



▶ The United Nations Development System

What employers' and business membership organizations need to know and how they should engage

In brief

The United Nations (UN) is reforming how it provides assistance to countries, including on the 2030 Agenda. The new approach will change the way national development policies are designed and implemented.

UN Country Teams working more directly with the private sector and representative organizations of business and employers need to be involved. EBMOs need to assert their role in the mix of competing voices of business.

The UN development plan for each country offers an unprecedented opportunity for business organizations to inject a private sector perspective into national sustainable development targets, policies and programmes that shape the business environment.

EBMOs need to proactively engage with the UN Resident Coordinators and UN Country Teams in order to represent the interests of business.

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► I. Introduction

The United Nations (UN), founded in 1945, is the world's largest international organization, covering almost all global issues, including peace and security, climate change, sustainable development, human rights, governance, and many others.

Due to its broad mandate, the UN has a very complex structure. The UN system¹ consists of the UN principal organs², as well as the specialized agencies, funds and programmes and related organizations, which form the UN Development System ("**UNDS**") – the biggest arm of the UN.

In 2018, the UN General Assembly decided to reform the UN Development System to make sure that it can support the UN sustainable development agenda (2030 Agenda)³.

This important decision had immediate implications on the ground: instead of multiple, parallel UN activities supporting member States to implement the 2030 Agenda, the UN Development System must provide a coherent and collective UN action in each country.

The new approach is, therefore, highly relevant to the private sector because it is changing the way in which the UN system supports sustainable development at the national level. As a result of these changes, the UN is also changing the way it engages with the private sector and, consequently, the way and the extent to which businesses –through their representative organizations – are involved in this process.

The reform of the UN Development System and its operations presents an opportunity for **Employer and Business Membership Organizations ("EBMOs")** to engage more effectively with the UN in their country to maximize the effective representation of members' interests.

The purpose of this note is to inform the EBMOs about these changes and to provide guidance to EBMOs on how they can engage with the UN in their country to take advantage of opportunities and address challenges emerging from the process.

1 https://www.un.org/en/pdfs/18-00159e_un_system_chart_17x11_4c_en_web.pdf

2 Decision-making bodies such as General Assembly, Security Council, ECOSOC etc.

3 <https://sustainabledevelopment.un.org/post2015/transformingourworld>

▶ II. The UNDS reform: what is new?

The UNDS reform aims to improve the coordination of the UN support to countries in the context of the 2030 Agenda, making UN assistance more integrated, more-focused on delivery on the ground, with clearer accountability, and with skills and resources better aligned with the 2030 Agenda. The reform involves a set of far-reaching changes in the way the UNDS works to help countries around the world in achieving the SDGs.

1. A reinvigorated Resident Coordination system

The Resident Coordination system coordinates all UN organizations dealing with operational activities for development at the country level. At the heart of the system are the Resident Coordinators – individuals who lead 131 UN Country Teams operating in 165 countries. The Resident Coordinators report directly to the UN Secretary-General, which allows them to focus on Agenda 2030 with greater independence, accountability and impartiality.

2. UN Development Cooperation Framework

The **UN Sustainable Development Cooperation Framework** (“**Cooperation Framework**”) represents the UN’s collective offer to support countries in addressing key SDG priorities and gaps. It guides the entire UN programme cycle in a country, driving planning, implementation, monitoring, reporting and evaluation. The Cooperation Framework is:

- ▶ **The most important UN instrument** for SDG planning and implementation at the country level. UN agency country programmes are derived from the Cooperation Framework, not vice versa.
- ▶ **Nationally owned** and anchored in national development priorities. The Cooperation Framework should align its targets and indicators to those of the national development plans.

- ▶ **Flexible** to allow for alignment to national development planning cycles (from 3 to 5 years).
- ▶ **Responsive** to emerging and unforeseen needs. Annual reviews of progress and assessment of significant changes in the country are carried out regularly.
- ▶ **Rights-based**, since it should leave no one behind, and comply with human rights.

3. The Common Country Analysis

The **UN Common Country Analysis (CCA)** is the UN the UN Common Country Analysis (CCA) is the UN system’s independent and collective assessment of a country situation and is used as a basis to develop Cooperation Frameworks. It calls on the expertise of the UN System to examine gaps and opportunities relative to a country’s commitment to achieving the 2030 Agenda. It is a core analytical function carried out by the UN Country Teams.

The Country Analysis represents **an important opportunity for the private sector** to engage in the process to advance their issues. Conversely, if the EBMOs are not present at the Country Analysis stage, they will likely be excluded throughout the implementation phase of Cooperation Frameworks.

4. Partnerships and Accountability

Since achieving the 2030 Agenda and national development goals requires a broad range of stakeholders, **the UN has significantly broadened the concept of partnerships**. The Cooperation Frameworks embrace all entities (including the private sector and EBMOs) and individuals identified as critical to forging sustainable development solutions in line with UN values.

