Business and a post-2015 development framework

Where next?

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March 2013

Acknowledgements

The author would like to thank Claire Melamed, Karen Ellis, Peter Newborne, Francis West and Anouk De-Goede, for useful comments and feedback, and Divya Nambiar for assistance with the literature review that informed this paper.

This paper was also informed by discussions held at a series of events co-organised with Business Fights Poverty and a number of other partner organisations.

ODI is grateful to the William and Flora Hewlett Foundation for their support to this work.

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Executive summary

This paper is a contribution to the debate on how the private sector can best be involved in any development framework that follows on from the Millennium Development Goals (MDGs), post-2015. While there have been conversations on this issue, these tend to be fairly broad and general. To date (at least at the time of writing), there have been few specific suggestions on how private sector actors can contribute to this development agenda, and how the design and delivery mechanisms of any future goals could shape private sector behaviours, where relevant. This paper aims to help fill this gap.

Drawing on a number of recent discussions on the private sector and the post-2015 framework, we have identified three relevant areas for private sector engagement with the new goals:

- economic transformation and jobs
- the transparency and accountability agenda
- delivery through global partnerships.

While the first two refer to specific goal areas where shaping private sector behaviour is seen as a priority, the third one is different. It cuts across different themes and proposes a means to deliver the goals.

Economic transformation and jobs
Not surprisingly, the issue of private sector engagement in the post-2015 framework often features in discussions about the need for poor countries to transform their economies and generate new jobs that reach those with lower incomes. Many suggest this high-priority issue, missed by the current MDGs, should be captured in a new set of goals. This could encourage governments to implement policies that are relevant for private sector investment. Based on the increasing consensus that a new framework should incorporate an economic dimension, we reflect on two ways it could do so, both of which have implications for private sector actors.

- Include economic transformation and jobs in an opening statement to signpost the relevance of the issue and influence resource allocation.
- Use reporting on relevant goals, targets and indicators to change behaviours (for example, a goal/target on jobs, and optional indicators for enablers of growth).

The transparency and accountability agenda
Some suggest a goal in this area could be expanded to cover corporate behaviour, as well as the behaviour of governments. We have identified three specific proposals in this area.

- Propose a separate accountability framework for businesses: an opportunity to harmonise different frameworks and identify core indicators that builds on existing frameworks, such as the Global Reporting Initiative (GRI).
- Recommend stepping up work on human and natural capital accounting methodologies to make it possible to put a value on the non-financial impacts of the private sector on development.
- Under a transparency/governance goal, recommend that governments set mandatory reporting for large businesses as a listing requirement.

Delivery through global partnerships
Although global partnerships are not exclusive to the post-2015 agenda as a delivery mechanism, some large businesses are suggesting that such partnerships could become part of the post-2015 implementation phase under each specific goal. Working groups, including private sector actors, could be set up to discuss delivery mechanisms and accountability frameworks in more detail.

As such, a streamlined process to establish UN-business partnerships could be introduced to 1) carry out rigorous evaluation on when and how such partnerships would add value to individual partners' work; the

specific competencies from different partners that are being leveraged; and what motivates different actors to join the partnership, and 2) if, after careful examination, there is a case for the establishment of a new partnership, to then provide clear guidance to select both projects and partners.

- Any implementation plans associated to a new framework could include guidance on what constitutes a good partnership, drawing on the experience of global partnerships to date.

- A streamlined UN process to assess the case for a partnership could be set up, with specific thematic leads for each goal.

- To ensure trust is built between different participants, make it a prerequisite for (large) firms involved in partnerships to disclose information, following international standards such as the GRI.

Once the format and content of the post-2015 framework is agreed, it will be easier to think about the role of the private sector in this agenda. It is likely that more specific conversations about implementing and resourcing the goals will emerge at that point. In the meantime, some hard thinking and a realistic assessment on where private sector expertise and resources are likely to be most applicable is needed.

Whether a new set of goals will include specific recommendations, targets or indicators to promote certain private sector behaviours remains to be seen. At this stage, it is uncertain whether the United Nations High-Level Panel report will include specific suggestions that target private sector behaviour; whether previous conversations started at Rio+20 on corporate reporting will be taken up by the Open Working Group; or whether these issues will remain of interest once the inter-governmental negotiations start in earnest. That said, there is an inherent value in having these conversations about the role of the private sector in development, which can, ultimately, help to inform other on-going processes.

1 Introduction

This paper is a contribution to the discussion on how the private sector can best be involved in any global development framework that follows the Millennium Development Goals (MDGs), post-2015. While there have been conversations on this issue, they tend to be fairly broad and general. So far, there have been very few specific suggestions (of which we are aware at the time of writing) on how private sector actors can actually contribute to the post-2015 agenda, or how the design and delivery mechanisms of future goals could help shape private sector behaviours, where relevant. This paper aims to help fill this gap.

There are four key challenges to private sector engagement in a new set of goals, which help to explain, in part, the lack of specific proposals to date. First, a wide range of organisations fall within the 'private sector'[1] – from local small-holders and small- and medium-enterprises (SMEs) to large domestic corporations and multinational companies (MNCs), with very diverse interests at stake.

Second, creating incentives for certain business behaviours is not only about what companies can do voluntarily, but also about how other actors, mainly governments, can shape those behaviours.

Third, the private sector is involved in the delivery and financing of the current MDGs across a number of areas, so it is difficult to single out neat categories that are specific for private sector action. In addition, the implementation of the goals is context-specific, so it is not particularly useful to be over-prescriptive at the global level. Ultimately, implementation will be carried out at the domestic level, in line with national priorities and specific settings.

Finally, there are still too many pieces moving around on the global chessboard. With the post-2015 framework[2] still up for discussion, it is not yet clear what businesses, or any other actors, are expected to deliver, which can make the discussion about private sector engagement too generic.

We know that the private sector is critical to development – it is responsible for most economic activity and is, therefore, a crucial player in delivering investment, economic growth and jobs. Companies have a multitude of impacts on development outcomes – some positive, some less so – and there has been an increasing focus in the development and CSR arenas on ways to ensure that businesses behave responsibly and do no harm. A few companies are going one step further and seek to identify changes in their operations that will maximise their positive impact when this is in line with their commercial interests (e.g. through altering the way the engage with local producers in their supply chains or by targeting low-income consumers with innovative products and services that help address development problems).[3] So there is a foundation already in place. But what is the point of business engagement in a global agreement post-2015? Where does it add value to what they are already doing anyway?

