‘Market discourse has captured the development agenda to a point that may be incompatible with UN mandates’

CIVICUS speaks with Barbara Adams, senior policy analyst at the Global Policy Forum (GPF), an independent policy watchdog that monitors the work of the United Nations and scrutinises global policy-making. Founded in 1993 by a group of progressive scholars and activists, GPF promotes accountability and citizen participation in decisions on peace and security, social justice and international law. It does so by gathering information and circulating it through a comprehensive website, playing an active role in civil society networks and other advocacy arenas, organising meetings and conferences and publishing original research and policy papers.

1. What is driving the turn towards the private corporate sector for development funding?

To implement the 2030 Agenda, many in the international community have addressed the financing gap, proclaiming the need to go from “billions to trillions” of dollars. This has propelled a turn to the private sector, and not just the private sector - given the trillions needed - but more so the corporate sector.

According to this view and the analysis of multilateral development banks, as reflected in a 2015 report by the World Bank, the global community needs to move the discussion from billions in official development assistance to trillions in investments of all kinds, to meet the investment needed to achieve the Sustainable Development Goals (SDGs). While admitting that the majority of development spending happens at the national level in the form of public resources, advocates stress that the largest potential for additional funds is from private sector business, finance and investment - working in partnership with governments. Assessments, however, have not adequately addressed the accompanying policy influence, programme distortions and undermining of the 2030 Agenda and ability to achieve the Sustainable Development Goals. This has been the conclusion recently reached by the Reflection Group on the 2030 Agenda.

A related trend is the emphasis put on multi-stakeholder partnerships by some governments and United Nations (UN) agencies and the former UN Secretary-General. This has been reinforced by the 2030 Agenda, and the push for its implementation and achievement of the SDGs.

For instance, a report released in 2015 by the UN Environment Programme emphasised the need to “access private capital at scale, with banking alone managing financial assets of almost US$140 trillion and institutional investors, notably pension funds, managing over US$100 trillion, and capital markets, including bond and equities, exceeding US$100 trillion and US$73 trillion respectively."

2. To what extent has market discourse captured the development agenda, and why has this happened?

The fact that the action phase of the 'big three' landmark agreements - the 2030 Agenda, the Addis Ababa Action Agenda (AAAA) and the Paris Agreement - is dominated by attracting private financing demonstrates the extent to which market discourse has captured the agenda. On a planetary scale this discourse or narrative capture continues patterns well underway at national and global levels.

Inadequate quantity and quality financing of the UN and its mandates by the member states has prompted different patterns of finance, including through philanthropists and big business. Core or un-earmarked resources have plummeted from nearly half of all resources in 1997 to less than a quarter today. According to a recent report by the UN Secretary-General, some 91 per cent of all UN development system activities in 2015 were funded with non-core and earmarked or project-based resources. A report that we published a couple of years back showed that between 1999 and 2014, total non-core resources for UN-related activities increased by 182 per cent in real terms, while core resources increased by only 14 per cent. Much of this increase has gone through a proliferating number of UN trust funds.

The growing use of trust funds - where contributions have jumped by 300 per cent over the last decade - allow donor governments and corporate interests to direct UN funding choices outside the 'one country, one vote' UN policy processes. This represents a substantial change in the funding architecture of the UN development system, characterised by the growing 'bilateralisation' of funding for multilateral aid.

The Third International Conference for Financing for Development launched the Financing for Development Business Compendium, which highlights 33 efforts aimed at mobilising business sector capital, claiming these provide "a strong indication of the broad scope of ongoing initiatives and the potential for scaling up to achieve the demands of the Sustainable Development Goals." It also launched the Global Infrastructure Forum to bridge the "infrastructure gap." The AAAA conference outcome document agreed that "to bridge the global infrastructure gap, including the $1 trillion to $1.5 trillion annual gap in developing countries, we will facilitate development of sustainable, accessible and resilient quality infrastructure in developing countries through enhanced financial and technical support."

To mobilise this support, the AAAA endorsed blended finance and emphasised public-private partnerships (PPPs) as a method of high potential among the instruments of blended finance. In order to assess this potential, it called for "inclusive, open and transparent discussion when developing and adopting guidelines" for PPPs and iterated that they "should share risks, reward fairly, include clear accountability mechanisms and meet social and environmental standards."

