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Fit for whose purpose?

Private funding and corporate influence
in the United Nations



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“Follow the money” is the recipe for good investigative journalism and Fit for Whose Purpose does precisely that for the institution created to defend global public goods.

Digging into the numbers behind the funding of the United Nations, Adams and Martens uncover a trail that leads to corporate interests having a disproportionate say over the bodies that write global rules. This book shows how Big Tobacco, Big Soda, Big Pharma and Big Alcohol end up prevailing and how corporate philanthropy and private-public-partnerships twist the international agenda without governments overseeing, but it also clearly spells out some practical ways to prevent it and rescue a citizens-based multilateralism.

Roberto Bissio, Coordinator of Social Watch

This is a thoroughly researched study that brings together the authors’ long personal and professional involvement in the United Nations with their insightful analysis and strong recommendations. It is timely indeed as our global challenges urgently needs a United Nations that is faithful to multilateralism and the values enshrined in its founding Charter. The authors make an irrefutable case that “We the peoples” and the responsibilities of governments cannot be replaced by a corporate agenda governed by corporate interests. It rings the alarm for governments and civil society to regain ownership of the UN.

Chee Yoke Ling, Director of Programmes, Third World Network

Using specific cases, this study illustrates the adverse impact of decades of the “zero growth doctrine” in the regular budget of the UN on its ability to fulfil its international mandates. Without core funding, UN managers scramble to design activities and accept projects of interest to private companies. This stance facilitates the creation of agencies and decisions that sustain the magnanimity of donors by giving them undue control over the setting of norms and standards. This has been distorting UN priorities. This inhibits the UN from being fit for the purpose of serving its real constituents.

Manuel (Butch) Montes, Senior Advisor, Finance and Development, South Centre

A most timely study that ought to concern all those who believe in the United Nations as a global public good. As an inter-governmental organization, the UN needs to preserve its own independence—financial as well as political. UN relations with the corporate sector deserve to be scrutinized and made more transparent so that important public functions do not risk becoming compromised by private interests. Many parliamentarians are unaware of the deterioration of UN funding highlighted in this well-researched report. I hope it will catch their attention.

Alessandro Motter, Senior Advisor, Inter-Parliamentary Union

“When I use a word,” Humpty Dumpty said, in rather a scornful tone, “it means just what I choose it to mean—neither more nor less.” “The question is,” said Alice, “whether you can make words mean so many different things.” “The question is,” said Humpty Dumpty, “which is to be master—that’s all.”
(Lewis Carroll, *Through the Looking-Glass*)

This incisive and thoroughly researched report shows how the United Nations has become rather Humpty Dumpty’ish in its use of the word ‘partnerships’. By sanitizing the deep inroads that the private sector has made into global governance and agenda-setting, and already weakened by unstable financing, the UN runs the risk of becoming unfit for any purpose other than alignment to private corporate agendas as governance and democracy are fragmented, and become ever less transparent and accountable.

Gita Sen, General Coordinator, Development Alternatives with Women for a New Era (DAWN)

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“A new business model is emerging at the United Nations— one where governments, businesses, investors, and civil society gather to solve global problems.” (SD in Action 2014)

“The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly.” (UN Charter, Article 17.2, 1945)

1. Overview: The changing landscape of global governance funding

The United Nations (UN) is embarking on a new era of selective multilateralism, shaped by intergovernmental policy impasses and a growing reliance on corporate-led solutions to global problems. As Member States set an agenda from 2016 until 2030 that is intended to make the UN “fit for purpose” it is time to ask, “whose purpose will it be fit for”?

A continuation of the existing funding patterns without improved oversight and governance will draw the UN further from its original and ongoing purpose and further from democratic governance. As the UN confronts its future, its leadership and its Members (States) cannot avoid addressing the role of the private funding and corporate influence in international public matters and governance.

Being “fit for purpose” should be driven by “purpose” first, then “fitness”.

A “fit for purpose” objective must address inefficiencies, remove internal competition and duplication and establish a coherent approach to attracting private financing to UN causes. But this is not enough. The UN must reclaim and re-own the public space.

The UN’s ‘niche’ is public service, not market fitness. Rather than how to be a more efficient competitor in a crowded value-free market place, the challenge it faces is how it can continue to uphold and strengthen the internationally agreed norms and standards as it is expected to fulfill an ever increasing number of mandates.

The UN’s ‘niche’ is public service, not market fitness.

It is time for the UN to think twice. If the trends and practices analysed in this study continue on their present track, they risk giving the UN stamp of approval and legitimacy to many initiatives not framed and shaped by UN values and standards of inclusiveness. These trends will not only continue to weaken global (economic) governance, they will endorse the replacement of a UN value-based framework for governance with a voluntary one, characterized by a hotchpotch of *ad hoc* deals that favour brand and image management over durable programmes that advance human rights and promote economic development founded on a true understanding of ecological sustainability.

The key features of these disturbing trends and practices are the following:

Growing gap between the scale of the global problems and the (financial) capacity of the UN to solve them

While global economic, social and ecological crises have intensified in recent years, the ability of states and multilateral organizations to tackle these crises appears to have diminished. Policies adopted by Member States, including negotiated UN agreements, have been too often sectorally fragmented, partial, short-term and misguided, with an overreliance on market self-regulation. But it has been these market approaches that, in large measure, have caused or at least failed to prevent the crises themselves. The mindset of many opinion leaders and political decision-makers worldwide continues to be focused on unfettered economic growth and market-driven solutions as the panacea for economic, social and environmental problems. One result of this mainstream thinking is the dramatic underfunding and distorted distribution of the provision of public goods and services in all sectors, including precisely those needed to tackle global problems, from economic and financial crises and escalating inequality to health and natural disaster emergencies to rising carbon emissions to ever-increasing climate change. In turn, this thinking has resulted in the underfunding of the providers of public goods and services, from local authorities at the community level to national governments at the country level, to the United Nations and its funds, programmes and specialized agencies at the global level.

This mindset has extended to embracing the partnership ‘quick win’ solution without distinguishing between respective public and private responsibilities and capabilities. From evidence and experience to date, public-private or multi-stakeholder partnerships will not close the funding gaps—in health, energy, poverty, hunger, or climate change reduction. Further, they risk undermining long-term solutions as they become competitors for what are viewed politically as scarce resources for financing the UN system needs and public services. Their proliferation, while appearing to increase stakeholder participation, fosters partial and piecemeal actions, and a disturbing move away from global frameworks for solutions that require universal responses.

“Minilateralism” instead of Multilateralism: The growing share of non-core contributions and earmarked trust funds in UN finance

The piecemeal and market-menu approach has had severe consequences for the multilateral quality of the UN system, and has driven major long-term changes. Since the 1980s, donor contributions to the UN development system, while increasing in amount, have shifted away from core funding towards non-core or earmarked funding—mostly for projects from a single or small group of donors, on programme-specific topics. Only a relatively small percentage of the non-core funding has taken the form of “not specified” contributions (see glossary in Box 1 for brief definitions of the various forms of UN funding).

This change in funding practices has deep implications for global governance. Earmarking runs the risk of turning UN agencies, funds and programmes into contractors for bilateral or public-private projects, eroding the multilateral character of the system and undermining democratic governance. Multilateral mandates become increasingly difficult to carry out, as a profusion of earmarked projects fosters confusion and undermines coherence, planning and coordinated action. Donor earmarking of funds can exacerbate “mission creep” within UN development bodies by pushing them to undertake projects outside their core mandates. This furthers fragmentation and incoherence across the UN system, weakening accountability and risking the reliance on and consequent capture of UN institutions by a limited number of donors. The many calls for UN reform ignore the reality that this process is already well underway. The changing funding patterns are not only influencing programme priorities; they are also distorting the practice of governance.

Growing reliance on the corporate sector— opening of the UN to corporations and philanthropy

A related phenomenon is the growing trend towards the adoption of “partnerships” between the UN, governments and public and private actors, as an extension or spin-off of non-core financing strategies. For the last two decades, the UN system has invested heavily in these “partnerships” to bring in and engage private companies and philanthropic foundations, which they regard as key to achieving sustainable development. These partnerships, a large number of which are termed multi-stakeholder, build on the understanding that governments are not able to solve global problems by themselves. Corporations are seen as the main driver of economic development, as the “principal engine” of growth and job creation. Their economic size and financial power have fueled the recommendations by the UN Global Compact to create “business-led” global issue platforms aligned to specific sustainability challenges. The UN Global Compact urges governments to ensure that the Post-2015 Agenda be designed with business engagement in mind—“allowing for maximum alignment with corporate strategies and multi-stakeholder partnerships.”

There also has been a marked change in the way in which corporate foundations have engaged with the UN over the last two decades, in regard both to the size of their financial contributions and to the nature of their engagement.

Outsourcing funding and decision-making to global partnerships

The engagement of the UN in the partnership boom has reached a new level, promoted as the key to the achievement of both the Millennium Development Goals (MDGs) and more importantly, to the Sustainable Development Goals (SDGs). The UN Secretary-General and senior officers have been actively involved in the creation of several new global partnerships in the areas of health, education, nutrition and energy, including Every Woman Every Child, Sustainable Energy for All, and Scaling Up Nutrition.

However, this shift to global partnerships brings a number of risks and side-effects that have not received careful consideration regarding compatibility with UN mandates; and their extra-budgetary funding lines remove the global partnerships from regular review and impact assessment. New rules and tools for UN engagement with the business sector and for the reporting of extra-budgetary funded programmes are long overdue. The important role being allocated to partnerships in the Post-2015 Agenda makes the adoption of such rules and tools a matter of urgency not only for the review and follow up of the UN development responsibilities but also for the future role of the UN in the multilateral sphere.

In this regard, the following questions should be addressed:

- » **Growing influence of the business sector in the political discourse and agenda-setting:** Do partnership initiatives allow the corporate sector and their interest groups growing influence over agenda setting and political decision-making by governments?
- » **Fragmentation of global governance:** How can governments avoid the risk that partnerships will lead to isolated solutions, which are poorly coordinated, contribute to the institutional weakening of the UN system, hinder comprehensive development strategies, and risk crowding out a focus on UN norms and standards?
- » **Weakening of representative democracy:** Inasmuch as partnerships purport to give all participating actors equal rights, do they sideline the special political and legal position occupied legitimately by public bodies (governments and parliaments)?
- » **Unstable financing—a threat to the sufficient provision of public goods:** Will the funding of the UN become increasingly privatized and dependent on voluntary and ultimately unpredictable channels of financing through benevolent individuals or private philanthropic foundations? Are the financial resources committed in the existing partnership initiatives actually new and additional? Have they effectively increased the available resources?
- » **Lack of monitoring and accountability mechanisms:** What instruments should be put in place to guarantee that partnerships act in an open and transparent manner and can be held accountable for their actions?

The chapters that follow take a closer look at the changing landscape of UN funding and the growing role of the corporate sector.

Chapter 2 gives an overview of the (precarious) funding situation of the UN system in general and that of the UN's core activities in particular.

Chapter 3 analyses the role of the UN Fund for International Partnerships, the UN Office for Partnerships, the UN Foundation and the UN Global Compact as the central gateways for philanthropic and corporate sector influence and financing in the UN.

Chapter 4 examines these changing funding patterns as they affect the operational activities of the UN system for development. Sixty per cent of total UN funding goes to support development-related programmes and humanitarian assistance. But the organizations of the UN development system are facing similar challenges to those facing the UN itself: stagnating or even shrinking core funding and growing dependence on non-core, mostly earmarked contributions. As a consequence, they are seeking to broaden their donor base, particularly by intensified engagement with the corporate sector and philanthropic foundations.

A striking example of the public governance funding crisis and the move towards soliciting greater funding by the corporate sector and foundations is that of the World Health Organization (WHO). Chapter 5 describes recent developments in WHO funding, the special role of the Bill & Melinda Gates Foundation (BMGF) in this regard, and current efforts to adopt a comprehensive Framework of Engagement with non-State Actors.

Chapter 6 examines the partnership phenomenon in what is a significant and far-reaching change in global governance: the creation of multi-stakeholder partnerships in the areas of health, education, nutrition and energy. The chapter looks at three global partnerships, Every Woman Every Child, Sustainable Energy for All, and Scaling Up Nutrition, and their implications not only for funding but also for governance, showing how they demonstrate new forms of public-private governance largely outside UN mandates but waving the UN flag. It examines the extent to which these initiatives have mobilized new and additional resources, particularly from the private sector, whether they have increased policy coherence, and how they have influenced (inter-) governmental policymaking and affected the role of the UN.

The study's concluding Chapter 7 offers a collection of findings and policy recommendations to address the chronic underfunding, distorted financing patterns and failures of governance confronting the UN.

The findings and recommendations underline the perilous consequences of these trends and the risks they pose to transparent and accountable public governance. They highlight the need for reforms related to the public funding of the UN system, the setting of norms and standards to govern the interactions of the UN with the corporate sector, and the strengthening of the intergovernmental framework of the UN for monitoring and oversight of "partnerships."

Detailed and specific, the demands range from adopting measures to limit earmarked funding as a percentage of total funding, to establishing an intergovernmental framework for partnership accountability, undertaking systematic impact assessments and independent evaluations, building UN institutional capacity to monitor and review partnerships, and reevaluating the relationship with the UN Foundation.

The findings call for fundamental changes in the discourse about global public governance.

Equally important, they also call for fundamental changes in the discourse about global public governance, changes indispensable to counter the new “business model” of global governance, reverse course and to make the United Nations really fit for its purpose.

Box 1

UN glossary of terms

N.B. The fundamental argument advanced in this study is that Member States do not contribute sufficient resources to the core work of the United Nations. But the word “core” is used differently by different parts of the UN system. The study therefore follows the terminology that the UN itself uses, as follows:¹

Assessed contributions

This category reflects contributions received as an assessment, a contributory unit or other payment scheme mandated in a Convention or other basic instrument of an organization.

Voluntary contributions, not specified

This category reflects contributions received by the organization in support of its mandate or programme for which no specific use is required by the donor. No individual reports are made on the use of such contributions.

Voluntary contributions, specified

This category reflects all revenues received by an organization for which the nature and the use of the funds are specified. Generally, each contribution will have an individual reporting requirement.

Revenue from other activities

This category reflects all other revenue recorded by the organization that is not considered a contribution under the organization’s accounting policies.

Budgetary or core revenues

Traditionally, the terms “budgetary” and/or “core” were used interchangeably to reflect funds received by an organization to undertake its programme of work. This revenue included assessed contributions, voluntary contributions, not specified, or other earned or miscellaneous income. While the revenues received were in support of the core activities or budget, the total amounts actually received (with the exception of assessments) normally did not correspond to the approved budget. In general, core revenues equated to assessed contributions plus voluntary contributions, not specified, and other revenues.

Extra-budgetary or non-core revenues

These two terms were used interchangeably to reflect funds for which the use was specified by the donor. Because they were traditionally considered to be outside the budget, especially for assessed organizations, these funds were denoted as extra-budgetary. In practice, there are many types of revenue which are outside the budget but for which the use is not actually specified. In general, revenues previously reported as extra-budgetary or earmarked contributions are the same as the new category of voluntary contributions, specified.

1 Cf. UN Secretary-General (2014), pp. 10–11.

2. Trends in funding the United Nations

The UN and global governance: broader mandates— stagnant funding

Since its creation in 1945, the United Nations (UN) has been at the centre of global governance, with its original purpose being to maintain international peace and security, to develop friendly relations among nations, to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character, and to promote and encourage respect for human rights and fundamental freedoms.²

Over the seven decades of its existence, the mandate of the UN has expanded steadily, reflecting the substantial increase in global challenges and problems. Persistent environmental degradation and the damaging consequences of climate change, the unresolved problems of poverty, hunger and growing inequalities, new forms of intra- and inter-state conflicts, and recurring economic and financial crises have all required intensified multilateral action at the global level.

Governments have responded to these pressing global challenges by establishing a growing number of formal and informal institutions, partly within, but to a large extent external to the UN system (e.g., the G20).

Today, the global governance system around the United Nations consists of three concentric circles:

- » **Core:** the organization of the United Nations with its main and subsidiary bodies.
- » **Expanded:** the larger UN system, encompassing the various UN funds and programmes (such as UNDP and UNICEF), and 15 specialized agencies (such as WHO and UNESCO).
- » **Periphery:** a rapidly growing number of “global partnerships” amongst public and private actors, with UN institutions being just one of the partners and occasionally providing administrative support and funding.

The system of global governance that we have today is highly compartmentalized and diversified, consisting of hundreds of formal and informal global institutions and a wide variety of hybrid forms of cooperation between public and private actors.

2 Cf. Article 1 of the Charter of the United Nations.

The UN has remained notoriously underfunded.

In contrast to the mounting global problems faced by the UN and its expanding responsibilities and mandates, public funding flowing to the organization's programmes, funds and specialized agencies has failed to keep pace. The UN has remained notoriously underfunded and has had to tackle repeated financial crises.

The UN has faced financial pressures since its earliest years, as Member States have periodically withheld assessed payments because of policy disputes, and have reduced their regular budget payments through a targeted withholding of contributions.

In 1956, the first major peacekeeping operation (the UN Emergency Force in the Sinai) set off a dispute over who should pay, since there was no clear precedent.

In 1960 and thereafter, a major, controversial peacekeeping operation in Congo led a number of countries to withhold payments due to policy differences.

In the mid-1980s, the temporary withdrawal of the United States, the United Kingdom and Singapore from UNESCO brought UNESCO to the verge of ruin—a situation that occurred again in 2011 when the USA announced that it would stop their regular payments to the UNESCO after its General Conference admitted Palestine as a full member.

In the 1990s, the functioning of the United Nations was severely undermined by growing budget shortfalls. In 1995, arrears to the UN regular budget and the budget for peacekeeping operations rose to US\$2.3 billion, with the USA by far the largest debtor to the UN regular budget.

While the financial (cash flow) situation of the UN has slightly improved since then, the overall funding of the UN system has remained insufficient to meet its expanded list of commitments.

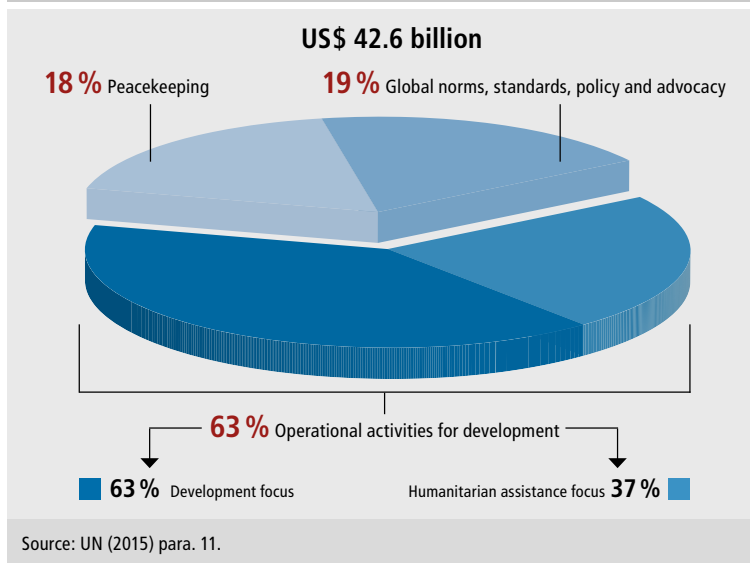
In 2013, funding of all UN system-wide activities reached US\$42.6 billion. This sum includes the budgets of the UN, its programmes, funds and specialized agencies (with the exception of the IMF and World Bank Group). Operational activities for development and humanitarian assistance accounted for about 63 per cent, peacekeeping operations for 18 per cent and norm setting, policy and advocacy activities for the remaining 19 per cent (see Figure 1).

The overall budget of the whole UN system is smaller than the budget of New York City.

While at first glance around US\$40 billion per year may seem to be a substantial sum, in reality the overall budget of the whole UN system is smaller than the budget of New York City (US\$68.5 bn in FY 2012–2013), less than a quarter of the budget of the European Union (US\$180 bn in 2013), and only 2.3 per cent of the world's military expenditures (US\$1,747 bn in 2013).

The structural underfunding of the UN system and its dependence on a limited number of donors has led the UN to search for new funding

sources, particularly in the private and business sector. In the first decades of the organization's existence, private actors, whether companies, NGOs or philanthropic foundations, did not contribute financially to the UN—with a few notable exceptions. One particularly symbolic exception was the gift of multimillionaire John D. Rockefeller Jr. At the end of the 1940s, he donated US\$8.5 million to purchase a piece of land on the banks of New York's East River for the UN's headquarters. Without this donation, the UN today would probably be located on the outskirts rather than in the centre of the city.

Figure 1**Financing of UN system-wide activities 2013**

By and large, however, business actors kept their distance for many years. This distance gave way to open animosity in 1973 when the UN established the Centre on Transnational Corporations (UNCTC) and the Commission on Transnational Corporations, which critically monitored business activities. In the 1980s US companies and lobby groups, along with the Heritage Foundation, constituted the driving force behind the political hostility of the Reagan administration towards, and financial pressure on, the UN.

The resulting crisis in the financing of the UN spurred many initiatives and responses. In 1993, the Ford Foundation sponsored a High-Level Panel, chaired by former Chairman of the US Federal Reserve, Paul Volcker, and former Deputy Governor for International Relations of the Bank of Japan, Shijuro Ogata, on “Financing an Effective United Nations.” The Panel concluded in its report:

“Current proposals for additional, nongovernmental sources of financing are neither practical nor desirable. For now, the system

of assessed and voluntary contributions provides the most logical and appropriate means of financing the U.N., as it permits and encourages member governments to maintain proper control over the U.N.'s budget and its agenda.”³

When Kofi Annan arrived as UN Secretary-General in January 1997, he took a different approach. His programme of UN reform included initiatives that would see the UN systematically open up to the business sector, whereby private actors would regularly be sought out for their financial and political assistance.

Kofi Annan's decision marked a fundamental shift in the relationship between the United Nations and private funders.

In the same year 1997, the refusal of the USA to pay its regular budget contributions to the UN in full and on time prompted the announcement of US billionaire Ted Turner that he would personally donate US\$1 billion to the UN over a period of ten years through a US public charity, the United Nations Foundation (UNF) (see Chapter 3). His decision marked a fundamental shift in the relationship between the United Nations and private funders.

In pursuit of his efforts to secure political support from the business community, the Secretary-General signed, in February 1998, the first-ever joint statement with the International Chamber of Commerce declaring that a partnership of the UN with corporations “could give new impetus to the pursuit of a more prosperous and peaceful world”.⁴ One year later, in January 1999 at the World Economic Forum (WEF), the Secretary-General urged the world's business leaders to undertake with the UN a “global compact of shared values and principles, which will give a human face to the global market”.⁵ This speech marked the birth of the UN Global Compact (see Chapter 3), which has become one of the most important vehicles for cooperation between the UN and the business sector (see Box 2).

Box 2

UN definition of the business sector

The Guidelines on Cooperation between the United Nations and the Business Sector, issued on 20 November 2009, define the business sector as:

- a) *For-profit, and commercial enterprises or businesses;*
- b) *Business associations and coalitions (cross-industry, multi-issue groups; cross-industry, issue-specific initiatives; industry-focused initiatives); including but not limited to corporate philanthropic foundations.*⁶

3 Cf. Independent Advisory Group on U.N. Financing (1993), p. 23.

4 Cf. Joint statement on common interests by the Secretary-General of the United Nations and the International Chamber of Commerce, 9 February 1998 (www.ling.uqam.ca/ato-mcd/documents/edm-icc-1998-094.txt).

5 Cf. UN Press Release SG/SM/6881 (1 February 1999) (www.un.org/News/Press/docs/1999/19990201.sgsm6881.html).

6 Cf. UN (2009), p. 2.

Along with the changing relationship of the UN with the business sector, private funding for UN-related activities has grown steadily. In 2012, specified voluntary contributions from foundations, corporations and civil society to the UN system amounted to some US\$2.5 billion. These contributions increased to about US\$3.3 billion in 2013, or 14 per cent of all specified voluntary contributions to the UN system.⁷

This trend not only was driven by the UN Secretaries-General Kofi Annan and Ban Ki-moon, but has also come to be strongly supported by some UN Member States. This happened, *inter alia*, in the context of the “partnership resolutions” of the UN General Assembly. Member States first addressed partnerships between the UN and private actors in the year 2000. This was on the initiative of the German Government, whose primary goal was to promote the Global Compact at the intergovernmental level a few weeks after its official launch on 26 July 2000.

Since 2000, the topic of partnerships has been an established item on the General Assembly agenda. While the General Assembly resolutions “Towards Global Partnerships” between 2000 and 2003 still reflected the scepticism of many governments towards the concept of public-private partnerships and the shift in power from purely intergovernmental bodies to partnerships with private actors,⁸ from 2005 onwards, the General Assembly “encouraged” the development of public-private partnerships in many areas of the UN, and “welcomed” innovative approaches to the use of partnerships to realize the United Nations’ goals and programmes.⁹

This trend is also reflected in the resolution of the General Assembly adopted in December 2012 on the so-called “quadrennial comprehensive policy review of operational activities for the development of the United Nations system” (QCPR). Here again the governments emphasized: “the importance of broadening the donor base and increasing the number of countries and other partners making financial contributions to the United Nations development system in order to reduce the reliance of the system on a limited number of donors [...]”¹⁰

As potential partners they mentioned in particular international financial institutions, civil society, the private sector and foundations.

The following chapters describe in greater detail the recent funding trends in the UN and the UN system, and the various forms of involvement of private companies and corporate philanthropic foundations in UN activities.

7 Cf. UN Doc. A/69/305, Tables 2 and 2B.

8 Cf. UN Doc. A/RES/55/215, A/RES/56/76, and A/RES/58/129.

9 Cf. UN Doc. A/RES/60/215.

10 Cf. A/RES/67/226, para. 35.

Funding for the UN's core activities

The organization of the United Nations, its main bodies and its Secretariat constitute the core of the UN system of global governance. The UN Secretariat carries out the day-to-day-work of the organization to further the global norms and standards of the UN Charter and other relevant conventions and treaties. Its work is currently organized under 28 programmes. These cover a wide range of topics, such as: the survey of economic and social trends and problems; research and technical assistance on trade and development; the mediation of international disputes and the administration of peacekeeping operations; international drug control, crime and terrorism prevention; the promotion and protection of human rights; and dialogues and conferences on sustainable development. The operations of the UN are directed from its headquarters in New York City, its offices in Geneva, Vienna and Nairobi, and the offices of its regional economic commissions.

The budget of the US State Department alone is more than 15 times higher than the UN regular budget.

These activities are primarily financed by the assessed (or mandatory) contributions of the 193 Member States that make up the regular budget of the UN. For the biennium 2014–2015 Member States approved a budget of US\$5.530 billion, or US\$2.765 billion per year (see Table 1). By way of comparison, the budget of the US State Department alone is more than 15 times higher (US\$46.2 bn in FY 2015).¹¹

Table 1

UN Regular Budget expenditures 1971–2015 (in US\$ millions)

Year	Expenditures	Year	Expenditures	Year	Expenditures	Year	Expenditures
1971	194	1983	731	1995	1,316	2007	2,073
1972	208	1984	801	1996	1,266	2008	2,375
1973	234	1985	801	1997	1,266	2009	2,375
1974	305	1986	799	1998	1,244	2010	2,707
1975	305	1987	799	1999	1,244	2011	2,707
1976	393	1988	874	2000	1,280	2012	2,762
1977	393	1989	874	2001	1,280	2013	2,762
1978	539	1990	1,094	2002	1,482	2014	2,765
1979	539	1991	1,094	2003	1,482	2015	2,765
1980	666	1992	1,188	2004	1,806		
1981	666	1993	1,188	2005	1,806		
1982	731	1994	1,316	2006	2,073		

Source: Financial report and audited financial statements for the biennium ended 31 December and Report of the Board of Auditors. Volume 1, United Nations. Various years (www.un.org/en/auditors/board/auditors-reports.shtml). For 2014–2015: UN Doc A/68/6/Add. 1.

¹¹ Cf. www.state.gov/r/pa/pl/222843.htm.

Since the 1980s, Member States, led by the USA, have followed a “zero-growth doctrine” for the regular budget of the UN. While the budget has increased slowly over the years, it has more or less stagnated in real terms.

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In response to the growing gap between financial needs and available resources of the regular budget, voluntary contributions from individual governments and other donors have been increasingly used as a secondary income source for the UN.

While the activities of most UN funds and programmes like UNDP and UNICEF are financed completely by voluntary contributions, a growing share of the core activities of the UN Secretariat is now also dependent on non-assessed, that is, voluntary, contributions. These voluntary contributions finance not only technical cooperation activities, but also an enormous total of 170 general trust funds in all areas of the UN’s work.

The establishment of trust funds for special purposes is not a new phenomenon. The UN Joint Inspection Unit (JIU) already emphasized the “rapidly increasing number of trust funds” in a special report 1972.¹² As one of the main reasons for the use of trust funds the JIU report stated:

“[...] many of the larger contributors to the United Nations were not happy with the prospect of putting up large sums for operations under an arrangement where each member country had one vote, and thus favoured separate operations-oriented organizations financed by voluntary contributions in order to avoid situations where they would be bound by General Assembly votes for development.”¹³

While the number of trust funds has decreased over the last decade (in 2001 the UN listed 205 general trust funds), the financial volume of the funds has grown significantly. In the biennium 2012–2013 general trust funds spent a total of US\$2.650 billion; ten years earlier the overall amount was only US\$678 million. This represents an increase of nearly 300 per cent (see Table 2). Moreover, while in 2002–2003 expenditures for technical cooperation activities and general trust funds were 33 per cent of the regular budget, by 2012–2013 their volume increased to represent 55 per cent.

The large majority of these voluntary contributions to trust funds support humanitarian or relief assistance activities of the UN (see Figure 2). By far the largest funds in 2012–2013 were the Central Emergency Response Fund (US\$997.5 mn) and the Trust Fund for Disaster Relief (US\$687.9 mn).¹⁴ However, voluntary trust fund contributions support all the other areas of work of the UN; for instance, through the Trust

12 Cf. Macy (1972), p. 1.

13 Ibid.

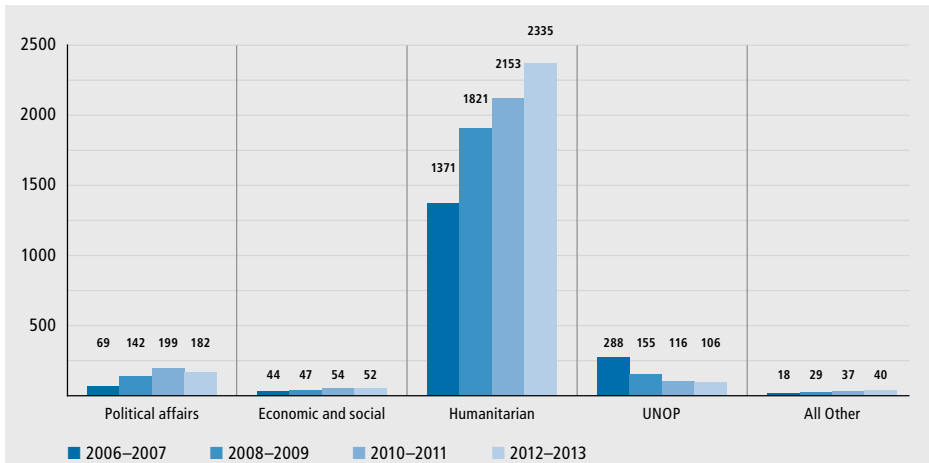
14 Cf. UN Doc. A/69/5, p. 95.

Fund for the Support to the Activities of the Centre for Human Rights (US\$201 mn), and a broad variety of “micro-funds” such as the United Nations Voluntary Fund on Disability (US\$244,748), or the Trust Fund for the Repertory of Practice of United Nations Organs (US\$12,867).

Table 2**UN expenditures (all funds) 2002–2013 (in US\$ thousands)**

Year (biennium)	General Fund (regular budget)	Technical cooperation activities	General trust funds	Other funds	Sum
2002–2003	2,964,580	308,279	678,097	455,909	4,406,865
2004–2005	3,612,216	277,217	928,447	1,042,403	5,860,283
2006–2007	4,146,278	312,865	1,790,443	594,979	6,844,565
2008–2009	4,749,421	366,464	2,192,714	1,966,435	9,275,034
2010–2011	5,414,152	386,610	2,554,833	2,278,885	10,634,480
2012–2013	5,524,859	390,607	2,649,990	2,065,602	10,631,058

Sources: Financial report and audited financial statements for the biennium ended 31 December and Report of the Board of Auditors. Volume 1, United Nations. Various years (www.un.org/en/auditors/board/auditors-reports.shtml).

Figure 2**United Nations general trust funds expenditure by field of activity (in US\$ millions)**

Sources: UN Doc. A/69/5 (Vol. I), p. 96; UN Doc. A/67/5 (Vol. I), p. 70; A/65/5 (Vol. I), p. 119; A/63/5 (Vol I), p. 7.

Traditionally, contributions to the UN trust funds have come mainly from individual Member States and governmental agencies. Yet in recent years, the trust funds have been used more frequently to channel private money into the UN. Detailed information about these flows, the donors and their donations, are not publicly available on the UN website. The UN does not systematically disclose comprehensive data on these private flows.

However, according to the Schedule of Individual Trust Funds for the biennium 2012–2013, 35 general trust funds of the UN received contributions from about 40 non-state donors (see Table 3).¹⁵ Donations came from foundations, associations, research institutes, a few private companies and UN Secretary-General Ban Ki-moon himself (US\$100,000 for the Trust Fund in Support of Political Affairs). The overall sum of these donations was US\$101 million. Most of these contributions were relatively small, with only very few exceeding US\$1 million. Among the latter was a donation of US\$1.2 million from the German car company BMW to the Trust Fund for the Alliance of Civilizations.

