Indonesia and Laos). In a second stage, the focus is on exploring whether existing insurance products and services can be further developed or redesigned to accommodate larger populations. The third stage involves the design and creation of distribution channels in India and in one of the other target countries. In contrast to more traditional sales and distribution channels, the Micro-Insurance Initiative will build upon existing civil-society structures. Local NGOs or trade unions will serve as intermediaries and offer group insurance to their members. The fourth and final stage of the

initiative will focus on further promotion of micro-insurance services among potential intermediaries and target groups. This aims at scaling-up the existing pilot models to benefit additional clients and to create a sustainable and attractive business model in the medium term.

The Micro-Insurance Initiative was designed to function over an initial period of three years, until the end of 2007. Annual insurance premiums are as low as US\$1.05 for a basic life insurance policy and pay a benefit of US\$420 to surviving family members. Experience shows that legal safeguards are crucial for partnerships where partners pursue different yet complementary objectives. This project aims at generating benefits for the pilot regions and the three partners involved. Micro-insurance has the potential to function as a powerful instrument in the context of poverty reduction strategies for the afflicted regions. Since borrowers have an interest in minimizing risk, micro-insurance may prove to be an effective complement to microcredit systems.

It is a well-established dictum that the world's 2.7 billion people who live on less than US\$2 a day cannot afford a premium product such as insurance. (Above left) Local groups from Maharashtra and Gujarat exchange information on a health insurance program led by GTZ. (Below left) Indonesian women discussing micro-insurance options.



Box 12 | Sleeping Sickness Initiative

In order to eliminate human African trypanosomiasis (HAT) also known as sleeping disease, the World Health Organization (WHO) joined forces with Sanofi-Aventis in 2001. This partnership has two primary goals: to disseminate existing drugs against HAT to affected populations and to provide a mechanism that can help to bridge the market in order to channel new investments into research and development on the disease.

The sleeping disease is a typical example of a profoundly neglected illness: it occurs in the poorest and least accessible parts of rural Africa, where it is transmitted by the tsetse fly. The disease affects the nervous system, causing neurological disorders and, if left untreated, inevitably leads to death. It was near elimination in the 1960s, when control mechanisms started deteriorating. Impacting only on the very poor, in numbers which seem insignificant compared to those of other diseases like HIV or Malaria and posing no immediate threat to the industrialized world, HAT was considered negligible by the international community. Moreover, companies did not have an incentive to invest in research and development because market structures would not allow them to recoup their investments. As a result, HAT cases were once again on the rise: estimates

show between 300,000 and 500,000 infections and 60 million people in over 36 countries are at risk of contracting the disease (1997 figures).

In July 2001, Sanofi-Aventis, the producer of three out of four HAT cures, committed to a five year contribution plan worth US\$25 million to addressing the disease through a partnership with WHO. The heart of the campaign is the supply of three core drugs with a market value of US\$12.5 million. WHO warrants appropriate storage as well as packaging and, in cooperation with Médecins Sans Frontières (MSF), is responsible for shipment to affected areas. The second branch of the partnership is disease management for which Sanofi-Aventis provides technical support in the form of human resources as well as financial sponsorship. Finally, Sanofi-Aventis is committed to intensify research and development efforts in order to improve existing drugs and to find new treatments that are more easily administered. By doing so, the partnership helps to bridge the market on HAT research. Through this collaborative venture, WHO and Sanofi-Aventis work together in order to bring the necessary resources and the crucial expertise to the table.

In order to facilitate quick responses to political and epidemiological changes, the structure

and action plan of the partnership are based on the principle of flexibility. A Collaborative Working Group (CWG) was established, consisting of WHO and Sanofi-Aventis representatives to coordinate future activities and evaluate previous cooperation. The CWG presents a financial report and holds monthly conference calls, during which estimates of future drug needs are communicated and possible problem areas are identified. The partnership also carries out impact assessment.