While it is up to governments in the United Nations General Assembly to lead the process and design of a new framework, there is a role for the private sector in the post-2015 agenda. Drawing on a number of recent discussions in this area[4] we have identified three key areas for private sector engagement with the new goals.

1. Economic transformation and jobs: Not surprisingly the issue of private sector engagement in post-2015 often features in discussions about structural change, inclusive growth and jobs. Some propose that this should be captured in a new goal, which could, perhaps, encourage governments to implement policies that are relevant for private sector investment.

2. The transparency and accountability agenda: Some suggest a goal in this area could be expanded to cover corporate behaviour, as well as that of governments, perhaps building on existing reporting mechanisms.

3. Delivery through global partnerships: The idea is that global partnerships around different goals could be set up where relevant business expertise and resources could add value to the delivery of those goals.

While the first two of these options refer to specific goal areas where shaping private sector behaviour is perceived as a priority, the third option is different. It cuts across different themes and proposes a means to deliver the goals.

But beyond broad suggestions, there have been few attempts to work out what any of this means, specifically, in the context of the new goals. This is precisely the aim of this paper. We look at each of these options in more detail, discuss their rationale, the actors they target (e.g. SMEs, large corporations, MNCs, governments), the state of play in the area and the broad challenges, and conclude by assessing if, and how, their inclusion in a post-2015 framework would add value.

Box 1: **Private sector engagement with the post-2015 agenda: a note on process**

Before discussing how a new post-2015 development framework could help shape business behaviour, it is useful to reflect on the *process* of engagement of private sector actors in the debate so far.

There are many examples to show that private sector engagement in development cooperation has been increasing (Lucci, 2012), a wider trend reflected in the inclusion of two private sector representatives on the High-Level Panel[5] on the post-2015 agenda.

Private sector engagement in development can be a controversial subject, with a range of views on the relative merits and risks of having commercially-minded actors participating in development processes.[6] The UK Parliamentary Inquiry on post-2015, which included a question on whether private sector actors should be involved in the post-2015 agenda at all, provides illustrative evidence on this particular issue (with the obvious caveats that it is UK-based and views could be very different elsewhere, and that even within the UK it represents a small sample of opinions).[7] Over 50% of those submitting written evidence to the inquiry said 'yes' to the question on whether the private sector should be involved in the post-2015 debate. The rest did not respond. Almost 60% of those who agreed that the private sector should engage suggested caveats for its involvement, particularly around the need for sound national regulatory frameworks.

Ultimately, having input on the new goals and how to deliver them from a wide range of actors (individuals worldwide, government representatives, trade unions, experts, non-governmental organisations and private sector actors) is positive, as long as the process is balanced, inclusive and transparent. The following points should be borne in mind, however.

- **The High-Level Panel is just one part of the process**. Panel members are trying to reach out to wider stakeholders to inform their views on the new goals and draw on the UN-led consultations. However, there is a limit to what they can achieve, given that they operate under time and resource constraints. Ultimately, it will be up to governments in the United Nations General Assembly to determine the shape of the new set of goals.

- **Efforts are being made to make the process inclusive, seeking participation from a range of voices**. There a number of UN-led thematic and national consultations that involve a wide range of actors; in this respect the process is very different to that which generated the Millennium Development Goals. The UN Global Compact is also consulting businesses for their views on a new framework. There are also specific initiatives that target vulnerable communities[8] and an online/offline survey that seeks information on priorities for the goals.[9] But there are valid concerns around the capacity of different actors to participate, which deserves further thought.

- **The process needs to be as transparent as possible.** There is a need to ensure the process (which, at this stage, is comprised of the High-Level Panel, the Open Working Groups meetings and the UN-led consultations) is as transparent as possible. This includes posting information on agendas and summaries of issues discussed; wide publicity around calls for consultation; and going public with both submissions and a list of those who participate in them.

- **It would be useful to have a clearer process in place to gather views from a wide range of actors on private sector engagement with post-2015 and what this could look like.** So far, there have been the UN Global Compact consultations and High-Level Panel outreach efforts on the issue. It would be useful to have a more systematic and open consultation, inviting views from a wide range of actors.

2 Adding value through post-2015?

2.1 Economic transformation and jobs: Private sector territory

Background

The MDG focus on the social sectors, in a sense a reaction to the Washington Consensus policies of 1990s, has helped to achieve necessary improvements in human development. However, some argue this has sidelined the productive sectors. During the 2000s, few resources were devoted to infrastructure or investments to improve productivity in the agriculture sector, so critical to the economic transformation of poorer countries.

There is increasing consensus that a new framework should include an economic dimension alongside a more traditional social focus. References to inclusive growth, structural change – the process where labour moves from low-productivity activities (e.g. agriculture) to higher productivity sectors (e.g. manufacturing) – and the need for more and better jobs abound in debates about the new goals.[10] Growth increases revenues that help to finance investment for social services and infrastructure, securing self-sufficiency and the resources that make it possible to follow a sustainable development path. In addition, the specific patterns of growth (i.e. the sectors that drive it) are also related to job creation.

If the economic dimension is included in a new framework through goals, targets or indicators, ultimately it will be the private sector that will make it happen. The public sector can shape that process by, for example, ensuring that fundamental enablers of growth – skills, infrastructure, a sound regulatory environment, etc. – are in place. For many developing countries, the main areas of focus are increasing the productivity of smallholders and SMEs and facilitating a transition towards a formal economy, while maximising the local impact of investment from foreign companies, as relevant in specific contexts.

The question is if, and how, a post-2015 framework could help shape actions by governments and companies in this area.

The state of play and challenges faced

Many developing countries have experienced strong economic performance since the late 1990s. However, high growth rates have rarely been accompanied by proportionate improvements in poverty reduction and human development outcomes, especially in Africa. The reasons for this lie in specific patterns of growth (e.g. commodity-based), poor employment performance and a lack of structural transformation (Martins and Lucci, 2013).

According to the African Development Bank, the continent has had a decade of jobless growth: job creation (at just 3% per annum) has trailed far behind GDP growth (5.4% per annum) and even farther behind export growth (18.5% per annum); accompanied by rising youth unemployment.[11] In fact, having a job is one of the issues poor people care the most about. When asked about their priorities, jobs come overwhelmingly top of the list, suggesting this is a desirable outcome in itself (Melamed, 2012).