By far the largest contribution came from the UN Foundation, which gave US\$92.5 million to the United Nations Fund for International Partnerships (UNFIP) (see Chapter 3). Much smaller but politically significant was a US\$2 million contribution by the Global Compact Foundation to the Global Compact (see Chapter 3). The UN Foundation and UNFIP as its interface within the UN, as well as the Global Compact and its respective Foundation, have been in the forefront of opening up the UN to private and particularly corporate money and influence.

15 Cf. UN (2014a). Donations from non-state institutions and actors are listed under “public donations”.

Table 3**Donations from private actors and non-state institutions to the General Trust Funds of the UN (2012–2013)**

Donor	Fund	Donation (in US\$)
Office of Space Commercialization	Trust Fund for the United Nations Programme on Space Applications	200,000
Austrian Research Promotion Agency	Trust Fund for the United Nations Programme on Space Applications	189,304
European Space Agency	Trust Fund for the United Nations Programme on Space Applications	111,288
International Astronautical Federation	Trust Fund for the United Nations Programme on Space Applications	79,400
China Manned Space Engineering Office	Trust Fund for the United Nations Programme on Space Applications	50,000
Japan Aerospace Exploration Agency	Trust Fund for the United Nations Programme on Space Applications	20,000
NASA	Trust Fund for the United Nations Programme on Space Applications	20,000
Carnegie Corporation	Trust Fund for Global and Regional Disarmament Activities	50,000
	Trust Fund in Support of Political Affairs	50,000
Ban Ki-moon	Trust Fund in Support of Political Affairs	100,000
OPEC Fund	Trust Fund in Support of the United Nations Register of Damage	150,000
Nippon Foundation Of Japan	Trust Fund for the Office of Legal Affairs to Support the Promotion of International Law	1,071,159
The Ford Foundation	United Nations Research Institute for Social Development	129,542
	Trust Fund for Support of Activities of the Centre for Human Rights	99,500
	Trust Fund for Partnerships	75,000
Associação do Sanatório Sirio	United Nations Research Institute for Social Development	195,282
Friedrich-Ebert-Stiftung – Politischer Club	United Nations Research Institute for Social Development	40,682
Helvetas	Trust Fund for the ECE Study on Long-Term European Timber Trends and Prospects	30,653
MacArthur Foundation	Trust Fund for Population and Development	316,000
	Trust Fund in Support of the Office of the President of the General Assembly	37,178
Foundation for the Global Compact	Trust Fund for the Follow-up to the World Summit for Social Development	216,000
	Global Compact Trust Fund	2,000,000
Global Forum on Human Settlements	Trust Fund for the Follow-up to the World Summit for Social Development	49,978
BMW Group	Trust Fund for Alliance of Civilizations	1,200,000
Christensen Fund	Trust Fund on Indigenous Issues	35,595
International Road Transport Union	Trust Fund for the Support of Activities Related to the Preparation and Organisation of the International Ministerial Meeting of Landlocked and Transit Developing Countries	100,000
Education Above All	Trust Fund for Support of Activities of the Centre for Human Rights	475,244

Donor	Fund	Donation (in US\$)
Sovereign Military Order Of Malta	Central Emergency Response Fund	10,000
Women's International Forum	Central Emergency Response Fund	5,000
Bet Networks	Trust Fund For Economic and Social Information	84,874
Bunim-Murray Productions	Trust Fund For Economic and Social Information	23,969
Cross Media International, Llc	Trust Fund For Economic and Social Information	61,677
Friendship Ambassadors Foundation, Inc.	Trust Fund For Economic and Social Information	66,802
United Nations Federal Credit Union	Trust Fund For Economic and Social Information	20,000
	Trust Fund for Partnerships	2,000
The Rockefeller Foundation	Trust Fund for the Millennium Assembly and the Millennium Summit of the United Nations	400,000
	Trust Fund to Support Global Impact and Vulnerability Alert System	200,000
Yonhap News Agency	Trust Fund for the Millennium Assembly and the Millennium Summit of the United Nations	70,295
Olympic Council of Asia	Trust Fund for Sports for Development and Peace	399,928
Samsung Electronics Company Ltd	Trust Fund for Sports for Development and Peace	200,000
Gwangju Summer University	Trust Fund for Sports for Development and Peace	140,000
Korean Air	Trust Fund for Sports for Development and Peace	100,000
UN Foundation	United Nations Fund for International Partnership (UNFIP)	92,538,185
China World Peace Foundation	Trust Fund for Partnerships	30,000
Friends of the United Nations (FOTUN)	Trust Fund for Partnerships	3,104
Landmark Ventures	Trust Fund for Partnerships	40,000
Louise Blouin Foundation	Trust Fund for Partnerships	15,000
	Total	101,502,639
Source: UN (2013) and (2014a).		

3. UN gateways for the business sector

UNFIP/UNOP and the UN Foundation

The United Nations Fund for International Partnerships (UNFIP) has played an important role in the evolving relationship between the UN and corporate philanthropy. UNFIP was established in March 1998 as an autonomous trust fund of the UN to interface with the UN Foundation. The UN Foundation is not a UN body, but was created by US billionaire, CNN founder and then Co-Chairman of Time Warner, Ted Turner in early 1998. In September 1997 Turner had announced his intention to make a US\$1 billion gift in support of the UN and its causes with ten annual donations valued at US\$100 million each. However, he did not give this extraordinary donation in cash but in 18 million shares of Time Warner stock, which in September 1997 had a value of US\$1 billion.

There was no precedent for transferring such an enormous amount of money from an individual directly to the UN and it was difficult for the organization to find a way to manage it. That the UN is not an established tax exempt public charity in the US caused an additional problem for Turner. As a solution to these practical problems, Turner and the newly elected UN Secretary-General Kofi Annan decided to create a foundation-trust fund structure: Turner established the UN Foundation (UNF) and the Better World Fund (BWF) as not-for-profit 501(c)(3) public charities. While the UNF would serve to channel his donation to the UN, the BWF's main objective would be to promote the UN in the USA. Its major programme is the Better World Campaign, launched to lobby the US Congress to support the UN. The UN Secretary-General on the other hand established UNFIP as a trust fund to receive (exclusively) contributions from the UN Foundation.

The details of the relationship between the UN and the UN Foundation were laid down in a Relationship Agreement that was signed on 12 June 1998 in New York, and designed to expire on 31 December 2007.¹⁶ In it, the parties clarified that the Foundation has the responsibility for final formulation of its programme priorities. UN departments, funds, programmes and specialized agencies were invited to submit project proposals to UNFIP that respond to the priorities identified by the Foundation. The proposals are reviewed by an Advisory Board established by the UN Secretary-General, but the final decision to approve a proposed project is made by the Board of the UN Foundation.

Soon after Ted Turner announced his donation to the UN, the value of Time Warner shares decreased dramatically as a result of the merger of AOL and Time Warner in January 2000 and the burst of the “dot-com

16 Cf. UN Doc. A/53/700, Annex I.

bubble” on the US stock markets. In order to keep Turner’s US\$1 billion promise (without increasing the number of 18 million shares), the UN Foundation started to raise additional resources from other donors. In fact, by the end of 2007 UNFIP programmed grants totalled US\$1.03 billion, but only US\$406 million represented core Turner funds.¹⁷ Other donors contributed US\$597 million.

According to the UN, after the first ten-year period US\$350 million of Ted Turner’s original donation remained unspent. The UN Foundation announced its intention to leverage this sum to mobilize an additional US\$1 billion from partners in support of United Nations causes, and on 18 April 2007 the Relationship Agreement was renewed for an additional ten-year period.¹⁸

These developments marked a significant change in the role of the UN Foundation from channelling core Turner money to support UN programmes to soliciting and managing third party money.

At the end of 2013, the cumulative allocations to UNFIP projects reached approximately US\$1.3 billion, of which only US\$450 million came from core Turner funds and US\$850 million was mobilized as co-financing from other donors.¹⁹ Despite the trend towards co-funding the value and number of approved UNFIP projects is today much lower than in the middle of the last decade (see Table 4).

Allocations to UNFIP reached US\$1.3 billion.

In 2013, for instance, the UN Foundation disbursed US\$52 million through UNFIP to UNICEF and WHO in support of the Measles and Rubella Initiative. Of this amount, US\$50 million came from co-funders and only US\$2 million from the Foundation’s own funds.²⁰

A large share of the UN Foundation’s revenues from other donors came from the Bill & Melinda Gates Foundation. Between 1999 and 2014 Gates gave US\$231 million in grants to the UN Foundation, mainly for projects in the areas of health and agriculture (see Table 5). Much of these funds, however, did not benefit the UN development system and did not involve consultation with the UN and with UNFIP.

17 Cf. UN Doc. A/63/257.

18 Ibid.

19 Cf. UN Doc. A/69/218.

20 Ibid., para. 9.

Table 4**UNFIP approved projects 1998–2013**

Year	UNFIP approved projects	
	value (in US\$)	number
1998	81,031,371*	60*
1999	108,968,629	53
2000	74,560,044	53
2001	111,912,251	55
2002	69,294,672	29
2003	73,683,616	40
2004	76,822,202	32
2005	170,456,083	52
2006	191,138,234	24
2007	38,816,908	24
2008	28,165,187	33
2009	26,126,716	18
2010	79,085,838	28
2011	48,614,168	18
2012	63,932,309	13
2013	52,976,932	7
Sum	1,295,585,160	539
<i>According to UN Doc. A/69/218</i>	<i>1,303,782,793</i>	<i>544</i>

*estimates
Sources: Reports of the UN Secretary-General on the United Nations Fund for International Partnerships (1998–2007) and the United Nations Office for Partnerships (2007–2014).

Table 5**Direct grants from the Bill & Melinda Gates Foundation to the UN Foundation (1999–2014)**

Date	Purpose	Amount (in US\$)
November 2014	to support one-time, concrete unanticipated gaps that any Family Planning 2020 country might encounter as it works towards achieving Family Planning 2020 goals	2,946,323
November 2014	to increase availability and use of gender data that will guide policy, better leverage development investments, and inform global development agendas, and to build partnerships that address gaps in internationally comparable gender data, including through innovative data sources	1,348,967
November 2013	to establish the Family Planning 2020 Task Team www.familyplanning2020.org	9,576,904
August 2013	to raise awareness of and mobilize resources in support of Millennium Development Goals 4, 5 and 6	27,985,759

Date	Purpose	Amount (in US\$)
November 2010	to provide short term working capital to recipients of donor funds to increase the predictability of financing for reproductive health, HIV/AIDS, tuberculosis and malaria commodities	20,000,000
November 2010	to raise awareness of and mobilize resources in support of Millennium Development Goals 4, 5 and 6	36,659,900
April 2010	to provide support for a policymaker roundtable on the Millennium Development Goals and the UN Summit	200,100
November 2009	to support the measles partnership for mass campaigns to reduce or eliminate measles	13,997,518
September 2009	to provide strategic support to the UNAIDS Secretariat during the leadership transition	511,314
November 2008	to develop a strategic approach increasing US support for global family planning	4,987,489
October 2008	to provide support to organizations that aid the Global Fund to Fight AIDS, Tuberculosis, and Malaria in Africa from constituencies based in Africa, Australia, Europe, Japan, and the USA	3,227,175
September 2008	to use an international television broadcast to heighten general awareness of the crises in women's health in the developing world, and to encourage charitable donations that target solutions to these problems	530,000
January 2008	to build constituencies for Global Health in a replicable model	10,851,627
August 2007	for general operating support	10,000,000
May 2007	to build constituencies for Global Health in a replicable model	500,000
January 2007	to protect the genetic diversity of 21 critical crops for food security and poverty alleviation, by supporting national gene banks, the Svalbard Global Seed Vault, and the Global Crop Diversity Trust	29,911,740
January 2007	to increase awareness about malaria and raise funds to purchase and distribute anti-malaria bednets to children under 5 in Africa	3,080,000
October 2005	to implement a replicable outreach and fundraising campaign that engages civil society in support of malaria prevention and control through the Global Fund	450,000
January 2004	to strengthen immunization services in Africa through measles mortality reduction	1,900,000
February 2002	to support the Aspen Strategy Group to convene meetings on global health issues	200,000
August 2001	to support Health InterNetwork pilot project in India	734,000
February 2001	to support the United Nations Population Fund (UNFPA) reorganization efforts	500,000
November 1999	to strengthen surveillance and control of vaccine-preventable and epidemic prone diseases	1,250,000
May 1999	to eradicate polio in the Indian Sub-continent and Sub-Saharan Africa through immunization and surveillance activities	50,000,000
May 1999	to support education regarding UNFPA programmes in China	33,380
	Total	231,382,196

Source: Bill & Melinda Gates Foundation Grants Database
(www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database).

The UN Foundation: New funders, more recipients

Not all of the revenues and expenditures of the UN Foundation have been allocated to UNFIP. In the period 1998 to 2013 the sum of UNF revenues reached US\$2.2 billion and the overall expenditures of the Foundation amounted to US\$1.8 billion, while the grants given were approximately US\$1.5 billion (see Table 6).

Table 6			
UN Foundation revenue and expenses 1998–2013 (in US\$)			
Year	UN Foundation		
	total revenue	expenses	
		total	of which grants
1998	83,271,192	n/a	n/a
1999	132,504,878	147,364,991	146,333,576 *
2000	51,026,739	91,368,357	88,956,077 *
2001	99,122,687	98,602,727	91,790,015
2002	108,234,904	98,013,347	90,358,653
2003	105,138,811	78,483,951	70,008,146
2004	103,047,794	94,197,357	84,721,910
2005	203,355,197	188,969,234	176,097,642
2006	243,249,150	240,018,570	227,675,435
2007	177,794,996	81,078,740	64,731,293
2008	114,451,567	140,224,505	117,582,684
2009	105,050,738	83,081,439	54,354,979
2010	137,514,520	107,661,444	72,514,564
2011	192,737,803	127,292,648	86,264,857
2012	134,808,629	134,850,608	83,162,074
2013	230,764,474	137,838,875	75,324,528
Sum	2,222,074,079	1,849,046,793	1,529,876,433

* Programme service expenses
Sources: UN Foundation (various years): IRS Form 990.

UNFIP received only 58.4 per cent of the Foundation's grants and 33.9 per cent of its total expenditures.

In the biennium 2012–2013 UNFIP received US\$92.5 million from the UN Foundation, while the total expenditures of the Foundation were US\$272.7 million and the grants paid were US\$158.5 million. In other words, UNFIP received only 58.4 per cent of the Foundation's grants and 33.9 per cent of its total expenditures.

Furthermore, the contribution from core Turner funds to UNFIP has stagnated over the decade (see Table 7).

Table 7

Allocations by UN Foundation through UNFIP to projects implemented by the UN system, 2006–2013 (in US\$ billions)

Cumulative by year ending	Total through UNFIP	Cumulative core Turner funds	Cumulative contributions from other donors
2006	0.99		
2007	1.03	0.43	0.60
2008	1.06	0.44	0.62
2009	1.09	0.44	0.65
2010	1.17	0.44	0.73
2011	1.19	0.44	0.75
2012	1.25	0.44	0.81
2013	1.30	0.45	0.85

Sources: Secretary General's Reports on the UN Office for Partnerships (various years, estimates). (www.un.org/en/development/desa/oesc/funding.shtml and www.un.org/en/ecosoc/newfunct/qcpr_implementation.shtml).

Thus, a significant share of UN Foundation expenditures was spent on activities outside the UN system, with a strong emphasis on US-based organizations. By way of example, in 2013 the Planned Parenthood Foundation of America received US\$505,554 and the Public Health Institute in Oakland, CA received US\$584,229.²¹ In fact, the majority of campaigns and initiatives supported by the UN Foundation have not involved UN entities and have not been covered in the reports of the Secretary-General to the Member States, yet benefit by association with the UN name.

Some of the UN Foundation initiatives in the USA have been high-profile. The Global Alliance for Clean Cook Stoves, for example, announced by Hillary Clinton at a Clinton Global Initiative conference in 2010, includes as founding partners the Shell Foundation, the Morgan Stanley Foundation, the WHO, UNEP, the United Nations High Commissioner for Refugees and the Governments of Germany, Norway and the Netherlands. Aside from the State Department and the Environmental Protection Agency, participating US agencies include the Departments of Energy and Health and Human Services.²²

A significant share of UN Foundation expenditures was spent outside the UN system.

21 Cf. UN Foundation (2014): IRS Form 990 for the year 2013.

22 Cf. www.nytimes.com/2010/09/21/science/earth/21stove.html?_r=1.

Another initiative championed by Hillary Clinton is the creation of Data2X in 2012. This initiative—spearheaded by the United Nations Foundation, with support from the William and Flora Hewlett Foundation and the Bill & Melinda Gates Foundation—is a platform for partners to work together on gender data.²³

Direct funding from UN Member States

In order to broaden its funding base, the UN Foundation has explored ways to raise funds directly from governments and multinational corporations. In the last decade the UN Foundation or initiatives launched by the Foundation received direct funding from a number of governments or governmental agencies, *inter alia*:

- » Canadian International Development Agency (CIDA)
- » Department for International Development of the Government of the UK (DFID)
- » European Commission
- » Government of Denmark
- » Government of Japan
- » Government of the Netherlands
- » Government of Norway
- » Government of the UK
- » Italian Ministry for the Environment
- » United Arab Emirates
- » United States Agency for International Development (USAID)
- » US Centers for Disease Control and Prevention (CDC)

The Measles & Rubella Initiative is an example of the unique funding mechanism created by the UN Foundation.²⁴ Since 2001, the UN Foundation has collected grants from public and private donors and disbursed the pooled amounts through UNFIP to the WHO and UNICEF to carry out activities related to this initiative. Governmental donors have included Canada (CIDA), the Commonwealth (CDC), the UK (DFID), Japan (JICA), and Norway (Ministry of Foreign Affairs). In 2013, 30 per cent of the US\$52 million transmitted through UNF/UNFIP in that year came from DFID.²⁵ This practice means that the Foundation has leveraged and passed through funds from governments that could have otherwise gone directly to the UN agencies concerned.

23 Cf. <http://data2x.org>.

24 Cf. www.measlesrubellainitiative.org/.

25 Cf. Measles & Rubella Initiative (2014), p. 45.

This practice would also be a source of considerable concern if the UN Foundation has become a competitor for scarce multilateral resources from governments. Monitoring this trend should be a priority for the UNFIP Advisory Board.

UN Foundation has become a competitor for scarce multilateral resources.

Partnering with corporations

In addition to its outreach to individual governments, the UN Foundation is now actively exploring opportunities for building so-called “anchor partnerships” with multinational corporations and corporate philanthropic foundations as an important element of its long-term sustainability strategy. This intention caused concerns in some parts of the UN because of the potential reputation risk involved. The UN Foundation lists currently (July 2015) 23 corporate partners, such as Exxon Mobile, Shell, Goldman Sachs, and the Bank of America (see Box 3).

Box 3

Corporate partners of the UN Foundation

Bank of America, CEMEX, Deutsche Bank Global Social Finance Group, Dow Corning Corporation, ExxonMobil, Inc., GAVI Alliance, Global Language Solutions, Goldman Sachs, Google Foundation, IEEE Institute of Electrical and Electronics Engineers, Inc., International Copper Association, John Deere, Johnson & Johnson, MLS W.O.R.K.S., NBA Cares, Nike Foundation, Orkin, Project Perpetual, (RED), Shell, Sports Illustrated, Time, Inc. Home Entertainment, WNBA Cares

Source: www.unfoundation.org/what-we-do/partners/corporations/ (July 2015).

As part of its strategy to strengthen the relationship between the UN and the business community, the UN Foundation, in 2010, integrated the Business Council for the United Nations (BCUN) into its programmatic activities. BCUN describes itself as

“[...] catalyst for action, understanding, and innovative business opportunities between member companies and the United Nations. [...] BCUN provides its members with unique opportunities to directly connect with the United Nations and its network of organizations and country representatives. Our relationships with key policy makers and diplomats at the UN who work on global subjects of interest to our member companies allow relevant and current information exchange.”²⁶

In the same year the UN Foundation created its Global Entrepreneurs Council, which brings together young entrepreneurs to support UNF campaigns such as Girl Up (www.girlup.org) and Nothing But Nets (<http://nothingbutnets.net>), and helps to create new ones.²⁷

26 Cf. www.unfoundation.org/features/bcun/join.html.

27 Cf. www.unfoundation.org/who-we-are/experts/global-entrepreneurs-council/.

UN Office for Partnerships (UNOP): A gateway for private companies to the UN

Parallel to the evolving role of the UN Foundation, the institutional setting of its counterpart within the UN has changed over the years. In 2006, then UN Secretary-General Kofi Annan created the UN Office for Partnerships (UNOP) which has evolved to be responsible not only for the management of UNFIP, but also for the management of the UN Democracy Fund and, particularly for partnership advisory services and outreach.²⁸ The terms of reference of UNOP list as one of the key functions of the new office:

“Provides a dedicated gateway for company signatories to the Global Compact to navigate and engage the United Nations system in the identification and development of United Nations–business partnership opportunities.”²⁹ In order to provide UNOP with an additional financial mechanism for mobilizing resources from non-state actors through public–private partnerships, the UN Secretary-General established—in addition to UNFIP—the Trust Fund for Partnerships.³⁰

Since its creation in 2009, however, the financial support for this trust fund has been very limited. Between 2010 and 2013 total voluntary contributions to this fund amounted only to US\$2.1 million (see Table 8).

Table 8

Voluntary contributions to the UN Trust Fund for Partnerships 2010–2013 (in US\$ thousands)

2010	2011	2012	2013
555.5	770.7	307.4	510.1

Source: UN (2013) and (2014a).

However, it would be misleading to measure the relevance of UNFIP/UNOP only against the quantity of its financial resources. Probably more significant is its intended role as a “gateway for public–private partnerships with the United Nations system”.³¹

In the last few years UNOP has become actively involved in organizing high-level events with top business representatives and corporate philanthropists to promote market-based solutions and raise private

28 In his report “Strengthening the United Nations: An agenda for further change” the UN Secretary-General indicated his intention to regroup UNFIP and the Global Compact Office under one common umbrella, but this plan was not implemented at that time, cf. UN Secretary-General (2002), para. 147.

29 Cf. Secretary-General’s bulletin (ST/SGB/2009/14).

30 Cf. UN Doc. A/69/5, p. 176.

31 Cf. www.un.org/partnerships/.

funds to solve global problems. Recent examples include the Forbes 400 Philanthropy Summit, which took place in the UN Trusteeship Council on 5 June 2013. It was sponsored by Credit Suisse and attended by UN Secretary-General Ban Ki-Moon and over 150 entrepreneurs, celebrities and philanthropists, such as Bill Gates, Bono and Warren Buffett. According to *Forbes* magazine the attendees, who represented “close to half a trillion of the world’s wealth, discussed how they can use their wealth, fame and entrepreneurial talent to eradicate poverty.”³² As follow up to this event *Forbes* released a Special Philanthropy Issue under the headline “Entrepreneurs can save the world.”³³

The interaction between companies, corporate philanthropists and the UN has grown steadily. Already in 2010, the annual report of the UN Secretary-General on UNOP contained a selective list of 99 transnational corporations that have established various forms of partnerships with the UN, among them Bank of America, BP, Coca Cola, Goldman Sachs, Nestlé, Shell, and Wal-Mart (see Box 4).³⁴

Box 4

Selective list of companies that have established partnerships with the UN

Accenture, Africa Practice, Alcatel-Lucent, American Electrical Power, American Express, Aveda Corporation, Aviva, Bank of America, BASF, Bayer, Bertelsmann, Bristol-Myers Squibb, British Petroleum, BT Global Services, Carrefour, Cisco Systems, Citigroup, Clorox, The Coca-Cola Company, Crescent Petroleum Company, Daimler, De Beers, Dell, Deutsche Bank, Deutsche Post, Domini Investment Fund, Dow Chemical Company, E-CARE, Électricité de France, Eli Lilly, Ericsson, Expedia, FedEx, Fortis, Fujitsu, General Electric, Geneva Group International, GlaxoSmithKline, Globalegacy International, Goldman Sachs Group, Google, G-Star Raw, Hewlett Packard, HSBC Holdings, ING Group, Intel, International Business Machines, Johnson & Johnson, Kraft Foods, Lenovo Group, Marvel Entertainment, Merck & Co, Metro, Microsoft, Migros, Mitsubishi, Mitsubishi Electric, Mitsubishi UFJ Financial Group, Motorola, MTV, National Basketball Association, Nestlé, Nike, Nokia, Oracle, PepsiCo, Pfizer, PKN Orlen Group, Procter & Gamble, Rio Tinto Group, Roche Group, Royal DSM, Royal Dutch Shell, Royal Philips Electronics, Ruder Finn, Sanofi-Aventis, Siemens, Skype, Société Générale, Standard Chartered Bank, Statoil Hydro, Suez, Sumitomo, Sumitomo Mitsui Financial Group, Swiss Reinsurance, Tata Steel, Telefónica, Tesco, Time Warner, Toyota Motor, Unilever, Unisys, United Airlines, United Parcel Service, Verizon Communications, VH1, Vodafone, Wal-Mart, Wyeth Pharmaceuticals.

Source: UN Doc. A/65/347, Annex I.

32 Cf. www.facebook.com/events/175793962627846/?ref=22.

33 Cf. *Forbes*, 2 December 2013.

34 Cf. UN Doc. A/65/347, Annex I. In the respective reports of the subsequent years the UN Secretary-General did not publish such a list again.

Changing relationship between the UN and the UN Foundation

The UN Foundation's relationship with the UN has changed significantly.

The mission of the UN Foundation and its relationship with the UN has changed significantly over the last 15 years. The Foundation started in 1998 primarily as a grant-making institution, with its sole purpose being to channel Ted Turner's money to the UN. Since then its focus has shifted more and more towards launching its own initiatives outside the UN, such as the Energy Future Coalition (see www.energyfuturecoalition.org), brokering between donors and implementing agencies (inside and outside the UN system), and campaigning and advocating in support of the UN Secretary-General and his key priorities and strategies—including its stated goal to “scale up UN capacity to engage in transformative multi-stakeholder partnerships with the private sector, civil society, philanthropists and academia [...]”³⁵

The UN Foundation has been a driving force behind some of the “global partnerships” initiated by the UN Secretary-General since 2010.

The UN Foundation has been a driving force behind some of the “global partnerships” initiated by the UN Secretary-General since 2010. It is working closely with the UN to support the UN-Secretary-General's Sustainable Energy for All initiative (see Chapter 6). It also “has been working to accelerate action by supporting the Secretary-General's Every woman, every child multi-stakeholder movement through global advocacy, communications, and managing private sector engagement [...]”³⁶

Representatives of the UN Foundation have become close advisors to the UN Secretary-General and are participating regularly in internal meetings convened by the Office of the Secretary-General. In addition, the Foundation has provided resources to hire additional UN staff and has become a key outreach and campaigning arm for UN senior staff. The Foundation provided, for instance, “external communications, media and executive team support” around the official launch of UN Women in February 2011.³⁷

The Foundation itself describes its evolution as follows:

“The Foundation was created in 1998 as a U.S. public charity by entrepreneur and philanthropist Ted Turner. Since then, the role of the UN Foundation has evolved from a traditional grantmaker to an actively involved problem solver. Within the framework of more than 10 specific issue campaigns, we work closely with the UN Secretary-General to solve the great challenges of the 21st century—poverty, climate change, energy access, population pressure, gender equity, and disease.”³⁸

The change from funder to facilitator has outgrown the formal relationship agreement between the UN and the UN Foundation. An internal

35 Cf. UN Secretary-General (2012).

36 Cf. UN Doc. A/69/218, para. 21.

37 Cf. UN Doc. A/67/165, para. 28.

38 Cf. United Nations Foundation Issues Brief (www.unfoundation.org/assets/pdf/unf-one-pager.pdf).

audit by the UN Office of Internal Oversight Services (OIOS) for the period 2008–2012 found that:

“The existing operational practices were not in line with the relationship agreement. UNFIP did not play a prominent role in reviewing and prioritizing project proposals submitted by implementing partners. UNFIP only authorized the commencement of project execution and implementation. Additionally, although the UNFIP Advisory Board met at least annually over the past five years, the Board did not review project proposals or select projects for approval. Instead UNFIP and the UNFIP Advisory Board received project proposals for information purposes only.”³⁹

As a consequence the OIOS audit from 2013 recommended that: “UNFIP should update the relationship agreement between the United Nations and the United Nations Foundation.”⁴⁰

UNFIP later reported that “UNFIP, the Office of Legal Affairs and the United Nations Foundation had worked extensively on developing a new, revised and restated relationship agreement between the United Nations and the United Nations Foundation.”⁴¹ The new relationship agreement was signed by both parties on 23 October 2014.

The changing role of the UN Foundation has generated additional complications, as the OIOS report pointed out:

“Third party donors and other co-financing partners had made significant contributions to projects financed by the Foundation (approximately 63%). The source of such funding however, was not known to the United Nations until after the project documents were received by UNFIP for disbursement of funds. In one instance, a project had to be reconsidered as the United Nations had concerns about the donor. Inadequate review of donors by UNFIP may result in a reputational risk to the United Nations and conflict with its ethical values. UNFIP management indicated that reliance was placed on the rigorousness of the Foundation’s policies.”⁴²

“Inadequate review of donors by UNFIP may result in a reputational risk to the United Nations and conflict with its ethical values.”

In his 2014 report on UNOP the UN Secretary-General noted that Ted Turner’s contribution to the UN has greatly increased the interest of foundations and private companies in engaging with the UN. He also emphasized the significant impact that the UN Foundation has had throughout the UN system, beyond its grant-making role. The report added:

39 Cf. UN Office of Internal Oversight Services (2015), para. 15.

40 Ibid., para. 16.

41 Ibid.

42 Ibid., para. 18.

“The evolved mission and approach was demonstrated by the Foundation’s leadership initiatives and campaigns for United Nations causes in a number of ways [...]”⁴³

According to the UN Secretary-General the relationship agreement between the UN and the UN Foundation has been reviewed and amended to ensure that it reflects this evolution of the Foundation’s mission and approach. But instead of providing a solid basis for effective and transparent governance, the new agreement seems to reinforce the exclusivity of this relationship and the preferential treatment of the UN Foundation by the UN Secretariat.

The drafting of the new agreement took place behind closed doors without any intergovernmental oversight or transparency to the broader public, and, in contrast to the initial agreement, it has not yet been published.

To comply with the recommendation of the OIOS report from 2013, UNFIP and the UN Foundation will undertake a review of the relevant policies and procedures in the context of the new agreement. Will the new agreement and a newly established Joint Coordination Committee of the UN and the UN Foundation be adequate to address the multiple activities of the UN Foundation and to ensure that they fully support the UN and its causes? An essential first step is that the revised and restated agreement follows the pattern of the previous two agreements and be made publicly available.

The time has come for the Member States and the relevant oversight processes of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Administrative and Budget Committee of the General Assembly to give due attention to the impact of this kind of exclusive relationship on transparency and intergovernmental decision-making in the UN, and to any reputational risks to which the UN might be exposed.

The UN Global Compact

Initiated by Secretary-General Kofi Annan in 1999, the UN Global Compact (UNGC) was founded as a voluntary corporate responsibility initiative designed to “mainstream” a set of principles related to human rights, labour, the environment and anti-corruption in corporate activities.⁴⁴ From its beginnings, the Global Compact principles (originally nine; the tenth anti-corruption principle was added in 2004) have served as the “framework for co-operation with the business sector”.⁴⁵

43 Cf. A/69/218, para. 62.

44 Cf. www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html.

45 Cf. UN (2009), p. 2.

To advance its programmes, the Global Compact is coordinated by a secretariat, the UN Global Compact Office, based at UN Headquarters. In 2006 a private non-profit foundation, the Foundation for the Global Compact, was established based on the idea that public-private partnerships are essential to solving global problems. The foundation solicits contributions from companies that participate in the UN Global Compact to support its programme activities, such as conferences and capacity building. Although legally separate entities the office and the foundation today present themselves as the “UN Global Compact Headquarters”.

The UNGC is open to all businesses that commit to respect the ten UNGC Principles. In 2015, the Global Compact reports more than 12,000 participants, including more than 8,000 companies and some 4,000 non-business participants, including academic institutions, public sector entities, cities and civil society groups.⁴⁶ Business participants are required to report on their progress in the implementation and advocacy of the ten Principles.

The Global Compact has given itself a governance framework, adopted in 2005 and updated in 2008. Governance functions are shared by the following bodies (see also Box 5):

- » **Global Compact Board:** chaired by the UN Secretary-General, comprised of 34 representatives of constituency groups (business, civil society, labour and the UN), including 24 representatives of companies and business associations, and giving ongoing strategic and policy advice and recommendations to the Global Compact Office. “Board members are champions willing and able to advance the Global Compact’s mission, acting in a personal, honorary and unpaid capacity.”⁴⁷
- » **Global Compact Office:** formally entrusted with the support and overall management of the Global Compact initiative. It has received the endorsement of the UN General Assembly and is given UN system-wide responsibilities for promoting the sharing of best practices.⁴⁸ The Global Compact Office also has responsibilities with regard to advocacy and issue leadership, fostering network development and maintaining the Global Compact communications infrastructure. Furthermore, the Global Compact Office plays a central role in advancing the partnership agenda across the UN system and has overall responsibility for brand management and implementation of the integrity measures.⁴⁹

46 Cf. www.unglobalcompact.org/what-is-gc/participants.

47 Cf. www.unglobalcompact.org/AboutTheGC/The_Global_Compact_Board/index.html.

48 Cf. A/RES/68/234.

49 Cf. UN Joint Inspection Unit (2010), p. v.

- » **Global Compact Government Group:** bringing together governments that so far have contributed to the work of the Compact through contributions to the Global Compact Trust Fund.⁵⁰
- » **Foundation for the Global Compact:** a tax-exempt charity registered under New York State law. It provides funding to activities of the Global Compact in the wider sense and to the Global Compact Office via the Trust Fund for the Global Compact (see Box 5).
- » **Global Compact Leaders Summit:** a gathering of the top executives of all participants and other stakeholders, tasked with producing strategic recommendations and action imperatives for the future evolution of the initiative.
- » **Local Networks:** groups of participants coming together to further the Compact's ten Principles within a country or a region. This connects the Compact to specific national contexts and helps to manage the vast membership of the Compact. The Global Compact currently features 100 such Local Networks.⁵¹
- » **Annual Local Networks Forum:** the main occasion for Local Networks “to share experiences, review and compare progress, identify best practices, and adopt recommendations intended to enhance the effectiveness of Local Networks.”⁵²

Another element of the Global Compact system is the **Global Compact LEAD platform**, launched in 2011. “The primary objective of Global Compact LEAD is to support leading UN Global Compact participants in their efforts to achieve higher levels of corporate sustainability performance—as outlined by the Blueprint for Corporate Sustainability Leadership—and give them proper recognition for doing so.”⁵³

Global Compact LEAD currently has 55 participants, including Bayer AG, Heineken, Lafarge, Tata, Coca-Cola, and Vale. The initiative gives LEAD participants access to international fora and political processes. For example, LEAD organized a luncheon attended by the UN Secretary-General at the World Economic Forum Annual Meeting in January 2013⁵⁴ and another at the UNHQ in July 2014.⁵⁵

50 Cf. the Terms of Reference for the Global Compact Government Group Meetings, (www.unglobalcompact.org/docs/about_the_gc/Government_Group_ToR.pdf).