The partnership is globally driven. However, due to the very close cooperation between the respective partners, needs are communicated quickly from the field workers (WHO staff, NGOs, national health system workers) to coordinators (WHO staff), so that drugs can then be shipped to the respective national programmes. Diagnosis and treatment of HAT are very difficult even for experienced medical staff, which is one of the reasons why the partnership cannot easily cooperate with the primary health care systems of the relevant countries. In order to overcome this problem the partnership implemented training activities aimed at national health officers, thereby generating sustainability through building local capacity.

In 2001, Sanofi-Aventis, the major producer of sleeping sickness cures, committed to a five year contribution plan worth US\$25 million devoted to addressing the disease through a partnership with the WHO.

Strong management and local ownership: Accomplishments and challenges

This categorization of partnership projects is a preliminary attempt to systematize the types of collaborative initiatives that have emerged during the past decade and to identify their accomplishments and challenges they face. Each category presents a distinctive set of challenges to the United Nations and its partners from business and civil society.

In addition to these functional challenges, there is also a set of more generic partnership management challenges that apply to all collaborative initiatives and can have a crucial effect on impact and sustainability.⁸ These include a set of issues that relate to the level and quality of partnership management, as well as to the strength of local ownership. Based on a review of the partnerships profiled and extensive interviews conducted with partnership practitioners, the following partnership management challenges should be addressed.

For partnerships to
generate output
and impact,
it is crucial
for partners to agree
on clear goals
and objectives
early in the process.

Strong partnership management

The sustainability and impact of partnerships depends to a significant extent on the level and quality of partnership management. Four issues require particular attention: that partners agree on clear goals and objectives; that the roles and responsibilities of partners are unambiguous; that partnerships have effective conflict management mechanisms; and that partnerships engage in impact assessment.

Agreement of all partners on clear goals and objectives. For partnerships to generate output and impact, it is crucial for partners to agree on clear goals and objectives early in the process. It is particularly important that all partners commit themselves to specific targets for the partnership in order to establish benchmarks against which progress can be evaluated. Clear goals and objectives are important as motivators and guideposts for the partners as well as to ensure transparency to external stakeholders. The cases illustrated in this chapter, for example the Stop TB Partnership, demonstrate that clear goals and objectives are instrumental in facilitating action and ultimately impact.

However, agreeing on clear goals and objectives is not an easy process. During interviews, various United Nations staff members noted that partners frequently face great difficulty or even fail to agree on key aspects. For example, one staff member said: "I believe at the core of many of our problems [in our partnership] lies the fact that, early on in the process, we never really defined what the objectives of the partnership were. I mean, there was an expression of intentions. But we never put down concrete targets." As a result, there is a risk that partnerships become characterized by "perpetual brokering." Without a commitment to clear targets, moving on to the implementation phase is challenging, if not impossible. Other partnerships may only identify very broad goals and objectives, rather than realistic and achievable targets, which can similarly stall action.

Agreeing on a partnership's goals and objectives depends not only on the willingness of individual partners to commit to specific targets and work programmes. From the perspective of individual partners, it also presupposes a good understanding of how the partnership can contribute to mission accomplishment and how partnership goals and objectives fit in with other lines of work. In other words, agreement on clear goals and objectives for a partnership presupposes a fundamental strategic understanding about the reasons for partnership involvement on the part of each actor.

Clarity on the roles and responsibilities of partners. Clarity on the roles and responsibilities of individual actors within a partnership is important not only to foster accountability, but it is also the crucial precondition for agreeing on a realistic and actionable work agenda. Clarity on the roles and responsibilities of partners requires pinpointing the core competencies that each player can bring to the table. An identification and communication of these core competencies is crucial because it gives all partners an opportunity to arrive at a realistic assessment of what they can expect from each other. In some of the profiled cases, such as the Moving the World Partnership between TNT and the World Food Programme, partners went through a step-by-step process, determining what each partner could do best and using this assessment to design joint work programmes. This served to clarify the roles and responsibilities of both partners.