In addition, the quality of jobs is a common challenge in many developing countries. According to estimates from the International Labour Organization, there are 900 million working poor at present (ILO, 2012). Low incomes are better than no incomes at all, but poorly paid jobs and sub-par working conditions tend to reinforce existing inequalities and do not always provide a route out of poverty.

The relevance of the economic transformation and jobs agenda is well-established. Yet the level of attention it receives is not matched by the number of concrete proposals on how to incorporate the need for inclusive growth and more and better jobs in a new development framework, post-2015.[12] While the number of jobs can be measured as a specific outcome, economic transformation and growth more generally are means to an end: a fundamental – and highly context-specific – way to achieve the goals. This means that this area does not lend itself to be easily articulated as part of a global agreement – at least, not if we follow the outcome-based model of the MDGs. One possible way of including this area in a new framework would be to stress that inclusive growth and structural change are needed to achieve the other goals in an opening statement, akin to the Millennium Declaration of 2000.

Given their focus on the social sectors and outcome-based approach, the MDGs were also silent about some of the enablers of inclusive growth. Broadly speaking, these include:[13] a sound macro-economic environment; sectoral policies; access to finance; strong institutions and service delivery capacity; strong infrastructure, and an educated workforce that has the skills often required by companies, among others.

Some of these issues were included in the MDGs, where they are also desirable ends in themselves and represent household aspirations. This is certainly the case for education and access to basic infrastructure services. There are now proposals to improve the design of goals in both these areas. On education, many argue that new goals should account for the quality of education as well as access (quantity), and set the bar higher in terms of the levels of education included (with some calling for the inclusion of vocational skills, often demanded by some employers, as relevant in different contexts). Infrastructure was included, in part, in the MDGs, but an increasing number of stakeholders suggest that this area should become more prominent and comprehensive this time around.[14] Other enablers of growth are not included in the current framework, as they clearly constitute means rather than desirable outcomes, such as a sound macro-economic environment and institutional capacity.

Finally, although most of these areas require government action that could help facilitate private sector investment, there are also examples of actions that businesses, particularly large businesses and MNCs, can take to maximise their economic and social impact. These include the use of local suppliers, paying decent wages and taxes, transferring knowledge to domestic enterprises, and offering training and social benefits. For example, a study from Oxfam on Unilever Indonesia's poverty footprint found that its greatest impact came through the use of local suppliers (Clay, 2005). Perhaps a new framework could help to encourage more businesses to maximise their local economic and social impact.

Implications for a post-2015 development framework

Based on the increasing consensus that a new framework should incorporate an economic dimension, we reflect on two ways it could do so. Both have implications for private sector actors.

- **Inclusion of economic transformation and jobs in an opening statement to shape social norms and resource allocation**

The language in the opening statement of a new agreement (akin to the Millennium Declaration) could emphasise the need for economic transformation, inclusive growth and jobs to signpost the importance of the issue. It could incentivise more policy attention and resource allocation to the context-specific enablers of inclusive growth and, depending on local models and policy preferences, drive further private sector investment.

- **Reporting on relevant goals, targets and indicators to change behaviours**

In addition, a framework could help to shape behaviours and attract policy attention by promoting progress monitoring on issues that are relevant for inclusive growth and jobs.

- *A goal for jobs.* Having a specific goal for jobs could also focus efforts towards inclusive growth, facilitating development of a local business base and foreign investment according to national priorities. Ultimately, having a decent job is a desirable outcome in itself.

- *Goals for infrastructure and education and supplementary (optional) indicators for other enablers of inclusive growth and jobs.* Indicators for skills, for example, could include the vocational training often demanded by businesses, where relevant to national contexts. In the case of infrastructure, such indicators could include access to energy and transport. This could help meet household aspirations while helping to put in place basic enablers of growth.

Optional guidance on supplementary indicators (e.g. under a poverty or jobs goal or as part of local implementation plans for the goals) on other important drivers/enablers of growth could be provided on, for example, institutional capacity, the macro-economic and regulatory environment and access to finance.[15]

These suggestions have related to government policies that are relevant for private sector investment. The following is a proposed target directed specifically at businesses.

- *A target for reporting business impact on development.* Arguably if more large businesses were to report on their economic and social impact, such as jobs supported through the supply chain, training provided and wages paid relative to the minimum wage and poverty line, tax paid, among others,[16] this could help to highlight their areas of greatest impact and encourage positive behaviours and competition among their peers. The inclusion of recommendations for corporate reporting in a new framework could help make its use more widespread. This builds on existing reporting frameworks and is further discussed in the next section.

2.2 Transparency and accountability: Monitoring business impact on development

Background

Some suggest that the post-2015 agenda could also cover the accountability of corporate actors, under a more general goal on transparency and accountability, drawing on momentum that is building around the transparency agenda and discussions held at Rio+20.[17]

Business operations have economic, social and environmental impacts. The logic of enhancing reporting on these issues – often referred to as non-financial disclosure[18] – is that it provides governments and civil society organisations with information to hold these actors to account. In doing so, it can incentivise responsible behaviour (the 'do no harm' agenda) and showcase those companies that decide to go the extra mile, seeking to maximise their positive impact (the latter was the logic behind the development of a Good for Development Mark).[19]

In addition, there is evidence that disclosure of information on these issues benefits business performance too (PwC, 2012), the explanation being that these firms often have superior governance structures and more constructive engagement with stakeholders. Disclosure also helps investors make better decisions about the long-term worth of a business, taking into account the social and environmental risks and opportunities.

At present, the issue of disclosure of non-financial information concerns, for the most part, large companies[20] (domestic and MNCs) that have the resources to actually make such disclosures. SMEs can start to build on good practice as and when their capacity allows them to do so.

The state of play and challenges faced

Interest in reporting has grown, but remains confined to a small number of firms
During the past decade, increasing social and environmental concerns have generated pressures for companies to move towards a more systematic disclosure of non-financial information (see Lucci, 2012, for a more detailed discussion). In 2000, only 44 firms followed General Reporting Initiative (GRI) guidelines to report on their practices involving environmental, social and corporate governance issues. By 2010, that number had grown to almost 2,000 (Ioannou et al., 2012). However, these figures look small when compared to the total number of transnational corporations – over 100,000 with almost 900,000 foreign affiliates (UNCTAD, 2011).