51 Cf. www.unglobalcompact.org/AboutTheGC/stages_of_development.html#Local_Networks.

52 Cf. www.unglobalcompact.org/AboutTheGC/stages_of_development.html#ALNF.

53 Cf. www.unglobalcompact.org/HowToParticipate/Lead/objectives.html.

54 Cf. www.unglobalcompact.org/news/294-01-25-2013.

55 Cf. www.unglobalcompact.org/news/1141-07-02-2014.

Box 5**The evolution of Global Compact governance**

In the 2011 paper *Global Compact Governance: Why Context Matters*, the Global Compact stated that the evolution of its governance had the following steps and characteristics:⁵⁶

“While the Global Compact was initiated directly by the former Secretary-General, intergovernmental support developed in an incremental, yet delayed, manner. [...] With Secretary-General Ban’s tenure starting in 2007 and him chairing the Global Compact Leaders Summit in the same year, the Global Compact moved into its next phase.”

“As the initiative gained intergovernmental support, it acquired a political licence to operate. Political support acts as an enabling condition for advancing and deepening the relationship between the various parties involved.” [...]

“Reflecting the vital function of donors, the Global Compact explicitly recognized and upgraded the role of the “Global Compact Donor Group” within the overall governance framework in 2008. The establishment of the Donor Group gives Governments a stronger say in the overall development of the initiative and allows for regular updates on the use of funds.” [...]

“Implementing the idea underlying the Global Compact requires more than government legitimacy. Because of the initiative’s voluntary and multi-stakeholder nature, legitimacy cannot exclusively rest on a political mandate.” [...]

“While the Global Compact is a business-led initiative (as businesses have the primary responsibility for implementation), it also promotes interactions between firms and other actors (e.g., from the UN system, civil society and labour).” [...]

“Contrasting a traditional “command and control”-type of governance, the demand-driven nature calls for giving those parties who are willing and able to drive implementation a voice in governance. However, participant ownership also requires installing safeguards protecting the Global Compact from capture by any specific group of actors. The multi-stakeholder nature of governance entities is crucial in this regard, as it allows for the inclusion of voices from multiple domains and backgrounds.”

“Implementing the idea underlying the Global Compact requires more than government legitimacy. Because of the initiative’s voluntary and multi-stakeholder nature, legitimacy cannot exclusively rest on a political mandate.”

Financing the Global Compact

The main sources of finance for the Global Compact are voluntary contributions from Member States and from the private sector. Donations and membership fees from private companies are collected by the Foundation for the Global Compact. “These contributions are received, administered and distributed through the Foundation for the Global Compact—a non-profit 501(c)(3)—and are therefore tax deductible in many jurisdictions.”⁵⁷ In 2013 private contributions to the Foundation for the Global Compact amounted to US\$14.6 million (or 80% of overall contributions).

56 Cf. UN Global Compact (2011b).

57 Cf. www.unglobalcompact.org/HowToParticipate/Business_Participation/index.html.

Voluntary contributions from UN Member States are collected in a UN trust fund, the Global Compact Trust Fund, established by the Secretary-General on 18 January 2001 “to sustain the Global Compact Campaign and network.”⁵⁸ In 2013, the Trust Fund contributions totalled US\$5.5 million, US\$3.5 million from Member States and US\$2 million from the Foundation.

Additional means of support for the Global Compact come in the form of seconded staff to the Global Compact Office. While Member States regularly second personnel, private corporations have also seconded staff. In 2013, this is documented for ENEL, China Petroleum and Chemical Corporation—Sinopec and Fuji Xerox Company Ltd.⁵⁹

With operational activities ranging mainly from big conferences to smaller regional or local workshops, the Global Compact has a combined annual budget of roughly US\$18 million. That money is being spent predominantly on staff (73 full time in 2013), consultants and conferences.

For 2010 to 2013, financial information on the Global Compact has been published in its annual reports. Statements for the activities of the Global Compact Office are not publicly available beyond the aggregated statements in those reports. Table 10 gives an overview of revenue for 2010–2013.

Before 2010 accounts for the Foundation and the Global Compact Trust Fund had been kept separately, and with different accounting periods. Also, the Foundation has made contributions to the Trust Fund (see Table 9). These factors limit severely the ability to assess overall trends for the financials of the Global Compact prior to 2010.

Table 9

Contributions by the Foundation for the Global Compact to the Global Compact Trust Fund (in US\$)

2008	2009	2010	2011	2012	2013	total
300,000	700,000	1,000,000	1,700,000	2,000,000	2,000,000	7,700,000

Sources: For figures for 2008–2012: Foundation for the Global Compact (various years): IRS Form 990 (<http://citizenaudit.org/161756484/>); for 2013: UN (2014a).

Since 2010 income from private sources has more than tripled.

Since 2010, while money from public sources is more or less static (US\$3.8 mn in 2010, US\$3.6 mn in 2013), the income from private sources, mainly company donations and membership fees, has more than tripled (US\$3.5 mn in 2010, US\$14.6 mn in 2013, see Table 10 and Figure 3).

58 Cf. UN Doc. A/58/7, Suppl. No. 7, p. 50.

59 Cf. <http://www.globalcompactfoundation.org/contributors-2013-0.php>.

Table 10

Financial contributions to the Global Compact 2010–2013
 (in US\$)

	2010	2011	2012	2013 ⁶⁰
Denmark	592,862	644,006	498,542	530,791
Switzerland	731,491	455,062	488,599	502,793
Sweden	538,280	547,289	571,495	530,950
Norway	406,588	375,236	413,951	457,362
Germany	339,575	338,825	426,648	459,305
Finland	271,600	281,700	375,630	462,595
Spain	466,009	457,415	—	—
France	136,110	142,140	129,534	135,220
United Kingdom	119,200	124,120	128,096	160,370
Italy	102,960	107,865	74,700	65,500
Colombia	70,000	—	30,000	30,000
Turkey	—	100,000	—	—
Korea	50,000	—	—	—
China	10,000	10,000	10,000	10,000
Chile	—	4,000	—	—
Total from governments	3,834,675	3,587,658	3,147,195	3,594,886
Interest and other income	192,022	252,710	151,842	76,235
Total from public sources	4,026,697	3,840,368	3,299,037	3,671,121
Private contributions to the GC Foundation	3,560,000	9,098,910	12,776,383	14,661,630
Total	7,586,697	12,939,278	16,075,420	18,332,751

Sources: UN Global Compact (2011a); UN Global Compact (2012); UN Global Compact (2013); UN Global Compact (2014).

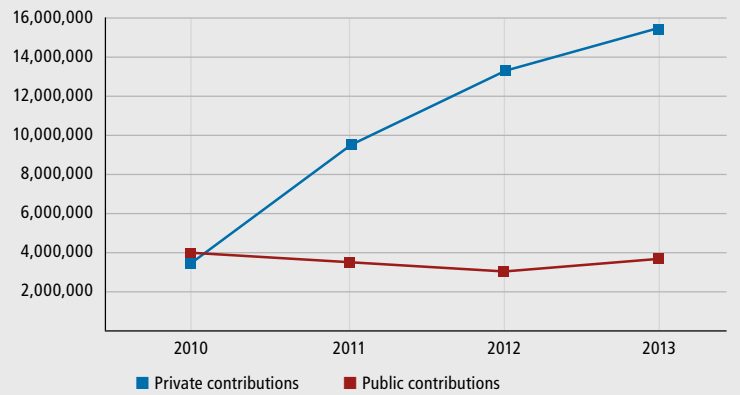
The Global Compact in the UN system and business sector influence

While the Compact calls its governance framework “light, non-bureaucratic and designed to foster greater involvement in, and ownership of, the initiative by participants and other stakeholders,”⁶¹ a 2010 report by the UN Joint Inspection Unit (UNJIU) called this structure “cumbersome, costly and ineffective”.⁶²

60 According to data provided by the Global Compact (the Foundation and the Office). Please note that data included in internal Financial Statements of the United Nations (UN (2014a)), differs from the shown numbers. Especially, the UN names the United States as the largest single government donor (\$2 million for the biennium 2012–13), which does not appear in the reports of the Global Compact. Also, the Global Compact appears to show pledges by the Danish government as actually received contributions. The UN calculates a difference of \$180,220 between the pledges and received contributions for the biennium. Cf. UN (2014a), p. 113f, and Global Compact (2014), p. 31f.

61 Cf. www.unglobalcompact.org/AboutTheGC/stages_of_development.html.

62 Cf. UN Joint Inspection Unit (2010), p. v.

Figure 3**Development of public and private contributions to the Global Compact, 2010–2013 (in US\$)**

Sources: UN Global Compact (2011a); UN Global Compact (2012); UN Global Compact (2013); UN Global Compact (2014).

The assessment by UNJIU drew attention to the lack of government representatives on the Global Compact Board, calling this “highly unusual, if not unheard of, for an intergovernmental organization such as the United Nations.”⁶³ This weak government oversight is duplicated in the Global Compact Government Group, which is formally entrusted with overseeing the right use of funds and other contributions (like seconded staff) provided by governments. On this governance body, UNJIU concluded: “It is called on to programme and review the use of contributions made to the Trust Fund. However, in reality, its bi-annual meetings have a purely informative role.”⁶⁴

The UNJIU also concluded that the General Assembly Partnership resolutions, seven since 2000, do not close the governance gap. They fail to address and guide the self-set objectives of the Global Compact to be the world’s most inclusive voluntary initiative to promote responsible corporate citizenship, and its positioning in convening business-led advocacy in policy processes, the latest example being towards the Post-2015 Agenda. “To date, the initiative has enjoyed unusual administrative independence, showing a high level of creativity compared to other United Nations offices.”⁶⁵

As the Global Compact is financed through private contributions as well as voluntary contributions from Member States, the usual oversight mechanisms of the UN system do not apply. Its outsourced status con-

63 Ibid.

64 Ibid., p. 25.

65 Ibid., p. 27.

trusts with the role attributed to the Global Compact and its ten Principles as provider of the framework for UN cooperation with the business sector. The Global Compact Office chairs and coordinates the UN System Private Sector Focal Points network and serves as the lead organizer of the network's annual meeting. In 2013 more than 300 professionals from various UN entities, the private sector, representatives from local networks, as well as "partnership experts" attended.⁶⁶ At the meeting, the UN-Business Partnership Handbook was released and the UN System Private Sector Focal Points Network (UN PSFP) was launched. This stated: "The group will work to promote a principle-based approach to engaging with business throughout the UN."⁶⁷

The usual oversight mechanisms of the UN system do not apply.

Also, the Global Compact and its Principles are used by the UN Office for Project Services (UNOPS) as a measure for sustainable procurement and have been featured in the Annual Statistical Reports since 2006.⁶⁸ However, the accountability and oversight mechanisms of the Global Compact do not report on or assess regularly its central role within the United Nations for business-UN relations.

Who is influencing whom?

That the Global Compact shows little signs of effective government oversight coincides with another recurring concern: while advertising itself as a corporate social responsibility vehicle, the Compact may in fact be a Trojan Horse for corporate influence at the United Nations, with its purpose inverted from influencing corporate actors towards key UN norms to bringing corporate influence and thinking into the policy-making of the UN.⁶⁹ The Compact list of potential benefits for participating companies includes "(u)tilizing Global Compact management tools and resources, and the opportunity to engage in specialized workstreams in the environmental, social and governance realms",⁷⁰ in addition to networking and the exchange of best practices.

The Global Compact has developed a series of high profile events that provide a UN venue for hundreds of corporate CEOs to meet formally and informally with heads of state and government and serve as a potential platform for their political initiatives.

The Compact's work in connection with the Post-2015 Agenda also illustrates an approach weighted towards bringing corporate political influence into intergovernmental processes rather than the reverse. The 2013 Activity Report of the Global Compact lists various activities conducted to give Global Compact members, and especially its LEAD club, preferential access to public decision-makers and the opportunity to share their

66 Cf. UN Global Compact (2014), p. 12.

67 Ibid.

68 Cf. UNOPS (2013), p. 1 and p. 10.

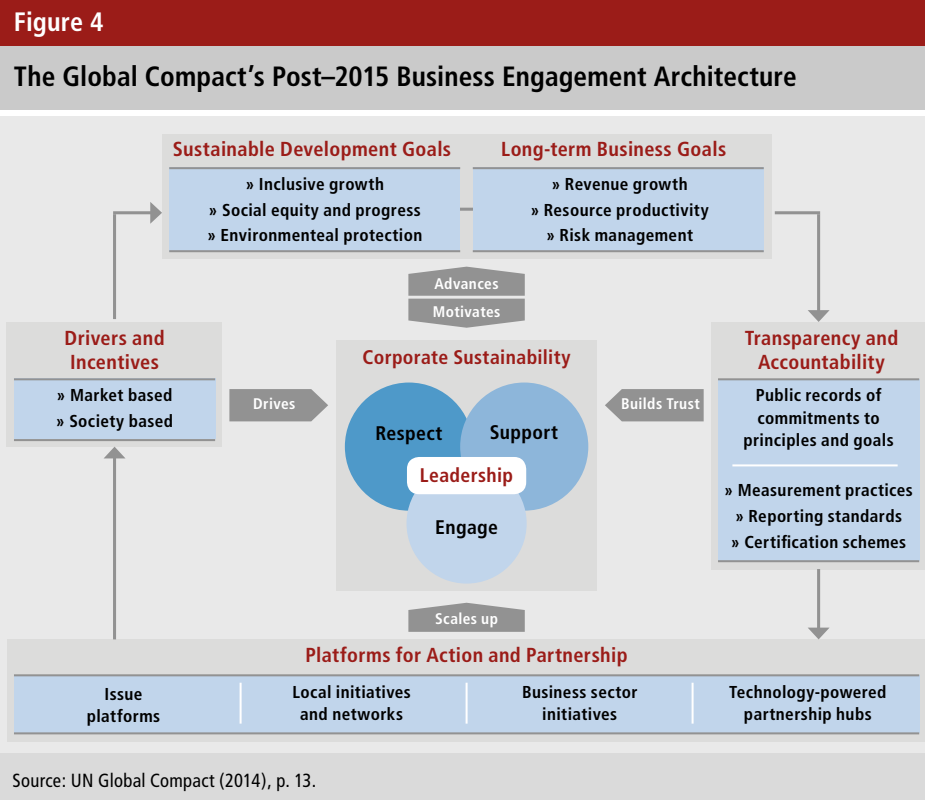
69 Cf. Pinget (2014).

70 Cf. www.unglobalcompact.org/AboutTheGC/index.html.

views. That these views are not contradictory to larger business interests is not surprising.⁷¹ During the UN Global Compact Leaders Summit 2013, the UN Secretary-General “unveiled the Post-2015 Business Engagement Architecture” as one of the activities designed to “ensure that the views and contributions of businesses and the private sector feed into the Post-2015 process”⁷² (see Figure 4). This “architecture” shows how the Global Compact envisions aligning sustainable development and business priorities.

A platform and promoter of corporate interests in the UN.

The Global Compact has been most instrumental in opening up the United Nations to the business sector. While it may have been designed to do exactly the opposite—sensitize businesses for public interests through the promotion of the ten Principles—it also serves as a platform and promoter of corporate interests in the UN. This is aggravated by its dependence on private funding and its overly complex governance structure, which gives little space to Member States while limiting oversight to those making financial contributions. In fact, the Global Compact is one of the few UN entities which are predominantly dependent on private money. This may have repercussions on how its mandate is being interpreted and implemented.



71 For more, cf. Pingeot (2014), chapters III and IV.1.

72 Cf. UN Global Compact (2014), p. 12.

4. Financing the operational activities of the UN system for development

A large share of total (assessed and voluntary) UN funding (60%) goes to support development-related programmes and humanitarian assistance. In 2013 total contributions to operational activities for development through the UN system amounted to some US\$26.4 billion.⁷³ About 63 per cent (US\$16.8 bn) was allocated to development-related activities, 37 per cent (US\$9.7 bn) to humanitarian assistance.⁷⁴

These contributions go to 37 programmes, funds and specialized agencies which form the UN development system, including the UN Development Programme (UNDP), the World Food Programme (WFP), the UN Children's Fund (UNICEF) and the World Health Organization (WHO) (see Table 11).

Shift to earmarked funding

The organizations of the UN development system are facing similar funding challenges as the UN itself: stagnating or even shrinking core funding and growing dependence on non-core, mostly earmarked contributions.

A growing dependence on non-core, mostly earmarked contributions.

While overall funding for development-related activities and humanitarian assistance by the UN system increased by 88 per cent between 1998 and 2013, core funding for development-related activities grew only by 12 per cent and to humanitarian assistance by 5 per cent in real terms.⁷⁵ Several UN programmes, particularly UNDP, have had to cope with a decrease in core resources. Contributions to UNDP's core funds dropped from US\$1,182 million in 2007 to US\$896 million in 2013.⁷⁶

In 1997, 48 per cent of the UN's operational activities for development were financed by core resources. This ratio declined to 25 per cent in 2013 (see Figure 5).⁷⁷ In that year around 69 per cent of development-related contributions and 84 per cent of humanitarian assistance-related contributions were non-core and thus earmarked for specific activities.

From a democratic governance perspective, it makes an important difference whether an organization is funded mainly through core or non-core resources, as the UN Secretary-General spelled out in 2014:

73 Cf. UN (2015), Statistical Annex, Table A-1.

74 Cf. *ibid.*, Table A-3.

75 Cf. UN (2015), para. 18.

76 Cf. UNDP (2014), p. 39.

77 Cf. UN (2014b), para. 7.

“Core resources are those resources that are allocated without restrictions. Their use and application are directly linked to the United Nations entities’ multilateral mandates and strategic plans that are approved by the respective governing bodies as part of an established intergovernmental process. In contrast, and as determined by the contributors, non-core resources are mostly earmarked and thus restricted in their use and application. In some instances governing

Table 11
Contributions for operational activities for development through the UN system (2005–2013) (in US\$ millions)

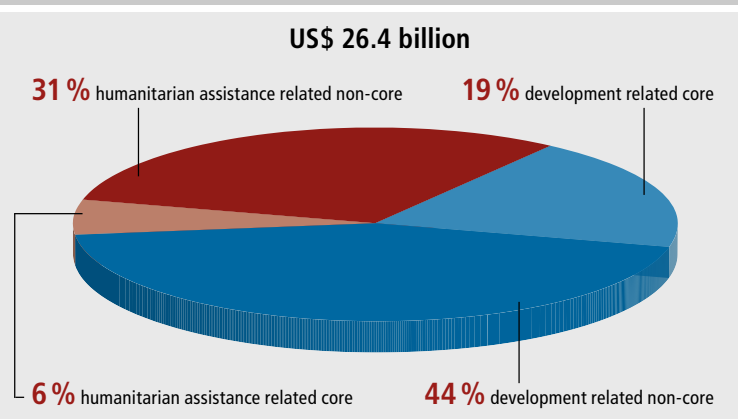
Contributions to:	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNDP ^a	4,295	4,513	4,831	4,988	4,981	5,316	4,967	4,792	4,867
UN-Women	—	—	—	—	—	—	234	225	270
UNFPA	505	518	660	769	732	838	838	947	919
UNICEF	2,742	2,753	2,979	3,340	3,233	3,650	3,682	3,828	4,745
WFP	2,940	2,697	2,709	5,033	4,100	3,872	3,609	3,908	4,307
UNHCR	1,134	1,109	1,266	1,632	1,756	1,857	2,072	2,256	2,958
IFAD	158	261	488	278	543	449	347	678	518
ITC	46	45	41	47	47	58	64	54	63
UNAIDS	188	258	283	285	275	261	264	253	278
UNCTAD	36	30	38	31	35	34	46	36	36
UNEP	129	115	165	208	199	220	292	257	256
UN-HABITAT	109	102	137	91	134	168	203	154	199
UNODC/UNDCP	103	124	225	290	227	272	279	338	315
UNRWA	562	590	647	764	900	848	967	857	1,122
FAO	539	698	849	1,070	1,080	1,122	1,068	1,036	1,004
ILO	375	398	441	471	455	460	517	530	558
UNESCO	524	518	547	481	469	483	509	588	570
UNIDO	235	184	238	259	245	288	231	291	262
WHO	1,893	1,794	1,972	1,680	1,683	1,880	1,743	2,008	2,304
Other Specialized agencies ^b	254	293	318	447	443	423	425	433	456
UN OCHA	140	160	173	267	170	200	227	244	248
UN DESA	93	53	90	57	77	68	41	46	44
OHCHR	47	55	61	77	76	70	71	71	77
Regional commissions ^c	65	48	57	61	87	66	66	50	65
Total	17,114	17,314	19,216	22,627	21,948	22,904	22,761	23,879	26,440

^a Includes UNCDF and UNV.

^b Consists of IAEA, ICAO, IMO, ITU, UPU, WIPO, WMO and the World Tourism Organization.

^c Consists of ECA, ECE, ECLAC, ESCAP and ESCWA.

Source: UN (2015), Statistical Annex.

Figure 5**Core and non-core funding for United Nations operational activities for development 2013**

Source: UN (2015), Statistical Annex, Table A-3.

bodies formally approve the use of core resources while ‘taking note’ of the use of non-core resources.”⁷⁸

According to the UN Secretary-General, core resources provide the highest quality, flexibility and efficiency of pooled funding, and are central to ensuring the independence and neutrality of the United Nations.⁷⁹

In contrast, non-core funding has severe adverse effects. UN Member States recognized, in their 2012 resolution on the quadrennial comprehensive policy review (QCPR) of operational activities for development of the UN system:

“[...] non-core resources pose challenges, in particular restricted earmarked funding such as single-donor project-specific funding, through potentially increasing transaction costs, fragmentation, competition and overlap among entities and providing disincentives for pursuing a United Nations-wide focus, strategic positioning and coherence, and may also potentially distort programme priorities regulated by intergovernmental bodies and processes.”⁸⁰

The independent evaluation of the UNDP Strategic Plan 2008–2013 comes to similar conclusions. As one of its key findings it states:

Core resources provide the highest quality, flexibility and efficiency of pooled funding, and are central to ensuring the independence and neutrality of the United Nations.

78 Ibid., para. 13.

79 Ibid., para. 14.

80 Cf. A/RES/67/226, para. 28.

“A major reason for non-delivery of planned outputs is the under resourcing of projects due to the earmarked nature of funds. UNDP financial data show that most country programmes are successful in mobilizing more resources than the expectations reflected in the country programme documents. What these aggregate figures mask, however, is the imbalance in resource mobilization across outcomes or outputs. Clearly for an organization relying on core resources for only 11 per cent of its programme expenditure, programming becomes a major challenge. Inevitably at the point when the country programme starts, only a portion of the funds required to deliver against it is assured. The outcome statements and supporting outputs across the country programme results frameworks are therefore, to varying degrees, statements of intent. What evidence is available from evaluations suggests that a major reason for non-delivery of outputs is often the lack of resources that can be mobilized for them.”⁸¹

Core funding for UN development activities is under additional pressure, as the adequate recovery of institutional costs associated with non-core activities is not guaranteed. The UN Secretary-General expressed the concern “that institutional support [...] to non-core funded activities may in fact be subsidized by core resources with a consequent negative effect on the availability of remaining core resources for programme activities, in particular at the country level.”⁸²

UN responses: downsizing, restructuring and decentralizing

UN funds, programmes and specialized agencies have responded to the shift to earmarked resources with various measures, all of which have served to further erode core funding and further increase dependence on earmarked contributions. Some of them have cut their regular budgets, shifted budget items and laid off staff. UNDP, for instance, has been undergoing major structural changes, with substantial staff cuts and re-deployment.

The WHO has been facing similar financial problems. In order to free up funds, in its 2014–2015 budget, WHO has reduced the funding for its outbreak and crisis response programme by more than 50 per cent. This substantially weakened WHO’s capacity to respond to the Ebola crisis in a timely manner (see Chapter 5).

UNESCO has been confronted with particular problems as a result of the decision of the USA to stop regular payments to the organization after its General Conference admitted Palestine as a full member in 2011. For the years 2014 and 2015, UNESCO’s regular budget amounts to US\$653 million, but as the USA and Israel refused to pay their dues, the General Conference adopted an expenditure plan that provides for a total

81 Cf. UNDP (2013), para. 11.

82 Cf. UN (2014b), para. 59.

of only US\$507 million. This cut of more than 22 per cent dramatically limits UNESCO's ability to fulfill its mandate to mobilize for education, build intercultural understanding, pursue scientific cooperation and protect freedom of expression.

This cut of more than 22 per cent limits UNESCO's ability to fulfill its mandate.

Turning towards private funders

In order to compensate for stagnating or shrinking core funding and to reduce reliance on a limited number of donors, UN funds and agencies have started to broaden their donor base, particularly by intensified engagement with the corporate sector and philanthropic foundations.

In his 2014 report on the operational activities for development of the UN system, UN Secretary-General Ban Ki-moon stated: "Increased funding by multilateral organizations, non-governmental and private sources is the most significant funding trend over the past 15 years."⁸³

In 2013, philanthropic foundations, NGOs and corporations, as an aggregate, were the main contributor to the UN development system. Their contribution to development-related activities amounted to US\$2,074 million and to humanitarian assistance-related activities to US\$495 million (see Table 12).⁸⁴

Table 12

Contributions of NGOs and private sector for operational activities for development of the UN system 2009–2013 (in US\$ thousands)

Year	Development-related activities			Humanitarian assistance-related activities			Grand Total		
	Core	Non-core	Total	Core	Non-core	Total	Core	Non-core	Total
2013	569,966	1,504,022	2,073,988	84,062	411,001	495,063	654,028	1,915,023	2,569,051
2012	566,480	1,336,664	1,903,144	75,419	198,612	274,031	641,899	1,535,276	2,177,175
2011	490,542	1,134,670	1,625,213	14,475	356,797	371,272	505,017	1,491,468	1,996,485
2010	469,870	1,172,359	1,642,229	6,288	499,869	506,157	476,158	1,672,228	2,148,386
2009	n/a	n/a	n/a	n/a	n/a	n/a	490,213	1,244,424	1,734,673

Source: Statistical Annexes of the Reports of the Secretary-General "Analysis of the funding of operational activities for development of the United Nations system", various years (www.un.org/en/development/desa/oesc/funding.shtml and www.un.org/en/ecosoc/newfunct/qcpr_implement.shtml).

Private funding to the UN development system includes donations by UNICEF national committees (US\$1,143 mn in 2013) and contributions from philanthropic foundations, which have increased significantly over the past decade. Today, corporate philanthropy, above all the Bill

83 Cf. UN (2014b), para. 36.

84 Cf. UN (2015), Statistical Annex, Table A-3.

& Melinda Gates Foundation, not only commits increasing amounts of money, but also plays a more active role in international development cooperation.⁸⁵

Foundations contribute directly to UN development activities through grants and donations. The Gates Foundation is the most important non-state contributor to the WHO and is second only to the USA in terms of both state and non-state contributions (see Chapter 5), and is also among the top five donors to the UN Capital Development Fund (see below). In addition, foundations and other private actors contribute indirectly to the UN through global funds, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the global vaccine alliance (GAVI). With more than US\$400 million in 2013 and even more than US\$500 million in 2012 the Global Fund has become the largest funder of UNDP. The Global Fund and GAVI have also given significant contributions to UNICEF.

In 2012 the Global Fund has become the largest funder of UNDP.

It is worth noting that the Global Fund and GAVI were created outside the UN system because of the dissatisfaction of some of the major donors (primarily the USA) with the supposedly poor performance of the UN development organizations. It is an irony of history that these same funds are now using UNDP and other UN institutions as their main implementing agencies.

As well as being the largest private donor of the Global Fund and a major funder of GAVI with US\$2.5 billion in contributions and pledges between 2000 and 2015,⁸⁶ the Gates Foundation plays a key decision-making role in the global health funds. Representatives of the Gates Foundation are on the Boards of both GAVI and the Global Fund and have a significant influence on their strategies and funding decisions.

The emerging cooperation of UNDP with private foundations and funds outside the UN system has had mixed results. An official evaluation of UNDP partnerships with global funds and philanthropic foundations lists various benefits but just as many risks and challenges.⁸⁷ The evaluation regards as clear benefits for UNDP, *inter alia*, the increase in resources and enhanced impact, particularly in cooperation projects with global funds addressing environmental and health issues.

On the other hand, cooperation with this kind of non-core funder does not always meet the priority needs of partner countries, and tends to foster competition and rivalry among potential grantees within the UN system. Given the *ad hoc* nature of most partnerships between UNDP and philanthropic foundations, the evaluation concludes that, overall, “there are few indications that the results achieved through partnerships

85 Cf. for example UNDP (2012a and b).

86 Cf. www.gavi.org/funding/donor-contributions-pledges/.

87 Cf. UNDP (2012a).

with philanthropic foundations are sustainable.”⁸⁸ In addition, “(i)n most cases, it is difficult to associate partnership between UNDP and philanthropic foundations with demonstrable and positive developmental change.”⁸⁹

UN funds and agencies are seeking increased funding not only from philanthropic foundations but also from private companies. In particular, partnerships with transnational corporations have been mushrooming in the last decade. Most UN funds and agencies have established their own special offices for cooperation with the private sector, such as UNDP’s Innovations and Development Alliances Group, UNICEF’s Division of Private Fundraising and Partnerships, and UNESCO’s Division of Cooperation with Extra-budgetary Funding Sources.

Today, there are hundreds of different funding arrangements between UN entities and corporate actors. They vary in size, scope and objectives, ranging from small *ad hoc* donations by individual companies for specific projects to global multi-stakeholder partnerships with a long-term perspective (see below).

Disaggregated system-wide information on the quality and quantity of funding from the corporate sector is not available. However, several UN funds and agencies, among them UNESCO and WHO, list the amounts received from individual corporate donors, and all of them have published best practice examples of their partnering with the private sector.

UNDP, for example, has received US\$13 million from the Coca-Cola Company since 2006 (on average US\$1.5 million per year) in support of their joint initiative “Every Drop Matters”.⁹⁰ This initiative provides grants for local groups, mainly in Eastern Europe and Central Asia, to undertake projects that improve access to water, water quality, and water management.

The Italian luxury fashion company Gucci has donated over US\$10 million to UNICEF’s “Schools for Africa” initiative since its launch in 2004.⁹¹ The initiative aims at increasing access to quality basic schooling for all, with a special emphasis on helping the most disadvantaged—including children orphaned by HIV/AIDS and children living in extreme poverty.

UNESCO signed a cooperation agreement with the French beauty product firm L’Oréal in 2005 to roll out an HIV/AIDS prevention campaign that would be supported by hairdressers all over the world. Launched under the title “Hairdressers Against AIDS” in 2007, to date this campaign has provided information to more than 1.5 million hairdressers in

88 Ibid., p. xx.

89 Ibid., p. xix.

90 Cf www.everydropmatters.org/.

91 Cf www.schoolsforafrica.org/ and www.gucci.com/us/worldofgucci/mosaic/act_now/unicef.

36 countries, by introducing prevention modules as part of their professional training courses.⁹²

UNESCO regards this kind of partnership with corporations as an important element of its fundraising strategy. Director-General Irina Bokova explained in an interview in March 2013:

“[...] to cope with the financial problems and to make sure that we have more resources, we are increasing our partnerships with the private sector. We use new, innovative schemes such as promoting the use of smartphones to combat illiteracy; we work with Ericsson, with Nokia, we have interesting projects with a multinational such as Procter & Gamble for promoting girls’ literacy in Senegal, now we start similar projects in Kenya and Tanzania.”⁹³

The list of corporate donors that are supporting operational activities of the UN system, reads as a Who’s Who of the global economy. Among UNESCO’s partners are Apple, BASF, Mercedes Benz, Microsoft, Panasonic, Petrobras, Procter&Gamble, Roche and Samsung. UNICEF’s corporate donors include Barclays, H&M, ING, Marks & Spencer, Montblanc, State Street Corporation, Unilever, and the Walt Disney Company. On the long list of UNDP’s partners are transnational companies, such as ArcelorMittal, Coca-Cola, Kraft, IKEA, Repsol, Shell and Unilever. And WHO has received private voluntary contributions, *inter alia*, from various pharmaceutical companies, including GlaxoSmithKline and Hoffmann-La Roche (see Chapter 5).

Despite the growth in partnerships and various forms of collaboration arrangements, the quantity of direct corporate funding to the UN development system has remained surprisingly low. In the case of UNDP, private companies have supported projects with US\$135 million in the five-year period between 2009 and 2013.⁹⁴ This amount represents just about 0.5 per cent of all contributions to UNDP in these years. The major share of private funding still comes from corporate philanthropy and, in the exceptional case of UNICEF, from individual donors.

However, for a few of the smaller funds and programmes and individual projects the quantity of corporate support is highly significant. A notable example is the support for the UN Capital Development Fund by the financial service companies Mastercard, Visa and Citi (see below).