However, not all partnerships successfully define unambiguous roles and responsibilities. In some cases, the failure to achieve clarity is related to the fact that each partner's contributions to a partnership are not based on their core competencies. As a result, the specific contribution of a partner sometimes remains under-defined, contributing to confusion and often also conflict within the partnership. For example, one United Nations staff member noted: "We became a partner not because we had something critical to bring to the table... We became a partner because it seemed opportune... Some of the other organizations that are involved probably expected that we would be able to play a more proactive role in the process. But we really cannot. We simply do not have the capacity to do the kinds of things some of the partners expect us to do."⁹

Clarity and agreement on implementation timelines. A third crucial management factor in partnerships is the ability of partners to agree on implementation time lines. The cases profiled in the previous chapter had varying levels of success in managing this challenge. Many partnerships, for instance the First on the Ground Initiative, are confronted with conflicts over time-to-delivery issues at some point.

Partners often have different ideas about the speed at which partnerships should deliver. As a general rule, it appears that business insists on much more stringent timetables than the United Nations. During interviews, many United Nations staff members referred to the difficulty of working at the same speed as business or civil society. An exemplary statement from a staff member on this matter was: "I was surprised about the pressure that some of our business partners put on us. They wanted results, and they wanted them quick."

The speed of implementation depends on a variety of factors, including the extent to which other stakeholders need to be consulted and whether or not sufficient resources can be leveraged to move from planning to delivery. However, time-to-delivery also depends on the time each partner needs to leverage its core competencies to a partnership.

Existence of effective and efficient conflict management mechanisms. A fourth challenge is dealing with conflict within partnerships. All of the partnerships profiled above feature explicit or more frequently, implicit conflict management systems. In some cases, the presence of strong governance structures (as is the case for the Sleeping Sickness Initiative) or clear work programmes and deliverables (such as in the Health in Your Hands Partnership) prevents serious conflicts from developing to a point where they become destructive. In other cases, with the help of effective leadership and good management, conflicts can be resolved in a productive manner.

Effective conflict management is not an easy process. Yet, non-existent or ineffective conflict management does not necessarily mean that partnerships will break down. In fact, there are only a few examples of partnerships that failed because of an inability to deal with conflict. Rather, in many cases the failure to put effective conflict management systems in

Clarity on the roles and responsibilities of individual actors within a partnership is important not only to foster accountability, but it is also the crucial precondition for agreeing on a realistic and actionable work agenda.

Another crucial management factor is the ability of partners to agree on implementation time lines.

A lack of impact assessment is not only a symptom, but also a contributor to weak partnership management.

place leads to unproductive or dormant partnerships. One United Nations staff member noted during an interview: “Everybody knows the governing structures [of our partnership] are deficient, to say the least. Everybody knows the partnership is not performing. But nobody dares to put these things out in the open. Everybody has an incentive to keep these critical issues under the lid. What would be worse for each of us is if the partnership failed as a whole. The loss in prestige and standing within our own organizations would be tremendous.” Various other interviewees reported similar experiences from some of the partnerships in which they are involved.¹⁰

There are a variety of reasons why partners may fail to put in place effective conflict management systems. One critical ingredient of effective conflict management is an organizational culture within each partner’s organization that tolerates conflict and the potential failure of partnerships. If failure is not an option – because it is tied to large reputation costs or the loss of jobs – then it is unlikely that conflicts are dealt with in an effective manner.

Impact assessment. In some of the profiled cases, for instance the Stop TB Partnership, periodic impact assessment has been essential for facilitating good management. However, in many partnerships, such impact assessment is rare or it is not conducted consistently.

A lack of impact assessment is not only a symptom, but also a contributor to weak partnership management. Without such assessment, managers face great difficulties in learning from mistakes or successes and in identifying potential for optimization. In addition, impact assessment is the key to ensuring accountability to beneficiaries and other stakeholders. While the delivery of results cannot be the only measure of accountability, it is certainly an important one.¹¹ In this context, it is not surprising that the political debate about partnerships has become more contentious in recent years. Without a clear and consistent demonstration of their output, partnerships will not garner the necessary legitimacy and trust. As one United Nations staff member noted: “I think we have come to a stage where all the excitement about partnerships has pretty much dissipated. Now people want to see results. But what do we have to offer? It’s not that I believe that partnerships have not produced anything. But there is no systematic evidence. Many partnerships I know of have never even reported on progress against their own stated goals and objectives.”