There is also growing interest among some long-term investors in the disclosure of non-financial information, particularly around risks related to climate change. One sign of this is that large financial services firms are establishing their own sustainability departments and well-known financial information providers are increasing their offer of sustainability data alongside financial information. And although still a niche area, sustainable investment – assets managed by socially responsible investment funds – is on the up.[21]

Nevertheless, despite this growing interest, disclosure of non-financial information is only practiced by a minority of firms. We will now explore in greater detail three barriers to more widespread adoption.

The proliferation of guidelines

There are a number of existing guidelines on reporting. For example, the UN Global Compact and the Global Reporting Initiative (GRI), with over 7,000 businesses signatories and almost 2,000 users respectively, are among the most widely used. They follow a 'scorecard type' of approach (Ashley et al., 2009), which makes it possible to compare companies, track changes over time, and cover a wide range of issues.[22] In fact, the GRI is perhaps the most comprehensive reporting framework, including indicators on the economy, society, the environment, labour practices, human rights, decent work, and lobbying practices and tax, among others.[23] Note that in the specific case of tax, tackling tax evasion goes well beyond reporting; ultimately it requires strengthening and harmonising regulation at the international level. The High-Level Panel has recognised this in their final communique from the Bali meeting stating that the regulation of tax havens and illicit financial flows will be important in the context of financing the goals.[24]

Many businesses argue that the GRI is too onerous: its latest version, G3.1, covers about 127 indicators, with more than 50 identified as 'core or material' (that is, affecting a company's bottom line). Another criticism of the way that GRI is applied – rather than the guidelines themselves – is that companies often report data for the whole organisation rather than for specific countries or locations, making data difficult to interpret. It has also been pointed out that the framework is too general and does not, therefore, allow for specific issues of relevance to different sectors. That said, sectoral templates have been added. In short, some argue that in practice, the way in which some companies use the GRI resembles a compliance exercise (and sometimes a token one) rather than a process that drives change within an organisation.

There are also a number of useful sectoral approaches and initiatives. For example, the Extractive Industries Transparency Initiative (EITI) was envisaged as a way to deal with widespread corruption in a sector that is key to many low-income economies.[25] Although its reach still covers only a small number of countries, it has helped to encourage the disclosure of information on the deals struck in the sector. Some have called for the extension of this type of initiative to cover land deals.

It can be argued that the lack of a generally-accepted reporting framework that sets out the minimum core indicators to allow for comparability (with GRI the most comprehensive and widely-used so far) makes widespread adoption more difficult (Eccles et al., 2011). Initial work on Integrated Reporting[26] (i.e. providing a single report with financial and non-financial information) could speed progress on harmonisation and what needs to be reported, and also strengthen the current status of non-financial key performance indicators.

The lack of methodologies that translate non-financial information into financial terms

While some investors are starting to recognise that social and environmental issues can have an impact on business operations' long-term viability, sustainability investment is far from mainstream practice. The difficulty lies in the lack of a sound methodology to link economic, social and environmental impacts to core business metrics, such as revenue growth, cost reduction, risk management and reputation (PwC, 2012). This could stimulate the reform of core business models to encompass environmental costs and benefits and social costs/benefits for all stakeholders (beyond a company's shareholders and employees).

The way in which companies report often emphasises sustainability issues over social and economic ones. In their analysis of Bloomberg Environmental, Social and Governance (ESG) information, Eccles et al. (2011) find that interest in environmental and governance data is greater than interest in social information. They suggest this could be because environmental implications are easier to quantify and integrate into valuation models than social data. Perhaps businesses, particularly in sectors that depend on raw materials, see the need to secure sources of supply and ensure that their business model is sustainable in the face of increasing natural resource scarcity as a more real and tangible (or simple greater) risk for their bottom lines than any social risk.

One recent innovation in this field is PUMA's recent Environmental Profit and Loss Account methodology, the first attempt to measure, value and report the environmental externalities caused by a corporation and its entire supply chain. The novelty of the report is that it seeks to monetise environmental impacts allowing for different impacts – climate change, water scarcity, loss of biodiversity, smog and acid rain, waste disposal – to be easily communicated and compared on a consistent basis.[27] There is also valuable work undertaken by the World Bank and others on natural capital accounting and how to integrate natural and human capital into financial accounts, which deserves a further push. This would make the integration of financial and non-financial information easier.[28]

The voluntary nature of most reporting frameworks
Although efforts to harmonise the many guidelines available are no doubt useful, many argue that it is the voluntary nature of the frameworks, rather than their content, that explains their lack of widespread use. In fact, a broader set of stakeholders now demands a more active role by governments in the field of sustainability reporting (Ioannou and Serafeim, 2012).

The ‘Sustainable Stock Exchanges’ initiative, supported by the United Nations’ Principles for Responsible Investment (UNPRI), the United Nations Conference on Trade and Development (UNCTAD) and Global Compact, is a good example. This initiative urges all stock market-listing authorities to make it a listing requirement that companies consider the responsibility and sustainability of their business model and put a forward-looking sustainability strategy to the vote at their Annual General Meeting. This seeks to enhance corporate transparency, encouraging responsible long-term approaches to investment. Apart from a few other examples, such as the Singapore, Johannesburg and Istanbul Exchanges, there has yet to be a serious commitment from stock exchanges to make changes to their listing rules.[29]

Implications for a post-2015 development framework

The post-2015 agenda could take advantage of the momentum built around the transparency agenda to cover corporate behaviour. In practice this is more relevant to large businesses. A few suggestions on specific proposals are shown below.

- **Propose a separate accountability framework for businesses: an opportunity to harmonise different frameworks and identify core indicators**

The MDGs are deemed a successful framework because they simplified a long list of development indicators and narrowed it down to those considered most important at the time. A post-2015 framework could do something similar for corporate reporting on economic, social and environmental impact.

Current efforts to harmonise different guidelines and integrate financial and non-financial information could be strengthened (for example by a working group comprising relevant international organisations, experts and stakeholders), drawing on existing reporting initiatives, particularly the GRI guidelines, and businesses own reporting frameworks. For reporting to be effective and stimulate competition among peers, at least in the same industry group, the need for comparability – international, sectoral and organisational – must be balanced with the flexibility to address specific issues. A minimum set of general indicators could be identified, drawing, for example, on GRI core indicators, and a few additional indicators could be specified for different sectors, collected at site level and reported at country level. Indicators could also cover new issues, such as the need for transparency around land deals for relevant sectors.[30]

Perhaps an independent agency could collate this information, comparing performance for peers across the same sector and of a similar size (at global and country level) to stimulate competition among companies in the same industry group. This descriptive approach could be used while a framework to monetise economic, social and environmental impact is developed.

