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BACKGROUND PAPER 4

Global Multi-stakeholder Partnerships:

Scaling up public-private collective impact for the SDGs

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Introduction

This paper examines the potential—both opportunities and risks—for enhancing the role and effectiveness of multi-stakeholder partnerships (MSPs) as a modality for scaling up innovation, resources and action to deliver the Sustainable Development Goals (SDGs). MSPs (also referred to as cross-sector partnerships) span a wide and diverse array of institutional arrangements for expanding collaboration between government, business (and other private sector actors), civil society and/or UN and other multilateral agencies to address development challenges. The focus here is on global MSP mechanisms (that typically operate at multiple scales), which have become an increasingly important element of the international development architecture and feature strongly in the global dialogue on a post-2015 sustainable development agenda.[1]

The paper is in three sections: (i) basic features of global MSPs and a brief overview of lessons from experience regarding their potential benefits and risks; (ii) some key design principles for enhancing the legitimacy, effectiveness and development impact of MSPs and to mitigate the risks; and (iii) issues and options for expanding the role of global MSPs as part of the means of implementation for the SDGs.[2]

Features of global multi-stakeholder partnerships and lessons from experience

Multi-stakeholder partnerships can serve a variety of purposes and there are many different models for their design and operation. The figure below provides a basic typology of the spectrum of MSPs, which can be broadly defined as "an ongoing working relationship between organizations from different sectors, combining their resources and competencies and sharing risks towards achieving agreed shared objectives whilst each also achieving their own individual objectives. Cross-sector partnerships involve

Figure 1. A basic typology of multi-stakeholder partnerships (from Peterson et al, 2014)
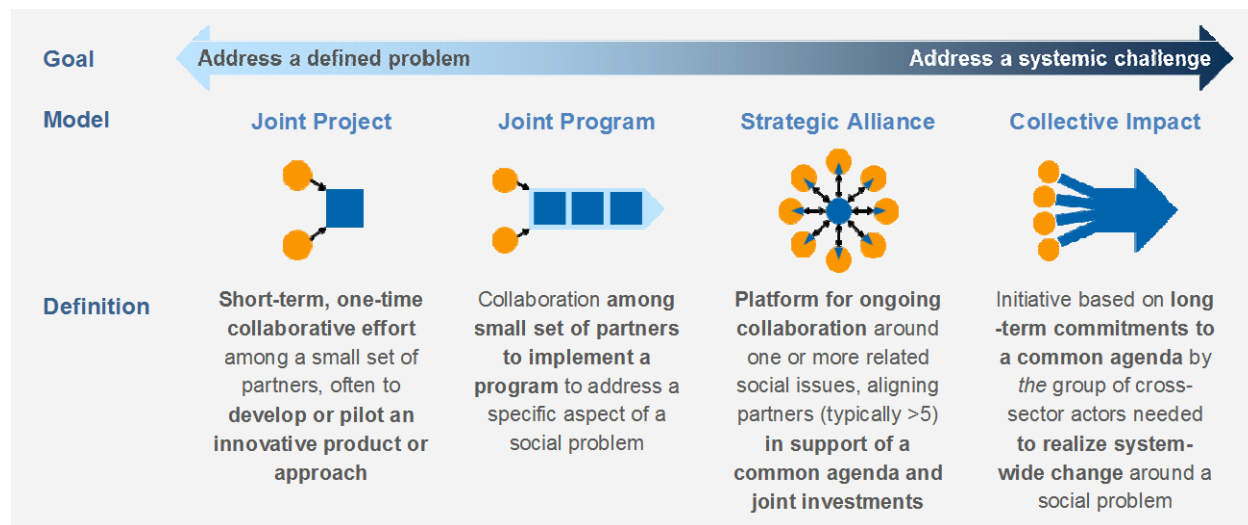
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two or more actors from government, business[3] (and/or other private sector actors), civil society[4], and/or UN (and other multilateral) agencies. These partners will typically leverage their respective core knowledge, skills, resources and assets in such a way as to create solutions which none of the partners could have developed on its own."[5]

The focus here is on global-level MSP mechanisms that foster public-private (cross-sector) collaboration across geographies and operate at multiple scales (local, national, regional and/or global). They typically are targeted either at particular sectors such as the Global Alliance on Vaccines and Immunization (GAVI) and the Global Partnership for Education (GPE), or on more cross-cutting themes such as the Global Alliance for Improved Nutrition (GAIN) and the Urban Poor Fund International (UPFI)—see table below.