5. Financing

The UN development process focuses on “SDG financing”, which means leveraging all available financial flows in support of national priorities. While developing and implementing the Cooperation Frameworks, UN Country Teams will increasingly need to help countries **unlock the public and private financing channels to ensure resources at the needed scale**.

► III. The role of the ILO in the new UN development system

The ILO's activities and operations will be significantly affected by the changes to the UN Development System, especially at the country level.

The ILO Decent Work Country Programmes (“**DWCP**”), the ILO's framework for cooperation with member States negotiated at the national level, remain the main accountability framework between the Office and the ILO constituents at the country level, as well as the basis for the ILO's resource mobilization efforts. But **DWCPS will need to be aligned with the UN Cooperation Framework** and will be derived from them to the maximum extent possible.

The Common Country Analysis is the most critical entry point for the ILO and its tripartite constituents to influence the Cooperation Frameworks. At the request of the ILO Governing Body, the ILO Director-General ensured that **national workers' and employers' organizations were designated as key entities with which**

Resident Coordinators should engage at country level in the formulation and implementation of Cooperation Frameworks. The principal vehicle for this will be participation in multi-stakeholder consultations organized by the UN Country Team and working with ILO counterparts in countries. For EBMOs, the entry point to this process is the ILO Employers Specialists based in the ILO Decent Work Teams.

The ILO is planning to provide **guidance and technical training to representatives selected by the constituent groups** on how to participate and speak on behalf of their organizations at the country level within the UN system.

► IV. How UN country teams will engage with the private sector and EBMOs?

The Cooperation Frameworks must embody the spirit of stakeholder engagement that is at the core of the 2030 Agenda. **This means working not only with host governments but also with all stakeholders, including national EBMOs**, without whom SDGs cannot be achieved. The guidance on the Cooperation Frameworks explicitly requires that the Cooperation Frameworks should be a commitment to a broad range of stakeholders, including EBMOs.

The Resident Coordinators, therefore, have a responsibility not only to consult the relevant stakeholders during the development of Country Analysis and Cooperation Frameworks, but also to forge **strategic partnerships** with relevant stakeholders to ensure implementation of the Frameworks at the national level.

To do that, Resident Coordinators and UN Country Teams are required to follow the **Common Minimum Standards for Multi-Stakeholder Engagement in the UN Development Assistance Framework**, which are designed to ensure that UN Country Teams engage meaningfully with relevant stakeholders during the design and implementation of Cooperation Frameworks.

More specifically, during the design phase of Cooperation Frameworks, UN Country Teams should:

- Put together **stakeholder lists** that, according to the Standards, **should include also national EBMOs**.
- Reach out to all stakeholders on the list at the beginning of the process and inform them about the process and opportunities for participation.
- Set up a **Multi-Stakeholder Consultation Forum that should include representatives of EBMOs recommended by the ILO**.

The goal of the Forum is to create periodic and close cooperation, to have a more targeted dialogue on challenging issues. The Forum can also appoint some delegates to join the Cooperation Framework Steering Committee, ensuring civil society participation in this key committee usually limited to UNCT members and government key officials.

During the implementation phase of Cooperation Frameworks, UN Country Teams should:

- ▶ Reach out to all stakeholders from the database periodically with **updates on the UN's work and with opportunities for engagement**.
- ▶ Engage partners in strategic advisory roles and appoint **implementing partners**.
- ▶ **Support the capacity of stakeholders** to engage in the Cooperation Frameworks implementation process.

When engaging with the private sector, UN organizations also need to consider the principles and operational standards for due diligence set out in a new **UN Common Approach to Due Diligence for Private Sector Partnerships**, which UN agencies will use to assess

potential partners (EBMOs are specifically excluded from these due diligence requirements).

The Common Approach sets several minimum parameters that UN organizations should take into account when selecting businesses and EBMOs for partnerships.

More specifically, UN organisations shall not engage in partnerships with companies and their representative associations falling under the exclusionary criteria listed in the Common Approach (such as the weapons industry). In addition, they should conduct thorough risk assessments when undertaking partnerships with businesses and EBMOs of high-risk sectors, such as the oil and gas, infrastructure, agribusiness and mining industry, among a few other.

▶ V. The UN development process: opportunities and challenges for EBMOs

In many countries, the UN is a strategic partner of governments in defining and implementing national development policies. After the implementation of the UNDS Reform, this engagement and continuous dialogue between the UN and governments is going to become even stronger and more coherent.