92 Cf. www.hairdressersagainstaids.com/.

93 Cf. “UNESCO chief: Millions can benefit from partnerships with private sector” (interview with UNESCO Director General Irina Bokova, 5 March 2013, www.euractiv.com/development-policy/unesco-chief-millions-benefit-cr-interview-518266?__utma=1.1807509901.1404316837.1404316837.1404316837.1&__utmb=1.5.9.1404316986214&__utmc=1&__utmz=1.1404316837.1.1.utmcsr=google|utmccn=%28organic%29|utmcd).

94 Cf. www.undp.org/content/undp/en/home/ourwork/partners/private_sector/.

Another example is Coca-Cola's funding for UN Women programmes in Egypt, Brazil and South Africa.⁹⁵ The company has collaborated with UN Women since 2011 in training programmes for women entrepreneurs running small businesses linked to Coca-Cola distribution chains. In 2013 and 2014 UN Women received about US\$1.4 million per year from Coca-Cola to implement these programmes.⁹⁶

In June 2014, Muhtar Kent, Chairman & CEO of Coca-Cola, became the first Chair of the UN Women Private Sector Leadership Advisory Council. Created to provide "strategic input to guide advocacy and resource mobilization efforts," the Council is comprised of business leaders, whose companies, according to UN Women, "already demonstrate a strong commitment to supporting women and girls."⁹⁷ In addition to Coca-Cola, these companies are Anglo American, Chanel, Goldman Sachs, L'Oréal, McKinsey & Company, Ogilvy Public Relations, Publicis Dallas, Tupperware and Unilever.

Despite the engagement of Coca-Cola and a few others, private sector contributions to UN Women continue to represent only a tiny fraction of UN Women's funding. In 2013, voluntary contributions from the private sector, foundations and other non-state institutions accounted for 1.6 per cent of all contributions (US\$4.4 mn of US\$283.4 mn) with only 0.8 per cent (US\$2.3 mn) coming from corporations.⁹⁸ In 2014 contributions slightly increased to US\$5.1 million (as of September 2014), including a first-time contribution of US\$500,000 from Tupperware.⁹⁹

Partnerships with the UN seem to be a cheap bargain for private companies. While the costs are remarkably low, the benefits can be comparatively high. In a promotional brochure for the private sector, UNESCO lists the following incentives for companies to enter into a partnership with the UN agency:

- » Benefit from a strong image transfer by associating yourself with a reputable international brand and a prestigious UN agency
- » Win greater visibility on the international scene
- » Gain access to UNESCO's wide and diverse public and private scene
- » Benefit from UNESCO's role of a neutral and multi-stakeholder broker
- » Turn your Social Responsibility into reality
- » Strengthen your brand loyalty through good corporate citizenship

95 Cf. www.unwomen.org/en/news/stories/2014/2/coca-cola-partnership.

96 Cf. UN Women (2014a), p. 27 and UN Women (2014b), p. 13.

97 Cf. UN Women press release "UN Women Launches Private Sector Leadership Advisory Council" (2 June 2014), www.unwomen.org/en/news/stories/2014/6/private-sector-leadership-advisory-council-launched#sthash.dQlcJDUm.dpuf.

98 Cf. UN Women (2014a), p. 24.

99 Cf. UN Women (2014b), p. 13.

- » Boost your employees' motivation through hands-on experience in UNESCO's activities.¹⁰⁰

What does "image transfer" mean for the reputation and neutrality of the UN?

These potential benefits for companies are not limited to partnerships with UNESCO but apply more or less to all UN funds, programmes and agencies.¹⁰¹ However, UN-business partnerships are not a one-way street, they affect both partners. But what does "image transfer" mean for the reputation and neutrality of the UN? Isn't there the risk that the cooperation with controversial corporations (like Shell, Coca-Cola or Microsoft) adversely affects the image of the UN as a neutral broker and undermines its reputation? The FAO referred to this problem in 2005 in an early assessment of its partnership projects, stating:

"[...] there are reputation risks associated with partnering with the private sector, and more generally with non-state constituencies, which may represent interests divergent from FAO's mission and may bring undue influence or, in any case, reduce the Organization's credibility by damaging its image of impartiality. There is evidence that the neutrality, objectivity and credibility of the Organization have been questioned at times. In addition to these 'technical' risks, the Organization must safeguard itself from being associated with organizations that have a negative image in the public eye and do not comply with the basic principles upon which the UN system works. While this is a cross-cutting risk that the Organization must deal with in managing its partnerships, it is of particular concern in the cases of expert advice and when funding is involved."¹⁰²

But funding through UN-business partnerships bears not only a reputational risk. In general, all of the same adverse effects of earmarked funding of the UN's operational activities mentioned above also apply to partnership projects between the UN and private companies. These include fragmentation, competition and overlap among entities, disregard of programme priorities defined by intergovernmental bodies, and high transaction costs.

In a comprehensive analysis of partnerships in the field of education, commissioned by UNESCO and the World Economic Forum, Alexandra Draxler stated:

"Typically, MSPEs [Multi-Stakeholder Partnerships for Education] have high transaction costs, resulting from the need to manage the partnership. [...] By all accounts, transaction costs are generally underestimated: participants assume that volunteerism and good will cover unforeseen costs, and that as the project moves along,

¹⁰⁰ Cf. UNESCO (2014), p. 9.

¹⁰¹ See the benefits for business from UN partnerships listed on the UN-Business website (<https://business.un.org/en/documents/5872>).

¹⁰² Cf. Sauvinet-Bedouin et al. (2005), para. 189.

problems will be solved. This is sometimes the case. When it is not, this can be a major obstacle to timely progress, or even progress at all.”¹⁰³

The trend continues

Despite the potential risks and side-effects of an enhanced relationship with corporate donors, nearly all UN funds and agencies intend to increase private funding for their operational activities and intensify their fundraising activities towards the private sector. UNICEF, for instance, envisaged in its Private Fundraising and Partnerships Plan 2014–2017 an increase in annual revenue from private individuals, business and foundations from around US\$1 billion in 2014 to US\$1.75 billion by the end of 2017.¹⁰⁴ While donations from individuals remain the cornerstone of UNICEF’s fundraising strategy, income from corporations is gaining in importance:

“With the growing role of the corporate sector in sustainability, and the growth of corporate giving, there is potential to significantly increase the total revenue from UNICEF corporate partnerships. [...] UNICEF will proactively seek strategic global corporate alliances, which can then be rolled out at the country level.”¹⁰⁵

UNESCO follows a similar strategy. Its Programme and Budget for 2014–2017¹⁰⁶ underlines the need to explore opportunities for enhancing cooperation with the private sector. As an expected result the number of agreements with companies, foundations, and other private actors shall increase by 20 per cent over the four-year-period, and the donor base is expected to expand by 20 per cent as well, particularly by increasing the number of new partners from the BRICS countries (Brazil, Russia, India, China and South Africa).¹⁰⁷ As a result, in the first half of 2014, 12 new agreements have been signed with the private sector, including five with partners from the BRICS.

Similarly, UN Women announced in its Strategic Plan 2014–2017 its goal to expand the number of “high-impact and results-oriented innovative partnerships with private sector partners.”¹⁰⁸

However, given the limited success in raising private resources so far, most UN funds and agencies follow a multi-layer fundraising strategy:

- » Stabilizing and sustaining core contributions from governments and broadening the donor base by increasing contributions from “new donors” (BRICS etc.).

103 Cf. Draxler (2008), p. 87.

104 Cf. UNICEF (2013), Annex 2.

105 Ibid., para. 10 (b).

106 UNESCO Doc. 37/C5.

107 Cf. UNESCO Doc. 195 EX/4 Part IV, p. 3.

108 Cf. UN Women (2014b), p. 13.

UN funds and agencies intend to increase private funding.

- » Exploring new forms of “core-like” funding modalities, including pooling resources in Multi-Donor Trust Funds.¹⁰⁹
- » Expanding voluntary contributions from the private sector, civil society and philanthropic foundations.
- » Setting up or participating in new global multi-stakeholder partnerships to raise additional funds from public and private actors who are not able or willing to give additional support to the respective UN institutions directly.

To respond to the underfunding of their operational activities, UN funds and agencies have two additional options, which are usually not mentioned in official strategy documents. On the one hand, they could concentrate their activities to their core mandates, particularly in the areas of global norms and standard setting and policy coordination, and leave (parts of) their operational activities, including technical assistance and service delivery projects, to other bilateral or multilateral development agencies outside the UN system.

On the other hand, they could even expand their operational activities and introduce new independent funding mechanisms, such as international taxes, levies or user fees. With regard to this option, German researcher Silke Weinlich concludes in her analysis of the future of UN funding:

“The time might come that the world discovers the value of an independently funded world organization.”

“Naïve as it may sound today, the time might come that the world discovers the value of an independently funded world organization that provides invaluable services to humankind. However, before such a reform can be undertaken there needs to be a broad and strong consensus about the core functions of the UNDS [United Nations Development System]. [...] In addition to a more secure and predictable funding base, it would be important to have a clearer understanding of what the UNDS should and should not do.”¹¹⁰

Spotlight: The United Nations Capital Development Fund

The United Nations Capital Development Fund (UNCDF) is a striking example of the “triple trend” in UN funding: stagnating or often decreasing core contributions by governments, the increasing share of total funding from cost-sharing arrangements and trust funds, and the growing amount of resources flowing from private sector foundations and corporations.

109 Most relevant in this regard are the Multi-Donor Trust Funds and Joint Programmes administered by the Multi-Partner Trust Fund Office (MPTF Office) within UNDP, see <http://mptf.undp.org/>.

110 Cf. Weinlich (2014), p. 91.

The UNCDF was founded by the UN General Assembly in 1966 to “assist developing countries in the development of their economies by supplementing existing sources of capital assistance by means of grants and loans”.¹¹¹ With the formation of UNCDF, the countries of the global South aimed to establish an alternative mechanism to the Western dominated Bretton Woods Institutions for the provision of investment capital. However, Western donors have insisted on the World Bank Group remaining the only multilateral agency for financial cooperation at the global level. In fact, most major donors have ignored the UNCDF since its creation. Consequently, the resources of UNCDF have remained modest relative to those of multilateral development banks, with available funds amounting to around US\$40 million per year. The fund is an autonomous entity but operates within the organizational structure of UNDP and shares the same Executive Board as UNDP.

As a result of its resource constraints, since the early 1970s the fund has concentrated on financing smaller infrastructure projects in the Least Developed Countries (LDCs), particularly in Africa. In the mid-1990s UNCDF started turning towards microfinance. Today it operates in two broad areas: the development of inclusive financial systems and local development finance in LDCs. UNCDF aims at ensuring that all segments of society, particularly the poor, have access to financial markets through a variety of financial products and services (e.g., microcredits) and innovative delivery channels (e.g., mobile phone networks).

During the last decade UNCDF started to engage with private foundations and transnational financial service corporations. The year 2008 marked a turning point in this regard, when the Bill & Melinda Gates Foundation provided the UNCDF a contribution of US\$11 million, making it the largest contributor in that particular year. In 2010 the Mastercard Foundation began its cooperation with UNCDF and a year later it became its largest donor with contributions of US\$9.2 million. More recently three of the largest transnational financial service corporations became partners of UNCDF: Visa, Mastercard, and Citigroup (through its Citi Foundation). Their active engagement with UNCDF could derive from strategic business calculations: with an estimated 2.7 billion people around the world who do not use formal financial services and about 56 per cent of adults worldwide who remain “unbanked”, investments in these sectors lay the ground for enormous markets—and profits—in the future.

In 2014, 22.3 per cent of UNCDF’s overall resources came from private sources. Between 2008 and 2014, among the top five contributors have been two private foundations (see. Table 13 and Table 14).

Partly due to the increase in private funding it receives, UNCDF’s total revenue reached a record level of US\$88.3 million in 2014. While regular contributions from governments have slightly decreased over the past

111 Cf. A/RES/2186 (XXI), 13 December 1966.

seven years, other contributions (from public and private sources) have increased massively, reaching a record high of US\$73.3 million in 2014 (see Figure 6).

This shift in funding sources has had significant consequences for UNCDF's programme priorities. The fund states in its Annual Report 2013: "The lack of significant increase in regular resources has forced UNCDF in 2013 to take drastic steps to switch the cost of its technical infrastructure to other resources funding and reduce the amounts available to deploy its investment mandate in the LDCs."¹¹²

Table 13

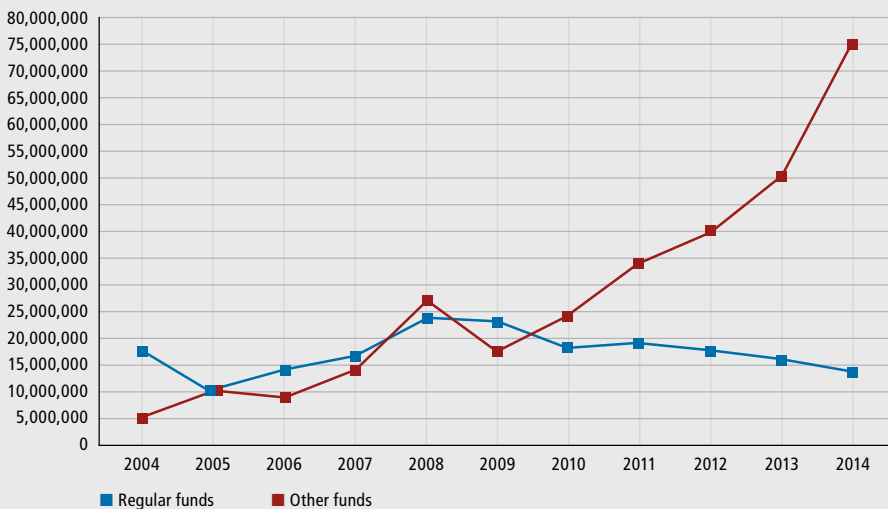
Top five contributors to the UNCDF 2008–2014
(cumulative contributions in US\$)

Sweden	63,863,753
Belgium	41,133,199
Mastercard Foundation	36,354,003
Gates Foundation	29,194,375
Luxembourg	25,122,867

Source: UN Capital Development Fund, Contributions to Regular and Other Resources (various years, cf. www.uncdf.org/en/Contributions-to-UNCDF).

Figure 6

UNCDF—Contributions to regular and other resources (in US\$)



Source: www.uncdf.org/en/Contributions-to-UNCDF.

112 Cf. UNCDF (2014), p. 48.

Funding shifts, programme twists

Through its shift towards partnerships with private foundations and transnational financial service providers UNCDF's programme priorities have increasingly come to be shaped by these private actors.

Prominent examples are:

- » **MicroLead**, a US\$ 58.6 million global initiative to support the development and roll-out of deposit services by financial service providers, with a special focus on Africa and post-crisis countries. This initiative is supported by the Bill & Melinda Gates Foundation, The MasterCard Foundation and the LIFT Fund in Myanmar.
- » **Mobile Money for the Poor (MM4P)**, a five-year initiative to promote and improve the use of electronic banking platforms, particularly mobile phones, and to provide financial services to low-income households. Financial support for MM4P comes, *inter alia*, from the Bill & Melinda Gates Foundation.
- » **Better Than Cash Alliance**, a global alliance of governments, private sector and development organizations is committed to accelerating the transition from cash to electronic payments by advocating for the commitment of organizations to this transition; providing policy, technical and financial assistance; and by developing research products, best practices and case studies in order to drive the shift from cash to electronic payments. The US\$38 million programme budget of the alliance (2012–2017) is funded by the Bill & Melinda Gates Foundation, USAID, VISA, Ford Foundation, Omidyar Network, Citi Foundation/Citigroup, and DFID (in kind).

The governance of the Better Than Cash Alliance demonstrates how this kind of multi-stakeholder partnership sidelines formal intergovernmental decision-making structures. While the official decision-making body of UNCDF is the Executive Board of UNDP, the actual decisions of the Better Than Cash Alliance are taken by a special Programme Management Committee (PMC). The PMC is responsible for approving annual work plans and budgets; monitoring progress towards those plans; providing input to UNCDF for annual secretariat staff performance reviews and offering recruitment references for relevant candidates; overseeing programme evaluations and facilitating donor coordination.¹¹³ PMC members with voting rights are representatives of Citigroup, the Bill & Melinda Gates Foundation, Ford Foundation, Omidyar Network, USAID and Visa. UNCDF serves as the secretariat of the Alliance but participates in its PMC only as a non-voting member.

113 Cf. <http://betterthancash.org/about/committees/programme-management-committee/>.

Table 14**Private sector contributions to the UNCDF 2008–2014 (in US\$)**

Institution	2008	2009	2010	2011	2012	2013	2014	Total
Mastercard Foundation			3,498,220	9,207,708	6,487,614	5,482,582	11,977,879	36,654,003
Mastercard Worldwide						500,000	500,000	1,000,000
Omidyar Network Fund Inc.						500,000	1,000,000	1,500,000
Gates Foundation	11,000,000	182,973	5,301,941	2,800,000	1,447,670	3,900,791	4,561,000	29,194,375
Visa Inc.					1,115,000	600,000	800,000	2,515,000
Citi Foundation						500,000	500,000	1,000,000
Ford Foundation					1,075,815	363,589	60,598	1,500,002
MetLife Foundation							250,000	250,000
Total	11,000,000	182,973	8,800,161	12,007,708	10,126,099	11,846,962	19,649,477	73,613,380

Source: www.uncdf.org/en/Contributions-to-UNCDF.

5. The World Health Organization

The WHO within the global health architecture

The World Health Organization (WHO) was founded in 1948 as a specialized agency of the United Nations system to act as the “directing and coordinating authority on international health work.”¹¹⁴ The World Health Assembly (WHA) is the supreme decision-making body of WHO, convening all 194 Member States on an annual basis to set the policy framework and approve the programme budget of the organization. The WHA is supported by the Executive Board, a group of 34 health experts designated by Member States. The Secretariat, made up of around 8,500 people in 147 countries, enables WHO to carry out its mandate: to provide leadership on global health matters; shape the health research agenda; establishing international health-related standards, methods and guidelines; articulate ethical and evidence-based policy options; provide technical support to member countries; and monitor the global health situation and assess health trends. In addition to its important functions in the governance of world health, WHO has been an important contributor towards building consensus around contentious health issues and placing health services on the political agenda, as exemplified by its “Health for All” agenda¹¹⁵ and its central role in combating HIV/AIDS, Tuberculosis and Malaria.

Over recent decades WHO has lost political importance relative to new actors in the global health arena. From being the foremost—and virtually single—authority on global health in the first decades of its existence, WHO now stands amongst a growing number of public and private actors, initiatives and international partnerships in health, including the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM), the Global Vaccines Alliance (GAVI), UNAIDS and the Bill and Melinda Gates Foundation. At the same time, other international organizations such as UNICEF and the World Bank have expanded their role in health and dispose of significant resources for programme implementation.

Further, WHO’s ability to fulfill its role as the global health authority is being increasingly undermined by an ongoing budget crisis: the share of assessed contributions to its budget is shrinking. Consequently the organization increasingly relies on inflexible specified voluntary funds, earmarked for activities or programmes that funders wish to prioritize. The latter funds come from both WHO Member States and other public sources, as well as increasingly from an array of private contributors, including corporate philanthropy and companies.

WHO’s role as the global health authority is undermined by an ongoing budget crisis.

114 Cf. WHO (2014a).

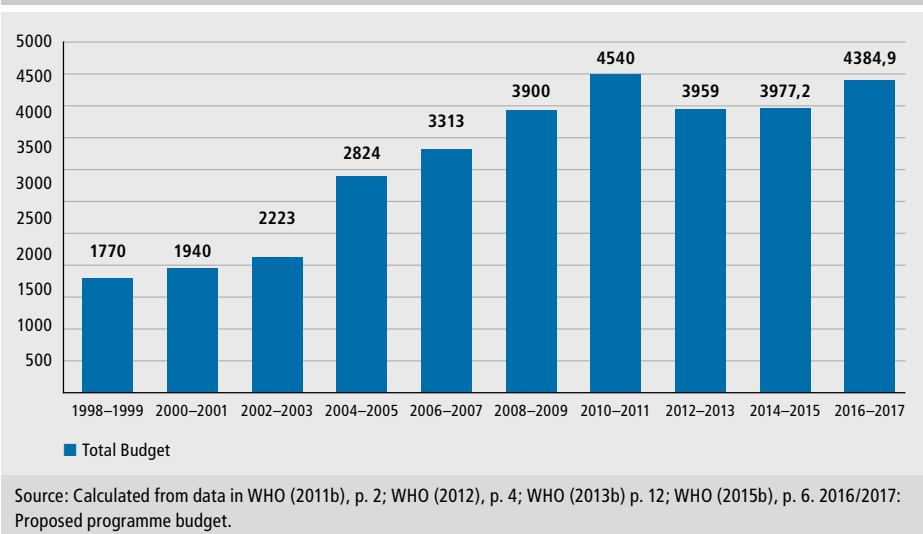
115 For an outline of WHO’s ‘Health for All’ strategy, see: <http://undp.by/en/who/healthforall/>.

Changing priorities in the WHO budget

In recent years WHO has faced a serious lack of resources, which stands in stark contrast to the enormous and growing funding needs in global public health. WHO's overall budget grew between 1998–1999 and 2010–2011, but has declined since (see Figure 7). Only the proposed programme budget 2016–2017 indicates a slight upward trend again.

Figure 7

Development of the WHO Budget, 1998–2017 (in US\$ millions)

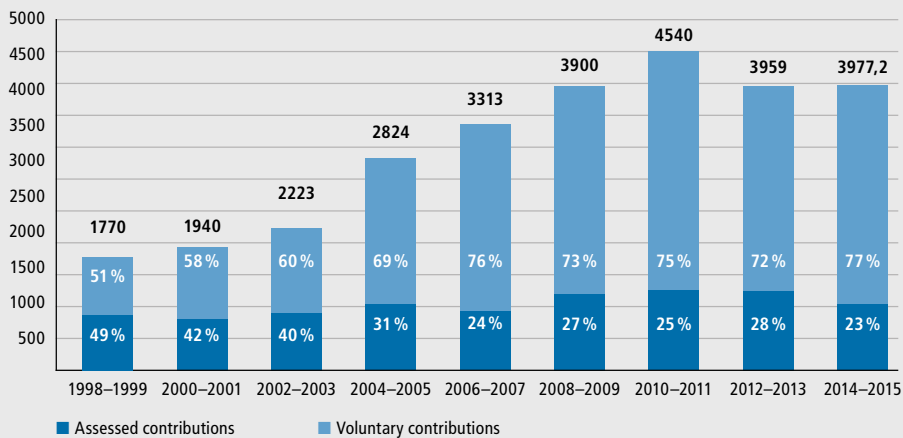


As in the case of other UN specialized agencies, assessed contributions are required contributions to the regular budget of WHO from Member States, whereas voluntary contributions, in the form of either donations or grants, come from public or private, or a blend of public and private sources.

Assessed contributions from WHO Member States as a proportion of WHO's total revenues have declined, most notably since 1998. Until then the Member States had insisted that at least 51 per cent of the organization's budget should be financed through assessed contributions, including all programmes related to the normative work of WHO.¹¹⁶ By 2014 however, assessed contributions represent just 23 per cent of WHO's total budget (see Figure 8).¹¹⁷

¹¹⁶ Cf. Velásquez (2014), p. 1.

¹¹⁷ Cf. WHO (2013b), p. 12.

Figure 8**Trends in assessed and voluntary contributions, 1998–2015 (in US\$ millions)**

Source: Calculated based on data WHO (2011b), p. 2; WHO (2012), p. 4; WHO (2013b) p. 12; WHO (2013e); WHO (2014g), p. 33.

The increasing imbalance of voluntary in relation to assessed contributions has resulted in WHO having less flexibility in its budget allocations. This has been exacerbated as specified funds dominate voluntary contributions.¹¹⁸ These specified funds are earmarked for particular projects or programmes, and often have further donor conditions attached. They can also be highly volatile from year to year. As a result, WHO's agenda has become shaped increasingly by the priorities of donors, public and private.

Increasing imbalance of voluntary in relation to assessed contributions.

Latest shifts in funding priorities

WHO's approved Programme Budget for 2014–2015 was US\$ 3,977 billion—an amount the organization considers to be a “realistic budget based on previous income and expenditure patterns.”¹¹⁹ According to WHO, the allocation of budgetary funds has been determined through various priority-setting criteria and by the categories of work established by WHO together with its Member States. Ostensibly, it aligns with the strategic vision of the programme of work, adopted by the World Health Assembly in May 2013, which has seen some important changes to the organization's focus areas. Table 15 shows the shift in WHO's priorities between 2012–2013 and 2014–2015.¹²⁰

In order to free up funds for its growing focus on non-communicable diseases (NCDs) and to implement its Global Action Plan for the Prevention

118 Cf. WHO (2011a), p. 15.

119 Cf. WHO (2013b), p. 2.

120 Ibid., p. 8.

Table 15**Proposed WHO programme budget 2014–2015 by category (in US\$ millions)**

Category	Programme budget 2012–13	Percentage of total	Proposed programme budget 2014–15	Percentage of total	Change in proposed programme budget 2014–15 to 2012–13	Percentage change in proposed programme budget 2014–15 to 2012–13
1. Communicable diseases	913	23.1	841	21.1	–72	–7.9
2. Non-communicable diseases	264	6.7	318	8.0	54	20.5
3. Promoting health through the life-course	353	8.9	388	9.8	35	9.9
4. Health systems	490	12.4	531	13.4	41	8.4
5. Preparedness, surveillance and response	218	5.5	287	7.2	69	31.7
6. Corporate services/ enabling functions	622	15.7	684	17.2	62	10.0
Emergencies						
Polio eradication	596	15.1	700	17.6	104	17.4
Outbreak and crisis response	469	11.8	228	5.7	–241	–51.4
Total	3959	100	3977	100	18	0.5

Source: WHO (2013b), p. 8.

WHO has lost around a third of its emergency health experts.

and Control of NCDs 2013–2020, WHO proposed in its 2014–2015 budget to slash funding for communicable diseases and, in particular, outbreak and crisis response. The proposal for the latter category reduced funding by more than 50 per cent from US\$469 million in 2012–2013 to US\$228 million in 2014–2015. However, such a substantial funding cut does not appear to be congruent with the organization’s ready acknowledgement that public health emergencies “are acute external events that are unpredictable and call for an urgent and sometimes massive response by WHO.”¹²¹ WHO has also lost around a third of its emergency health experts since 2009, when the crisis response department started running into funding shortages in the wake of the global financial crisis, and staff had to be laid off.

The Ebola crisis has shone a spotlight on the inadequacy of WHO’s current emergency response budget and its weakened capacities in this area. With the severely diminished funding available for outbreak and crisis

¹²¹ Ibid., p. 79.

response, and the dwindling number of staff with the requisite expertise, the organization was unable to respond with the necessary speed, scale and competence—which it had previously demonstrated during the severe acute respiratory system (SARS) outbreak in 2003. Indeed, the ability of WHO to rapidly identify and curb the spread of SARS led, through the adoption of revised International Health Regulations in 2005, to the extension of WHO’s institutional responsibilities in the event of a public health emergency of international concern (PHEIC).¹²²

The inadequacy of, and uncertainty around, WHO’s budgeting process for health emergencies had been recognized before the Ebola crisis. In 2011, the WHO Review Committee on the Functioning of International Health Regulations recommended the introduction of a Global Health Emergency Workforce, backed by a US\$ 100 million contingency fund for surge capacity to be mobilized for a declared international public health emergency.¹²³ Such provisions would have supported the rapid response needed to address the Ebola epidemic. However, the lack of financial commitment from member governments, particularly those in high-income countries, meant that the Committee’s recommendations were not acted on by WHO until the crisis hit with full force.¹²⁴ Only at the 2015 WHA did WHO Member States adopt reform measures for the emergency and response programme and set up the US\$ 100 million contingency fund which had been proposed in 2011.¹²⁵

The failure of WHO Member State support has been compounded by recent trends whereby voluntary contributions represent a major and growing share of WHO’s budget. With a large proportion of voluntary funds outside the drastically shrunken emergency response budget and off-limits for an Ebola response, WHO was unable to mobilize sufficient public and private resources quickly enough to contain the disease.

Private funding for the WHO

As a consequence of changes in the funding patterns of its traditional donors, WHO has sought to “attract new donors and explore new sources of funding.”¹²⁶ Efforts to this end have been marked by moves towards soliciting greater funding from the corporate sector and foundations, and further expansion of multi-stakeholder dialogues and initiatives in various areas of health. Recent figures from WHO suggest contributions from foundations and the private sector make up 19 per cent and 1 per cent respectively of total voluntary contributions.¹²⁷ Table 16 shows that there are ten “non-state” contributors among the top 20 contributors of

122 Cf. Hanrieder (2013), p. 179; WHO (2004).

123 Cf. WHO (2011c), pp. 137–138.

124 Cf. Gostin (2014).

125 Cf. www.who.int/mediacentre/news/releases/2015/wha-23-may-2015/en/.

126 Cf. WHO (2010b), p. 7.

127 Cf. WHO (2014d).

voluntary (non-assessed) funding to WHO, and Table 17 lists the top 20 private voluntary contributors for 2014. In addition to GlaxoSmithKline (GSK), Hoffmann-La Roche, Novartis which are included in the top 20, many other global pharmaceutical companies contribute to WHO, including Bayer, Merck, and Pfizer.

Table 16**WHO's top 20 voluntary (state and non-state) contributors 2014 (in US\$)**

#	Contributor	Core voluntary contributions account	Other voluntary contributions—core	Voluntary contributions—specified	Special Programme of Research, Development and Training in Human Reproduction	Special Programme for Research and Training in Tropical Diseases	Stop TB Partnership	Total revenue
1	USA			299,443,006	844,350	608,076	(223,627)	300,671,805
2	BMGF			253,658,387	1,924,568	938,282		256,521,237
3	United Kingdom	24,248,577		121,084,960	3,664,123	3,816,793	2,314,815	155,129,268
4	GAVI Alliance			127,754,707				127,754,707
5	Rotary International			66,516,459				66,516,459
6	European Commission			56,683,493		1,955,769		58,639,262
7	UNDP			55,893,741		564,902		56,458,643
8	UNOCHA			53,307,400				53,307,400
9	Norway	9,168,256		35,683,695	2,756,637	2,200,381		49,808,970
10	Australia	18,552,876		31,243,059				49,795,934
11	Sweden	24,422,735	749,353	13,565,944	4,588,514	5,180,580		48,507,127
12	Germany			46,703,498		814,111		47,517,610
13	UN CERF			43,130,386				43,130,386
14	African Development Bank Group			31,460,986				31,460,986
15	Japan			30,444,627		270,000		30,714,627
16	UNFIP			26,403,792	705,472			27,109,264
17	GFATM			25,055,335				25,055,335
18	Netherlands	5,980,978		13,005,376	5,650,000			24,636,354
19	National Philanthropic Trust			22,700,000				22,700,000
20	Republic of Korea		3,589,496	16,843,428				20,432,924

Sources: WHO (2015a), pp. 4.

Table 17**WHO's top 20 private (non-state) voluntary contributors 2014 (in US\$)**

#	Contributor	Voluntary contributions—specified	Special Programme of Research, Development and Training in Human Reproduction	Special Programme for Research and Training in Tropical Diseases	Total revenue
1	BMGF	253,658,387	1,924,568	938,282	256,521,237
2	Rotary International	66,516,459			66,516,459
3	National Philanthropic Trust	22,700,000			22,700,000
4	The Task Force for Global Health	8,000,000			8,000,000
5	Merck Sharp and Dohme-Chibret		7,611,575		7,611,575
6	Carter Center	6,700,000			6,700,000
7	GlaxoSmithKline	6,158,153			6,158,153
8	Hoffmann-La Roche & Co. Ltd.	6,158,153			6,158,153
9	Sanofi Pasteur	5,898,877			5,898,877
10	World Lung Foundation	5,450,151			5,450,151
11	Novartis	5,300,000			5,300,000
12	Wellcome Trust	5,093,419			5,093,419
13	KNCV Tuberculosis Foundation	4,841,816			4,841,816
14	Sanofi Espoir Foundation	4,435,078			4,435,078
15	KOBE Group	3,000,000			3,000,000
16	Swiss Philanthropy Foundation	2,725,000			2,725,000
17	Nippon Foundation	2,300,000			2,300,000
18	Korean Foundation for International Health-care—Dr Lee Jong-Wook Memorial Fund	2,223,161			2,223,161
19	Programme for Appropriate Technology in Health	1,606,840			1,606,840
20	UCB SA	1,042,735			1,042,735

Sources: WHO (2015a), p. 4.

Member States with the highest combined voluntary and assessed contributions in 2014 were the USA (US\$300.7 mn) and the UK (US\$155.1 mn).¹²⁸

The voluntary contribution of the Bill & Melinda Gates Foundation positions it as WHO's second largest voluntary donor as well as second largest donor overall in 2014 (see Box 6).

128 Cf. WHO (2013d).

Box 6**The Bill & Melinda Gates Foundation**

The Bill & Melinda Gates Foundation is becoming a major player in global health on a par with the WHO. In 2012 and 2013, the amount spent by the Gates Foundation alone on global health was more than half of WHO's total biennial budget (Gates Foundation: US\$ 1,980,868,000; WHO: US\$ 3,959,000,000).¹²⁹ Between 1998 and 2014, the Gates Foundation has donated US\$ 2,098,376,995 by way of more than 200 grants to WHO,¹³⁰ making the foundation the largest non-state funder of WHO over that period. Most of BMGF's grants to WHO have been dedicated to the areas of Polio (US\$1,143,150,251), Family Health (US\$178,600,947) and Global Policy & Advocacy (US\$146,044,131).¹³¹ However, BMGF grants are earmarked contributions and have influence on how WHO prioritizes its different programme activities. WHO Director-General Margaret Chan admitted as much, saying: "My budget [is] highly earmarked, so it is driven by what I call donor interests."¹³²

The BMGF also contributes indirectly to the WHO budget through its funding of public-private partnership programmes such as the GAVI Vaccine Alliance, PATH, the UN Foundation/UN Fund for International Partnerships and the Global Fund, all of which donate substantial contributions to WHO. GAVI alone contributed US\$222.94 million to WHO in the 2012–13 biennium. Considering that the BMGF is a founding partner of GAVI and its grants represent 18.8 per cent of all of GAVI's donor contributions and pledges for the period 2011–15, the BMGF's financing of GAVI (as well as the other partnerships mentioned) is another, if more indirect, channel of influence on WHO, its actions and priority-setting.