To date, PPPs have been more commonly executed in developed countries, as lower-income countries are less likely to attract large private investors. The extensive use of PPPs in Portugal and Spain contributed to their domestic financial crisis, yet domestic experiences are not informing the donor push for PPPs in developing countries. This is despite warnings that modalities that were unsuccessful in Organisation for Economic Cooperation and Development (OECD) member countries are even more unlikely to succeed in less developed countries, where cost recovery is more difficult.

At a global level, the embrace of partnerships with the business sector brings with it a number of risks, side-effects and spill-over effects that have not received careful consideration and adequate independent scrutiny regarding compatibility with UN mandates for human rights and sustainable development; and their extra-budgetary funding lines remove the global partnerships from regular review and impact assessment.

3. Are civil society actors being recognised as UN partners alongside corporate actors?

The emphasis on public-private partnerships and multi-stakeholder partnerships has technically included civil society organisations (CSOs). For example, member states have adopted mechanisms to support such engagement, such as in the resolution of the High Level Political Forum on Sustainable Development and in structuring the UN Economic and Social Council (ECOSOC) as a multi-stakeholder forum (A/RES/68/1). However, this inclusion tends to be procedural and more needs to be done to recognise the expertise and experience of civil society and its contribution in enriching substance in the context for policy decisions as well as in implementation strategies and monitoring. It is essential to differentiate the classifications of non-state stakeholders, rather than lumping them together as partners, and to recognise their different mandates and commitments to the public good.

However the emphasis on multi-stakeholder partnerships tends to be driven by the funding gap issue and it favours the corporate sector.

While CSOs focus on the enabling environment for their participation in key policy streams, it is important to broaden this attention. While the embrace of partnerships continues, the UN Secretary-General's June 2017 report, 'Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all', (A/72/124) has put in motion the mandate from the Quadrennial Comprehensive Policy Review (QCPR) (A/RES/71/243) to "recalibrate and enhance other critical United Nations skill sets to match the needs of the 2030 Agenda," and seeks "revamped capacities in partnerships and financing."

Additionally, the UN Human Rights Council resolution establishing an Open-ended Intergovernmental Working Group on Transnational Corporations and other Business Enterprises with respect to Human Rights (OEIGWG), seeks "an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises” (A/HRC/RES/26/9).

The UN General Assembly partnership resolution has been on the General Assembly’s agenda since 2000 and is the main intergovernmental framework in place to govern non-state partnerships and hold them to account. But it lacks robust reporting and implementation. Its latest iteration is ‘Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners’ (A/RES/70/224). While it references for the first time the United Nations Guiding Principles on Business and Human Rights (UNGPs) adopted by the UN Human Rights Council, its main emphasis continues to be the UN Global Compact’s 10 principles, which pre-date and are inadequate for the comprehensive 2030 Agenda and the SDGs.

In December 2017 the UN General Assembly adopted decision A/72/427, in which member states decided to “defer, on an exceptional basis, the consideration of the item entitled ‘Towards global partnerships’ and to include it in the provisional agenda of its seventy-third session.”

4. What can civil society do to respond to these trends?

There are a number of ways to respond, starting with an analysis and understanding of the overall context within which partnerships are promoted - the inadequate financing of the UN and its mandates by the member states. Crucial for CSOs is to assess their own situation and actions and the extent to which organisations have become passive participants in processes that are very limited, if not counter-productive to the pursuit of human rights and to strengthening the normative ability of the UN.

Another way to take action is to monitor these trends at the UN more broadly than in specific processes and siloes, and be more actively involved in the partnership resolution dynamics and the importance of championing the public interest. This will require strategic substance-led alliances, not ‘big tent’ groupings in which strategies based on substance tend to evaporate.

Additionally, it is important for civil society to undertake monitoring and to mobilise to prevent UN system activities, practices and appointments that undermine UN values-based mandates and that contradict the objectives of the 2030 Agenda.

Finally, civil society actors need to support each other to strengthen the independence of civil society monitoring, not only in developing countries but all countries. An independent civil society cannot rely only on financing through development assistance that focuses primarily on developing country policies and programmes.

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