- **Recommend stepping up work on human- and natural-capital accounting**

As discussed, efforts are needed to develop complex methodologies that would allow the monetisation of social and natural capital in corporate reporting and national accounts. This would translate non-financial information into the language used by businesses, facilitating its use and integration with financial reporting.

- **Under a transparency/governance goal, recommend that governments set mandatory reporting for large businesses as a listing requirement**

Ultimately, self-regulation has not achieved widespread disclosure of non-financial information. For large firms, a post-2015 framework could recommend that governments make the release of economic, social and governance information a mandatory listing requirement. This could be monitored through an indicator, such as the number of countries with regulations that mandate the inclusion of non-financial information as a listing requirement.

2.3 Partnerships to address global challenges

Background

Partnership is another area that has come up in discussions about business engagement with the new goals (and with the UN system more generally). As an example, a UN high-level representative at a recent event stated that 'Multisectoral cooperation is possible and promising.' He was referencing the *Every Woman, Every Child* movement, suggesting that a similar approach should be extended to other priorities, including food and nutrition and sustainable energy.[31]

These types of partnerships have gained prominence over recent years. They differ from previous approaches to development cooperation in that they are multi-stakeholder rather than inter-governmental. Their mandates tend to focus on one specific challenge or issue and they are often referred to, therefore, as 'vertical funds'. There are many reasons for their emergence: the fact that the scale and complexity of major global challenges cannot be addressed by single actors; a decline in confidence in traditional aid and business models; and effective advocacy on single issues by non-governmental organisations that can also suit donors' political constituencies (Bezanson and Isenman, 2012).

Increasingly, some large businesses are involved in these partnerships as they see convergence between their interests and development priorities (Lucci, 2012). Some companies see food security, environmental sustainability, access to health and education and good governance as important factors to mitigate risks, develop new markets, and cultivate sustainable relationships with customers and investors (UN Global Compact Lead, 2012). But it is important to keep a sense of proportion. At present, this agenda speaks only to a small group of large companies that incorporate long-term non-financial considerations in their financial models, and that tend to see their responsibilities as going beyond their shareholders.

Given the prominence of global partnerships in current debates, it is important to reflect on their performance so far to determine whether this is something that should be taken up by a post-2015 agreement. Unfortunately, the evidence is limited. One of the weaknesses of these arrangements, discussed in more detail in the next section, has been the lack of detailed performance assessment (i.e. whether the partnership added value to what partners would have achieved individually anyway). So, when coming to a view of the lessons and outcomes achieved to date, we are constrained by the limits of the information that is readily available.

The state of play and challenges faced[32]

Adding value beyond individual partners' achievements?
Many argue that high profile global multi-sectoral initiatives, particularly in the field of health, have proved successful in mobilising resources for high-priority issues (Bezanson and Isenman, 2012). McKinsey's 2005 review of global health partnerships found that they were generally increasing stakeholder participation and referred to 'early evidence' of value-added in achieving benefits beyond what would have been possible for individual partners to achieve on their own.

Further, the Independent Expert Review Group (2012), which assessed the performance of *Every Woman, Every Child* found that it has contributed to advocacy efforts for the health of women and children, noting that high-level political support for, and financial commitments to the health-related MDGs 4 and 5 have increased. In fact, the Partnership for Maternal, Newborn, and Child Health estimates that the Global Strategy has delivered $18.2 to 20.6 billion of new and additional funding to women's and children's health (IERG, 2012).

But at what cost?
Although, in principle, the reasons for the emergence of these partnerships appear compelling – not least the need to experiment with new ways to deliver solutions to old global problems and bring together the expertise of different actors – these vertical partnerships come at a cost. Many of the criticisms levelled against them revolve around the unintended consequences of vertical specialisation, complex management arrangements, conflict of interest and lack of clear accountability frameworks, as outlined below.

Vertical funds: unintended consequences
One key question with vertical funds is whether they attract new funds or just channel existing commitments; in other words, whether they are displacing resources from other sector-wide reforms. The rapid increase in the number of partnerships means there is increasing competition for funding. Supporters of global programs argue that the funds channelled through global programs can be seen as new additional funding. Yet only the health sector has seen a net increase in overall aid levels over the last decade (Lele et al. 2007).

In addition, the McKinsey (2005) review of health partnerships found that countries struggled to absorb vertical funds because of lack of support to implement programmes on the ground. In addition, these programmes often bypassed the processes that countries already had in place, thereby increasing overlap and duplication.

Complex and weak governance and accountability arrangements
Many reviews have found that global partnerships' governance structures are often too complex and weak (Bezanson and Isenman, 2012; Buse et al., 2011). In 2008, for example, the GAVI Alliance (which supports increased access to immunisation) changed its governance arrangements, which originally included multiple boards, to a single governing body (two-thirds constituency based and one-third independent membership). This was a response to an independent review in 2007, which reported that GAVI's complex governance arrangements were creating confusion and inefficiencies. Although the new board brought significant improvements, its size and constituency-based structure still made decision-making protracted and bureaucratic; involved high transaction costs and produced 'watered-down' positions and decisions (GAVI 2010 Evaluation referenced in Bezanson and Isenman, 2012).

Further, the review by Buse et al. (2011) of multi-sectoral health partnerships also found evidence of weak strategic planning, with many partners having poorly-defined roles and responsibilities and under-resourced Secretariats.

Conflict of interest
Conflicts of interest also emerged as a common challenge in the reviews undertaken. For example, some constituency members of the board of GAVI were also recipients of GAVI funding. This was the case with the World Bank, which is still part of the GAVI board but no longer receives funding, and also applies to some UN agencies, including UNICEF and the World Health Organization.

The same can be said of the Global Alliance for Improved Nutrition (GAIN), with some board members in direct competition with GAIN for finances from the same sources. Aware of some of the difficulties faced by a multi-stakeholder board, GAIN has now changed its governance structure to an independent board chosen for its expertise in specific issues and areas.[33]

Lack of measurement and evaluation
Perhaps more troubling is the lack of rigorous measurement and evaluation of global partnerships' achievements – a lack reported by most reviews in Bezanson and Isenman (2012) and referred to in Global Compact Lead (2012). Many are starting to address this issue, as their credibility depends upon it. *Every Woman, Every Child*, for example, has set up an Independent Expert Group that will report on progress every year and Scaling Up Nutrition (SUN) has recently introduced a new progress tracking system as a first step to measure its own impact.[34]

The Independent Expert Review looking at *Every Woman, Every Child* puts it eloquently: 'One disappointment is that it has not proven possible to document precisely the progress made on each of the 220 commitments[35] to the Global Strategy. This absence of evidence is a major gap in the Global Strategy, one that may undermine the credibility of *Every Woman, Every Child*. Although it may be true that implementation of the Global Strategy has advanced the health of women and children, the exact nature of those advances – the tangible results that have been achieved for women and children – is, as yet, impossible to determine' (IERG, 2012).