The BMGF is not only a funder but also a board member of several global health initiatives (e.g., the Global Fund, GAVI Alliance, Stop TB Partnership, Roll Back Malaria Partnership).

Concerns have been raised about BMGF's dominance in setting the research and political agenda of global public health. A major focus of the Foundation is research on malaria treatment and vaccines that prevent infection or block transmission. To date, the BMGF has committed nearly US\$2 billion in grants to combat malaria (as well as more than US\$1.6 billion to the GFATM).¹³³ Arata Kochi, the former head of WHO's malaria programme, complained that the Gates Foundation was dominating research in malaria and risked stifling the diverse views held by others in the scientific community.¹³⁴

The Gates Foundation's approach to global health is focused on finding technical solutions to global health problems with an emphasis on quick, measurable and visible outcomes, such as the development of new drugs and vaccines or the distribution of mosquito nets.

129 Cf. Bill & Melinda Gates Foundation (2013) and (2014) and WHO (2013b).

130 Cf. Bill & Melinda Gates Foundation, Grants Database (www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database), as of the end of 2014.

131 Ibid.

132 Quoted in Fink (2014).

133 Cf. Bill & Melinda Gates Foundation, Grants Database (www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database).

134 Cf. McNeil (2008).

One of GAVI's members reported that Bill Gates often told him in private conversations "that he is vehemently *against* health systems [...] he basically said it is a complete waste of money, that there is no evidence that it works, so I will not see a dollar or cent of my money go to the strengthening of health systems."¹³⁵

The Gates Foundation has never explicitly stated in public their scepticism about the effectiveness of efforts aiming to strengthen health care systems, however, through most of the time of the foundation's activity, the issue had hardly been addressed, neither by public communication nor by funding. David McCoy, a medical doctor and scholar based at the University College London, stated in an interview that vertical financing of individual diseases and separate programmes, the method adopted by the Gates Foundation, can damage the general health system by leading national governments to shift their priorities. This could result in governments neglecting important general health infrastructures and activities, and the need to address the underlying roots of disease, such as poverty and malnutrition.¹³⁶

WHO observers are concerned about similar dynamics of priority-shifting and "externalizing" staff costs whereby WHO is left to administer what the BMFG determines, leading to the possible neglect other areas of global health that merit WHO's attention.

In terms of transparency the Foundation performs well—better than some UN organizations. The Gates Foundation is the first non-governmental agency to report its aid activities to the Development Assistance Committee (DAC) of the OECD. It is also a member of the International Aid Transparency Initiative (IATI). In an assessment of the quality of ODA, the Global Economy and Development programme at the Brookings Institution and the Center for Global Development rank the BMGF high on focusing its efforts on those countries that have good operational strategies. According to their report, the foundation has done well in reaching the poorest people and giving assistance to countries with good monitoring and evaluation frameworks, while lacking on coordination and collaboration with other donors and increasing the burden on partner countries.¹³⁷

Table 18

BMGF awarded grants to WHO

Year	Awarded grants in US\$
1998 to 2009	1,306,365,195
2010	41,452,186
2011	69,723,900
2012	164,726,386
2013	343,100,855
2014	173,008,473
Total	2,098,376,995

Source: Bill & Melinda Gates Foundation, Grants Database (www.gatesfoundation.org/How-We-Work/Quick-Links/Grants-Database).

135 Cf. Storeng (2014), p. 869.

136 Cf. Hartmann (2014).

137 Cf. Birdsall/Kharas (2014).

Corporate interest in the policies and programmes of the WHO is not a new phenomenon. The repercussions of corporate influence on WHO could be observed, for instance, during the management of the swine flu outbreak in 2009–2010. It was revealed shortly after WHO had declared the virus a pandemic that some of the experts advising the emergency committee behind this decision had “declarable financial and research ties” with drug companies that were producing antivirals and influenza vaccines.¹³⁸ The pandemic proved to be a trigger point for pharmaceutical companies to establish vaccine contracts with governments, many of which subsequently lay dormant due to overestimations of the severity of the virus by the emergency committee. This did not come without significant costs for countries already facing tight health budgets, and raised serious concerns about potential conflicts of interest. It took WHO more than one year after the declaration to reveal the names behind the decision-making processes of the committee, with the organization citing the “need for secrecy to protect against the influence of outside interest on decision-making.”¹³⁹ After a large number of reviews and inquiries following allegations of industry influence, the question remains whether the interests of pharmaceutical companies in lucrative vaccine deals or concerns for public health were being prioritized in WHO decisions at the time of the A/H1N1 outbreak.

A further example where WHO ties with private actors have been tight has been in its association with the International Medical Products Anti-Counterfeiting Taskforce (IMPACT), a body with strong pharmaceutical industry presence.¹⁴⁰ IMPACT’s relationship with WHO is ambiguous, having been described as everything from a ‘WHO-hosted partnership’ to a completely separate entity. This ambiguity made it possible for a document prepared by GlaxoSmithKline, “Anti-counterfeit Technologies for the Protection on Medicines”,¹⁴¹ to be introduced into WHO’s policy process—a move made even easier by the fact that the chair of IMPACT’s Technology Working Group was also the director of the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), of which GlaxoSmithKline is a member.¹⁴² The document itself proposes a variety of high-tech protections, which seem useful for high-value branded medicines. The relationship between WHO and IMPACT clearly highlights the need for consistent rules and regulations for WHO’s relationships with non-state and private actors in order not to compromise the organization’s credibility and independence.

138 Cf. Cohen/Carter (2010).

139 Cf. Hanrieder (2010), p. 26.

140 Cf. Global Health Watch (2011).

141 Cf. IMPACT (2008).

142 Cf. Third World Network (2010).

Towards a Framework of Engagement with non-State Actors

In light of the growing role of corporate philanthropy and private companies in the WHO decision-making process, many governments and civil society organizations have called for a comprehensive and effective follow up of the public interest safeguards promised by Gro Harlem Brundtland in 1998 and the WHO “Guidelines on working with the private sector to achieve health outcomes” from the year 2000.¹⁴³ WHO Director-General Margaret Chan reaffirmed the importance of such safeguards in a speech at the 8th Global Conference on Health Promotion in June 2013: “In the view of WHO, the formulation of health policies must be protected from distortion by commercial or vested interests.”¹⁴⁴

“In the view of WHO, the formulation of health policies must be protected from distortion by commercial or vested interests.”

As part of the current WHO reform process that started in 2011, governments have requested the Director-General to develop a Framework of Engagement with non-State Actors (FENSA), and separate policies on engagement with different groups of non-State actors (NSAs). The WHO Secretariat has been working on a draft framework since 2012 and presented reports in May and December 2014.¹⁴⁵ In response to the first draft, several WHO Member States raised serious concerns¹⁴⁶ for consideration in the final framework. These include:

- » **Conflicts of interest** and their management were identified as the most critical aspects of the framework of engagement. There were several calls for a stronger approach or policy on conflict of interest as integral part of the framework of engagement.
- » Further clarity was requested on the process and modalities of **conducting due diligence**, the criteria applied, and the link between due diligence and conflict of interest.
- » WHO is expected to accept **financial resources from private sector** entities only if potential conflicts of interest are ruled out and if this engagement does not compromise WHO’s integrity and reputation.
- » The **secondment of non-State actors’ representatives** to WHO were questioned. The key concern in this regard is to protect the independence and the integrity of WHO, particularly with respect to its normative and standard-setting functions.
- » Some **non-private sector entities** may be influenced by private sector entities. It was suggested that non-governmental organizations, philanthropic foundations and academic institutions not “at arm’s length” from private sector entities should be also considered as private sector entities. It was further suggested that the concept of “non-State actor” could be further refined to include entities falling outside the defini-

143 Cf. WHO (2000) and Richter (2012).

144 Cf. Chan (2013).

145 Cf. www.who.int/about/who_reform/non-state-actors/en/.

146 Cf. WHO (2014e), paras. 5–20.

tion, such as public–private partnerships and multi-stakeholder initiatives.

- » This also relates to **which organizations should be eligible for admission into official relationships**, with particular regard to international business associations. Although there is agreement that WHO should not engage with the tobacco and arms industries, this restriction could/should be extended to others, including notably the alcohol, food and beverage industries.
- » It was suggested that the respective **roles of the governing bodies and of the Secretariat** should be clarified, that private sector involvement should be open to WHO Member States scrutiny and that Member States should be involved in due diligence.
- » It was further proposed to increase to more than six **the number of members of the Committee on non-State actors** of the Executive Board and to require the Committee to report also to the Health Assembly. Some Member States proposed that WHO Member States should be able to participate in the Senior Management Committee on Engagement.
- » It was pointed out that it is not clear whether the framework applies also to **partnerships** that WHO is hosting or involved with or how conflicts of interest are managed in such partnerships.
- » It was suggested that WHO should introduce the concept of **“competitive neutrality”** (also known as “level playing field”) in its engagement with the private sector. This is meant to ensure that the organization’s interactions do not confer undue competitive advantages.
- » It was proposed that provisions be added in order to clarify how the organization should act in emergency situations and how it should avoid the **disguised dumping of medicines** in the form of donations. Some Member States suggested the need for objective and justifiable criteria for the selection of the countries, communities or patients to benefit from such donations.
- » It was asked whether WHO is using the appropriate mechanism and measures to ensure the **protection of its name and emblem against misuse** for promotional purposes, in particular by private sector entities.
- » Some Member States noted that a process for **evaluation of the framework**, including with regard to due diligence and risk assessment, is missing from the draft policy. They suggested that the evaluation function should be embedded into the framework with a view to informing future decisions on the revision of the framework two, three or five years after its approval.
- » One WHO region proposed that the revised framework should better reflect the role and function of **academic institutions**, in particular regarding the ways in which such institutions can complement WHO’s work.

The final version of the framework was expected to be adopted during the 2015 session of the WHA. While many issues were agreed upon, the intense negotiations did not lead to consensus among governments over crucial issues, such as definitions of resources, secondments, the relation of WHO with industries other than the tobacco and arms industry, transparency requirements, oversight mechanism of engagements with non-State actors and ceilings on financial resources.¹⁴⁷

The WHA convened an open-ended working group to finalize the draft framework and requested the Director-General to submit the final draft text to the WHA for adoption in 2016 and to develop a register of NSAs.¹⁴⁸

Since the framework is still under negotiation, it is difficult to assess its final content. The framework will probably address risks for the WHO of engagement with non-State actors and reflect many of the concerns mentioned above.¹⁴⁹ Furthermore, the framework will formulate overarching principles for WHO's engagement with non-State actors. It is also expected to clarify different types of interaction, which can be the attendance at WHO meetings (e.g., meetings of the governing bodies, consultations and hearings), contributions of resources (funds, personnel or in-kind contributions), the gathering, analysis and generation of information, advocacy and awareness-raising of health issues and technical collaboration (product development, capacity-building, support to policy-making at the national level, operational collaboration in emergencies, contributing to the implementation of WHO's policies).¹⁵⁰

Several concrete steps to manage potential risks could include due diligence on the nature of the non-State actor and a risk assessment regarding the engagement, a publicly visible register of non-State actors¹⁵¹ and an electronic tool for the management of individual conflicts of interest. Since this part of the framework is heavily contested and debated, it is impossible to make predictions about its final form and, thus, its effectiveness. Also under debate are specifics concerning the financial contributions of non-State actors.¹⁵²

Civil society organizations (CSOs) also have been actively following these discussions and advocating for a robust framework, repeatedly pointing out important possible shortcomings of the document being negotiated. According to Third World Network, for example, the draft framework lacks a comprehensive conflict of interest policy to manage both institutional and personal conflicts of interest in the WHO.¹⁵³ Currently, WHO does not engage with tobacco and arms industries.

147 Cf. WHO (2015c).

148 Cf. Third World Network (2015).

149 Cf. WHO (2015c), para. 8.

150 WHO (2015c), paras. 15–21.

151 A pilot register can be found on: www.who.int/about/who_reform/non-state-actors/register/en/.

152 Cf. WHO (2015c), paras. 22ff.

153 For a more detailed critic see: www.twn.my/title2/health.info/2015/hi150103.htm.

However, whether the framework will take up the concerns raised by several Member States and CSOs to extend this restriction to the alcohol, food and beverage industries, seems doubtful.¹⁵⁴

That the framework may not differentiate sufficiently between corporate actors, business interest NGOs and public interest NGOs is a further matter of concern. It is possible that it will propose to treat international business associations as part of the private sector but also as NGOs and so allow them to attend governing body meetings.¹⁵⁵

The challenge still remains for WHO to develop a system of legal and ethical regulation.

The challenge still remains for WHO to develop a system of legal and ethical regulation for interaction with corporate and other non-state actors that goes beyond what has already been proposed; one that would tackle vested interests and return priority setting powers to democratic and accountable entities—the Member States of WHO. However, before this can happen Member States must refocus on their responsibility to defend the right to health for all of their citizens and enhance their financial and political support of WHO as the key enabler of such an outcome at the global level. For public health not to be left to the shifting priorities of corporations and philanthropy, this responsibility must include an increase in the regular assessed contributions of Member States to ensure the continuity of WHO budget and to allow the Director-General to be able to use these untied funds flexibly, when necessary.

It is only through such efforts that the ongoing contradictions between WHO's constitutional mandate and donor and private interests will be resolved and a functioning and independent WHO governed by the principles of social justice, global solidarity and human rights will be made possible.

154 Cf. WHO (2015c), para. 44.

155 Cf. WHO (2015c), para. 10ff.

6. Global Partnerships

In February 2010 UN Secretary-General Ban Ki-moon delivered the report “Keeping the Promise” on shortfalls and successes in achieving the Millennium Development Goals (MDGs). This concluded that despite progress in some areas, many goals were unmet due to the lack of commitments on implementation:

“The shortfalls in progress towards the Millennium Development Goals are not because they are unreachable or because the time is too short, but rather because of unmet commitments, inadequate resources, lack of focus and accountability, and insufficient interest in sustainable development. This has resulted in failure to deliver on the necessary finance, services, technical support and partnerships.”¹⁵⁶

These shortfalls have been aggravated by the global financial and economic crises since 2008 and the resulting shift of political attention and public resources, both nationally and globally, towards crisis management.

As a consequence, Ban Ki-moon called for a “new pact to accelerate progress in achieving the Goals in the coming years among all stakeholders”,¹⁵⁷ and listed as one of the key success factors: “Effective global partnerships, involving all relevant stakeholders, including donor Governments, local communities, non-governmental organizations, the private sector and foundations, with mutual accountability of all stakeholders.”¹⁵⁸

The idea of global *multi-stakeholder partnerships* builds on the reality that governments do not address global problems alone. Partnerships are seen as pragmatic, solution-oriented, flexible, efficient and unbureaucratic, all claimed as essential at a time of scarce resources.

The move towards this kind of partnership is not a new phenomenon but dates from the early 1990s. The collapse of the state socialist project, the dominance of a neo-liberal ideology which has pushed for less state intervention, deregulation and privatization, together with overwhelming global problems notably in the environment and health sectors, have opened the way for increasing integration of non-state actors into international politics.

The Rio Conference in 1992 was a key event in this regard, with its recognition that major groups of society were an integral part of achiev-

The move towards this kind of partnership is not a new phenomenon.

¹⁵⁶ Cf. UN Secretary-General (2010), para. 116.

¹⁵⁷ *Ibid.*, p. 1.

¹⁵⁸ *Ibid.*, para. 58.

ing sustainable development. Under the heading “strengthening the role of business and industry”, its action programme “Agenda 21” deals expressly with the positive contribution of industry to development, stating that: “Governments, business and industry, including transnational corporations, should strengthen partnerships to implement the principles and criteria for sustainable development.”¹⁵⁹

Ten years later, at the World Summit on Sustainable Development (WSSD) in Johannesburg, over 200 partnership initiatives between public and private actors, the so-called “Type-2-Outcomes”, constituted an integral part of the official process.¹⁶⁰ They ranged from a Dutch initiative to clean up second-hand bikes from Europe for resale in Africa, to a global initiative by a US company to enrich flour with iron to improve nutrition.

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

”This Summit will be remembered not for the treaties, the commitments, or the declarations it produced, but for the first stirrings of a new way of governing the global commons—the beginnings of a shift from the stiff formal waltz of traditional diplomacy to the jazzier dance of improvisational solution-oriented partnerships that may include non-government organizations, willing governments and other stakeholders.”¹⁶¹

In June 2004, the Cardoso Panel, a panel of eminent persons appointed by UN Secretary-General Kofi Annan, presented its report, entitled “We the Peoples: Civil Society, the United Nations and Global Governance”.¹⁶² Under the heading “Investing more in Partnerships,” the report includes recommendations that are aimed explicitly at strengthening partnerships at the UN—politically and financially: “The Secretariat should foster multi-constituency processes as new conduits for discussion of United Nations priorities, redirecting resources now used for single-constituency forums covering multiple issues.”¹⁶³

At the intergovernmental level, the UN General Assembly has been engaged with the topic explicitly since the year 2000. This was on the initiative of the government of Germany, whose primary goal at the time was to support Kofi Annan’s Global Compact. Since then, the topic has been an established item on the General Assembly’s agenda, under the heading “Towards Global Partnerships”.

159 Cf. Agenda 21, Chapter 30, para. 7 (UN Doc. A/CONF.151/26 (vol. III), 30.7).

160 In Johannesburg, the outcomes of the summit were divided into the final declaration and the plan of implementation (‘Type 1’) and the partnership initiatives (‘Type 2’).

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

162 Cf. Panel of Eminent Persons on United Nations–Civil Society Relations (2004).

163 *Ibid.*, proposal 5.

Between 2010 and 2012, and under the banner of the MDGs, the engagement of the UN in the partnership boom expanded in several directions. The UN Secretary-General was actively involved in the creation of several new global partnerships in the areas of health, education, nutrition and energy. They include:

- » **Every Woman Every Child**, which seeks to save the lives of 16 million women and children by 2015;
- » **Committing to Child Survival: A Promise Renewed**, which aims to reduce the under-5 mortality rate to fewer than 20 deaths per 1,000 live births in all countries by 2035;
- » **Sustainable Energy for All**, which aims to provide universal access to modern energy, double the global rate of improvement in energy efficiency and double the share of renewables in the global energy mix;
- » **The Zero Hunger Challenge**, which calls for universal access to adequate food year-round, steps to prevent childhood stunting, a sustainable transformation of food systems, a doubling of productivity and incomes among smallholder farmers and drastic reductions in food losses and waste;
- » **The Global Education First Initiative**, which is supposed to raise the political profile of education and seeks to ensure access and improve the quality of learning;
- » **Scaling Up Nutrition**, a global movement to reduce malnutrition and child stunting.

In contrast to the hundreds of existing public-private partnerships at international level, the new partnerships are larger in function and level of ambition. According to the Secretary-General: “they expand on traditional partnerships by significantly increasing available resources, improving the effectiveness of their use and increasing policy and operational coherence.”¹⁶⁴

However, this assessment of the advantages of global partnerships seems to be less based on empirical research than a profession of faith, and lacks a thorough power and interest analysis of the actors involved. Have these initiatives really mobilized new and additional resources, particularly from the private sector? Have they increased policy coherence? Have they contributed positively to the realization of the UN mandates? And how have they influenced (inter-) governmental policy-making and affected the role of the UN?

Have these initiatives really mobilized new and additional resources, particularly from the private sector?

The rest of this chapter examines these questions by taking a closer look at three of the most prominent global partnerships: Every Women Every Child, Sustainable Energy for All, and Scaling up Nutrition. It then describes the recent (unsuccessful) attempt by the Secretary-General to

164 Cf. UN Doc. A/68/202, para. 69.

scale up UN capacity to engage in multi-stakeholder partnerships by creating a new UN Partnership Facility.

Every Woman Every Child

At the UN Millennium Summit in 2000 governments emphasized the importance of reducing child mortality (MDG 4) and improving maternal health (MDG 5). In the following years, UN and some civil society organizations established several alliances to promote the implementation of these MDGs: in 2000 the Healthy Newborn Partnership was set up, anchored within Save the Children USA; in 2004, the WHO created the Partnership for Safe Motherhood and Newborn Health; and in the same year UNICEF launched the Child Survival Partnership. In September 2005 these alliances joined forces under the new name of the Partnership for Maternal, Newborn & Child Health (PMNCH).¹⁶⁵ Three years later, WHO, UNAIDS, UNFPA, UNICEF, UNIFEM (since 2010 UN Women), and the World Bank established the H4+ Partnership in order to accelerate progress within the UN system towards achieving MDG 4 and MDG 5.

Despite all these joint efforts, progress in the implementation of MDGs 4 and 5 remained slow. In September 2010 the UN Secretary-General launched a new initiative—Every Woman Every Child (EWEC), an “unprecedented global movement that mobilizes and intensifies international and national action by governments, multilaterals, the private sector and civil society to address the major health challenges facing women and children.”¹⁶⁶ This initiative was taken to operationalize the Global Strategy for Women’s and Children’s Health, which was formulated by the UN Secretary-General the same year. Its key areas address actions to enhance financing, strengthen policy and improve service delivery for women’s and children’s health.¹⁶⁷ These include:

- » Support for country-led health plans, supported by increased, predictable and sustainable investment;
- » Integrated delivery of health services and life-saving interventions—so women and their children can access prevention, treatment and care when and where they need it;
- » Stronger health systems, with sufficient skilled health workers at their core;

¹⁶⁵ PMNCH is a platform, which aims supporting its partners to align their strategic directions and catalyze collective action to achieve universal access to comprehensive, high-quality reproductive, maternal, newborn and child health care. Its secretariat is hosted by the WHO in Geneva. PMNCH gathers 680 organizations (as of May 2015) from academia, governments, health-care professionals associations, multilateral organizations, NGOs, foundations and the private sector, cf. www.who.int/pmnch/about/en/.

¹⁶⁶ Cf. www.everywomaneverychild.org/.

¹⁶⁷ Cf. UN Secretary-General (2010).

- » Innovative approaches to financing, product development and the efficient delivery of health services;
- » Improved monitoring and evaluation to ensure the accountability of all actors for results.

Secretary-General Ban Ki-moon launched EWEC not as a new organization or another vertical fund with its own programmes but as an initiative (or in his own words a “movement”) to raise public awareness and political support, and as a catalyst to mobilize financial and non-financial commitments from governments, the private sector, NGOs, foundations and multilateral organizations.

Governance

In contrast to other global partnerships and multi-stakeholder initiatives, EWEC has neither a formal governance structure nor a separate secretariat. A team in the Executive Office of the Secretary-General heads the work of EWEC and ensures political support for the Global Strategy and its implementation. The team receives financial support from several governments (including Canada, Norway and the UK) and the Bill & Melinda Gates Foundation.¹⁶⁸ The UN Foundation is in charge of coordinating the commitments made by the private sector. The PMNCH supports the coordination of the EWEC movement, and the H4+ Partnership organizations serve as lead technical partners for the EWEC and the Global Strategy for Women’s and Children’s Health. Since 2010 several new institutions have been established in the context of EWEC.

EWEC has neither a formal governance structure nor a separate secretariat.

They include:

- » **The Commission on Information and Accountability for Women’s and Children’s Health**, co-led by President Kikwete of Tanzania and Prime Minister Harper of Canada, which developed an accountability framework to track resources committed to advancing the Global Strategy.¹⁶⁹
- » **The independent Expert Review Group (iERG)** to review the implementation of the recommendations of the Commission on Information and Accountability. Since 2012, the iERG has submitted several reports to the UN Secretary-General on the results and resources related to the Global Strategy and on progress in implementing the Commission’s recommendations.¹⁷⁰
- » **The Commission on Life-saving Commodities for Women and Children**, co-led by then President Jonathan of Nigeria and Prime Minister Stoltenberg of Norway, that formulated recommendations to increase

168 The working budget including details of financial contributions to the EWEC team is not publicly available.

169 Cf. Commission on Information and Accountability for Women’s and Children’s Health (2011) and www.everywomaneverychild.org/accountability/coia.

170 Cf. Independent Expert Review Group (iERG) (2014) and www.everywomaneverychild.org/accountability/independent-expert-review.

the production and dissemination of and demand for life-saving medicines to vulnerable women and children around the world.¹⁷¹

» **The Innovative Working Group (IWG)**, which serves as the primary platform for private-sector engagement in the EWEC initiative. IWG will catalyze the initiation and enable the scaling of innovations across technological, social, financial, policy and business domains.¹⁷² The group published several reports and strategy documents, including a guide for companies (Private Enterprise for Public Health) that provides information about the health needs of women and children in developing countries to help companies from various business sectors to identify investment opportunities.¹⁷³

Funding

In 2010, the Global Strategy identified a financial gap of US\$88 billion to cover direct costs and health system costs for programmes and services targeting reproductive, maternal, newborn and child health (RMNCH) between 2011 and 2015 in 49 focus countries.¹⁷⁴

Since then, total financial commitments to the Global Strategy for activities relating to women's and children's health have risen from US\$40 billion pledged at the UN Summit on the MDGs in September 2010 to US\$59.8 billion in May 2014, according to EWEC's 2015 progress report.¹⁷⁵

A substantial part of this amount is double-counted.

However, a substantial part of this amount is double-counted. For example, a bilateral donor commitment to a global health partnership like GAVI may be reported as an EWEC commitment by both the donor and the partnership. Thus, the real sum of all commitments, once double-counted figures are removed, is estimated by the Partnership for Maternal, Newborn & Child Health (PMNCH) to be around US\$45 billion.¹⁷⁶ Of this amount, only US\$22 billion is considered to be new and additional financial commitments made after the launching of EWEC.

This increase in funding covers only 15 to 19 per cent of the funding gap.

Of these new and additional commitments, US\$13 to 17 billion is targeted to the 49 Global Strategy focus countries. Albeit substantial, this increase in funding covers only 15 to 19 per cent of the US\$88 billion funding gap identified for RMNCH between 2011 and 2015. And to

171 Cf. www.everywomaneverychild.org/networks/life-saving-commodities.

172 Cf. www.who.int/pmnch/activities/secretariats/innovationgroup/en/.

173 Cf. Innovation Working Group (2012).

174 Cf. UN Secretary-General (2010), p. 11. The countries are Afghanistan, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Côte d'Ivoire, Eritrea, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Haiti, Kenya, Democratic Republic of Korea, Kyrgyz Republic, Lao PDR, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Nigeria, Pakistan, Papua New Guinea, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, Tajikistan, Tanzania, Togo, Uganda, Uzbekistan, Vietnam, Yemen, Zambia and Zimbabwe.

175 Cf. EWEC (2015b), p. 82.

176 Cf. PMNCH (2014), p. 8.

date, only a portion of these commitments has been translated into actual disbursements.

Together with the increase in financial commitments, the number of “commitment-makers” has tripled, from about 100 in 2010 to more than 300 in 2014. Among them are not only governments and international organizations but also many NGOs, foundations, global partnerships and private companies.

The top 20 list of the largest commitments reflects this broad range of actors with GAVI and the Global Fund, the Governments of Nigeria, India, Indonesia and the UK, and the international NGOs Save the Children and CARE heading the list (see Table 19).

Table 19

20 largest commitment-makers to the Global Strategy

Commitment-maker	Commitment US\$ millions	Constituency group
1 GAVI	7,599	Global Partnerships
2 Nigeria	7,580	MICs
3 United Kingdom	6,590	HICs
4 The Global Fund	4,400	Global Partnerships
5 India	4,375	MICs
6 Indonesia	2,406	MICs
7 Save the Children	2,000	NGOs
8 CARE	1,800	NGOs
9 Population Services International	1,630	NGOs
10 Norway	1,621	HICs
11 Bill and Melinda Gates Foundation	1,570	Foundations
12 Australia	1,500	HICs
13 World Vision International	1,500	NGOs
14 Merck	1,349	Private Sector
15 United States of America	1,346	HICs
16 World Bank	1,300	Multilaterals
17 Ghana	1,215	MICs
18 Canada	1,058	HICs
19 Netherlands	1,011	HICs
20 Marie Stopes International	872	NGOs

Source: EWEC Technical Content Workstream Working Group on Financing (2015), p. 3.

Business sector commitments to EWEC

The EWEC Progress Report 2015 states that “(o)ne of the signal achievements of the Global Strategy has been its success in mobilizing the private sector to join in the global push to prevent deaths among women and children” and that the private sector has made “substantial contributions” to the success of the Global Strategy.¹⁷⁷ However, the question is how to define “success” and “substantial”. So far, 65 private companies have made commitments in support of EWEC,¹⁷⁸ and according to the Innovative Working Group over 1,000 innovative technologies for reproductive, maternal and child health totaling US\$255 million in investments are currently in the research and development pipeline.¹⁷⁹

A noticeable example is the pharmaceutical company Merck’s commitment to spend US\$840 million for EWEC-related activities, *inter alia* through their HIV prevention and treatment and childhood asthma programmes and the donation of human papillomavirus (HPV) vaccine. In addition the company committed a total of US\$500 million over ten years through its initiative Merck for Mothers.¹⁸⁰ GlaxoSmithKline (GSK), in collaboration with WHO committed a total of one billion doses of albendazole medicine each year in order to create universal access to deworming for all school age children in Africa.¹⁸¹ Johnson & Johnson committed US\$200 million over five years to improve survival rates and quality of life for women and children through developing and donating medicines, supporting sanitation and water initiatives, providing health information to new and expectant mothers via mobile phones, and expanding health worker training programmes.¹⁸²

Many business sector commitments have been vague.

However, many business sector commitments have been vague and lacking information about scale, time frame and specific actions. Beyond anecdotal evidence, there is no disaggregated reporting about the implementation of the commitments and the actual disbursements, nor any systematic evaluation and impact assessments. Given the lack of transparency and information no reliable assertions can be made about the additionality of the provided resources and their real impact on the ground.

A series of “Business Impact Stories” published by EWEC look like public relations brochures of the respective companies. For instance, the leaflet on Nestlé states:

“Nestlé committed in 2011 to Every Woman Every Child to strengthen its business-related activities and programs to promote gender equality, capacity-building and education for women and girls. Nestlé’s Women’s Empowerment initiatives are integrated in

177 Cf. EWEC (2015b), p.36 and p. 10.

178 Cf. *ibid.* p. 36.

179 Cf. *ibid.* p. 59.

180 Cf. www.everywomaneverychild.org/commitments/all-commitments/merck.

181 Cf. www.everywomaneverychild.org/commitments/all-commitments/gsk.

182 Cf. www.everywomaneverychild.org/commitments/all-commitments/johnson-johnson.

the company's shared value approach and result in increased penetration, footprint and additional volume for Nestlé; strong and emotional links with consumers; increased loyalty to the company; a shortened supply chain & improved traceability; sustainable sourcing and enhanced trust with all stakeholders."¹⁸³

Several EWEC commitment-makers are international business associations whose primary goal is to promote the commercial interests of their members. An example is the International Zinc Association (IZA), which represents companies active in the mining and production of zinc, such as Glencore and BHP Billiton Marketing Asia PTE LTD.¹⁸⁴

IZA's proclaimed mission is to support and advance zinc products and markets and to develop and promote a positive image for zinc.¹⁸⁵ Its commitments to EWEC are fully in line with this marketing strategy by partnering with the Clinton Health Access Initiative (CHAI) to increase the use of zinc in the state of Uttar Pradesh, India; by partnering with UNICEF to support the Peruvian Ministry of Health to expand life-saving zinc interventions; and by working within the mining community to raise awareness and funding for zinc and oral rehydration salts (ORS) programmes globally.¹⁸⁶

In sum, the financial contributions of the business sector to the EWEC movement have remained rather limited so far. According to EWEC's progress report, 2015 private companies made only a small fraction—2.7 per cent—of all financial commitments in support of EWEC.¹⁸⁷ This corresponds to an amount of less than US\$1.6 billion for the five-year period 2011–2015, or on average US\$320 million per year worldwide.¹⁸⁸ This is by no means sufficient to close the current gap in financing for reproductive, maternal, newborn, child and adolescent health (RMNCAH). According to World Bank estimates for 2015, the gap for 63 low- and lower-middle-income countries is US\$33.3 billion.¹⁸⁹

Private companies made only a small fraction—2.7 per cent—of all financial commitments.

Funding gaps and fragmentation

One of the positive results of the Global Strategy and the subsequent EWEC activities has been the improved monitoring and tracking of spending for women's and children's health at the country level. Initial analyses in some of the 49 EWEC focus countries found that despite the increase in donor and national government spending, individual households still fund the bulk of RMNCAH expenditures. In the analysed

183 Cf. www.everywomaneverychild.org/images/EWEC_Nestle.pdf.

184 Cf. www.zinc.org/info/full_members.

185 Cf. www.zinc.org/about/mission_goals.

186 Cf. www.everywomaneverychild.org/commitments/all-commitments/international-zinc-association.

187 Cf. EWEC (2015b), p. 83.

188 The estimated share of 2.7 per cent is based on the total amount of US\$ 59.8 billion, which includes commitments that are double-counted. Therefore, the total amount of business sector commitments may be even lower, as well as the amount of actually disbursed funds.