In many cases, the absence of impact assessment mechanisms reflects a lack of resources. In other cases, partnerships are so small that an institutionalization of formal impact assessment mechanisms seems inappropriate. Generally speaking, impact assessment in partnerships is not easy since it requires the development of appropriate benchmarks and evaluation tools.¹² However, systematic impact assessment is indispensable for the development of impact-oriented and sustainable partnerships.

Local ownership

A final challenge is ensuring the initiative has sufficient local ownership.¹³ Local ownership is a function of at least two factors. First, the intended beneficiaries of a partnership have substantial influence on the design, implementation and independent evaluation. Second, actors that are rooted in the recipient country and that represent the interests of ordinary citizens implement the project. Decades of development experience demonstrate that the participation of local interests in the design and implementation of a development project is critical to its impact and sustainability.¹⁴ This lesson certainly also applies to partnerships.

Some of the profiled partnerships have successfully adopted strategies for dealing with the local ownership challenge. While most of these partnerships were initiated at headquarters level, they eventually developed mechanisms to reach out to local stakeholders and to ensure their input and buy-in to partnership programmes. For example, the Stop TB

Partnership has recently launched a series of national Stop TB partnerships, bringing the fight against TB to the local level by involving local actors, including Government, local business and local civil society.¹⁵ The launch of these national Stop TB partnerships was a direct response by the partnership to the growing recognition that the global fight against TB could not be won without local ownership.

Similarly, the Access to Basic Services for All initiative is making a coordinated effort to engage local stakeholders. In this case, the involvement of local stakeholders – civil society groups, local government, local utilities, as well as business associations – is critical for a variety of reasons. First, much like in the Stop TB case, these local stakeholders bring critical knowledge and resources to the table without which the initiative would find it difficult to develop meaningful results. In addition, bringing in local perspectives is crucial for increasing the legitimacy of the process. At the end of the day, a voluntary international standards framework is developed and its adoption depends on whether it is seen as legitimate by those who will work with it at the local level.

However, despite these success stories, bringing local ownership to partnerships is still a challenge, both in the United Nations as well as among partner organizations. Many partnerships, especially those that bring together the United Nations with multinational companies and transnational civil society, face shortcomings related to local ownership.

Many partnerships are not conceptualized and led by local offices but rather by headquarters (whether in the United Nations, business, or civil society). As a result, these partnerships may struggle to attain the commitment on-the-ground that is needed to facilitate sustainable implementation. This was confirmed by many of those who were interviewed for this report. For example, one United Nations staff member noted: “All worked out fine in terms of getting people to the table and drawing up an agreement. But the next step was the hardest. I had to convince colleagues in the [United Nations] country office to help me implement that agreement. We had tried to involve our colleagues in that process from the start but that proved to be difficult. They are busy and they have their own work to do, too. As long as there is no money and no pressure from management, things will go nowhere. They simply do not have a strong stake in the partnership.”¹⁶ Another staff member added: “It was extremely difficult to convince people in the country office that they have a stake in the process, that they actually have an interest in pursuing this. The problem was that the main decisions on goals and instruments [of the partnership] had already been taken so our colleagues had the impression that we just put another piece of work on their desk.”

The local ownership challenge extends beyond connecting global initiatives with local action. Unfortunately, many partnerships between the United Nations, business and civil society feature little if any participation from local groups – local business, local civil society and local government – in the design or in the implementation phases of partnership projects. What is particularly worrisome is the fact that local business participation is the exception rather than the rule. Drawing local business into partnerships offers tremendous opportunities. Local businesses are familiar with the development challenge first-hand and often demonstrate astonishing entrepreneurial and innovative skills to tackle poverty-related problems head on.