GAVI www.gavi.org	GAIN www.gainhealth.org	GPE www.globalpartnership.org	UPFI www.upfi.info
Mission: GAVI was created in 2000 and brings together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world's poorest countries. *Impact:* Gavi support has contributed to the immunization of an additional 500 million children, and has helped developing countries to prevent more than 7 million future deaths from from infectious diseases.	*Mission:* GAIN acts as a catalyst — building alliances between governments, business and civil society — to find and deliver large-scale and locally relevant solutions to the complex problem of malnutrition in more than 40 countries. *Impact:* GAIN has improved the nutrition of about 750 million people and is aiming to reach 1 billion people by 2015.	*Mission:* Established in 2002, GPE works in 60 developing countries with donor governments, international orgs., the private sector, teachers, and civil society/NGO groups to deliver a good quality education to all girls and boys, prioritizing the poorest and most vulnerable. *Impact:* GPE has helped 21.8 million children access primary education and helped raise primary school completion rates in GPE countries from 61% in 2002 to 75% in 2011.	*Mission:* Created in 2001 and expanded in 2007, UPFI is an international fund to support national funds managed by organized urban poor groups working to improve access to housing and basic services through community-led upgrading programs. *Impact:* By 2010, UPFI had supported a network of 1.1 million savers and 16,000 savings groups, and supported local improvements by savings groups in 464 cities.

Some potential benefits of global multi-stakeholder partnerships

Reviews of global MSP experience and lessons, most notably in the health sector, suggest that well-designed and adequately-resourced global partnerships can have a number of *potential* benefits, including:[6]

- *Advancing more integrated, comprehensive and scalable approaches to poverty eradication and sustainable development challenges by:*

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[3] In this paper, the term 'business' is used primarily in relation to engaging for-profit enterprises, from multinational enterprises to micro, small and medium-sized enterprises (e.g. in the real economy).

[4] From international NGOs to local community-based organizations, and including private philanthropies and foundations.

[5] Freeman and Wisheart (2015).

[6] This section is based on reviews of MSPs, including Bezanson and Isenman (2012); Buse and Tanaka (2011); Sachs and Schmidt-Traub (2014). However, it is important to note that beyond the health sector there is a general lack of analysis and evaluation of MSP experience and impact.

- o Facilitating cross-sector dialogue toward co-creating and aligning around a common agenda for action and advocacy.

- o Combining and leveraging the complementary roles and diverse capabilities of a larger set of cross-sector (public and private) stakeholders and promoting their inclusive participation in solving sustainable development challenges.

- o Facilitating a shift to more programmatic approaches to planning, investment and implementation.

- o Providing multi-level platforms or networks for achieving sustainable impact at scale by opening up new opportunities for collaboration; linking action across multiple scales from global to local and local to global; and by facilitating rapid learning and efficient knowledge transfer, both horizontally and vertically.

- *Advancing more integrated, efficient and effective approaches to financing by:*

  - o Using pooled financing mechanisms for mobilizing, combining and allocating diverse sources of international and domestic public and private finance. Pooled funding arrangements have played a central role in global MSPs, and have demonstrated their potential for engaging private business and leveraging private finance for development purposes, although to date this has been largely limited to the health sector on a significant scale.

  - o Employing blended finance approaches and instruments for the strategic use of public funds to mobilize private finance and catalyze public and private investments for development purposes in partner countries. Blended finance can increase the effectiveness and impact of grant money; can maximise the development impact of private investments; and can channel more private capital into sectors such as agriculture and energy that are crucial for sustainable development.

  - o Enhancing efficiency and effectiveness by lowering transaction costs and reducing fragmentation and duplication; more flexible targeting of support to countries, groups and areas most in need; and providing more predictable multi-year funding commitments.

- *Providing platforms for global advocacy and mobilization of civil society around priority poverty eradication and sustainable development challenges*.

Some challenges and potential risks of global multi-stakeholder partnerships

Review of global MSP experience also points to challenges in their design and operation and *potential* risks that can run counter to some of the advantages and potential benefits outlined above:

- Imposing rigid and top-down 'blueprint' approaches and 'conditionalities' with respect to strategies and priority-setting, funding requirements and procedures, and implementation modalities—thereby undermining country ownership, and potentially distorting national and local development funding and investment priorities.

- Reinforcing a siloed (sectoral) and 'projectized' approach to development problems and solutions, thereby undermining the potential to address the drivers of systemic change and for scaling impact through a more programmatic approach.

- Investing insufficiently in building the structures needed to manage the complexity and challenges of working effectively across global, regional and national/local levels.

- Seeking to expand the development role of the private sector in MSPs without putting into place agreed rules and other measures to ensure private sector transparency and accountability.[7]

- Power imbalances in the governance and operation of the MSP, and exclusion or lack of meaningful participation of stakeholders, in particular local actors.

- Lack of shared measurement systems; weak monitoring and impact evaluation; insufficient focus on learning and knowledge-sharing.

Key design principles for effective and accountable global multi-stakeholder partnerships

The full diversity of partnership types from the local to the global level will be needed to deliver the SDGs. However, a significant scaling up of public-private collective action will be needed to achieve the kind of transformative and lasting change that the SDGs call for—of the type on the right half of the MSP spectrum in Figure 1. This means building global partnerships around priority sustainable development challenges that can bring together the full range of cross-sector actors (including business) needed to bring about large-scale systemic change, and based on long-term commitments to a common agenda that can be adapted to differing country contexts.