189 Cf. World Bank (2015), p. 2.

low-income countries, out-of-pocket payments by households account for 41 per cent of financing, while external donors contribute on average 37 per cent, national governments 15 per cent and private domestic funders (NGOs, corporations etc.) 7 per cent.¹⁹⁰ The WHO warns in its report on accountability for women's and children's health 2014:

“[...] out-of-pocket payments by households often remain the greatest source of funds spent on RMNCH, despite many countries making these services nominally free or heavily subsidized. Out-of-pocket payments are the most inequitable source of health financing, preventing many people from seeking needed services and pushing many who purchase them into poverty.”¹⁹¹

The EWEC progress report 2015 underlines this point:

“The financial and practical consequences of out-of-pocket spending by financially strapped households highlight the need for additional public sector financing and for exploration of social protection models that meet health needs while minimizing household financial burdens.”¹⁹²

And the WHO concludes: “Despite global momentum, RMNCH is still not high enough on the political agenda in many countries and globally, and resources do not appear to be increasing sufficiently.”¹⁹³

This is the case although the number of global financing mechanisms for RMNCH has increased substantially in recent years. They include, *inter alia*, Family Planning 2020, the H4+ Partnership, the Health Results Innovation Trust Fund, the Thematic Trust Fund for Maternal Health, the Global Programme to Enhance Reproductive Health Commodity Security, the Bridge Fund, the Pledge Guarantee for Health and the RMNCH Trust Fund.

EWEC claims that “(a)mong the most salient achievements of the Global Strategy is to bring coordination, coherence and strategic focus to global efforts to prevent women's and children's deaths”.¹⁹⁴ But the authors of a concept note on a new Global Financing Facility in support of EWEC clarified this, concluding:

“However, despite the recent efforts to strengthen coordination, the multitude of financing initiatives still causes fragmentation in financing streams at the country level. National governments routinely devote considerable resources to managing multiple parallel initiatives and the associated planning and reporting needs

190 Cf. WHO (2014b), p. 12.

191 Cf. *ibid.*

192 Cf. EWEC (2015b), p. 91.

193 Cf. WHO (2014b), p. 20.

194 Cf. EWEC (2015b), p. 28.

of the multiple partners supporting RMNCAH services. [...] Fragmentation also leads to suboptimal distribution of resources globally. Some countries receive disproportionately high levels of support while others are ‘donor orphans’.”¹⁹⁵

At a high-level event on EWEC in May 2015, UN Secretary-General Ban Ki-moon emphasized the accomplishments of the EWEC movement in the past five years, but he admitted that this progress is fragile and the work remains unfinished so far.¹⁹⁶ As a consequence, he announced an update of the Global Strategy and the establishment of another funding mechanism in support of EWEC under the auspices of the World Bank.

Global Strategy 2.0 and Global Financing Facility

The new Global Strategy for Women’s, Children’s, and Adolescents’ Health, which will be launched at the Post–2015 Summit of the UN in September 2015, is seen as the “front-runner platform” for the implementation of the Sustainable Development Goals (SDGs) related to RMNCAH in the period 2016 to 2030.¹⁹⁷ However, while the Strategy regards the SDGs as the “overarching framework”, it is intended to put forward only “a limited number of ambitious high-level targets, ideally a total of nine”.¹⁹⁸ According to the Zero Draft, the Global Strategy will “clearly articulate and distinguish the core targets that EWEC will deliver, from secondary targets that EWEC will help deliver, e.g., other SDGs relevant to the EWEC goals [...]”¹⁹⁹

The final decision about the core targets that are chosen out of the full list of SDGs is not taken by the UN General Assembly but by the UN Secretary-General (based on “broad stakeholder consultations”). The UN General Assembly is used only as the stage to launch the renewed Global Strategy in September 2015. And in May 2016 the World Health Assembly will be asked for formal endorsement of the new Strategy.

Every Woman Every Child will continue after 2015 under the leadership of the UN Secretary-General with a limited focus on global advocacy, communication, and the mobilization of political engagement, facilitated by the UN Foundation. In addition, a new Global Financing Facility (GFF) in support of EWEC will be established outside of the UN. The creation of the GFF was initiated by the World Bank and the Governments of Canada, Norway, and the United States, announced at the UN General Assembly in September 2014, and officially launched in July 2015, at the Financing for Development Conference in Addis Ababa, Ethiopia.

¹⁹⁵ Cf. World Bank (2014), p. 13.

¹⁹⁶ Cf. www.un.org/sg/statements/index.asp?nid=8624.

¹⁹⁷ Cf. EWEC (2015c), p. 3.

¹⁹⁸ Cf. *ibid.*, p. 10.

¹⁹⁹ Cf. *ibid.*

GFF will serve as a major vehicle for financing the SDG on healthy lives.

The GFF is expected to play a key role in RMNCAH financing and will serve as a major vehicle for financing the proposed SDG on healthy lives. It is probably the most important new funding mechanism for the SDGs and the Post–2015 Agenda, similar to the Global Fund or GAVI. According to the World Bank:

“[...] the GFF acts as a pathfinder in a new era of financing for development by pioneering a model that shifts away from focusing solely on official development assistance to an approach that combines external support, domestic financing, and innovative sources for resource mobilization and delivery (including the private sector) in a synergistic way.”²⁰⁰

The new facility aims to close the financing gap in RMNCAH spending, which, as mentioned above, is estimated to be around US\$33.3 billion in 2015. It aims to mobilize additional funding through the combination of grants from a new GFF Trust Fund, financing from the International Development Association (IDA) and the International Bank of Reconstruction and Development (IBRD), and the crowding-in of additional domestic resources, particularly from the private sector. The architects of the GFF explicitly support the mix of public and private funding of health systems:

“To improve RMNCAH outcomes, we need an integrated health system approach that looks for the best solutions, regardless of whether they are provided by the public, private sectors or both in meaningful collaboration with each other. [...] The GFF can support scaling up efforts of mainstreaming mixed health systems approaches in RMNCAH at the country, regional and global levels.”²⁰¹

A total of 63 low- and lower-middle-income countries are eligible to receive GFF funding. In the first phase four “frontrunner” countries (DR Congo, Ethiopia, Kenya, Tanzania) will receive funding. In the next phase five to ten additional countries will be selected.²⁰² According to the GFF Business Plan, the GFF operates at country level through multi-stakeholder platforms, led by the national government but with the full involvement of the private sector, civil society, multilateral and bilateral donors and foundations.²⁰³ The existence of such a multi-stakeholder country platform is regarded as an indispensable eligibility criterion.

The World Bank plays a convening role for the GFF, and the GFF Trust Fund is fully integrated into World Bank operations, with a small secretariat based at the World Bank in Washington, D.C. However, the central decision-making body of the GFF will be the GFF Investors Group,

200 Cf. World Bank (2015), p. i.

201 Cf. World Bank (2014), p. 35.

202 Cf. World Bank (2015), p. 1 and p. 27.

203 Cf. *ibid.*, p. 22.

a multi-stakeholder body with 20–25 representatives from participating countries, bilateral donors, multilateral institutions and partnerships, the private sector, private foundations, and NGOs.

The concept of the GFF was developed under the guidance of the GFF Working Group, whose composition indicates what the membership of the GFF Investors Group may look like. The GFF Working Group was chaired by the Government of Norway, the United States Agency for International Development (USAID) and the World Bank, and had 28 members, including representatives of GAVI, the Global Fund, the Bill & Melinda Gates Foundation, and the UN Foundation.²⁰⁴ Only three governmental representatives from the global South were involved (Ethiopia, Burundi and DR Congo).

A smaller GFF Trust Fund Committee is embedded within the GFF Investors Group with decision-making power on Trust Fund allocations. Membership in the Committee will be limited to the donors in the Investors Group and its Chair or Vice-Chair. Current plans do not envisage any role on the Committee for partner countries or civil society organizations from the global South.

A model for financing the Sustainable Development Goals?

Under the cloak of the EWEC initiative and a multi-stakeholder structure, the governance of the GFF seems to be dominated by traditional donors and private foundations. Important decisions about the financial support of national health strategies are taken at the sole discretion of the GFF Investors Group. But the GFF Investors Group is a self-selected, exclusive body and not subject to intergovernmental oversight and mutual accountability mechanisms, not even through the World Bank.

Governance of the GFF is dominated by traditional donors and private foundations.

Nevertheless, the GFF will be instrumental in consolidating the role of the World Bank as a key financing institution for the 2030 Agenda, while leaving only a marginal role for the UN. The GFF in support of EWEC is a particularly striking example of the shift from inclusive multilateral decision-making within the UN to global club governance in exclusive “partnerships”.

204 Cf. World Bank (2014), Annex 1.

Sustainable Energy for All

Sustainable Energy for All (SE4All) is yet another striking example of the emerging trend of gradually shifting (“outsourcing”) activities from the UN to a multi-stakeholder body positioned outside the UN system, while still using the name and reputation of the UN.²⁰⁵

The SE4All initiative was launched by UN Secretary-General Ban Ki-moon in September 2011 in response to the declaration by the UN General Assembly of 2012 as the International Year of Sustainable Energy for All.²⁰⁶ The initiative has three major goals to be achieved by the year 2030:

1. Ensure universal access to modern energy services;
2. Double the global rate of improvement in energy efficiency;
3. Double the share of renewable energy in the global energy mix.

With this initiative the Secretary-General entered the difficult terrain of energy. A decade before, at the World Summit on Sustainable Development (WSSD) in Johannesburg 2002, governments failed to agree on any meaningful goals related to sustainable and renewable energy. In response, groups of like-minded countries launched various multi-stakeholder partnerships to promote renewable energy, such as the Renewable Energy Policy Network for the 21st Century (REN21) and the Renewable Energy and Energy Efficiency Partnership (REEEP). A few years later, in January 2009, the International Renewable Energy Agency (IRENA) was founded as an independent organization outside the UN system.

Within the UN system, UN-Energy was initiated in 2004 as a mechanism to increase engagement and to promote system-wide collaboration in the area of energy.²⁰⁷ Three years later, Kandeh Yumkella, then Director-General of the United Nations Industrial Development Organization (UNIDO), was elected as Chair of UN-Energy. From 2008 to 2010, Yumkella also chaired the UN Secretary-General’s Advisory Group on Energy and Climate Change (AGECC). This group recommended in its report in April 2010, the launch of a global campaign in support of “Energy for Sustainable Development”.²⁰⁸ The report recommended only two major goals: ensuring universal energy access by 2030 and reducing global energy intensity by 40 per cent by 2030.²⁰⁹ It did not mention increasing the use of renewable energy as a separate goal. The report also highlighted the role of partnerships with the private sector and recommended:

205 Cf. www.se4all.org.

206 Cf. UN Doc. A/RES/65/151 of 20 December 2010.

207 Cf. www.un-energy.org.

208 Cf. Advisory Group on Energy and Climate Change (AGECC) (2010), p. 10.

209 Cf. *ibid.* p. 9.

“Implementing more public-private partnerships (PPPs) that have the potential to accelerate deployment of technologies that improve energy efficiency and/or enhance energy access [...]. These could be akin to successful PPPs in the global public health arena and could catalyse a scaling up of funding for research, development, and commercial demonstration of low-carbon technologies, especially to close the energy access gap.”²¹⁰

The Advisory Group report also recommended that the UN system should make “Energy for Sustainable Development” a major institutional priority and should strengthen UN-Energy.²¹¹

When the UN Secretary-General launched the SE4All initiative a year later, he took up many of the recommendations of his Advisory Group and added as a third major goal the doubling of the share of renewable energy in the global energy mix. But as his Advisory Group had done previously, he avoided offering a clear definition of the term ‘sustainable energy’. This linguistic vagueness carries the risk that unsustainable energy sources such as ‘advanced fossil fuel technologies’ or even nuclear energy will be green-washed and blue-washed and further promoted, avoiding the concerns raised by local communities amongst others. Furthermore, SE4All’s use of the term ‘renewable energy’ explicitly encompasses hydropower and bio-fuels.²¹² But huge hydropower projects often have negative effects on the local population and the environment, and large-scale production of bio-fuel not only threatens food security, but also has detrimental effects on soil quality and can enhance global warming through massive deforestation.

The risk that unsustainable energy sources will be green-washed.

In order to operationalize his initiative and to develop a Global Action Agenda, Ban Ki-moon decided not to use and strengthen the existing UN-Energy network but to appoint a new High-Level Group on Sustainable Energy for All to “mobilize a broad range of stakeholders who can catalyse commitments and form partnerships.”²¹³

The High-Level Group played a crucial role in the initial phase of SE4All in shaping its content and direction. Business interests were strongly represented in the group. Half of the 36 members came from the private sector, including the group’s co-chair Charles Holliday, chairman of the Bank of America, and, *inter alia*, top managers from Accenture, Renault-Nissan, Siemens, and Statoil. In contrast, civil society was represented only through Sanjit ‘Bunker’ Ray of the Barefoot College, India.²¹⁴

210 Cf. *ibid.*, p. 11.

211 Cf. *ibid.*, p. 12.

212 Cf. UN Secretary-General’s High-Level Group on Sustainable Energy for All (2012c), p. 9.

213 Cf. www.un.org/wcm/content/site/sustainableenergyforall/.

214 Cf. the list of HLG members: www.un.org/wcm/content/site/sustainableenergyforall/home/members.

In addition to participating in the deliberations of the High-Level Group, the business actors also provided financial support. As the Report of the Co-Chairs from September 2012 pointed out, “(t)he Sustainable Energy for All initiative has depended on generous contributions from its supporters,” including, in addition to a few government donors, the UN Foundation, Masdar (the Abu Dhabi Future Energy Company), the Bank of America, First Solar, Johnson Controls, Veolia Environnement, and the International Copper Association.²¹⁵ In addition, the consulting firm Accenture and the Norwegian oil company Statoil seconded senior managers to the Sustainable Energy for All secretariat, and Statoil designed the Sustainable Energy for All logo.²¹⁶

In April 2012 the High-Level Group presented its Global Action Agenda, which identifies 11 “high-impact areas” to mobilize public and private actions and specific commitments towards achieving the three SE4All objectives—energy access, energy efficiency, and renewable energy.²¹⁷ The Action Agenda emphasizes particularly the SE4All business case, stating: “These actions will do much to eradicate energy poverty. They will also lead to sustainable growth, the development of new markets, the creation of new businesses and jobs, and increased global prosperity. The opportunities amount to trillion-dollar markets.”²¹⁸

The Agenda also reflects, once more, a reliance on multi-stakeholder partnerships:

“The initiative will ‘change the game’ by introducing new public-private partnerships built from constructive dialogue on policy, investment, and market development by governments, businesses, and civil society. It brings together the global convening power of the United Nations, the ability to mobilize bold commitments and leverage large-scale investment, and a rapidly expanding knowledge network.”²¹⁹

The UN Secretary-General characterized the SE4All initiative explicitly as a “multi-stakeholder partnership between governments, the private sector, and civil society.”²²⁰ Consequently, the multi-stakeholder design is also a key feature of the governance structure of the initiative.

215 Cf. UN Secretary-General’s High-Level Group on Sustainable Energy for All (2012a), p. 26.

216 Cf. *ibid.*

217 Cf. UN Secretary-General’s High-Level Group on Sustainable Energy for All (2012c), p. 4. Recommended action areas include seven sectoral ones: (1) modern cooking appliances and fuels; (2) distributed electricity solutions; (3) grid infrastructure and supply efficiency; (4) large-scale renewable power; (5) industrial and agricultural processes; (6) transportation; and (7) buildings and appliances; and four “enabling” ones: (1) energy planning and policies; (2) business model and technology innovation; (3) finance and risk management; and (4) capacity building and knowledge sharing.

218 Cf. *ibid.*, p. 3.

219 Cf. *ibid.*, p. 4.

220 Cf. www.se4all.org/our-vision/our-objectives.

Governance

The Co-Chairs of the High-Level Group, Charles Holliday and Kandeh Yumkella, underlined in their report in September 2012 the need for the SE4All initiative to create a structure and a process that will sustain it going forward. At the same time they made clear that they had

“[...] no appetite for a new institution or centralized bureaucracy [...]. Rather, we envision a distributed global network that collaborates with existing institutional structures and initiatives, taking full advantage of available delivery mechanisms and the diverse capacities of partners, including international institutions, businesses, and civil society organizations.”²²¹

In response to the report, the UN-Secretary-General set up a governance structure for the SE4All initiative, which is composed of 1) an Advisory Board, 2) an Executive Committee, 3) the Special Representative and Chief Executive, and 4) the Global Facilitation Team, which supports the Chief Executive.

- » The **Advisory Board**, co-chaired by the UN Secretary-General and the President of the World Bank, gives strategic guidance to the initiative.
- » The 11-member **Executive Committee** is the key decision-making body of the initiative. It provides policy guidance and operational oversight to the Chief Executive. Charles Holliday heads the Committee.
- » Kandeh Yumkella was appointed by the UN Secretary-General as **Special Representative and Chief Executive** of the SE4All initiative. Until his resignation in June 2015 he led the overall coordination of the initiative and oversaw the work of the Global Facilitation Team.
- » The **Global Facilitation Team (GFT)** serves as the SE4ALL secretariat. It has offices in Vienna and New York and a staff of approximately 26 (in 2014).

Actors from the business sector are well represented on the Advisory Board and Executive Committee, which provides strategic guidance on the implementation of the SE4All initiative. Among the members of the Advisory Board are, *inter alia*, top-level officers of Accenture, Acciona, Enel, Shell, Statoil, and the World Economic Forum. In addition, three of the four Committees constituted by the Advisory Board are co-chaired by business leaders: the Energy Efficiency Committee by Accenture Resources, the Renewable Energy Committee by Acciona, and the Finance Committee by Bank of America Merrill Lynch.

221 Cf. UN Secretary-General's High-Level Group on Sustainable Energy for All (2012a), p. 2.

Many members of the Finance Committee are representatives of multilateral development banks and the financial industry, including Citigroup, Goldman Sachs and the Blackstone Group.²²² A first report of the Committee from June 2014 demonstrates how they shape the discourse about sustainable energy finance. While the report acknowledges that investment from both public and private sectors is essential to achieve the three SE4All goals, it concentrates almost exclusively on approaches to scaling-up and attracting private sector investment. The Committee identified four broad investment themes that, in its view, have the potential to scale up finance for sustainable energy:²²³

- » Green bonds market development
- » Structures that use Development Finance Institutions' (DFIs) de-risking instruments to mobilize private capital
- » Insurance products that focus on removing specific risks
- » Aggregation structures that focus on bundling and pooling approaches for small-scale opportunities

The Committee estimates that: “By accelerating progress across the four themes, SE4All could mobilize US\$120 billion incremental new annual investment by 2020.”²²⁴

The Committee also specifies that public finance should be used primarily to systematically deploy “de-risking instruments” such as blended capital-focused financing mechanisms that help mitigate risks for private investors.²²⁵ In other words, governments and DFIs should guarantee, for instance by providing “catalytic first loss capital”, that banks and institutional investors can make the expected profits from their investments in sustainable energy. In fact, this approach follows the widely criticized principle of “privatizing gains—socializing losses.”

Funding

Similar to other global partnerships, SE4All does not regard itself as a new funding agency. However, one of the main objectives of the initiative is to mobilize (financial) commitments and to catalyse additional financial resources in support of SE4All.

In order to assess the overall amount of funds mobilized through SE4All, three different types of funding can be distinguished:

1. Financial commitments reported to SE4All;
2. Contributions to the SE4All Multi-Partner Trust Fund;
3. Financial contributions to support the Global Facilitation Team of SE4All.

²²² Cf. Sustainable Energy for All (2014), p. 109.

²²³ Cf. *ibid.* p. 8.

²²⁴ Cf. *ibid.* p. 9.

²²⁵ Cf. *ibid.* p. 7.

Commitments

A main feature of the SE4All initiative is its endeavour to mobilize financial and non-financial commitments from public and private actors to implement the three goals. Its 2014 Annual Report states that voluntary commitments to SE4All amounted to some US\$300 billion, including more than US\$50 billion from the private sector and investors.²²⁶ The rest—by far the largest share—came mainly from governments, international organizations and multilateral development banks. The report adds that preliminary reporting from partners suggests that more than US\$70 billion of the commitments have already been invested.

The SE4All website lists all commitments with limited general information by governments, private sector and civil society organizations.²²⁷ Around 100 commitments are made by a broad range of private companies, including Nike, Philips, Siemens, Total, Unilever, BASF, Procter & Gamble, SAB Miller, and BMW. Only a few commitments by the private sector are quantitative financial commitments, such as that of the Bank of America to provide US\$50 billion (in fact only US\$35 billion to support the goals of SE4All over a period of ten years, see Box 7). Many commitments are focused on improving energy efficiency, increasing the use of renewables, or reducing greenhouse gas emission. Microsoft, for example, committed itself to achieving carbon neutrality in Microsoft's business operations in over 100 countries by the end of 2013.²²⁸

Only a few commitments by the private sector are quantitative financial commitments.

Commitments are also reported by governments. An example is the Power Africa initiative by US President Barack Obama, with the stated aim of doubling the number of people in sub-Saharan Africa with access to power by committing more than US\$7 billion in financial support and loan guarantees over a five-year period. In September 2014, SE4All signed an Aide Memoire for cooperation with Power Africa. Forbes magazine wrote after the launching of the initiative in 2013, that “General Electric will be perhaps the biggest beneficiary of that \$7 billion.”²²⁹ The chair of the US Export-Import Bank allegedly tweeted in this regard: “\$7B plan to power up @General Electric”.²³⁰ Among others, General Electric will build a 1,000 mw power plant in Ghana fueled by natural gas. All of these commitments appear more like business as usual than like sustainable and affordable initiatives that can achieve the SE4All goals without detrimental effects on the climate.

226 Cf. Sustainable Energy for All (2015), p. 11.

227 Cf. www.se4all.org/tracking-progress/commitments.

228 Cf. www.se4all.org/commitment/carbon-neutrality.

229 Cf. www.forbes.com/sites/christopherhelman/2013/07/01/with-power-africa-plan-obama-to-grease-billions-in-deals-for-g-e/.

230 Quoted in an open letter by 75 African groups to President Obama from 10 November 2013 demanding he stop pushing dirty energy through Power Africa, cf. www.foe.org/news/archives/2013-11-75-african-groups-demand-obama-stop-pushing-dirty-en#_ftn3.

SE4All underlines that accountability is a critical aspect of the initiative. For this reason it published an Accountability Framework in order to “enable transparent recognition and tracking of voluntary commitments to the initiative, facilitating feedback and learning.”²³¹

No effective mechanisms are in place to monitor and review the implementation of commitments.

However, there are no effective mechanisms in place to monitor and review the implementation of the commitments and to hold the commitment-makers accountable. The information provided on the SE4All website is insufficient to determine whether the commitments are really new and additional, if they are translated into actual investments, and, most importantly, their impact on the ground. Often commitments by private companies are not time-bound, or have a timeframe of ten years, like the Bank of America’s commitment (see Box 7). Thus, these commitments appear more ambitious than they are.

The tracking of the commitments is undertaken by the Global Facilitation Team once a year via an online form. The results are not published and there is no independent verification. Without verifiable information, the reported success figures of US\$300 billion or US\$50+ billion in commitments from the private sector are meaningless.

However the SE4All practice of mobilizing and listing commitments does a good job of promoting the visibility of the participating companies. The SE4All team is explicit about this in reaching out to companies about enhancing their global recognition: “By submitting your commitment SE4All will recognize your efforts in dedicated events, press releases and online communication.”²³²

Box 7

Bank of America—a pioneer in sustainable energy financing?

One of the largest commitments reported to SE4All has been made by the Bank of America. Bank of America commits as part of its environmental sustainability strategy US\$50 billion through “a wide range of financing tools including lending, equipment finance, capital markets and advisory activity, carbon finance, and advice and investment solutions for clients.”²³³ Whereas in most documents SE4All claims the total US\$50 billion to be committed under SE4All, Bank of America states that (only) approximately US\$35 billion will be allocated to SE4ALL’s objectives over ten years, or on average US\$3.5 billion per year.

In November 2013, as part of the commitment Bank of America issued the “first ever corporate green bond” in the amount of US\$500 million to finance energy efficiency projects and invest in renewable energy projects.²³⁴ Additionally, Bank of America played a leading role in the development of the Green Bonds Principles that “recom-

231 Cf. Sustainable Energy for All (2013), p. 1.

232 Cf. www.se4all.org/tracking-progress/private-sector/.

233 Cf. www.se4all.org/commitment/50-billion-10-year-environmental-business-initiative/.

234 Cf. <http://about.bankofamerica.com/en-us/green-bond-overview.html#fbid=9-qKJoh14li>.

mend transparency and disclosure and promote integrity in the development of the Green Bond market.”²³⁵

However, it is questionable how “green” the Green Bonds really are. Critics argue that the Green Bonds Principles do not give a definition of ‘green’ or sustainable and do not set minimum environmental standards for supported projects. Their transparency and disclosure requirements remain weak and do not follow a “comply or explain” approach.²³⁶

Despite its commitments to SE4All, Bank of America is heavily involved in financing of environmentally destructive projects. According to Friends of the Earth US the Bank of America has financed, for instance, Wilmar International with US\$110.97 million in loans since 2010.²³⁷ Wilmar International is the world’s largest palm oil trader and has been accused of being directly and indirectly involved in the large-scale destruction of rainforests, violent evictions of local farmers and other crimes.²³⁸ In 2012, Newsweek ranked the company as least sustainable among the 500 largest publicly traded companies.²³⁹

Furthermore, Bank of America is one of the most important financiers of the coal industry. Between 2005 and 2013 Bank of America financed the coal industry with €6.56 billion in underwritings and loans, which puts Bank of America in third place among banks financing the industry, behind Citi Group and Morgan Stanley.²⁴⁰

These few examples suggest at least a potential conflict of interest between Bank of America’s business operations and its engagement in the SE4All initiative.

The SE4All Multi-Partner Trust Fund

In November 2012 SE4All established a special Multi-Partner Trust Fund (SE4All MPTF) in order to mobilize financial support for the activities directly related to the initiative. UNDP is responsible for the administration of the SE4All MPTF through its MPTF Office.²⁴¹

The SE4All MPTF has two funding windows. Under the Global Window, the Trust Fund supports activities undertaken by the Global Facilitation Team. Under the Country Level Technical Assistance and Capacity Building Window, the Trust Fund provides seed funding for sustainable energy projects at the country level.

To date, the financial support for the SE4All MPTF has been modest. Between November 2012 and May 2015 only the Governments of Denmark, Sweden, Germany and Iceland provided voluntary contributions totaling US\$7.2 million (see Table 20). Recipients were, in addition to the Global Facilitation Team in the Executive Office of the

235 Cf. Green Bond Principles, p. 1 (www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-2014.pdf).

236 Cf. BankTrack (2014).

237 Cf. Friends of the Earth US et al. (2013), p. 17.

238 Cf. www.foe.org/news/news-releases/2013-11-us-banks-support-illegal-deforestation-for-palm-oil.

239 <http://www.newsweek.com/2012/10/22/newsweek-green-rankings-2012-global-500-list.html>.

240 Cf. Urgewald et al. (2013), p. 100.

241 Cf. <http://mptf.undp.org/factsheet/fund/SEA00>.

Table 20

The SE4All Multi-Partner Trust Fund—contributors and recipients (in US\$)

Contributors	Commitments (as of 1 May 2015)	Deposits (as of 1 May 2015)	Deposit rate
Government of Denmark	4,252,754	2,991,190	70.3%
Government of Sweden	2,973,600	2,973,600	100.0%
Government of Germany	990,543	990,543	100.0%
Government of Iceland	250,000	250,000	100.0%
Total	8,466,897	7,205,332	85.1%
Recipients		Received Funds (as of 1 May 2015)	Expenditures (as of 1 May 2014)
EOSG		2,462,670	1,666,123
UNDP		1,195,849	841,298
UNIDO		646,815	637,362
UNOPS		2,830,663	1,562,574
Total		7,135,997	4,707,357

Source: <http://mptf.undp.org/factsheet/fund/SEA00>.

Secretary-General, UNDP, UNIDO and the UN Office for Project Services (UNOPS).

Global Facilitation Team Funding

The Global Facilitation Team received support not only through the Multi-Partner Trust Fund but also through direct and in-kind contributions. As of 31 December 2014, the SE4All initiative received a total of US\$16.7 million to finance GFT activities.²⁴² Contributions came from the European Union and the Governments of Denmark, Germany, Iceland, Norway, Sweden and the United Kingdom. In addition, various forms of in-kind support were received. France, for instance, supported the team with four seconded staff, Denmark funded a long-term advisor, and Austria is providing office space in Vienna.

It is noticeable that the operational activities of SE4All within the UN are funded completely by traditional bilateral donors. While the initiative received some *ad hoc* support from corporations and private foundations in the first phase (see above), these are not listed as funders of the regular activities of SE4All.

One of the main funders, the Danish government, identified the significant risk of losing support from the private sector and concluded in an internal grant document on SE4All:

242 Cf. Sustainable Energy for All (2015), p. 47.

“The relatively open and loose structure of SE4ALL has evolved mainly through *ad hoc* management decisions by the GFT. This flexibility has created opportunities, which have been used to e.g., engage the private sector to leverage investments in modern energy solutions. The interest of the private sector may, however, decline, if it does not continue to experience an added value from SE4ALL. The donors of SE4ALL have therefore agreed to focus on streamlining the governance structure to secure the movement in the longer term, and to focus on strengthening the inclusion of the private sector.”²⁴³

“The interest of the private sector may [...] decline, if it does not continue to experience an added value from SE4ALL.”

Moving SE4All out of the UN

When UN Secretary-General Ban Ki-moon inaugurated the office of the Global Facilitation Team of SE4All in Vienna in November 2014, the UN press release called this “a historic milestone in the United Nations [...]”²⁴⁴

Concurrently the UN Secretary-General announced that the long-term institutional structure for the SE4All initiative will include the establishment of an international not-for-profit organization under Austrian law in the course of 2015.²⁴⁵ This means that SE4All and its governance and decision-making structure will be shifted almost completely out of the UN. As such, it will further weaken the intergovernmental oversight and the monitoring and review of the SE4All commitments.

SE4All will be shifted almost completely out of the UN.

So far the funding of the operational activities of SE4All and its Global Facilitation Team have been primarily provided by governments. It seems that private companies gave financial support only in the initial phase of the initiative. Nevertheless, business representatives play a leading role in the governance bodies of SE4All. The outsourcing of SE4All from the UN will probably further strengthen their involvement.

For the UN this decision is not a milestone but a stumbling block and may lead to the weakening of its future role in the area of sustainable energy.

The fundamental objective of SE4All—to increase energy efficiency and the use of renewable energy resources on a large scale—is certainly welcome. In fact, it is a necessary precondition for limiting global warming and for the decarbonization of the global economy. However, the response of the UN to this challenge through the SE4All initiative is inadequate with regard to its concept, its governance structure and the mobilization of new and additional resources.

243 Cf. Ministry of Foreign Affairs of Denmark (2014), p. 8–9.

244 Cf. www.se4all.org/2014/11/03/unsg-ban-ki-moon-inaugurates-se4all-office-vienna/.

245 Cf. UN General Assembly (2014), para. 49.

The linguistic vagueness of the term ‘sustainable energy’ carries the risk that even certain fossil fuel technologies, nuclear power plants, and huge hydropower projects can be labeled as ‘sustainable.’ SE4All’s decision-making structure is unbalanced and lends disproportionate weight to US companies, particularly the Bank of America. Whether substantial new and additional resources, particularly from the business sector, have been mobilized through SE4All cannot be determined. Implementation of commitments is tracked superficially only, and there is no independent verification. In any case, only very few commitments reported by the business sector to SE4All are quantitative financial commitments.

Scaling Up Nutrition

In early 2008, the medical journal *The Lancet* published a series of articles on maternal and child undernutrition, financed by the Bill & Melinda Gates Foundation. The final piece in the series looked into the system of governance and funding of the international nutrition system. The authors (among them Saul S. Morris from the Bill & Melinda Gates Foundation) heavily criticized this system as being “fragmented and dysfunctional” and stated that funding provided by international donors to combat undernutrition “is grossly insufficient and poorly targeted”.²⁴⁶ They concluded:

“The problems of the international nutrition system are long-standing and deeply embedded in organisational structures and norms. The international community needs to identify and establish a new global governance structure that can provide greater accountability and participation for civil society and the private sector.”²⁴⁷

The call of the authors helped mobilize increasing international efforts to improve coordinated action on nutrition. These culminated in the launching of the strategy paper “Scaling Up Nutrition—A Framework for Action” in April 2010 at a high-level event during the Spring Meeting of IMF and World Bank, co-hosted by the Governments of Canada and Japan, USAID, and the World Bank.²⁴⁸

The strategy paper describes the Scaling Up Nutrition (SUN) initiative as a “public good” and the “product of a broad informal partnership and an intensive program of work that included a series of face-to-face consultations hosted by the Center for Global Development, the International Conference on Nutrition, the European Commission, the United Nations Standing Committee on Nutrition, USAID, UNICEF, WFP, WHO, and the World Bank.”²⁴⁹ The work has been made pos-

²⁴⁶ Cf. Morris/Cogill/Uauy (2008), p. 608.

²⁴⁷ Ibid.

²⁴⁸ Cf. SUN (2011).

²⁴⁹ Ibid., p. ii.

sible by financial support provided, again, by the Bill & Melinda Gates Foundation, as well as the Government of Japan and the World Bank.

The strategy paper was endorsed by more than 100 organizations and public-private partnerships, including several UN programmes and specialized agencies as well as universities and CSOs.²⁵⁰ Furthermore, representatives of Royal DSM, Pepsico, Coca-Cola and Mars Chocolate participated in the launching event.

Building on this framework paper, a 12-person Task Team²⁵¹ developed a Road Map for SUN, which was launched in a side event at the High-level Plenary Meeting of the General Assembly Summit on the MDGs in September 2010. The side event on Partnering to Reduce Child Undernutrition: 1,000 Days: Change a Life, Change the future²⁵² was organized by the Governments of Ireland and the USA and the speakers included UN Secretary-General Ban Ki-moon, then US Secretary of State Hillary Clinton as well as Maria Eitel, President of the Nike Foundation and Muhtar Kent, President and CEO of the Coca-Cola Company.²⁵³

The overall goal of SUN is to eliminate all forms of malnutrition, based on the principle that everyone has a right to food and good nutrition. Currently, SUN is active in 54 countries plus the Indian state of Maharashtra and its actions focus on improving feeding practices and behaviours (including encouraging exclusive breastfeeding up to six months of age), fortification of foods, direct provision of micronutrients, and the treatment of acute malnutrition.²⁵⁴

SUN has identified four strategic objectives, to be achieved in four processes and whose success is measured by 21 progress markers.²⁵⁵ The four areas cover network building, aligning policies and legal frameworks with the aims of the initiative, building a common results framework, and tracking financials and resource mobilization.