There is a risk of putting too much emphasis on the issue of local ownership. There are partnerships where systematic participation of local groups, from business, Government or civil society, may simply not be feasible. In other cases, it may not be practical or necessary to have such local participation at all stages of the process. Also, being inclusive comes with a price tag and it is reasonable to consider costs as well as benefits. However, as was noted in the discussion of the case studies, the consultation and integration of local partners in the

Decades of development experience demonstrate that local ownership is critical to project impact and sustainability.

Bringing in local perspectives is also crucial for increasing the legitimacy of the process.

Drawing local business into partnerships offers tremendous opportunities.

The “win-win” logic is simple and compelling, but it is not entirely satisfying and in some cases possibly misleading.

work programmes of partnerships is, in many instances, crucial to match supply and demand, to foster accountability and legitimacy and to ensure the long-term sustainability of partnership work.¹⁷ In particular, the participation of Government actors (local, regional, or national) is critical for ensuring a partnership’s impact and sustainability. Anecdotal evidence suggests that attitudes towards partnerships differ considerably across and even within Governments. However, in many countries – and particularly in developing countries – working without Governmental authorities is neither desirable nor feasible. As one United Nations staff member noted: “Getting the local authorities interested in our project and convincing the relevant players in the national administration that this is a viable project was absolutely key. Without their consent and support nothing would have happened.”

Towards a conceptual approach

This chapter’s brief review of illustrative case studies has highlighted some of the practical contributions partnerships make to the work of the United Nations. The cases demonstrate the broad variety of partnerships that exist in terms of their functions and their stages of development and the manifold ways they adapt to the challenges they seek to address.¹⁸ However, this very broad overview may raise more questions than it answers. In particular, there are two sets of questions that have not yet received the attention they deserve: one concerns the emergence and development of partnerships; the other is related to their impact and effectiveness.

Emergence and development of partnerships

The majority of partnerships surveyed for this report emerged over the past decade. It is not clear, however, why this is the case. Why have partnerships developed only recently and not earlier? What are the causal factors that help to explain the exponential growth in partnership initiatives, particularly since the late 1990s?

The end of the Cold War may have created a more permissive political environment for the engagement of non-governmental actors in global governance. The Internet and other information and communications technologies may have played a supporting role making global networking and the sharing and coordination of resources easier and less costly. Other factors may play a role, but so far little is known about the magnitude or quality of their contribution.

Furthermore, complex questions are emerging about the precise dynamics that shape the development of partnerships and that eventually determine their success or failure. In answering questions about the potential and limits of partnerships, it is common to refer to the so-called “win-win” logic. Following this logic, the scope of a partnership is determined by the degree to which the interests of partners overlap – in order to allow for collective action. In other words, partnerships are likely to emerge when each partner perceives benefits. Accordingly, partnership goals and objectives should be closely aligned with the extent to which the partners’ interests overlap.¹⁹ Partnerships that define overly ambitious goals and objectives are bound to fail, since they expect contributions from partners that are simply not reasonable given their interests.

This “win-win” logic is simple and compelling. Nonetheless, it is a purely functionalist approach to explaining the emergence and development of partnerships and therefore not entirely satisfying. For example, the “win-win” approach cannot explain why partnerships are structured the way they are: why some progress in a linear fashion, while others have to go

through various stages of learning to arrive at workable solutions. It also provides no entry point for understanding the role of power in partnerships. During interviews, many practitioners referred to the importance of power differences in the development of partnerships and the difficulty of managing these. Interviewees also pointed to the difficulty of sharing benefits from partnerships in a fair way. The “win-win” logic presumes that each partner is satisfied as long as each benefits in some fashion from the partnership. This view, however, neglects the possibility that partners in collaborative ventures are not merely concerned with absolute but also with relative gains vis-à-vis other partners.²⁰