An inconclusive verdict: is it worth the effort?
All of these are relatively new initiatives and many are making changes to address their initial design problems. Evaluations often confirm that these new partnerships have contributed to development; although the question of net value-added (how much it adds to what individual partners would have done anyway) is much harder to answer.

Most partnerships face a similar range of problems, the most critical being ensuring that there is an appropriate strategy and a strong case for it, with clarity on the role and motivation of different partners, and that there is clear coordination, support and ownership at the country level. Box 2 summarises some of the challenges and offers some general guidelines.

Box 2: **Guidance for partnership and partners**

What makes a good partn*ership*

Making a rigorous case – demonstrating that the sum is more than the parts and that it tackles a global challenge (i.e. the benefits of partnership work spill across national boundaries). Before generating new partnerships, a well thought-through case has to be made that demonstrates added-value to what partners could achieve individually, and that specifies which core competencies are being leveraged from each of them. Strengthened global actions do not necessarily require a new global initiative. Once new governance structures are launched it is difficult to change them and if not accompanied by mergers, closures or reorganisations of existing organisations it could lead to greater fragmentation of the global institutional architecture (Bezanson and Isenman, 2012).

Strong built-in capacity – governance and accountability. Once a case has been made for a partnership, then it needs strong governance and accountability mechanisms. Although there is a temptation to have light-touch governance arrangements that favour responsiveness and flexibility, experience to date has shown that governance has often been weak and, therefore, ineffective. There are a number of key elements in strong, built-in capacity.

- **Well thought-through governance arrangements and pilot phase** – the size and composition of the board needs to strike a balance between inclusiveness and effectiveness. There also needs to be effective coordination between global and country level efforts, with an emphasis on country ownership. A pilot phase should be included to test the concept.
- **Adequate resources** – although there is merit in the concept of leanness that is often professed by these initiatives, it is difficult to operate effectively without adequate resources.
- **A clear strategy and a strong monitoring and evaluation system** – a clear strategy with credible baselines and outcome-based indicators to monitor progress needs to be put in place from the start. It is also important to monitor the contribution of each partner to ensure they live up to their commitments.

Adherence to aid effectiveness principles. Country ownership, alignment with national programmes, harmonisation of donor efforts to reduce fragmentation and transaction costs, managing for results, and mutual accountability should all be built into these new initiatives.

What makes a good partn*er*

Trust and understanding of different perspectives and respective roles. There needs to be a clear specification of the roles and motivations of different partners and the rationale for their inclusion in the partnership. For example, Buse et al. (2011) found that, in health partnerships, some partners were generally unrealistic in their approaches to the private sector, failing to recognise their need to demonstrate that they will make a profit. The United Nations and businesses still distrust each other's motives for entering partnerships, and differences in their organisational cultures results in mismatched and unfulfilled expectations. Two suggestions include:

- Business could be required to provide guarantees on responsible behaviour by, for example, disclosing information that follows common standards such as the GRI and adherence to UN principles.
- UN agencies could simplify their approach to partnerships with the private sector by, for example, appointing thematic leads to act as a point of contact for different agencies and country offices.

Source: This draws on Bezanson and Isenman (2012), Global Compact Lead (2012).

Implications for a post-2015 development framework

To date, partnerships have been ad-hoc, lacking strong governance and accountability arrangements. Although the issue of global partnerships as delivery mechanisms is not exclusive to post-2015, it could become part of its implementation phase under each specific goal. One way to take this forward within the context of a post-2015 framework could be to set up working groups that include private sector actors under each of the goals to discuss the potential contribution of partnership work to the delivery of the goals, where relevant.

As such, a streamlined process to establish UN-Business partnerships could be introduced to do two things: 1) carry out a rigorous assessment of when and how these would add value to the work of individual partners and what specific motivations and skills from different partners are being leveraged (business *competencie*s will not be mobilised unless business *motivation*s are aligned); 2) if the partnership would add value, to then provide clear rules and guidance to select projects and partners.

- Any implementation plans associated to a new framework could include guidance on what constitutes a good partnership – guidance that draws on the experience so far.

- A UN thematic lead could issue calls for proposals where an opportunity is spotted for delivery on a specific global challenge – such as access to affordable essential medicines, or knowledge transfer in agriculture, energy, information and communications technology or health – and where there could be potential for mutual benefits. Equally, if businesses spot an opportunity they could approach a specific thematic lead.

- To ensure trust is built between different participants, there should be a pre-requisite for (large) firms involved in partnerships to disclose information that follows international standards, such as the GRI. Equally (although not exclusively a post-2015 issue) this requirement could be extended to large firms engaged in any type of partnership with the public sector.

3 Conclusion: Where next?

While it is up to governments in the United Nations General Assembly to lead the process and design of a new post-2015 development framework, there are ways in which the private sector can contribute to this agenda. This paper has aimed to flesh out what these could be, to add clarity to a conversation that has, to date, been quite broad and generic. To a certain extent, this is because of the wide-range of organisations and interests that make up the private sector – from smallholders and SMEs to multinationals. It is also linked to the array of measures available to incentivise certain business behaviours: this is not just about what companies themselves can do, but also about how other actors, mainly governments, can shape those behaviours.

The paper has provided some examples of how a framework could help to shape private sector behaviours in three different areas to elicit further discussion.

First, drawing on current discussions about the need to incorporate an economic dimension in a new framework, this paper suggested that including a new goal/target around jobs and (optional) indicators for enablers of growth could help to track progress on areas relevant to companies' investment – and this applies to both small and large companies.

Second, the paper has discussed the possibility of extending a transparency and accountability goal to cover businesses, not just states. This agenda is of most relevance to big business with the capacity to report on their economic, social and environmental impact, building on existing reporting frameworks. Adding new possible indicators in this area could encourage progress on the disclosure of non-financial information (for example, counting the number of governments that mandate disclosure as a listing requirement).