EBMOs must help shape the priorities of the Cooperation Frameworks:

- ▶ Cooperation Frameworks provide an opportunity to **bring the vision of the private sector into national development priorities**. It is an important policy forum to advance the interests of member companies and promote policies enabling conditions for enterprise growth and productive employment;
- ▶ They provide an opportunity for EBMOs to **work more closely with different UN organizations** and harness their resources and competencies. For instance, EBMOs could be identified as implementing partners for certain Cooperation Frameworks' activities (i.e. research on skills mismatch in the country) and participate in a wide range of projects. This may include opportunities to strengthen EBMOs' institutional capacities as a part of UN strategies to develop stakeholders and partners;

- ▶ Cooperation Frameworks represent a tool to identify major development-related issues at the national level and find out ways to address them. This could present an opportunity to **demonstrate EBMOs' capacity and expertise on issues shaping economic and social policies** (e.g. business environment, SME development, skills, employment, workplace relations, rights at work, social protection systems, gender, and education policies among others) .

However, EBMOs will have to address some challenges to have a role in this process and benefit of the above-mentioned opportunities:

- ▶ While one of the key strengths of the ILO is its tripartite nature, there is generally **little knowledge of the ILO's unique structure, and particularly of the EBMOs, across the UN system**.
- ▶ Many UN agencies do not have experience in working with EBMOs. When the UN needs to engage with the private sector, it tends to do so by engaging directly with multinational firms or with networks of companies, such as the Global Compact Local Networks. **The added value of working with organizations that represent the majority of the entire business sector, such as EBMOs, is not always clear across the UN system, especially if the capacity of the EBMO is limited.**

- ▶ Many UN organizations have a narrow image of EBMOs as strictly limited to social dialogue, and thus **might not fully understand the wider role played individually by EBMOs in societies**, such as improving the business environment, promoting democratic governance and social equity.
- ▶ While EBMOs have a recognized and well-defined role in the ILO, this is not the case within the broader UN system and **EBMOs will face strong competition** from other business networks and associations. This is particularly relates to the Global Compact Local Networks, which have been formally recognized by the UN as the entity that should connect UN Country Teams with the private sector.

▶ VI. What can EBMO's do to engage with the UN more effectively?

As the UN seeks to broaden its engagement with the private sector and other actors at the country level, EBMOs may face increased competition in having their voices heard. This section includes a few suggestions that might help EBMOs to engage with the UN more effectively and ensure that their priorities are reflected in the Cooperation Frameworks.

What EBMOs can contribute to the UN development process?

Since many UN agencies do not fully understand the role of EBMOs and do not see the advantages of engaging with them, it is crucial for **EBMOs to articulate and promote their added value, as listed below:**

- ▶ EBMOs' real added value is their representative power – **they represent the majority or even the entire private sector**. EBMOs can provide UN Country Teams with a collective national 'business view' that includes foreign and national companies, multinational firms and SMEs, as well as sectoral and regional associations. This is something unique that individual companies or business networks cannot provide.
- ▶ **EBMOs can be an entry point to reach out to SMEs, young or female entrepreneurs or associations representing them**. Again, this is something that business coalitions such as the Global Compact Local Networks cannot ensure since their members are generally large firms or multinational companies.
- ▶ Navigating the UN system and working with UN organizations is often complex and out of the reach of many companies. Another advantage of working with EBMOs is **their decades-long experience in working and implementing projects in close cooperation with the ILO** and (possibly) other UN agencies.

- ▶ EBMOs' mandate includes working on issues that are at the core of the SDGs, such as, job creation, social protection, responsible workplace practices, occupational health and safety, education, training and skills development, support for the SMEs. EBMOs should, therefore, highlight their expertise in providing collective solutions to national development challenges and **position themselves as one of the leading private sector organizations to support the UN in the achievement of SDG 8**.
- ▶ **EBMOs should highlight their cross-cutting contribution toward the achievement of other Goals**. For example, EBMOs can contribute to the following SDGs:



SDG 4

Ensure inclusive and equitable quality education for all



SDG 5

Gender equality and Women Empowerment



SDG 9

Build resilient infrastructure, promote industrialization and foster innovation



SDG 16

Promote peaceful and inclusive societies and build effective, accountable and inclusive institutions



SDG 17

Strengthen the means of implementation and Revitalize the global partnership for sustainable development

Reviewing and articulating EBMOs' priorities from the SDGs' perspective could be critical to engage in the national development process and with the UNDS.

- ▶ **By definitions, EBMOs are already representing business interests in national, regional and international platforms** and they have connections with **policy and decision-makers**. They have, therefore, expertise in collective representation while individual businesses do not.
- ▶ **EBMOs should promote their role as data collectors**. Since a critical problem that governments have, especially in certain regions of the world, is access to data to monitor the progress of SDGs, EBMOs should develop or highlight their expertise in managing surveys and collect data among their members.