Most importantly, the functionalist approach does not explain the various types of partnerships. This report offers a functional categorization of partnerships, which focuses on how partnerships contribute to the work of the United Nations. However, this categorization does not amount to a conceptual understanding of the differences in partnership types, which would relate the type of partnership to a specific underlying problem structure.²¹

Partnership effectiveness and impact

One set of questions that has attracted even less attention relates to the effectiveness and impact of partnerships. Questions about effectiveness aim at input/output ratios of partnerships. In other words, it is important to determine what level of resources is necessary and appropriate to generate partnership results. Many of the partnership practitioners interviewed referred to the complex and time-consuming management processes in partnerships. Previous reports have noted the risk that partnerships can degenerate into talk shops with no results. Up to this point, little is known about appropriate and acceptable input-output ratios.

More importantly, systematic research on the impact of partnerships has yet to be conducted. As was noted above, some partnerships engage in impact assessment in order to improve partnership management and to enhance accountability to other stakeholders (beneficiaries and donors). However, only rarely do partnerships successfully demonstrate a clear causal link between their work and the solving of a particular problem. So far, there are also no metrics available that would allow systematic comparison of partnership impact across cases.

With pressure mounting on the United Nations and its partners to demonstrate impact, it is likely that such steps will be taken soon. Measuring effectiveness and impact is difficult and requires the commitment of adequate resources. It is also important to be realistic about what comparative impact assessment can achieve, given the diversity of partnerships that exist. Moreover, resources committed to impact assessment need to stand in appropriate relation to the size and expected contribution of a partnership.

In recent years, much of the debate on partnerships has been preoccupied with the quest for a “Holy Grail” – a parsimonious definition of the term partnership.²² Much of the research on partnerships has produced valuable information about best practices and management challenges. However, such a definition is largely fruitless if it is not tied into a broader understanding of the partnership concept (i.e. an understanding of the conditions under which partnerships emerge, the factors that drive them and the factors that determine whether or not partnerships show impact and sustainability). So far, no such conceptual approach has emerged. It is important to move the discussion to the next stage and find answers to some of these more difficult and complex questions. What is needed is a fact-based, comparative assessment of what partnerships can accomplish and what it takes to make them work. Ultimately, for the United Nations such an assessment is critical to assist the Organization in fine-tuning its partnership work by helping to answer questions about appropriateness (where do partnerships work); selectivity (when and under

It is important to determine what level of resources is necessary and appropriate to generate partnership results.

Measuring effectiveness and impact of partnerships is difficult and requires the commitment of adequate resources.

what circumstances should the United Nations get involved in partnerships and what can it contribute to them); and accountability (how can partnerships be held to account). Given the novelty of this phenomenon and the speed at which partnerships have proliferated, it is not surprising that practice outstrips analysis. It is crucial that we work to close this gap in order to facilitate learning from successes as well as failures.