Third, the paper has reviewed the potential contribution of the private sector to the delivery of the goals through partnership work. The available evidence on the achievements of this type of initiatives – their value-added beyond what individual organisations would achieve on their own – is still limited. As such, their net value-added and the competencies and motivations that are being leveraged from different participating actors should be assessed more carefully. One possible way to take this forward within the context of a post-2015 framework could be to set up working groups under each of the goals, including private sector actors, to discuss if, how and on which specific issues partnership arrangements could become useful delivery mechanisms.

Once the format and content of a new framework is agreed, it will be easier to think about the role of the private sector. It is likely that more specific conversations about implementing and resourcing the goals[36] will emerge at that point. In the meantime, we need some hard thinking and a realistic assessment of where private sector expertise and resources are likely to be applicable. For example, if the goals are to include universal aspirations for access to basic services (such as education, health, water and sanitation, energy and transport) reaching the most vulnerable groups will still require public money (through domestic resource mobilisation and aid from all donors, whether traditional or emerging). It is not clear that companies would have a commercial rationale to reach the most vulnerable, and if companies were involved in the delivery, then subsidies would probably be needed to reach the very poorest people.

Would a new set of goals include specific recommendations, targets or indicators to promote certain private sector behaviours? At this stage it is uncertain whether the High-Level Panel report will have specific suggestions that target private sector behaviour or whether previous conversations that began at Rio+20 on corporate reporting will be taken up by the Open Working Group. Regardless of the outcome of these official processes, there is an inherent value in having these conversations about the role of the private sector in development, which can, ultimately, help to inform other on-going processes.

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Endnotes

[1] Note that in this paper, the private sector is the 'for profit' sector.

[2] In 2012, a High-Level Panel was set up to advise the UN Secretary-General on what could replace the MDGs when they expire in 2015. The Panel is expected to report back to the Secretary-General in May 2013 setting out its recommendations for a new framework. At the same time an Open Working Group has started to look at a set of Sustainable Development Goals, an outcome of the Rio+20 Conference, and will produce a report for the General Assembly this September. One of the key issues at stake is how to integrate these two processes, particularly how to marry (technically and politically) a focus on poverty reduction with environmental concerns. The Secretary-General will also produce a report to the General Assembly in September.

[3] See Lucci (2012) for a more detailed discussion.

[4] See, for example, the summary reports of the events held on 25th September 2012 on 'Business, MDGs and Beyond', and the business roundtable held in London as part of the second High-Level Panel on the Post-2015 Development meeting in November 2012, available at http://www.undp.or.jp/uploads/pdfs/134984981502.pdf and http://post2015.org/2012/11/28/post-2015-high-level-panel-summary-of-private-sector-roundtable/, respectively. See also Claire Melamed's blog on the High-Level Panel meeting in Monrovia, http://post2015.org/2013/02/06/the-post-2015-high-level-panel-met-in-monrovia-and/, Leisinger, K. M. and Bakker, M. P. (2013) and a summary of Jeffrey Sachs' talk on the post-2015 framework at the Overseas Development Institute http://post2015.org/2012/12/14/jeffrey-sachs-talks-post-2015/

[5] See footnote 2. Betty Maina, Chief Executive of Kenya's Association of Manufacturers and Unilever's CEO Paul Polman are both members of the High-Level Panel.

[6] See for example, http://www.guardian.co.uk/commentisfree/2012/dec/11/privatising-aid-dangerous

[7] There were about 83 submissions to the Parliamentary Inquiry with over 55 (roughly 66%) from non-governmental organisations, 17 (20%) from experts, 4 (5%) trade associations, 3 (4%) from government representatives, 3 (4%) from multilateral organisations, and 1 (1%) from private sector representatives (author own analysis). See http://www.publications.parliament.uk/pa/cm201213/cmselect/cmintdev/writev/post2015/m01.htm

[8] http://www.ids.ac.uk/participate

[9] http://www.myworld2015.org/

[10] See Melamed (2013a); Martins and Lucci (2013). Broadly speaking, inclusive growth entails greater participation of vulnerable groups in the economic process – such as better work opportunities for the poor, youth and women – while ensuring that the gains from economic growth are equitably distributed (Martins and Lucci, 2013).

[11] See Ancharaz, V. (2011), http://www.oecd.org/site/tadicite/48773949.pdf

[12] According to the Overseas Development Institute's tracker, http://tracker.post2015.org/, there are 25 out of a total of 188 (13%) proposals on this issue. Only 10 (5% of total proposals) of this 25 are specifically classified as proposals on the 'economic/growth/employment' theme. The other 15 include proposals for multiple sectors/goals.

[13] See Melamed (2013a) http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8227.pdf and Martins (2013).

[14] MDG7 included access to water and sanitation, while MDG8 referred to access to Information and Communication Technologies (ICT). Suggestions on new indicators on infrastructure include: electricity consumption, per capita density of road network, among others. See for example, http://post2015.org/2013/02/20/post-2015-mdgs-okonjo-iweala-calls-for-increased-investment-in-energy-transport/

[15] There are existing indicators that could be explored, such as the World Bank 'Ease of Doing Business' indicators or those making up the World Economic Forum competitiveness index. In addition, broad guidelines could be developed to help with national implementation plans to deliver on the goals. For example, in the case of growth, jobs, structural transformation and driving private sector growth, optional guidance and examples of good practice could be envisaged (for example, see Oxfam principles on investment in agriculture, Sahan and Mikhail, 2012).

Note that some suggest there should be more private-sector engagement in the design and delivery of development strategies. For example, Davis (2012) proposes that business, government and donors, collaborate in the design of a development strategy for a particular region or sector, making 'mutual commitments' to deliver those goals. So, for example, a number of private companies could pledge to undertake new investments under the development strategy, in the expectation that certain enabling factors are put in place by government (e.g. improved infrastructure) under that same strategy, often supported by funding from donors. The Beira Agricultural

Growth Corridor in Mozambique is one example of this. The New Alliance for Food Security and Nutrition, a G-8 initiative launched in 2012, also aims to develop this kind of coordinated approach across Africa.

16 See for example, Wilshaw et al. (2013).

17 See Save the Children (2013) and a summary of Jeffrey Sachs' talk on the post-2015 framework at the Overseas Development Institute http://post2015.org/2012/12/14/jeffrey-sachs-talks-post-2015/

In terms of the transparency agenda more generally, the British Prime Minister David Cameron – one of the co-chairs of the High Level Panel – has been pushing for a 'golden thread' that includes greater openness, transparency and accountability. Outside post-2015, in the UK and the US there have been moves towards more open government and data. And it does not stop with governments. Given a series of corporate scandals – from rigging the LIBOR rate in the UK to tax avoidance by major companies – calls for greater transparency are reaching private sector actors too. As one example, the G-8 has tax cooperation on its agenda this year, and some suggest this should be part of post-2015 as well.

