



THE UNITED NATIONS AND THE PRIVATE SECTOR

A FRAMEWORK FOR COLLABORATION



“The United Nations and business need each other. We need your innovation, your initiative, your technological prowess. But business also needs the United Nations. In a very real sense, the work of the United Nations can be viewed as seeking to create the ideal enabling environment within which business can thrive.”

– United Nations Secretary-General Ban Ki-moon

Working Together to Address Today's Challenges

The United Nations and the private sector are actively collaborating around the world to address pressing issues related to:

- **Economic and social development**
- **Human rights**
- **Peace and security**
- **Humanitarian assistance**
- **Environment**

Today, business is an essential partner in achieving the Organization's goals, marking a new chapter in United Nations-business relations which had been limited until the 1990s.

Driving this cooperation is the recognition that although the end-goals of the United Nations and business are quite distinct, there are many critical common objectives — such as building markets, combating corruption, safeguarding the environment, increasing food security, and ensuring social inclusion. Businesses operating in today's interdependent world are affected more than ever by social, political and economic challenges, whether occurring at home or in other regions.

Almost all United Nations entities are working with business to address a wide spectrum of issues, such as climate change, decent work, health systems, education reform and humanitarian disasters. There are a variety of approaches taken, including international coalitions and community-based initiatives, time-bound projects and broad values-based frameworks for action, individual company commitments and multi-stakeholder collective initiatives.

Despite the range of issues addressed and strategies implemented, there are three broad categories which describe the methods for private sector contributions towards United Nations goals:

- 1. Core business operations and value chains**
- 2. Social investments and philanthropic contributions**
- 3. Advocacy, policy dialogue and institutional frameworks**

The Millennium Development Goals (MDGs), which aim to improve the livelihoods of billions of people around the world by 2015, are a beacon for United Nations-business engagement. A robust private sector that delivers economic growth and wealth creation is essential for the achievement of the MDGs. Every company — large or small — can contribute to these development priorities, through core business, philanthropic or advocacy efforts.

The “Framework for Business Engagement with the United Nations” provides greater detail on methods of engagement and suggestions for how business can contribute to United Nations goals, particularly the MDGs.

The private sector is making important contributions toward shared economic, social and environmental progress. The United Nations invites increased and deeper collaboration: working together is the only way to solve 21st century challenges.

A Framework for Business Engagement with the United Nations

The “Framework for Business Engagement with the United Nations” illustrates different models for collaboration towards key international goals. It serves as a companion to more detailed publications on UN-business engagement to address specific global issues, such as food security, climate change, and achievement of the Millennium Development Goals.

CORE BUSINESS OPERATIONS AND VALUE CHAINS

Creating positive shared value for host countries and communities by mobilizing the innovative technologies, processes, products and skills of the private sector to help achieve international goals through what are increasingly called “inclusive business models”, “base of the pyramid” models, or creative capitalism. In some cases these alliances can be commercially viable from the outset, in others they require various forms of seed or venture financing, or hybrid approaches that include ongoing public, donor or philanthropic support. At a minimum companies should aim to minimize any negative impacts by internalizing international principles, codes and industry standards into core business activities.

Key “development multipliers” from core business operations can include the following:

- **Producing safe and affordable products and services** – especially improving access to meet essential needs such as nutrition, health, energy, water, education, finance, housing, and information
- **Generating income and investment** – through paying local wages, taxes, dividends, and royalties, making timely payment to local suppliers, and earning foreign exchange
- **Creating jobs** – recruiting locally, both within the company and along the supply chain, and facilitating constructive organized labour relations
- **Developing human resources** – investing in training, skills development, health and safety in the workplace and along the supply chain
- **Fostering entrepreneurship and building local businesses and business linkages** – through supplier and distribution networks, especially with medium, small and micro-enterprises
- **Spreading responsible business standards and practices** – in areas such as human rights, labour standards, environment, employee health and safety, ethics and anti-corruption, conflict prevention, and product safety and quality
- **Supporting technology development and transfer** – investing in local research & development and spreading modern technologies from information technology to life sciences and low-carbon systems
- **Establishing physical and institutional infrastructure** – investing in plant and machinery, telecommunications and transport systems, and legal and financial frameworks and institutions
- **Participating in collective platforms** – initiatives aimed at mobilizing groups of companies around specific issues, such as “Principles for Responsible Investment”, “The CEO Water Mandate”, “Caring for Climate” and global health partnerships



SOURCE: Adapted from Nelson, Jane. Building Partnerships: Cooperation between the United Nations System and the Business Community. United Nations and International Business Leaders Forum, 2002.

SOCIAL INVESTMENTS AND PHILANTHROPIC CONTRIBUTIONS

Contributing different types of non-commercial financial support, from traditional philanthropy to social venture funds and hybrid or “blended-value” financing mechanisms, employee volunteers and expertise, product donations and other in-kind contributions. These activities can help to support or strengthen local communities and the poor by:

- Supporting education, training, youth development, environmental, health, and nutrition projects
- Building capacity of community leaders and social entrepreneurs
- Training local technical specialists in areas such as health and environment
- Building governance capacity and voice of local civil society groups and media organizations
- Supporting multi-cultural education and awareness programmes
- Assisting with voter education initiatives, community advocacy and participatory decision-making
- Establishing and supporting micro-credit programmes and small business support

PUBLIC ADVOCACY, POLICY DIALOGUE AND INSTITUTIONAL FRAMEWORKS

Individual companies or business associations engaging in advocacy, public policy dialogue, joint regulation, and efforts to build or strengthen public institutions and administrative capacity in order to bridge governance gaps, improve the enabling environment, and support more systemic change at either the local, national or global level. Examples include:

- Supporting local and national governments to protect human rights, eliminate bribery and corruption, improve the efficiency of public administration and service delivery, and the fairness and transparency of regulations
- Working with governments to improve social infrastructure by supporting healthcare and education reform and sound environmental policies
- Engaging in global dialogue on issues such as climate change, global health and migration
- Improving investment climates and access for developing country exports to world markets
- Advocating for increased quantity and quality of donor aid to developing countries

United Nations Private Sector Focal Points Network

The following UN agencies, funds and programmes and Bretton Woods institutions participate in the network, between them demonstrating a rich array of collaborations with business:

Food and Agriculture Organization (FAO)

International Finance Corporation (IFC)

International Fund for Agricultural Development (IFAD)

International Labour Organization (ILO)

International Organization for Migration (IOM)

International Trade Centre, ITC (UNCTAD/WTO)

Joint United Nations Program on HIV/AIDS

Office for the Coordination of Humanitarian Affairs (OCHA)

Office of the High Commissioner for Human Rights (OHCHR)

The World Bank

UN System Staff College (UNSSC)

UNAIDS

UN Children's Fund (UNICEF)

UN Populations Fund (UNFPA)

UN Conference on Trade and Development (UNCTAD)

UN Development Fund for Women (UNIFEM)

UN Development Programme (UNDP)

UN Educational, Scientific and Cultural Organization (UNESCO)

UN Environment Programme (UNEP)

UN Foundation (UNF)

UN High Commissioner for Refugees (UNHCR)

UN Human Settlements Programme (UN-HABITAT)

UN Industrial Development Organization (UNIDO)

UN Institute for Training and Research (UNITAR)

UN Office for Partnerships (UNOP)

UN Office for Project Services (UNOPS)

UN Office on Drugs and Crime (UNODC)

UN Population Fund (UNFPA)

UN Volunteers (UNV)

World Food Programme (WFP)

World Health Organization (WHO)

The United Nations - Private Sector Landscape

Virtually all United Nations Agencies, Funds and Programmes have designated Private Sector Focal Points who work with the private sector in a variety of ways, from fundraising to strategic partnerships. There is a system-wide **UN Private Sector Focal Point Network** which provides a framework for sharing information, experiences and learning, developing operational guidelines for working with the private sector, and making the case for strategic private sector engagement in the work of the United Nations.

The United Nations Development Programme (UNDP) plays a critical role in fostering collaboration with the private sector at the country level, serving as an interface for UN entities operating on the ground. (www.undp.org/partners/business)

Additionally, there are two United Nations entities created solely to engage with the private sector.

The United Nations Global Compact brings business together with UN agencies, labour, civil society and governments to advance ten universal principles in the areas of human rights, la-

bour, environment and anti-corruption. Companies participating in the UN Global Compact are expected to both act responsibly in how they operate their business and engage in partnerships in support of UN goals, such as the Millennium Development Goals. Launched by the Secretary-General in 2000, the UN Global Compact is the world's largest voluntary corporate citizenship initiative, with over 5,000 signatories based in more than 120 countries.

(www.unglobalcompact.org)

The United Nations Office for Partnerships serves as a gateway for collaboration between the private sector and foundations, and the United Nations family. It promotes new partnerships and alliances in furtherance of the Millennium Development Goals. The Office manages the United Nations Fund for International Partnerships (UNFIP) established by the Secretary-General in March 1998 to serve as the interface in the partnership between the UN system and the UN Foundation – the public charity responsible for administering Ted Turner's \$1 billion contribution in support of UN causes.

(www.un.org/partnerships)

Resources for UN-Private Sector Collaboration

UN & Business Website

Information on alliances between the UN and the private sector and foundations, including the "Guidelines on Cooperation between the UN and the Business Community" and links to websites of UN offices, agencies, funds and programmes. An upgraded site with additional functionality will be released in early 2009.

www.un.org/partners/business

Growing Inclusive Markets

A UN Development Programme platform that facilitates the engagement of all actors for more inclusive business models so that the pursuits of profit and human progress can work to mutual advantage. "Creating Value for All: Strategies for Doing Business with the Poor" is the first report of the initiative.

www.growinginclusivemarkets.org

Joining Forces for Change:

Demonstrating Impact and Innovation through UN-Business Partnerships

Profiles partnerships between UN agencies and companies that are helping to address significant global challenges.

www.unglobalcompact.org/issues/partnerships/tools_resources.html

Enhancing Partnership Value -

The Partnership Assessment Tool (PAT)

A tool to assess the sustainability and impact of partnerships for development. Jointly developed by UNDP, the UN Institute for Training and Research (UNITAR), the UN Office for Partnerships and the Global Compact.

www.unglobalcompact.org/issues/partnerships/tools_resources.html

Additional resources are available from individual entities across the United Nations system..

The Millennium Development Goals

The Millennium Development Goals (MDGs) - eight goals with 18 targets - to be achieved by 2015, are drawn from the Millennium Declaration that was adopted by 189 nations in 2000.

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| 1 Eradicate extreme poverty and hunger | 5 Improve maternal health |
| 2 Achieve universal primary education | 6 Combat HIV/AIDS, malaria and other diseases |
| 3 Promote gender equality and empower women | 7 Ensure environmental sustainability |
| 4 Reduce child mortality | 8 Develop a global partnership for development |

For more information: www.un.org/millenniumgoals

The Principles of the UN Global Compact

The UN Global Compact calls on business leaders to embrace and enact the following set of universal principles within their sphere of influence.

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and
- Principle 4 the elimination of discrimination in respect of employment and occupation.
- Principle 5
- Principle 6

ENVIRONMENT

- Principle 7 Businesses are asked to support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.



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