Endnotes

- ¹ A preliminary survey conducted for this study found more than 125 partnerships that are currently active. This count does not include the more than 300 “Type-II” partnerships registered with the website maintained by the United Nations DESA Division for Sustainable Development (see <http://webapps01.un.org/dsd/partnerships/public/browse.do>).
- ² There are various other resource databases that profile successful initiatives, including the United Nations Global Compact website (www.unglobalcompact.org) and the “United Nations and Business” case study website (www.un.org/partners/business/otherpages/cases.htm). Various publications profile successful partnerships, including Jane Nelson, *Building Partnerships. Cooperation between the United Nations System and the Private Sector* (op. cit.); Wolfgang H. Reinicke et al. (2000). *Critical Choices: The United Nations, Networks, and the Future of Global Governance*. Ottawa: IDRC; and United Nations Development Programme (2004). “UNDP and the Private Sector. Building Partnerships for Development.” New York: UNDP.
- ³ This functional categorization serves as a purely heuristic device and is not meant to amend or override the partnership modalities set out in the Secretary-General’s “Guidelines on Cooperation between the United Nations and the Business Community” issued in 2000 (para 18.) (accessible at <http://www.un.org/partners/business/otherpages/guide.htm>).
- ⁴ The prototypical example of such a standards-setting initiative is the World Commission on Dams (WCD). The WCD has attracted tremendous political and scholarly attention. For a review and analysis of its work, see David Beffert and Thorsten Benner (2005) “The World Commission on Dams.” *Hertie School of Governance Teaching Case*, no. 1; Navroz K. Dubash et al. (2001). *A Watershed in Global Governance? An Independent Assessment of the World Commission on Dams*. Washington, DC: World Resources Institute; Patrick McCully (2001). “The Use of a Trilateral Network: An Activist’s Perspective on the Formation of the World Commission on Dams,” *American University International Law Review* 16.
- ⁵ See Kent Buse (2004). “Governing Public-Private Infectious Disease Partnerships,” *Brown Journal of World Affairs*, vol. 10, no. 2; H. Kettler, K. White, and S. Jordan (2003). “Valuing Industry Contributions to Public Private Partnerships for Health Product Development.” Geneva: Initiative on Public-Private Partnerships for Health (IPPPH) Global Forum for Health Research (GFHR); McKinsey&Company (2003). “Evaluation of the Global TB Drug Facility.” Geneva: WHO/STOP TB; Judith Richter (2004). *Public-Private Partnerships and International Health Policymaking. How Can Public Interests Be Safeguarded?* Hakaipaino City, Helsinki: GASPP; Richard Skolnik et al. (2003). “Independent Evaluation of the International Aids Vaccine Initiative,” Geneva: International AIDS Vaccine Initiative; Richard Smith (2003). *Global Public Goods for Health: Health, Economic, and Public Health Perspectives*. New York: Oxford University Press.
- ⁶ See also Buse, “Governing Public-Private Infectious Disease Partnerships” (op. cit.) on the crucial aspect of civil society participation in health partnerships.
- ⁷ The support of the Indian government, and its appreciation of the automotive industry as one of India’s key markets played an important role in magnifying the partnership’s progress.
- ⁸ See also Nelson, *Building Partnerships. Cooperation between the United Nations System and the Private Sector* (op. cit.) and Reinicke et al., *Critical Choices: The United Nations, Networks, and the Future of Global Governance* (op. cit.). See also World Bank Operations Evaluation Department (2005). *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank’s Approach to Global Programs*. Washington, DC: World Bank, for a discussion of similar issues.
- ⁹ In some cases, the United Nations’ only contribution to a partnership is its name. This in itself is not necessarily a problem: in some cases it makes sense for the United Nations to lend its name – and thus by extension its legitimacy and credibility – to a partnership. However, lending legitimacy and credibility to a partnership without having a say in the process can also lead to problematic results.
- ¹⁰ These interviews appear to challenge the view that partnerships are tenuous creatures, always at risk of breaking down. In contrast, many partnerships appear to be surprisingly resilient even when they are not producing the desired impact. Partnership failure is often tied to large reputation costs, for the individuals and the institutions involved, stacking incentives in a way that perpetuates stalemate.