Greater participation in the UN development process may result in many **benefits for EBMOs**, such as:

- ▶ An opportunity to assert their role as the representative voice of business at the national level, and especially concerning SDGs 8;
- ▶ Represent their members in the UNDS country processes, improve their reputation and institutional image and expand their advocacy network and platform;
- ▶ Advance EBMO priorities and objectives for national development through the UN Cooperation Frameworks;
- ▶ Engage with a wider network of development stakeholders.

What is the UN Global Compact?*

The UN Global Compact is a UN initiative that created a network of companies that committed to implement 10 sustainability principles at both global and local levels.

While some EBMOs host or work with local Global Compact networks, these networks alone are not representative organizations of private sector.

Since its establishment in 2001, the Global Compact is increasingly asserting the role of the UN interface with private sector. This can potentially create a challenge for EBMOs as the UN engages with the Global Compact Local Networks as the stakeholder representing the private sector.

A recent UN Secretary-General's report** clarified the role that the Global Compact should have in the context of the UNDS reform, namely serving as the entry point for companies that want to work on SDGs and connecting the UN Country teams with the private sector at the national level.

* <https://www.unglobalcompact.org/>

** <http://undocs.org/fr/a/72/124>

► VII. Where to start?

1.

Besides promoting their role in society and draw attention to their value-added, **EBMOs should re-brand their agenda and create linkages with the SDGs so that the UN system can see the value of their engagement and partnership on the 2030 Agenda.** EBMOs have decades-long experience in working on sustainable development. However, their contribution to the achievement of the SDGs is not always obvious for external observers. EBMOs should, therefore, review their policy priorities and activities through an SDGs lens. This does not mean changing their business agenda, but it means improving the narrative and linking their policy priorities and actions to SDGs, highlighting how EBMOs and their members can support governments in reaching their targets.

2.

Proactively engage with the Resident Coordinators, UN Country Teams and other development partners and promote their role as an organization representing the business. Unlike the ILO, the UN does not have a clear understanding and appreciation of the role of EBMOs, and particularly “specialized” EBMOs.

3.

In seeking engagement in the design of the new generation of Cooperation Frameworks, **EBMOs should consider a joint approach with other stakeholders.** Since Agenda 2030 concerns not only businesses but also a large pool of NGOs, civil society organizations and other non-state actors, EBMOs should explore alliances with other national actors sharing similar objectives. As a collective front advocating for a seat at the table, it will be difficult for the UNDS to ignore.

4.

EBMOs can take a leadership role in helping companies **to understand the impact of SDGs on the private sector**, especially in the areas of responsible business conduct and corporate social responsibility, and develop appropriate services. Such leadership will contribute to the EBMOs’ role as the voice of and service provider to the business.

► If you want to know more...

1. Resolution n. 72/279 on the Repositioning of the United Nations development system, available at: <https://undocs.org/en/A/RES/72/279>
2. "UN Development System Reform FAQ", available at: <https://reform.un.org/content/un-development-system-reform-101>
3. Report of the Chair of the United Nations Sustainable Development Group, available at: <https://unsdg.un.org/sites/default/files/Report-of-the-Chair-of-the-United-Nations-Sustainable-Development-Group.pdf>
4. Briefing of the European Parliament on the United Nations reform, available at: [https://europarl.europa.eu/RegData/etudes/BRIE/2019/635517/EPRS_BRI\(2019\)635517_EN.pdf](https://europarl.europa.eu/RegData/etudes/BRIE/2019/635517/EPRS_BRI(2019)635517_EN.pdf)
5. Secretary General's Implementation Plan for the Inception of the Reinvigorated RC System, available at: [https://un.org.me/UNDS_repositioning/20180831%20-%20Implementation%20Plan%20-%20FinalDraft%20\(31%20August%202018\).pdf](https://un.org.me/UNDS_repositioning/20180831%20-%20Implementation%20Plan%20-%20FinalDraft%20(31%20August%202018).pdf)
6. United Nations Sustainable Development Cooperation Framework (CF) Implementation, available at: https://unsdg.un.org/sites/default/files/2020-03/UNSDG-Cooperation-Framework-Implementation_Mar-2020.pdf
7. Guidance on UN Sustainable Development Cooperation Framework, available at: https://unsdg.un.org/sites/default/files/2019-10/UN-Cooperation-Framework-Internal-Guidance-Final-June-2019_1.pdf
8. ILO Governing Body Report on "Reform of the United Nations: Implications for the ILO", available at: https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_618112.pdf
9. ILO Governing Body's Decision concerning the update on the United Nations reform, available at: https://www.ilo.org/gb/GBSessions/GB335/ins/WCMS_680005/lang--en/index.htm
10. Report of the SG on the "Implementation of General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, 2019", available at: <https://www.un.org/ecosoc/sites/www.un.org.ecosoc/files/files/en/qcpr/SGR2019-%20Advance%20Unedited%20Version%20-%2018%20April.pdf>