Governance

The current institutional structure of SUN was established in early 2012 under the aegis of UN Secretary-General Ban Ki-moon. However, SUN does not regard itself as a new institution but as a global movement uniting governments, UN organizations, CSOs, and businesses to combat undernutrition.

SUN does not regard itself as a new institution but as a global movement uniting governments, UN organizations, CSOs, and businesses to combat undernutrition.

250 Ibid., pp. 13f.

251 Cf. SUN (2010), p. 22.

252 Cf. www.state.gov/documents/organization/147647.pdf.

253 Cf. www.un.org/sg/STATEMENTS/index.asp?nid=4785.

254 Cf. <http://scalingupnutrition.org/about>.

255 Cf. SUN (2014), p. 22.

SUN is coordinated by a **Lead Group**, administered by the SUN Movement Secretariat based in Geneva and New York, and organized through five independent actor-networks:

Members of the Lead Group are appointed by the UN Secretary-General and are “collectively responsible for the functioning of the Movement. The group serves to improve coherence, provide strategic oversight, improve resource mobilisation and ensure collective accountability across the SUN Movement.”²⁵⁶ The Lead Group is chaired by Anthony Lake (Executive Director of UNICEF) and includes Tom Arnold (Interim Coordinator of SUN) and David Nabarro (Coordinator of SUN and Special Representative of the UN Secretary-General for Food Security and Nutrition).²⁵⁷ The Lead Group’s membership is composed of eight members from SUN countries, four members from bilateral donor agencies, two members from civil society organizations, two members from the business sector (currently Vinati Bali, CEO and Managing Director of Britannia Industries Ltd., and Paul Polman, CEO of Unilever), two members from international organizations, and four members from foundations and alliances.²⁵⁸

The **SUN Movement Secretariat**, based in Geneva and New York²⁵⁹ and hosted by the UN Office in Geneva and UNDP respectively, is the administrative centre of the initiative.²⁶⁰ Operating under the guidance of the Lead Group, it has no operational role, but is tasked with facilitating joint action and contact among countries and networks.

On the operational side, SUN features Country Networks at the level of participating countries. They are complemented by autonomous global networks that represent various types of “stakeholders” in SUN: a Civil Society Network, a UN System Network, a Donor Network and a Business Network. These networks act independently, each with its own governance structure and mandate. For the Civil Society and UN System networks, the task is mainly to coordinate and align strategies, efforts and resources of the respective participants (see Box 8). The same is true for the Donor Network, which brings together governmental donors as well as big private donors, specifically the Bill & Melinda Gates Foundation and the Children’s Investment Fund Foundation.

256 Cf. <http://scalingupnutrition.org/the-sun-network/lead-group>.

257 In August 2014 David Nabarro was made Senior UN System Coordinator for Ebola Virus Disease and replaced by Tom Arnold as Coordinator ad interim of SUN for the duration of this appointment.

258 Currently Chris Elias, President of the Bill & Melinda Foundation Global Development Program, Michael Anderson, CEO of the Children’s Investment Fund Foundation, Jay Naidoo, Chair of the Board of Directors and the Partnership Council of the Global Alliance for Improved Nutrition (GAIN), and Mary Robinson, President of the Mary Robinson Foundation—Climate Justice). Cf. SUN (2015), p. 8.

259 In previous years, the Secretariat drew upon additional administrative arrangements in Rome hosted by IFAD (offices and bank account). Cf. SUN Movement Secretariat (2013), p. 6.

260 Cf. SUN Movement Secretariat (2014), p. 3.

Box 8**The United Nations System Network for Scaling up Nutrition Mandate**

“The SUN UN Network for Nutrition harmonises and coordinates United Nations agencies involvement in the SUN Movement to improve efficiency and maximize opportunities for impact.” [...]

“The SUN UN Network for Nutrition is led by the UN Standing Committee on Nutrition (UNSCN) and the UN REACH Partnership. The UN Network for Nutrition brings together the global level UN normative platform for policy and technical harmonization with country level coordination in support of national nutrition plans and joint UN efforts.”

“The UN Network for Nutrition will actively seek to broaden its network, and advocates for an increased number of actively engaged UN agencies and international organizations in the SUN Movement that have specialized expertise in nutrition or indirectly contribute to reducing malnutrition.” [...]

“To improve the efficacy and impact of SUN countries’ scaling-up nutrition efforts, the UN System Network will continue to: [...] Convene the dialogue of the UN system agencies and international organizations [...] Harmonise the response of the UN system in terms of coherent policy and technical guidance [...] Foster and contribute implementable solutions and guidance [...] Influence International Forums: Coordinate input into intergovernmental mechanisms such as the World Health Assembly (WHA) and the Committee on World Food Security (CFS) and international forums such as the G8 or G20.”²⁶¹

Members

Strategic direction for the UN System Network for SUN comes from the four programmes and agencies most involved in nutrition policies: FAO, WHO, UNICEF and WFP. Beyond that, “all UN agencies are welcome to join the UN System Network for SUN. UN Agencies and international organizations join the UN System Network for SUN by joining the UNSCN [UN Standing Committee on Nutrition].”²⁶² Currently, the following organizations are listed as members of UNSCN: Bioversity International, FAO, IAEA, IFAD, PAHO, UN Special Rapporteur on the Right to Food, UNCEB, UNICEF, UN-DESA, WFP and WHO.²⁶³

Corporate engagement in SUN is organized in the **SUN Business Network**, established to mobilize business efforts in support of scaling up nutrition. Private-sector interventions at the country level include the production of fortified food and the promotion of nutritionally healthy behaviour among employees. The Business Network supports SUN countries to incorporate business concerns into their nutrition strategies. It promotes market-led solutions to improve nutrition, such as “tax exemptions for food fortificants and premixes.”²⁶⁴

The Business Network supports tax exemptions for food fortificants and premixes.

261 Cf. <http://scalingupnutrition.org/the-sun-network/un-system-network>.

262 Cf. UN System Network for Scaling Up Nutrition (2013), p.11.

263 Cf. www.unscn.org/en/network/un_agencies/.

264 SUN (2012), p. 10.

Furthermore, the Business Network organizes advocacy meetings around major events, such as the World Economic Forum in Davos.²⁶⁵

In order to ensure that the SUN participants are maintaining a common purpose and mutual accountability seven general Principles of Engagement²⁶⁶ have been developed. In addition, the Lead Group commissioned a document to support the prevention and management of conflicts of interest among SUN participants. Global Social Observatory (GSO) received support from the Bill & Melinda Gates Foundation to develop such a document and a related toolkit. They were published in 2014.²⁶⁷

Finance

SUN does not regard itself as a funding agency.

One of the four strategic objectives of SUN focuses on the efforts of national governments and multi-stakeholder platforms to mobilize increased financial resources for nutrition. However, SUN does not regard itself as a funding agency but as an initiative to catalyse additional financial resources in response to country needs. In order to assess the overall amount of funds mobilized through SUN, three different types of funding can be distinguished:

1. Financial commitments by SUN partners, for programmes related to the SUN objectives;
2. Contributions to the SUN Multipartner Trustfund, a fund for assisting countries in nutrition specific interventions;
3. Financial contributions to support the SUN Movement Secretariat.

How demanding it is to actually calculate the amount of money that is raised by SUN is underlined in the Inception Report of the current independent evaluation of SUN. It states:

“Estimates of the costs of scaling up are substantial [...], but SUN has sought to act as a catalyst rather than a conduit for funding. Funds directly related to SUN [...] are comparatively small, and the amount of money mobilized by SUN is a challenging evaluation question in itself.”²⁶⁸

Nevertheless, rough estimates can be offered based on the information given in the SUN progress reports.

265 Cf. for instance <http://sunbusinessnetwork.org/news-items/scaling-up-nutrition-business-network-high-level-breakfast-davos/>.

266 Cf. <http://scalingupnutrition.org/principles-of-engagement>.

267 Cf. Global Social Observatory (2014a) and (2014b) and <http://scalingupnutrition.org/about/principles-of-engagement-2/preventing-and-managing-conflicts-of-interest>.

268 Cf. Mokoro Limited (2014), p. 12.

Commitments

In its 2014 progress report, prepared by the SUN Secretariat, the initiative is very careful in calculating an overall figure for the commitments made in the context of SUN, a departure from previous reports. For instance the 2013 report stated: “over \$23bn of new domestic and external financial resources have been committed with the expectation that more will be available once successes are demonstrated.”²⁶⁹

This number, however, is not directly attributable to the activities or even the members of SUN, but rather summed up pledges made at the Nutrition for Growth event in the UK in June 2013 during the country’s G8 presidency. Since then, SUN has been more careful to make claims only about their actual “turnover”.

Commitments by donors are tracked through the **Donor Network**. The network currently comprises representatives of the following countries, international organizations and private foundations: Australia, Bill & Melinda Gates Foundation, Canada, Children’s Investment Fund Foundation, Denmark, European Union, France, Germany, Inter-American Development Bank, Ireland, Japan, Netherlands, Spain, Sweden, Switzerland and the USA. For these donors, the 2014 progress report lists commitments and disbursements for what are called “nutrition specific” and “nutrition sensitive” programmes and activities.²⁷⁰ According to the report total nutrition specific investments (disbursements) among reporting donors increased from US\$325 million (2010) to US\$411 million (2012). In the same period, nutrition-sensitive investments increased from US\$937 million to US\$1.1 billion.²⁷¹ SUN’s conclusion: “Investments in nutrition seem to be on a positive upward trend. With analysis only available for two years, however, it is not possible, at this point, to reach any definitive conclusions.”²⁷²

Nor is it possible to verify that the activities of SUN contributed to the mobilization of new and additional public resources for nutrition-related development programmes.

It is even more difficult to assess the commitments of the corporate sector. The SUN Business Network lists commitments from a total of 117 companies (as of March 2015). Among them are 38 transnational corporations with global commitments and 79 companies that have made or have publicly pledged to develop commitments at national level in SUN countries.²⁷³ According to the SUN Business Network, the commit-

269 Cf. UN (2013), p. 1.

270 “Nutrition specific” expenses are those covered by the OECD-DAC Creditor Reporting System (CRS) code 12240, cf. SUN (2014), p. 38. For what constitutes “nutrition sensitive” expenses, SUN developed its own, very complex methodology, *ibid.*

271 These sums exclude the US figures, which used a different methodology.

272 Cf. SUN (2014), p. 40.

273 38 of them are Zambian companies which only registered their interest in developing commitments to scaling up nutrition in Zambia at a SUN Business Network launch event on 7 November 2014.

ments of the 38 TNCs add up to reaching more than 125 million people each year by 2020.²⁷⁴

Commitments are registered from corporate giants such as the BASF chemical corporation to local enterprises like ZIMVITAMINS. They vary in size and specificity. For example, Bel Group, one of the largest global cheese producers, expresses its commitment as follows:

“The Laughing Cow cheese in SUN countries has been fortified in calcium & vitamin D for several years. Throughout that time, Bel has made it available to lower-income families by ensuring the sale of individual portions for example. Bel is committed to report on the number of people receiving the fortified product each year.”²⁷⁵ With this, Bel says, it will reach 13 million people by the end of 2020.

It is not possible to assess how much money is raised or spent additionally compared to what companies are doing anyway.

As most commitments by the business sector are not quantified in financial terms, it is not possible to assess how much money is raised or spent additionally compared to what companies are doing anyway,²⁷⁶ or to assess any commitments beyond a business strategy to gain access to new markets.

The SUN Movement Multi-Partner Trust Fund

The SUN Movement Multi-Partner Trust Fund was established in March 2012 by several UN organizations and a few donors

“[...] to ensure that catalytic grants reach governments, UN agencies, civil society groups, other SUN partners and support organizations. [...] It is not designed to be a vertical nutrition fund for large scale investments in food and nutrition security, nor to replace existing funding pathways at country level—it is a fund to be used for catalytic actions to enable, initiate or develop SUN Movement activity at country or regional level, and provide appropriate global-level support, when other funding is not available.”²⁷⁷

So far, the volume of the fund’s resources has remained rather limited. In the first three years of its existence, only three donors made contributions: DFID, Irish Aid and the Swiss Agency for Development Cooperation (SIDA). Their contributions totaled about US\$10 million (see Table 21).

274 Cf. <http://sunbusinessnetwork.org/all-commitments/>.

275 Cf. <http://sunbusinessnetwork.org/business-commitment/bel-group/>.

276 There are a few exceptions: Pepsico, for example, has committed US\$ 3.3 million to the WFP for a specific project, Bel has made a commitment of €2.5 million for local associations. For more, see <http://sunbusinessnetwork.org/business-commitment/>.

277 Cf. <http://scalingupnutrition.org/resources-archive/sun-mptf>.

MPTF funds support projects in 24 countries as well as regional and global projects. Each of the projects has been implemented by a partner agency or coalition (usually civil society organizations like Save the Children or CARE as well as local NGOs and coalitions) with the supervision of a UN organization (UNICEF, UNOPS, WFP, or WHO).

The MPTF is administered by the UNDP Multi-Partner Trust Fund Office.²⁷⁸

Table 21

The SUN Multi-Partner Trust Fund (in US\$)

Contributions (between 12 March 2012 and 12 March 2015)

Contributor	Deposits
DFID	5,860,091
Irish Aid	429,485
SIDA	3,798,083
Total	10,087,658

Transfers

Recipient Organization	Transfers
UNICEF	1,336,543
UNOPS	2,050,200
WFP	4,728,772
WHO	1,048,600
Total	9,164,115

Source: <http://mptf.undp.org/factsheet/fund/SUN00>.

Funding of the SUN Movement Secretariat

While the offices of the SUN Secretariat are hosted by the UN Office in Geneva and UNDP in New York, the budget of the Secretariat is not part of the budgets of the UN or UNDP, but is fully funded by extra-budgetary resources. Major donors are the governments of Canada and Ireland, the European Union, and the Bill & Melinda Gates Foundation. France and Unilever seconded staff to the SUN Secretariat (see Table 22).

278 Cf. <http://mptf.undp.org/factsheet/fund/SUN00>.

Table 22

**Contributions to the SUN Movement Secretariat
(Donor contributions received (January 2011—June 2014) and expected
(July 2014—December 2015) in US\$, as of December 2014)**

Donor	2011	2012	2013	2014	2015	2016	Total	Share in Total
Canada		1,670,751		1,795,332			3,466,083	16.73%
European Union		2,214,423	2,425,023	2,271,024*	113,551*		7,024,021	33.90%
France		159,363	92,838 1 senior staff**	95,109 1 senior staff**	1 senior staff**	1 senior staff**	347,309	1.68%
Germany			13,245	1,200,000*			1,213,245	5.85%
Ireland	877,325	496,894	596,026	615,595	542,741*		3,128,582	15.10%
Micronutrient Initiative			48,356				48,356	0.23%
The Netherlands		425,000	430,700	430,000			1,285,700	6.20%
Unilever			1 staff**	1 staff**				
United Kingdom	140,575	712,025		401,929	352,000		1,606,530	7.75%
Bill & Melinda Gates Foundation				1,028,287	1,573,838*		2,602,125	13.33%
Total per year —cash (received and expected)	1,017,900	5,678,456	3,606,189	7,837,276	2,582,130	0	20,721,951	100%

Source: SUN Movement Secretariat (2014), p. 7.

* Expected contributions; may be under negotiation or subject to adjustment at closure of grant or to official exchange rate applied by treasury.

** Direct secondment.

The Bottom Line

SUN has added to the proliferation of global partnerships on food security and nutrition.

The weaknesses and the fragmentation of the global nutrition system have been an undisputed fact, but SUN has not worked to overcome this fragmentation. Rather it has added to the proliferation of global partnerships on food security and nutrition, such as the Global Alliance for Improved Nutrition (GAIN), the Micronutrient Initiative (MI), the Flour Fortification Initiative (FFI), the New Alliance on Food Security and Nutrition and many others.

Meanwhile the UN System Standing Committee on Nutrition, which claims to be “the food and nutrition policy harmonization forum of the United Nations”, remains weak and underfunded.²⁷⁹ In fact, its function has been reduced to serving as the UN System Network for SUN.

²⁷⁹ Cf. Longhurst (2010) and (2012) and www.unscn.org. For comparison only, the secretariat of the UNSCN, hosted by WHO in Geneva, comprises of four officers, while the SUN secretariat includes more than 20 professional and administrative staff, cf. SUN Movement Secretariat (2015).

Furthermore, the motives and strategies of SUN activities with business involvement need a closer look, such as plans, for example, to sell more of a fortified product being assessed automatically as a contribution to fighting undernutrition.²⁸⁰

Claudio Schuftan and Ted Greiner state in the Right to Food and Nutrition Watch Report of 2013:

“While SUN now says it promotes government-led initiatives, its fundamental approach is entrenched in the frequent donor-driven emphasis on market-led “product” and high-tech solutions to malnutrition, rather than on community-based solutions rooted in human rights and equity.”²⁸¹

A common strategy of corporations within SUN is triggering consumer behaviour change and increasing the demand for fortified and nutritious products. In other words, companies such as Mars or PepsiCo commit to create increasing demand for their own products and tapping new markets. This looks like a genuine business strategy with the blessing or even support of the UN.²⁸²

Often the products themselves are questionable, but not by the UN. For example, Britannia Industries Ltd. offers fortified cookies;²⁸³ BASF offers “agricultural solutions to optimize agricultural production and improve the quality of food, feed and fiber”²⁸⁴ which can be anything, from pesticides to genetically modified organisms (GMO).

Fabio da Silva Gomes, Officer of the National Cancer Institute of Brazil, commented:

“[...] companies such as BASF and Cargill are trying to imply that there are crops that are poor in nutrients and that the solution for that is providing GMO seeds or adding chemicals to the soil that will increase the concentration of certain nutrients in the produced foods. This is misleading, since it undermines agro-biodiversity and hence impoverishes the soil and dietary diversity, and it can also induce harmful overconsumption of specific nutrients. Furthermore, it drives countries to higher economic dependence, especially peasant and smallholder farmers.”²⁸⁵

280 For a comprehensive discussion of food fortification cf. Hodge (2014) and Lopez Villar (2015).

281 Cf. Schuftan/Greiner (2013), p. 22.

282 The commitment by Indofood, e.g., includes the lines “Improve availability and accessibility of high quality products distributed by Indofood, namely SUN Ibu, SUN and SUN MPasi for 1.2M children and 370,000 mothers; Improve infant feeding practices and create demand for fortified MIYCN products.” Cf. <http://sunbusinessnetwork.org/business-commitment/indofoods/>.

283 Cf. <http://sunbusinessnetwork.org/business-commitment/britannia/>.

284 Cf. <http://sunbusinessnetwork.org/business-commitment/basf/>.

285 Quoted in Hodge (2014), p. 58.

Even the efforts by SUN to not to appear as a vehicle for business interests, as for instance by adopting a conflict of interest policy,²⁸⁶ have been criticized for being insufficient. Judith Richter, expert on the role of corporations in international policy making, criticizes SUN's approach towards conflict of interest policies noting that its "blurred terminology hinders SUN participants' understanding of the ultimate aim of conflict of interest policies: i.e., the protection of integrity, independence and public trust in persons and institutions serving public interests. It obscures the fact that conflicts of interest are an important legal concept."²⁸⁷

There is little evidence that SUN contributed substantially to increased funding to combat undernutrition.

Finally, while it is too early to assess the longer term impact of the SUN initiative, there is little evidence yet that SUN contributed substantially to increased public funding to combat undernutrition and promote food sovereignty. UN agencies and programmes have benefited only marginally through the SUN Multi-Partner Trust Fund. The comprehensive external evaluation of SUN published in May 2015 concurred:

"SUN has contributed to international efforts to mobilise funds (notably in supporting the Nutrition for Growth event in 2013), and some SUN countries have achieved moderate increases in nutrition funding, but, as SUN's own monitoring indicates, overall progress has been very limited."²⁸⁸

286 Cf. <http://scalingupnutrition.org/about/principles-of-engagement-2/preventing-and-managing-conflicts-of-interest>.

287 Cf. Richter (2014).

288 Cf. Mokoro Ltd. (2015), p. xii.

Spotlight: Ban Ki-moon's proposal for a UN Partnership Facility

In his report “A life of dignity for all” from July 2013 the Secretary-General noted that “multi-stakeholder arrangements have proven successful” and that he has “put forward a proposal to Member States for a new United Nations Partnership Facility.”²⁸⁹

First introduced in January 2012 in the Secretary General's Five-Year Action Agenda, the proposed facility would:

1. **Scale up UN capacity to engage in transformative multi-stakeholder partnerships** with the private sector, civil society, philanthropists and academia across a broader range of issue areas, by creating a new UN Partnership Facility, which will catalyse commitments and promote accountability.
2. **Consolidate functions to create a coherent capacity for partnering consisting of the Global Compact and the UN Partnership Facility** and coordinate system-wide partnership efforts.
3. **Enhance UN capacity to engage with traditional and new constituencies** using the full range of outreach tools, including social media.²⁹⁰

In August 2012, the UN inter-agency Partnership Focal Points group identified four critical gaps in UN capacity, which the partnership facility would fill through:

1. **Accelerating and upscaling the full potential of multi-stakeholder initiatives** such as those currently overseen by the Secretary-General's office, including Every Woman Every Child and Sustainable Energy for All so as to affect change at the country level.
2. **Providing common partnership support services**, focused on: strategic matchmaking and incubation services; project design and delivery, resource mobilization; contractual obligations; monitoring and evaluation; capacity building; knowledge management and information sharing.
3. **Ensuring accountability, integrity and transparency**, by facilitating due diligence methods; streamlining reporting and auditing; developing and monitoring policies on pro bono, brand management and in-kind assistance; and creating modalities for transparency on all partners to ensure the preservation of UN mandates.
4. **Creating a partnership focal point network** to: develop common knowledge and engagement platforms; jointly identify capacity gaps; coordinate partnership policies and best practices; facilitate

289 Cf. UN Doc. A/68/202, para. 69.

290 Cf. The Secretary General's Five-Year Action Agenda, 25 January 2012, p. 11 (www.un.org/sg/priorities/sg_agenda_2012.pdf).

enhanced dialogue with intergovernmental processes; develop and engage partner constituencies; and strengthen delivering as one through partnership at the global and country levels.²⁹¹

The proposal went through a number of revisions before its presentation to Member States as an item in the proposed budget for 2014–2015, where it was estimated to cost US\$1.5253 million, with an extra US\$12.8559 million coming from extra-budgetary sources.²⁹²

For the biennium 2014–2015 the UN Secretary-General set the following benchmarks:

- » **Minimum of 250 new partners** from government, business, finance, philanthropic organizations or civil society will engage and commit to multi-stakeholder initiatives
- » **Minimum of 110 multi-stakeholder partnership programmes implemented** through United Nations entities in-country
- » **One or two new transformational multi-stakeholder partnerships** on cross-cutting priority issues established.²⁹³

Intergovernmental oversight and accountability of all partnerships.

The UN Advisory Committee on Administrative and Budgetary Questions (ACABQ) offered an ambivalent assessment, saying the proposal needed further development and in subsequent debates, some governments insisted on a substantive as well as budgetary discussion on the proposal. Some members of the G77 wanted to ensure the intergovernmental oversight and accountability of all partnerships with UN involvement and presented a detailed list of criteria to be included in the revised proposal.

Confronting these reservations, the UN Secretary-General finally withdrew his proposal for a Partnership Facility. In a letter to the Chair of the 5th Committee, dated 27 March 2015, a spokesperson stated that: “as negotiations among Member States on the establishment of such an entity reflected significant differences and a lack of consensus, the Secretary-General no longer wished the Committee to consider or take action on proposals relating to it.”²⁹⁴

291 Taken from UN inter-agency Partnership Focal Points group (2012): Concept Note—A UN partnership mechanism, August 2012 (internal paper).

292 Cf. UN Doc. A/68/6 (Sect. 1), 21 May 2013, p. 71.

293 Cf. UN Doc. A/68/7, Table I.2.

294 Cf. www.un.org/press/en/2015/gaab4151.doc.htm.

7. Findings and recommendations

Overall findings

Member States have failed to provide reliable—on time and predictable—funding to the UN system at a level sufficient to enable it to fulfill the mandates they have given it. While global economic, social and ecological risks and challenges have intensified in recent years, the ability of the UN system to tackle these challenges appears to have diminished.

Shift to earmarked contributions

The increase in voluntary, as well as non-core and earmarked, resources in the last few years continues a trend already well underway in the behaviour of the Member States over the last two decades. In 1997, for example, 48 per cent of the UN's operational activities for development were financed through core resources. This ratio declined to 25 per cent in 2013, so that 75 per cent of the UN's operational activities for development are now financed through non-core and mostly earmarked resources. Multilateral mandates become increasingly difficult to carry out, as a profusion of earmarked projects fosters fragmentation and a loss of coordinated action.

75 per cent of the UN's operational activities are financed through non-core resources.

Many Member States, particularly the large donors, pursue a dual approach of calling for coherence in UN development activities while at the same time increasing their use of earmarked contributions and non-core funding.

Earmarking tends to turn UN agencies, funds and programmes into contractors for bilateral or public-private projects, eroding the multilateral character of the system and undermining democratic governance.

This pick and choose dynamic, together with ongoing financial constraints, has not only opened the space for business and corporate sector engagement but has also contributed to the pressure on the Secretary-General and the heads of UN agencies to facilitate such engagement as they look to those sectors for funding and political support.

Many governments have supported the UN's outreach to the corporate sector while others have remained silent, even though they may be uncomfortable or unsure about recent developments. Some have adopted double-standards, letting the business sector in while keeping civil society at bay on the grounds that the inter-governmental nature of the organization should be preserved.

Expanded engagement with the business sector

This ambivalence on the part of Member States has resulted in a new UN approach to engagement with the business sector, one that has shifted from that of impartial rule-setting and balanced engagement to that of privileging the sector.

Partnerships are promoted as the new business model for solving global problems.

The UN Secretary-General and UN heads of agencies have become energetic advocates of business sector engagement and partnerships, voluntary initiatives and multi-stakeholder arrangements. Beyond viewing these arrangements as a new source of funds, increasingly the UN is promoting and supporting market-based approaches and multi-stakeholder partnerships as the new *business model* for solving global problems. Driven by a belief that engaging the more economically powerful is essential to maintaining the relevance of the UN in addressing today's global challenges, this practice has harmful consequences for democratic governance and general public support, aligning more with power centres and away from the less powerful.

For their part, corporations and the business sector, after years of neglect or indifference, view the UN system with increasing interest. They recognize that by increasing their investment in UN-related activities only marginally, they can gain greater access and influence over agenda-setting.

The same is true of corporate philanthropy, whose contributions to international development have increased significantly, especially over the last five years. As UNDP stated in its response to a 2012 evaluation of UNDP partnerships with global funds and philanthropic foundations: "In addition to committing much larger amounts of money, foundations have fundamentally changed the ways they operate and the roles they play in international development."²⁹⁵

This UNDP report concluded:

"Foundations see themselves as fully fledged development partners rather than donors, and expect close involvement in activities such as policy discussions, advocacy and problem analysis. They have become a source of valuable development knowledge. They run highly visible campaigns in the media and influence international development policy."²⁹⁶

As a result of the various funding shifts, most UN funds and agencies now follow a multi-layer fundraising strategy in their efforts to raising private resources:

295 Cf. UN Doc. DP/2012/24 para. 49.

296 *Ibid.*, para. 54.

- » Stabilizing and sustaining core contributions from governments and broadening the donor base by increasing contributions from “new donors” (BRICS etc.);
- » Exploring new forms of “core-like” funding modalities, including pooling resources in Multi-Donor Trust Funds;
- » Soliciting expanded voluntary contributions from the private sector, civil society and philanthropic foundations;
- » Setting up or participating in new multi-stakeholder partnerships to raise additional funds from public and private actors who are not able or willing to give additional support to the respective UN institutions directly.

Widening governance gaps

As private sector initiatives become more central in UN efforts to respond to global challenges, they aggravate the shift from democratic global governance to a “pay to play” system. These partial, self-selected, stakeholder-oriented initiatives represent a subtle strategy of UN reform, as the functioning of the UN and the effectiveness of global governance are slowly being changed through activities and financing rather than through multilateral, inclusive, transparent and nationally accountable decision-making.

The shift from democratic global governance to a “pay to play” system.

The weakening of the inter-governmental nature of decision-making widens the governance gap and dilutes the oversight of UN staff. It also leaves more initiative with the Secretary-General and UN senior officials.

Unresolved funding crisis

The UN funding crisis has many dimensions but overall it is one of under-funding. This situation is compounded by the insistence over many years of Western governments, led by the USA, on a doctrine of zero-growth to the UN assessed (core) budget. Further some Member States have failed to pay their assessments in full and on time. Additionally many Member States have reduced their contributions to the UN system’s core voluntary funds, having increasingly shifted to non-core and further to earmarking the majority of their contributions to specified programmes. The result has been increasing reliance on voluntary and non-core funding, as well as a series of *ad hoc* and disparate partnerships.

While the past 20 years have witnessed changes in the engagement between the UN system and the business and corporate sector, these changes have not been reflected in the related financing arrangements. These arrangements are extra-budgetary, not subject to the same oversight and scrutiny as assessments and core contributions; thus tracking the total volume of contributions to the UN Secretariat and the UN system is difficult and cumbersome. A frequently articulated concern is that the robust scrutiny and tendency to micro-management that accompany intergovernmental oversight would deter interest and investment from the

business sector. Yet even without this constraint, private funding has not been substantial.

As described in Chapters 3, 4, 5 and 6, the engagement of corporate philanthropy has detoured far from providing full funding for UN mandated and designed programmes. Increased attention and contributions from philanthropy have been accompanied by a shift to accommodating their interests and priorities.

The volume of institutionalized philanthropic funding for development cooperation projects has increased steadily in recent years; this funding is now estimated by UNDP to be between US\$4 billion and US\$6 billion annually. UNDP states:

“That increase in volume, as well as philanthropic investments leveraging large-scale, enterprise-based projects in socially sensitive fields such as education and health, has brought to the fore concerns about how foundations measure up in terms of transparency and accountability.”²⁹⁷

Today, private funding of UN activities takes a variety of forms, including contributions to UN Trust Funds, country-level programmes, and support for specific initiatives and activities. Some funding is contributed directly and some through US-based foundations, such as the UN Foundation and the Foundation for the Global Compact. If not yet significant in aggregate terms, such funding can represent a significant and dominant share of support for specific programmes and at the country level. This is particularly evident in the health sector, which is now largely influenced by the Bill & Melinda Gates Foundation (see Chapter 5).

Programme and mission distortions

The pursuit of non-core and voluntary contributions, including from the corporate sector, has been undertaken without due attention to the distortions in programming and governance or to the lessons learned from the UN’s own analyses of the impact of such funding patterns on its operational activities for development, analyses well documented in QCPR reports and resolutions, most recently in GA resolution A/RES/69/238 of December 2014.

Many UN studies and Member State resolutions have documented and decried the negative effects of earmarked contributions, yet the trend continues—driven by the very Member States that critique it. Perhaps understandable as a response to the failures of governments to finance their global obligations and agreements, this pragmatic approach to broadening the UN financial base also seizes on the reality that governments alone cannot solve the global challenges and provides space for the essential role of non-state actors.

Negative effects of earmarked contributions.

297 Cf. UN Doc. DP/2012/24 para. 53.

At the same time, however, this approach contributes to re-defining and replacing *the* global UN partnership, which is one among states, with a range of partnerships of different kinds and at different levels. This can have an impact on agenda-shaping and further dilute state responsibilities, abetting efforts by many Member States to re-frame their role in governance (national and global) from provider to manager.

A recent example of these shifts in financing and priorities is seen in the inadequate WHO response to the Ebola crisis, primarily owing to cuts in emergency response staff and the reallocation of resources to other priorities (see Chapter 5).

The experiences of the global partnerships such as EWEC, SE4All and SUN show that the business sector and corporate philanthropy exercise growing influence in policy-shaping, priority-setting, and programme development—and often for relatively small financial contributions. While the estimates of overall financing needs run to billions and even trillions, the contributions are limited to millions. Furthermore, these arrangements function mainly outside the formal, established methods of reporting and governance.

Perhaps the best example of this is the shift from tackling structural problems to identifying quick-win solutions, focused largely on technical aspects rather than on long-term planning, institutional strengthening or capacity building. This is particularly evident in health care where, for example, the Bill & Melinda Gates Foundation has promoted the need to expand vaccines for all sorts of diseases, and funneled money into the provision of such vaccines—building market dependency on the one hand and diverting efforts from the need to strengthen the institutional capacity of the public health system on the other.

While there may be instances of complementarity, often termed win-wins, between the interests of the UN and the business and/or philanthropic sector, these provide limited means to secure the mandated responsibilities of the UN, and are far from transformative in terms of long-term development.

As the UN and its Member States apply more and more of the UN's finite resources for policy analysis and programme delivery to these “win-wins”, they risk crowding out the essential normative work of the UN, and shifting the weight of the public governance architecture to a voluntary one. This risks redefining the purpose and essence of the United Nations, while also raising questions of potential conflict of interest when the UN is working for the highest bidder rather than the best interests of humanity.

Win-Wins risk crowding out the essential normative work of the UN.

This mission-bending away from a central focus on the UN standard-setting and policy coordination functions further erodes the support for the organization. This comes at a time when the value-based authority that the UN can muster is crucial in order to tackle the enormous global challenges of ecological sustainability, promoting human rights and social norms, and managing global public goods.