- ¹¹For more on the challenges of developing appropriate impact assessment frameworks for partnerships see chapter IV.
- ¹²Some United Nations organizations, such as the Food and Agriculture Organization (FAO), as well as the World Bank Group have made some progress in developing partnership impact assessment frameworks. See World Bank Operations Evaluation Department, *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs* (op. cit.) and Food and Agricultural Organization (2005). "Revised Draft Approach Paper – Evaluation of the Cross-Organizational Strategy – Communicating FAO's Messages." Rome: FAO and Food and Agricultural Organization (2005). "Terms of Reference for an Evaluation of FAO's Cross-Organizational Strategy Broadening Partnerships and Alliances." Rome: FAO.
- ¹³The phrase "local ownership" is frequently misunderstood and requires brief clarification. Partnerships are often said to be either 'locally' or 'globally' *driven*, i.e. they are initiated at either at the local or the global level. In recent years, critics have pointed out that most partnerships, in their view, are globally-driven (initiated from the top to bottom) and therefore do not pay sufficient attention to local needs and wants. Whether or not a partnership is initiated at the local or the global level does not necessarily say anything about its impact and sustainability. Indeed, partnerships that respond to global issues (such as climate change, or the spread of HIV/AIDS) often require cross-border solutions. In such cases, global drive has often proven critical to facilitate effective action. The real challenge in these cases is to translate global drive into local action by facilitating effective links between global initiatives and local operations.
- ¹⁴For a more extensive discussion of local ownership, please refer to OECD DAC (1996). *Shaping the 21st Century*. Paris: OECD. The crucial importance of local ownership was also recognized internationally in the Monterrey Consensus (see United Nations (2002). "Report of the International Conference on Financing for Development. Monterrey, Mexico, 18-22 March 2002. A/Conf.198/11." New York: United Nations.)
- ¹⁵For more information about the national Stop TB alliances, please refer to http://www.stoptb.org/national_partnerships/.
- ¹⁶It is not merely the United Nations that is the bottleneck. On the business side, failure to get the relevant country offices involved in the early planning processes can eventually turn into a major impediment to implementation as well. As one businessman said: "I can tell you, I had a very hard time getting the ear of our folks on the ground who are supposed to implement the things that we agree to here. These are very busy people, and they have very little incentives for doing favours. Whatever they do, it needs to be in their core business interest. They are under pressure to perform. They won't do anything that does not help their bottom-line." Bringing agreements initiated at headquarters down to the country level is complex and requires incentive systems and capabilities within local offices facilitate involvement and implementation.
- ¹⁷As one United Nations staff member, working in a country office, noted: "We have tremendous difficulty getting local business involved in our partnership activities. For them, working with us is not that obvious. We do not give them money. And they know the local scene often better than we do."
- ¹⁸It is important to keep in mind that the case evidence contained in this report provides only a biased perspective on the role and performance of partnerships. Only best practice examples are showcased, and as a result the analysis falls far short of any systematic evaluation or thorough impact assessment.
- ¹⁹Some have argued that the language of "win-win" and mutual benefits is misleading, and that partnerships are not about action for the common good, but about special interest politics promoted by powerful interests that attempt to force their agenda on the United Nations. Richter, *Public-Private Partnerships and International Health Policymaking. How Can Public Interests Be Safeguarded* (op. cit.); Ann Zammit (2003). "Development at Risk: Rethinking UN-Business Partnerships," Geneva: South Centre and United Nations Research Institute for Social Development. Part of the reason is the rather unfortunate choice of the term partnership. The term, in its colloquial use, seems to imply a commonality of interests and the absence of conflicts. However, this criticism indicates a fundamental misunderstanding of win-win thinking. Striving to capitalize on common ground does not mean that individual actors suddenly change their interests or that interests merge. Rather than changing or merging interests, partnerships are about capitalizing on opportunities in which interest constellations overlap, situations where stakeholders face common ground in a specific context, at a specific point in time.

²⁰The idea of absolute versus relative gains is an established concept in research on international relations. See for example Joseph M. Grieco (1995). "The Maastricht Treaty, Economic and Monetary Union and the neo-realist research programme." *Review of International Studies*, vol. 21, no. 3.

²¹Established research on international relations may provide some preliminary clues. For instance, see Michael Zürn, Klaus-Dieter Wolf and Manfred Efinger (1990). "Problemfelder und Situationsstrukturen in der Analyse internationaler Politik. Eine Brücke zwischen den Polen." *PVS Sonderheft 21*.

²²Most definitions include references to the voluntary nature of partnerships, the fact that they are about the sharing of risks and rewards among participating stakeholders, and that they pool and leverage the different skills and resources towards a common project. See Jane Nelson, *Building Partnerships. Cooperation between the United Nations System and the Private Sector* (op. cit.); Jan Martin Witte, Charlotte Streck and Thorsten Benner, eds. (2003). *Progress or Peril? Partnerships and Networks in Global Environmental Governance the Post-Johannesburg Agenda*. Washington, D.C./Berlin: GPPI.