18 Non-financial disclosure is also sometimes referred to as ESG (Environment, Social and Corporate Governance) or 'sustainability' reporting (which in the context of corporate reporting includes more than environmental issues). In this context, financial information refers to companies' own accounts and performance.

19 The Good for Development Mark (Knott and Ellis, 2009) sought to measure business positive contribution to development and generate competition among peers. For more details on this idea, see http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/4303.pdf

20 Those with more than 250 employees.

21 See endnote 18 for a definition of sustainability in this context.

Eccles et al. (2011) using data from Bloomberg from November 2010 to April 2011 found over 40 million hits for environmental, social and governance data. Although this does not necessarily mean that the analyst used this data in their valuation models, it provides an indication of their interest.

Sustainable investment refers to those assets being managed by socially responsible investment funds. In the case of the United States this market's worth increased significantly over the past 17 years – from less than $0.5 trillion in 1995 to $3.31 trillion in 2012. But again, put in context, it still represents a small proportion of total assets under management – 9.9% of $33.3 trillion in 2012 quoted in Pwc (2012).

22 In addition to scorecards, which are mainly descriptive and designed to focus on 'what' are business behaviours in a number of areas, there are other ways of measuring business impact on development. Ashley et al (2009) provides a useful categorisation of: 1) local assessments (livelihood impacts and stakeholder views of a firm or initiative); 2) value chain footprints (enterprise and poverty impact of the entire value chain within the economy, and 3) economic contribution (multiplier effect of a business in the national economy). For a summary of the pros and cons of these different approaches, including scorecards, see Ashley et al (2009) pages 17-18.

23 For an example of a report against United Nations Global Compact , see http://www.unilever.com/images/sd_Unilever_United_Nations_Global_Compact_index_August_2012_tcm13-308837.pdf
For an example of reporting using the Global Reporting Initiative (G3), see http://www.angloamerican.com/~/media/Files/A/AngloAmerican-Plc/development/performance/GRI_2011.pdf.

The GRI (version 3.1) guidelines can be found here: GRI Sustainability Reporting Guidelines, Version 3.1. Available at: http://bit.ly/uF1JJ4

24 High-Level Panel of Eminent Persons on the Post-2015 Agenda, Bali, 27th March 2013, Communique https://www.evernote.com/shard/s152/sh/b91c7faf-3901-46ca-bfb3
d73f10ae74b3/4931cd2a81467446e9754865631903f7/res/adb244a0-3de7-43ae-8393-
513cdaad3f44/%23Post2015%20Final%20Communique%20Bali.pdf

25 For more details on EITI's disclosure requirements, see http://eiti.org/files/document/EITI%20Business%20Guide.pdf. There are other sectoral approaches, for example the Ethical Trading Initiative.

26 http://www.theiirc.org/

27 For more details on the methodology, see http://about.puma.com/wp-content/themes/aboutPUMA_theme/financial-report/pdf/EPL080212final.pdf

28 See for example Mulder et al (2012) http://www.naturalcapitaldeclaration.org/wp-content/uploads/2012/07/NCD_Roadmap.pdf

29 For more details, visit: http://unctad.org/en/Pages/DIAE/SSE-Initiative.aspx

There are also initiatives calling on stock exchanges to encourage firms to use integrated reporting. In South Africa regulators moved decisively towards mandating integrated reporting, with the issuance of the King III Report on Corporate Governance. Note that there are different approaches to reporting, with some based on a 'comply or explain' basis. Although this provides flexibility at the same time it can give way to underreporting (Save the Children, 2013). As such, it is important to make progress on what should be reported on, agreeing on a minimum of core indicators drawing on existing frameworks.

In addition, a few countries have legal obligations covering firms' reporting. This is the case of the General Danish Act. There are also proposals of laws seeking to regulate companies' behaviours in specific key sectors such as extractives – this is the case of the Dodd-Frank Act.

[30] Note that on a key issue like tax, tackling evasion goes well beyond reporting and requires harmonisation of regulation at the international level. Perhaps this is something that could be taken up in a global partnership type of goal or included in implementation plans for the goals.

[31] Dr. Robert Orr, Assistant Secretary-General for Strategic Planning, United Nations at the '2013 at the United Nations' event hosted by the Business Council for the United Nations.

[32] In this section we draw on Bezanson and Isenman (2012) who summarise the existing literature on the performance of partnerships with a focus on their governance arrangements – GAVI, the Global Fund, GAIN, are among the many explored. This includes two reports by the World Bank looking at their own engagement in global partnerships (World Bank, 2004 and IEG, 2011); a McKinsey and Co. (2005) study assessing global health partnerships' performance, a study by Buse et al. (2011) reviewing eight global health partnerships, among others. Bezanson and Isenman (2012) then reviewed 11 global partnerships themselves of which five were in international public health. We also conducted a literature review of two high-level initiatives: *Every Woman, Every Child* and Scaling Up Nutrition (SUN).

[33] In a slightly different context - partnerships between donors and the private sector rather than global multi-stakeholder partnerships– a recent study found that these can be opaque in terms of the criteria for partner selection (Kindornay, S. and Reilly-King, 2013).

[34] See Minutes of SUN Government Focal Points Meeting; 26, September 2012. http://scalingupnutrition.org/wp-content/uploads/2012/10/26-September-2012-SUN-Focal-Points-Meeting-Final-Report_en.pdf ; (last accessed 16, January, 2013).

[35] The fact that this initiative is made up of diverse programmes and commitments makes it very difficult to examine and monitor the progress on specific commitments and get a sense of the overall impact of the initiative. While there are a large number of commitments to the *Every Woman, Every Child* initiative, the distribution of commitments is uneven. For example, the IERG report highlights the fact that 15 commitments to the *Every Woman, Every Child* countries have received three or fewer commitments from donors; while 20 countries have received over 15 commitments each.

[36] In fact, the High-Level Panel started conversations about implementation and resourcing of the goals in its recent meeting in Bali. Importantly, it recognised the need to deal with tax havens and illicit financial flows to secure resources to deliver the goals. See endnote 24.