Lack of transparency, disclosure and accountability

Very limited public disclosure requirements conflict of interest regulations and accountability standards.

To date, UN partnerships have very limited public disclosure requirements if any, and conflict of interest regulations and accountability standards are not in place. As a result, such accountability that exists is only for those who participate voluntarily in specific partnership arrangements.

As a result of a myriad of “innovative” arrangements, the UN system finds itself in partnership with some controversial transnational corporations that have been frequently accused by civil society groups of violating or undermining environmental, labour or human rights standards.

Also the UN lends its name—and reputation—to US-based non-profit organizations that support a range of initiatives and campaigns many of which are not directly related to the work of the UN, a practice particularly noticeable in the case of the UN Foundation.

As the UN Foundation has broadened its activities and strengthened its institution, it has spearheaded many partnerships and campaigns that have not been developed with or are directly related to the entities of the UN system and its designated counter-part, UNFIP. Mindful of reputational risk for the UN, the OIOS has recommended the establishment of policies and procedures to ensure that funds are from acceptable donors.

The UN Foundation now offers informal advice and communications support to the Secretary-General in an *ad hoc* and in-kind manner—a practice that would be frowned on if performed by individual Member States.

The nature of the UN Foundation’s association with the UN is governed by the revised and restated Relationship Agreement and is guided by the newly established Joint Coordination Committee and the UNFIP Advisory Board that is chaired by the Deputy Secretary-General. However, this new agreement and the minutes of the Advisory Board are not in the public domain or subject to regular reporting and review.

The participation of a few Member States in some of these partnerships does not secure the public accountability or result in effective global governance. In fact, in some cases partnerships have even become a funding channel for Member States to evade multilateral oversight. In other cases they use partnerships to promote their domestic corporations at the country level.

The failures and weaknesses of the UN system are not by accident but the result of deliberate decisions by powerful governments, UN heads of agencies and programmes, and influential corporate actors.

Inasmuch as partnerships purport to give all participating actors equal rights, the special political and legal position occupied legitimately by public bodies (governments and parliaments) is sidelined. Multi-stakeholder partnerships implicitly devalue the role of governments, parliaments and intergovernmental organizations, and overvalue the political status of private actors, including transnational corporations and philanthropic foundations involved in these models of corporation.

Partnerships implicitly devalue the role of governments, parliaments and intergovernmental organisations.

Whether or not partnerships purport to actually undermine democratic decision-making depends entirely on who selects the participants, how transparent the partnership is, how representative its composition is, and how accountable the partners are to their own constituencies, as well as to public mandates. If members are handpicked without institutional representation, then the partnership simply gives the illusion of democratic participation. Additionally, if the partners are self-nominated and exclude important groups affected by the partnership's activities, then it cannot purport to be democratically legitimate.

Undue reliance on Global Compact Principles

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

There is a need for greater scrutiny, transparency, coordination and regulation. The UN core document for business engagement is the Guidelines on Co-operation between the United Nations and the Business Sector, and these guidelines in turn reference the ten Principles of the Global Compact, which provide “an overall value framework for cooperation with the Business Sector.”²⁹⁸ However, full compliance with these Principles is not a requirement for joining the Global Compact. This approach sets the bar very low; relying on the “voluntary” nature of the Global Compact is an inadequate standard for procurement and use of public monies.

The Global Compact Principles are a pale and partial reflection of the body of UN norms, standards and treaty obligations. They essentially risk making voluntary some UN fundamentals.

Global Compact Principles are a pale and partial reflection of the body of UN norms, standards and treaty obligations.

Further, the Global Compact consistently positions itself as supplementary and complementary to other approaches including monitoring and regulation. Its business model is one of relationship-building, mutual

298 Cf. UN (2009), para. 9.

learning and encouragement, striving to bring the for-profit sector, especially its major players, into UN activities and operations. It relies on other “stakeholders” to scrutinize and criticize practices and bad behaviour. It promotes a win-win mindset and seeks to avoid confronting areas of tension and conflicting objectives and interests.

Yet these are unavoidable, as starkly described by the head of the WHO, Margaret Chan, with regard to the corporate influence on health promotion and the “business interests of powerful economic operators”:

“In my view, this is one of the biggest challenges facing health promotion. [...] it is not just Big Tobacco anymore. Public health must also contend with Big Food, Big Soda, and Big Alcohol. All of these industries fear regulation, and protect themselves by using the same tactics.”

“Research has documented these tactics well. They include front groups, lobbies, promises of self-regulation, lawsuits, and industry-funded research that confuses the evidence and keeps the public in doubt. ”

“Tactics also include gifts, grants, and contributions to worthy causes that cast these industries as respectable corporate citizens in the eyes of politicians and the public. They include arguments that place the responsibility for harm to health on individuals, and portray government actions as interference in personal liberties and free choice.”

“This is formidable opposition. Market power readily translates into political power. Few governments prioritize health over big business. [...] This is not a failure of individual will-power. This is a failure of political will to take on big business.”²⁹⁹

Runaway Partnerships?

The concept of multi-stakeholder partnerships promotes a false sense of equality. Lumping CSOs and corporate actors together according to their non-State status ignores the profound differences in their orientation, interests and accountability.

A number of concerns regarding partnership arrangements and activities have made their way onto the UN and Member States agenda in the context of the active promotion by the Secretary-General of his proposal for a Partnership Facility (see Chapter 6). While this proposal has since been withdrawn, the concerns themselves and the requirements to address them could form the basis for further considerations by the UN and Member States. Proposals discussed by some Member States in this regard include:

299 Cf. Chan (2013).

- » regular reporting to the General Assembly on the activities of partnerships of the United Nations system, including full disclosure of funding and resources raised or pledged, detailed information on projects, and assessments of project implementation and impact;
- » a process of consideration and approval of proposals for new multi-stakeholder partnership initiatives;
- » full compliance of all partnership initiatives using the UN name, emblem or are in association with it or any of its agencies, funds and programmes with the UN Charter, mission, principles and mandates adopted by Member States and measures to prevent conflicts of interest;
- » ex-ante disclosure/description of financial arrangements for each partnership and of clarification to Member States regarding values involved or contributed to the UN by partnering entities, their source, destination, use and applicable liabilities or responsibilities of respective parties;
- » a framework of accountability for partnerships which includes reporting, monitoring and review;
- » standard guidelines for partnerships involving the UN system, and articulation that would ensure compliance of partnerships with the UN Charter and relevant mandates, including the regulations and rules of the General Assembly, financial regulations and rules, operational activities for development (OAD) resolutions;
- » clarification of the responsibilities of any new partnership entity in the UN secretariat and how they relate to and differ from those of the Global Compact and the UN Office for Partnerships.

Moving forward

In order to make the UN system really “fit for purpose”, for the purpose to respond adequately to the global environmental, social and economic problems, Member States and UN bodies have to take bold action to overcome selective multilateralism, the weakening of democratic governance, and the financial erosion of public institutions. They have to close the gap between the scale of the global problems and the (financial) capacity of the UN to solve them; they have to overcome “minilateralism” by reducing the share of non-core contributions and earmarked trust funds in UN finance; they have to reconsider the often unconditioned opening of the UN to the business sector and corporate philanthropy; and they have to reverse the trend of outsourcing funding and decision-making to global partnerships outside the UN system.

Basically, actions and reforms are necessary in four areas:

- » The **public funding** of the UN system
- » The **setting of norms, standards and guidelines** to govern the interactions of the UN with the corporate sector

- » The **intergovernmental framework and the institutional capacity** of the UN system for monitoring and oversight of “partnerships”
- » Multi-stakeholderism as the **dominant discourse** and business model of the UN.

While some of the recommended actions below can (and should) be implemented immediately as they build upon current discussions and negotiating processes (e.g., in the context of the partnership resolution of the UN General Assembly), others require long-term, bottom-up changes. The mindset that considers the public sector played out in terms of addressing global problems in society will not be changed top down by governments or diplomats; it is essential to reclaim the concept of the public good, at the UN and in society as a whole.

CSOs and social movements also play a crucial role.

While government responsibility in this regard is paramount, CSOs and social movements also play a crucial role. They should denounce the precarious state of (global) public finance; they should problematize the growing influence of the business sector in the political discourse and agenda-setting; and they should highlight the related problems of increasing fragmentation of global governance, the weakening of representative democracy and its institutions (e.g., parliaments), the unpredictable and insufficient financing of public goods, and the lack of monitoring and accountability mechanisms. In light of these problems, CSOs engaged in partnership initiatives should evaluate the impact and side-effects of these initiatives and potentially reconsider their involvement. Addressing global problems, the belief that some attempt is better than no attempt is not an adequate justification.

Key recommendations

Governments and UN bodies should initiate actions in four clusters:

Public funding of the UN system

1. Increase the financial capacity of the UN system

Member States have to provide on time, predictable and reliable funding to the UN system at a level sufficient to enable it to fulfill the mandates they have given it. They should reverse the trend towards voluntary, non-core and earmarked contributions and the increasing reliance on private sector engagement. This requires:

- » Payment of assessed contributions in full and on time.
- » Abandonment of the zero-growth doctrine for the regular budget of the UN and its specialized agencies.
- » Voluntary contributions to be made as core and a commitment undertaken to seriously limit any earmarking.

Furthermore, Member States should adopt the following obligations regarding earmarked funding:

- » They cannot contribute earmarked funds unless they are fully paid up on assessed contributions;
- » They cannot finance through non-core and earmarking without contributing first to core. A track record of core contributions must be established before becoming eligible to earmark;
- » Non-core contributions can never exceed 50 per cent of total contributions at the individual donor level and per institution;
- » All earmarked contributions—UN Trust Funds as well as contributions to the UN development system—will be assessed a 10 per cent levy to fund system-wide, integrated programming dedicated exclusively to supporting the norm setting, policy and advocacy work of the UN.
- » A working group composed of representatives from Member States and the Chief Executives Board, and independent experts will develop proposals for a funding mechanism, to be further elaborated by the Committee for Development Policy. Any proposal will be subject to a mandatory public comment phase before adoption and implementation.

2. Establish new sources of funding based on the solidarity principle

In order to increase the predictability of income flows and reduce the dependence on individual donors, additional sources of public financing should be established complementary to the regular contributions of Member States. Member States should establish a new normative framework of burden-sharing based on the solidarity, common but differentiated responsibilities and “polluter pays” principles.

One obvious source is taxation. Taxation based on the “polluter pays principle,” which holds that the costs of pollution have to be borne by those who cause it, could be extended to a range of global problems, all of which the UN is asked to address. In the context of the recent financial crisis, for example, many have asked for the ‘polluters’—that is, banks and the financial industry—to bear the costs of the crisis.

One way to do this is through the introduction of a financial transaction tax. Imposition of the tax should be internationally coordinated and performed by the responsible national fiscal authorities, but countries should be encouraged to start applying it even before it becomes global. In order to ensure that tax revenue is not used solely to fix budget deficits but is also spent for social and environmental purposes, a substantial part of the revenue should be dedicated and distributed through a fund under UN auspices.

3. Take into account the negative consequences— direct and indirect—of partnerships

The emphasis on multi-stakeholder partnerships can be in conflict with strengthening public administration and UN institutions. Not only are private resources pro-cyclical (depending on the overall economic situation) and generally not made available to support the norm setting, policy and advocacy work of the UN, the use of public resources to secure these partnerships can drain depleted public funds at crucial times.

Partnerships can have high transaction costs, resulting from the need to manage the partnership. These costs are generally underestimated and often the adequate recovery of institutional costs associated with partnership activities is not guaranteed.

UN Member States should ensure that partnerships with UN involvement are not subsidized by core UN resources with consequent negative effects on the availability of remaining core resources. Full cost recovery for multilateral management and demonstrable compliance with UN standards must be guaranteed.

UN administrations should undertake comprehensive cost-benefit analyses of any individual partnership with UN involvement, taking into account not only the direct costs but also the opportunity costs of its engagement.

Norm and standard setting, guidelines and reporting

4. Ensure the Secretary-General's report on UN-business interactions is comprehensive and transparent

As the UN system seeks to upscale business sector engagement, it is critical that it re-examines and acts on some of the lessons learned from its experiences with that sector, particularly regarding integrity, transparency and coherence. The Secretary-General's report on global partnerships from 2013 concurs:

“[...] as partnerships with the private sector become more widespread and significant, it is essential that the United Nations put in place and improve existing integrity measures at all main interfaces with the private sector to protect its brand and reputation, promote responsible business practices and United Nations values and achieve greater coherence between the agendas of the United Nations and businesses.”³⁰⁰

Therefore, in line with the subsequent resolution of the General Assembly on global partnerships, the Secretary-General, in collaboration with agencies, funds and programmes should report on efforts to:

- » improve the Guidelines on Cooperation between the United Nations and the Business Sector, including from a gender perspective;
- » disclose the partners, contributions and matching funds for all relevant partnerships, including at the country level;
- » strengthen due diligence measures that can safeguard the reputation of the organization and ensure confidence-building;
- » ensure that these elements are coherently reflected in relevant system-wide reports.³⁰¹

This Secretary-General's report should be undertaken through an open and transparent consultative process, and should be updated regularly in the same manner.

5. Upgrade UN standards related to reporting and transparency

Changing the way in which the UN interacts with the business sector also requires an open and transparent reporting process. This should include:

- » Guidelines for transparency and public reporting of existing practices and regular reviews of their relevance and adequacy to fit their purpose. These guidelines should also provide for comprehensive reporting requirements for UN-business partnerships.

300 Cf. A/68/326, para 6.

301 Cf. A/RES/68/234, para. 13.

- » Tracking and coordination across the UN development system in order to prevent duplication and competition within it, and for coherent reporting to the inter-governmental processes.

6. Adopt mandatory conflict of interest and public disclosure policies

The United Nations should adopt a system-wide conflict of interest policy for all interactions with non-State actors, with additional requirements specific to the respective funds, programmes and specialized agencies.

All UN entities should disclose to their governing bodies and make public any situation that may appear as a conflict of interest, and take appropriate action.

They should also disclose if an UN official or professional under UN contract has any kind of relationship with the corporate sector, including corporate philanthropy. Specific requirements in the code of ethics for UN employees could also help address the potential conflicts of interests raised by the circulation of senior staff between UN entities and national governments, private foundations, and corporations. A “cooling off” period during which former senior UN officials cannot start working for lobby groups or lobbying advisory firms could be considered.

7. Increase transparency on funding by the private sector

The UN should disclose the funding it receives from the business sector in a more transparent manner. There is currently no systematic reporting of the funds that the UN receives in the form of extra-budgetary resources, and they are not subjected to regular surveillance by Member States.

Improved reporting is also needed for funds committed in the context of multi-stakeholder partnerships, such as Every Woman Every Child or Sustainable Energy for All. While these initiatives claim billions of US dollars in pledges and investments, it is usually difficult to assess whether the promised funds have actually been disbursed, whether the funds have been new and additional to existing commitments, where the money has gone and what its impacts have been.

8. Undertake systematic impact assessments and independent evaluations of partnerships

Before the UN enters into new multi-stakeholder initiatives or partnerships with business actors, the possible impacts of these activities should be systematically assessed. This should include: evaluating the added value of the initiative for the realization of the UN’s goals; the relation between the risks, costs and side-effects and the potential benefits; human rights impacts; the existence of safeguards on the use of public resources; and the possible alternatives to the planned activities. It should

also include a mandatory public comment phase prior to adoption and implementation.

Ex ante impact assessments and *ex post* evaluations should be carried out by neutral bodies and not by institutions that see themselves as promoters of the partnership approach and are pursuing the rapid expansion of global partnerships (e.g., the Global Compact Office). The results of the investigations must be publicly accessible and open for debate.

The commercial interests of the corporate partners involved must not serve as an excuse for the UN to limit the access to information and the transparency of the funding, impact assessments and evaluations.

Criteria for independent impact assessments and evaluations could be developed or facilitated by the UN Committee on Development Policy.

9. Re-evaluate the relationship with the UN Foundation

After nearly two decades of its special relationship with the UN Foundation, and after signing the revised and restated Relationship Agreement in October 2014, the UN should commission a thorough independent evaluation of this relationship. This evaluation should look, *inter alia*, at the decision-making and oversight structure, including the new Joint Coordination Committee of the UN and UN Foundation and the UNFIP Advisory Board, at the reporting obligations to Member States and at the opportunity costs of this kind of funding arrangement for the UN, including the potentially competitive consequences of Member State contributions. The revised agreement and the results of the evaluation should be made publicly accessible and open for debate.

Governance and institutional reforms

10. Take the discussions on the WHO Framework of Engagement with non-State Actors as a test case for reviewing the rules of engagement across the UN system

The WHO negotiations raise the issue of whether or how to develop frameworks of engagement with the corporate sector in other UN agencies; the UN system's policies on conflicts of interest are still in their infancy.

The ongoing discussions on a Framework of Engagement with non-State Actors within the WHO have identified elements essential for a comprehensive standard for UN-business interactions, which could also be used as precedent for other parts of the UN system.

The negotiations on the Framework are still ongoing, with subsequent drafts rejected twice already by Member States at the World Health Assembly 2014 and 2015. The challenge remains of how to develop a

system of legal and ethical regulation that would protect WHO's integrity in decision-making and its financial independence, restore the much shaken public confidence and return priority setting power to the Member States of the WHO.

At a minimum the Framework should address the following risks for the WHO of engagement with non-State actors, all of which could endanger the WHO's reputation and credibility:

- » undue or improper influence exercised by a non-State actor on WHO's work, especially in, but not limited to, normative and standard-setting, and regulatory activities;
- » the collaboration being primarily used to serve the interests of the non-State actor concerned with limited benefits for WHO and public health;
- » the collaboration conferring an endorsement of the non-State actor's name, brand, product or activity;
- » the whitewashing of a non-State actor's image through association with WHO;
- » a competitive advantage for a non-State actor.

Furthermore, the WHO Framework should distinguish clearly between corporate actors and civil society organizations and refrain from treating fundamentally different actors as equivalent.

Finally, WHO Member States should formulate overarching principles for WHO's engagement with (corporate) non-State actors; they should remove poorly defined or ambiguous terms from the Framework, such as *inclusiveness* and *trust*, and they should check the appropriateness of different types of interactions, including financial contributions and staff secondments, from a conflict of interest perspective.

The outcome of the further negotiations will determine whether the WHO Framework will increase corporate influence in the global health and nutrition arena or whether global public health governance will be better shielded from undue influences.

11. Ensure that intergovernmental standards and principles govern UN-business partnerships across the UN system

An intergovernmental framework similar to the one of the WHO should be adopted by the UN General Assembly to set minimum standards for the participation of the UN in global partnerships and for the shape and composition of UN initiatives involving the private sector.

These standards should prevent undue corporate influence on UN policies and prevent companies who violate internationally agreed environmental, social and human rights standards or otherwise violate UN principles (via corruption, breaking UN sanctions, lobbying against UN

global agreements, evading taxes, etc.) from participation in UN events, participation on expert or high-level panels and from eligibility for UN procurement.

There have been a number of initiatives and mandates from the UN Secretariat and Member States to govern UN engagement with the business and corporate sector, such as the Guidelines on Co-operation between the United Nations and the Business Sector or the Bali Guiding Principles on Partnerships for Sustainable Development (see Box 9). While they are limited, non-comprehensive and have been poorly implemented, they provide starting points for framing this engagement.

Box 9

The Bali Guiding Principles on Partnerships for Sustainable Development (UN Doc. A/RES/56/76)

- (a) Partnerships are voluntary initiatives undertaken by governments and relevant stakeholders, e.g. major groups and institutional stakeholders;
- (b) Partnerships should contribute to the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation, and should not divert from commitments contained in those agreements;
- (c) Partnerships are not intended to substitute commitments made by Governments but to supplement the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation;
- (d) Partnerships should have concrete value addition to the implementation process and should be new—that is not merely reflect existing arrangements;
- (e) Partnerships should bear in mind the economic, social and environmental dimensions of sustainable development in their design and implementation;
- (f) Partnerships should be based on predictable and sustained resources for their implementation, include mobilizing new resources and, where relevant, result in transfer of technology to, and capacity building in, developing countries;
- (g) It is desirable that partnerships have a sectoral and geographical balance;
- (h) Partnerships should be designed and implemented in a transparent and accountable manner. In this regard, they should exchange relevant information with Governments and other relevant stakeholders.

12. Establish an intergovernmental framework for partnership accountability

Setting up standards and guidelines for regulating UN-business interactions and partnerships will be a good step forward but by itself is not enough. The growth in the volume and scope of global partnerships increases the opportunities to offshore governance and by-pass intergovernmental decision-making processes not only for some Member States

but also for senior UN officials. Therefore, greater accountability of UN interactions with the private sector and global partnerships requires governments to build the intergovernmental structures for monitoring and oversight within the UN.

This is particularly important with the adoption of the Post-2015 Agenda, for which the High-Level Political Forum (HLPF) becomes the hub for monitoring and review. The HLPF could provide the institutional framework to monitor and review the partnerships with UN involvement related to the Post-2015 Agenda. It should also provide a formal space for independent civil society engagement in these review processes.

13. Build UN institutional capacity to monitor and review partnerships

An institutional framework for partnership accountability will require new and additional capacity in the UN secretariat. Staff is needed for the tasks of screening partnerships, monitoring, evaluation and impact assessments. Minimum standards and guidelines for interaction with corporate actors will remain useless if not systematically implemented. This task should be fulfilled by a new entity established within the UN secretariat. It should carry out its task in a neutral manner instead of acting in a biased way as promoter of partnerships with the corporate sector. Therefore, the UN Office for Partnerships and the Global Compact office would not qualify for this task. Rather their initiatives would be subject to its standards and scrutiny.

Changing the discourse

14. Reclaim the public space by and within the UN system

The measures listed above are indispensable to counteract the growing, non-monitored influence of corporate interests in the UN. But these measures are not ends in themselves. There is a need to reconsider the current mainstream approach based on voluntary governance and an uneasy partnership among diverse ‘stakeholders’. It is important to re-establish a clear distinction between those who should regulate and the party to be regulated and to reject any discourse that obfuscates the fact that corporations have a fundamentally different primary interest from that of governments, UN agencies, CSOs, and social movements: their prime interest—enshrined in their fiduciary duty—is to satisfy the interests of their owners and shareholders. The stakeholder discourse blurs this important distinction between the different actors.

Certainly, meaningful engagement with all sectors of society is a pre-requisite for democratic decision-making as well as providing invaluable and essential expertise in the identification of problems and solutions. The UN should continue to develop its commitment and capacity in this

area without relying on a one-size-fits-all approach. It should develop a model which will allow all actors in society to make contributions and to protect against the influence of vested interests. It should emphasize its role as “an honest broker that promotes fair play” (see Box 10).

Box 10

Margaret Chan on the growing influence of vested interests

“The influence of stakeholders, especially the private sector, in multiple sectors is growing very rapidly at a time when the institutional and regulatory capacity of many countries remains weak.

In the absence of adequate legislation, human and regulatory capacity, the private sector takes on an enlarged role, with little control by the government over the quality and costs of the services being provided. The vital role of government in protecting the public interest is diminished.

In one especially alarming trend, provisions for the settlement of investor-state disputes are being used to handcuff governments and restrict their policy space. For example, tobacco companies are suing governments for lost profits when national legislation, aimed at protecting health, interferes with their business interests.

When private economic operators have more say over domestic affairs than the policies of a sovereign government, we need to be concerned.

If multisectoral collaboration and multi-stakeholder engagement are the reality for sustainable development in the post-2015 era, we need to debate what type of mechanisms are required to allow all stakeholders to make contributions and to protect against the influence of vested interest. We also need to consider the UN’s role as an honest broker that promotes fair play.”³⁰²

Rather than continuing to “innovate” through “outsourcing” tasks to piecemeal partnerships with decision-making structures outside the UN, it is time to call explicitly for the needed political leadership—and to put in place the necessary regulatory and global governance framework.

Member States must require the United Nations to be a leader in the establishment of democratic global governance, not a victim or a reflection of governance failures.

302 Cf. Chan (2014).

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AGECC	Advisory Group on Energy and Climate Change
BCUN	Business Council for the United Nations
BINGOs	Business Interest Non-Governmental Organizations
BMGF	Bill & Melinda Gates Foundation
BMW	Bayerische Motoren Werke
BP	British Petroleum
BRICS	Brazil, Russia, India, China and South Africa
BWF	Better World Foundation
CDC	Centers for Disease Control and Prevention
CEO	Chief Executive Officer
CFS	Committee on World Food Security
CHAI	Clinton Health Access Initiative
CIDA	Canadian International Development Agency
CNN	Cable News Network
CoI	Conflict of Interest
CSO	Civil Society Organization
DAC	Development Assistance Committee
DFID	Department for International Development
DFIs	Development Finance Institutions
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ENEL	Ente nazionale per l'energia elettrica
EOSG	Executive Office of the Secretary-General
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EWEC	Every Woman Every Child
FAO	Food and Agriculture Organization of the United Nations
FENSA	Framework of Engagement with non-State Actors
FFI	Flour Fortification Initiative
FOTUN	Friends of the United Nations
FY	Fiscal Year
GAIN	Global Alliance for Improved Nutrition
GAVI	Global Alliance for Vaccines and Immunisation
GC	Global Compact
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GFF	Global Financing Facility
GFT	Global Facilitation Team
GMO	Genetically Modified Organism
GSK	GlaxoSmithKline
GSO	Global Social Observatory
HICs	High Income Countries
HPV	Human Papillomavirus
IAEA	International Atomic Energy Agency
IATI	International Aid Transparency Initiative
IBRD	International Bank of Reconstruction and Development
ICAO	International Civil Aviation Organization

IDA	International Development Associations
iERG	Independent Expert Review Group
IFAD	International Fund for Agricultural Development
IFPMA	International Federation of Pharmaceutical Manufacturers and Associations
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
IMPACT	International Medical Products Anti-Counterfeiting Taskforce
IRENA	International Renewable Energy Agency
IRS	Internal Revenue Service
ITC	International Trade Center
ITU	International Telecommunication Union
IWG	Innovative Working Group
IZA	International Zinc Association
JICA	Japanese Agency for Development Cooperation
JIU	Joint Inspection Unit
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MI	Micronutrient Initiative
MICs	Middle Income Countries
MM4P	Mobile Money for the Poor
MPTF	Multi-Partner Trust Fund
MSPE	Multi-Stakeholder Partnership for Education
NASA	National Aeronautics and Space Administration
NCDs	Non-Communicable Diseases
NGO	Non-Governmental Organization
NSAs	Non-State Actors
ODA	Official Development Assistance
OHCHR	Office of the United Nations High Commissioner for Human Rights
OIOS	Office of Internal Oversight Services
OPEC	Organization of the Petroleum Exporting Countries
ORS	Oral Rehydration Salts
PAHO	Pan American Health Organization
PHEIC	Public Health Emergency of International Concern
PINGOs	Public Interest Non-Governmental Organizations
PMC	Programme Management Committee
PMNCH	Partnership for Maternal, Newborn & Child Health
PPPs	Public-Private Partnerships
QCPR	Quadrennial Comprehensive Policy Review
REACH	Renewed Efforts Against Child Hunger and undernutrition
REEEP	Renewable Energy and Energy Efficiency Partnership
REN21	Renewable Energy Policy Network for the 21st Century
RMNCAH	Reproductive, Maternal, Newborn, Child and Adolescent Health
RMNCH	Reproductive, Maternal, Newborn and Child Health
SARS	Severe Acute Respiratory System
SDGs	Sustainable Development Goals
SE4All	Sustainable Energy for All
SUN	Scaling Up Nutrition
TNC	Transnational Corporation
UK	United Kingdom

UN CERF	United Nations Central Emergency Response Fund
UN PSFP	United Nations System Private Sector Focal Points Network
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCDF	United Nations Capital Development Fund
UNCEB	United Nations Chief Executives Board
UNCTAD	United Nations Conference for Trade and Development
UNCTC	United Nations Centre on Transnational Corporations
UNDCP	United Nations International Drug Control Programme
UN-DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNDS	United Nations Development System
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNF	United Nations Foundation
UNFIP	United Nations Fund for International Partnerships
UNFPA	United Nations Population Fund
UNGC	United Nations Global Compact
UNHCR	United Nations High Commissioner for Refugees
UNHQ	United Nations Headquarters
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNJIU	United Nations Joint Inspection Unit
UN-OAD	United Nations Operational Activities for Development
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
UNODC	United Nations Office on Drugs and Crime
UNOP	United Nations Office for Partnerships
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSCN	United Nations Standing Committee on Nutrition
UNSG	United Nations Secretary-General
UNV	United Nations Volunteers
UPU	Universal Postal Union
USA	United States
USAID	United States Agency for International Development
WEF	World Economic Forum
WFP	World Food Programme
WHA	World Health Assembly
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WSSD	World Summit on Sustainable Development

Notes on authors



Barbara Adams is Chair of the Executive Board of Global Policy Forum. She was trained as an economist in the UK and served as Executive Director of the Manitoba Council for International Affairs in Canada from 1977 to 1979. She served as Associate Director of the Quaker United Nations Office in New York (1981–1988), where she worked with delegates, UN staff and NGOs on issues of economic and social justice, women, peace and human rights.

Barbara served as Deputy Coordinator of the UN Non-Governmental Liaison Service (NGLS) through the period of the UN global conferences and until 2003. From 2003 to 2008 she worked as Chief of Strategic Partnerships and Communications for the United Nations Development Fund for Women (UNIFEM). Her recent experience has included being a member of the Coordinating Committee of Social Watch (www.socialwatch.org) and the Civil Society Reflection Group on Global Development Perspectives (www.reflectiongroup.org).



Jens Martens is an economist and political scientist. He is Executive Director of Global Policy Forum and has been the Director of Global Policy Forum Europe since its foundation in 2004. Since 2011 he has coordinated the international Civil Society Reflection Group on Global Development Perspectives. From 2003 to 2009 he was member (2006–2009 Co-Chair) of the Coordinating Committee of Social Watch. He is also a member of the Advisory Board of the

Development and Peace Foundation. Prior to joining GPF, he worked with the German NGO World Economy, Ecology and Development (WEED) and as freelance author and advisor for several NGOs and Foundations, among others the German NGO Forum on Environment and Development. Since 2003, he has been author of the German Reality of Aid Report published annually by Deutsche Welthungerhilfe and terre des hommes Germany. From 1991 to 1992 he worked as librarian and research fellow at the German Commission for UNESCO in Bonn.

Global Policy Forum was founded in 1993 as an independent policy watchdog to monitor the work of the United Nations and analyse global policy-making. GPF promotes accountability and citizen participation in decisions on peace and security, social and economic justice and international law. GPF gathers information and circulates it through its website (www.globalpolicy.org), as well as through reports and newsletters. The organization plays an active role in CSO networks and other advocacy arenas, organizes meetings and conferences and publishes original research and policy papers. It analyses deep and persistent structures of power and dissects rapidly-emerging issues and crises. GPF's main programmes cover currently sustainable development concepts and politics, financing for development, tax justice, UN reform, global governance, corporate influence in international politics, and business and human rights. These programmes are implemented by its offices in Bonn and New York, and a network of research fellows and policy advisors, based in different parts of the world.





“Follow the money” is the recipe for good investigative journalism and Fit for Whose Purpose does precisely that for the institution created to defend global public goods. Digging into the numbers behind the funding of the United Nations, Adams and Martens uncover a trail that leads to corporate interests having a disproportionate say over the bodies that write global rules. This book shows how Big Tobacco, Big Soda, Big Pharma and Big Alcohol end up prevailing and how corporate philanthropy and private-public-partnerships twist the international agenda without governments overseeing, but it also clearly spells out some practical ways to prevent it and rescue a citizens-based multilateralism.

Roberto Bissio, Coordinator of Social Watch

This is a thoroughly researched study that brings together the authors’ long personal and professional involvement in the United Nations with their insightful analysis and strong recommendations. It is timely indeed as our global challenges urgently needs a United Nations that is faithful to multilateralism and the values enshrined in its founding Charter. The authors make an irrefutable case that “We the peoples” and the responsibilities of governments cannot be replaced by a corporate agenda governed by corporate interests. It rings the alarm for governments and civil society to regain ownership of the UN.

Chee Yoke Ling, Director of Programmes, Third World Network

Using specific cases, this study illustrates the adverse impact of decades of the “zero growth doctrine” in the regular budget of the UN on its ability to fulfil its international mandates.

Without core funding, UN managers scramble to design activities and accept projects of interest to private companies. This stance facilitates the creation of agencies and decisions that sustain the magnanimity of donors by giving them undue control over the setting of norms and standards. This has been distorting UN priorities. This inhibits the UN from being fit for the purpose of serving its real constituents.

Manuel (Butch) Montes, Senior Advisor, Finance and Development, South Centre

A most timely study that ought to concern all those who believe in the United Nations as a global public good. As an inter-governmental organization, the UN needs to preserve its own independence—financial as well as political. UN relations with the corporate sector deserve to be scrutinized and made more transparent so that important public functions do not risk becoming compromised by private interests. Many parliamentarians are unaware of the deterioration of UN funding highlighted in this well-researched report.

I hope it will catch their attention.

Alessandro Motter, Senior Advisor, Inter-Parliamentary Union

“When I use a word,” Humpty Dumpty said, in rather a scornful tone, “it means just what I choose it to mean—neither more nor less.” “The question is,” said Alice, “whether you can make words mean so many different things.” “The question is,” said Humpty Dumpty, “which is to be master—that’s all.” (Lewis Carroll, Through the Looking-Glass)

This incisive and thoroughly researched report shows how the United Nations has become rather Humpty Dumpty’ish in its use of the word ‘partnerships’. By sanitizing the deep inroads that the private sector has made into global governance and agenda-setting, and already weakened by unstable financing, the UN runs the risk of becoming unfit for any purpose other than alignment to private corporate agendas as governance and democracy are fragmented, and become ever less transparent and accountable.

Gita Sen, General Coordinator, Development Alternatives with Women for a New Era (DAWN)