There is no one-size-fits-all model or approach to building such global partnerships, and their form and function will need to reflect the unique features and requirements for success of each sustainable development challenge. Nevertheless, a set of overarching design principles can be identified to enhance the legitimacy, effectiveness and accountability of global MSPs. These design principles mirror the development effectiveness agenda and the major areas of commitments endorsed by 161 countries, civil society organizations and other stakeholders under the Global Partnership for Effective Development Cooperation—e.g. improving effectiveness and transparency, reducing donor fragmentation, and strengthening delivery, accountability, measurement and demonstration of sustainable results.

- Establish a multistakeholder governance structure that is fit-for-purpose with respect to the MSP's mission and governance and operational needs, including addressing up-front (as much as possible) issues around potential asymmetries of power and conflicts of interest.[8]

- Invest in a multi-layered 'backbone' (support) infrastructure capable of managing the complexity of working at and across global, regional and national levels—with the national backbone as the hub for strategy, planning and implementation, and serving as a platform for facilitating national and local-level partnerships.[9]

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[7] Although the broader and more fundamental challenge here is the need for widespread adoption and disclosure of environmental, social and governance (ESG) considerations by private actors to enhance the transparency, accountability and sustainability of private finance and investment.

[8] Some examples include Global Fund to Fight AIDS, TB, and Malaria (Global Fund), GAVI, GPE, Every Woman Every Child and the Open Government Partnership. See Bezanson and Isenman (2012) for more on key lessons for the governance of MSPs.

[9] See Patscheke et al (2014) for more on the architecture of global collaborative efforts and the central importance of a multi-layered backbone structure. As much as possible, the different layers of the backbone structure should build on (and where necessary strengthen) existing institutional structures and systems.

- Align with country priorities and work through national and local planning, budgeting and fund allocation systems in order to build genuine ownership and strengthen capacity, and to enhance the efficient and effective delivery of finance and other means of support.

- Advance integrated and results-driven approaches to development challenges through multi-stakeholder dialogue, country-based strategy frameworks and use of programmatic approaches.

- Combine the potential benefits of vertical funding models (e.g. pooling of diverse funding sources and blended finance; improved coordination and harmonization; and reduced fragmentation and duplication of efforts) with the benefits of horizontal funding models at national and local levels (e.g. ownership; subsidiarity; flexibility; and local empowerment—all of which can contribute to enhancing development impact).

- Support locally-controlled finance mechanisms where appropriate and feasible. While local funding mechanisms may not be suitable in all cases, global goals and targets that require local action need locally-accessible finance provided to locally-accountable organizations in order to succeed.

- Ensuring robust monitoring and evaluation to support learning and knowledge-sharing, evidence-based decision-making, and to strengthen accountability for results among all partners, public and private.

Expanding the role of multi-stakeholder partnerships in delivering the Sustainable Development Goals

As noted at the beginning of this paper, global multi-stakeholder partnerships have become an increasingly important element of the international development architecture and feature strongly in the global dialogue on a post-2015 sustainable development agenda. The rise of global MSPs has in part been a response to the implementation challenges of meeting the Millennium Development Goals. Looking ahead to the broader, more integrated and universal agenda of the SDGs, the challenges will be even greater and the stakes even higher—and will require a significant scaling up of public-private collaboration and collective impact to achieve the kind of transformative action and global-scale systemic change that the SDGs call for.

Global MSPs—if well-designed in line with the design principles outlined above, and if adequately resourced to achieve sustainable impact at scale—have a vital role to play in advancing an integrated, universal and transformative SDG agenda. In relation to the three priority areas of financing for development needs identified by the Intergovernmental Committee of Experts on Sustainable Development Financing—e.g. (i) basic needs and social progress; (ii) infrastructure for sustainable development; and (iii) global public goods—global MSPs would seem to be best suited to the first and third areas. The utility of global MSPs for tackling core poverty and human development challenges has been well-demonstrated in the MDG era, particularly in health. Global MSPs also can play a new role in helping meet the huge unmet funding needs and other barriers to the provision of global public goods, and in accelerating progress toward sustainable patterns of consumption and production in key sectors.

Both the Addis FfD conference and the Post-2015 Summit provide critical opportunities to elevate the role of global MSPs in the post-2015 'means of implementation' and to build momentum for scaling up public-private collaborative efforts.

The Addis FfD outcome document can:

- Incorporate global MSPs as a key modality for financial and non-financial means of implementation, with a strong focus on measuring impact and accountability for results.

- With respect to the private sector in MSPs, the outcome document could focus on increasing the adoption and disclosure of environmental, social and governance (ESG) considerations by private actors, which can serve to both encourage greater private sector engagement and to ensure greater transparency and accountability of private finance and investment.

- Highlight the critical importance of decentralized and locally-controlled finance mechanisms, both within the broader framework of financing for sustainable development and as an element of global MSPs—and thereby sending a powerful signal on this oft-neglected area.

The Post-2015 Summit outcome document can:

- Incorporate global MSPs as a key delivery mechanism for the SDGs, with particular attention to their role in tackling core poverty and human development goals and targets, provision of global public goods, and targeted efforts to achieve sustainable consumption and production in sectors critical to sustainable growth and development.

- Consider, as appropriate, establishment of an 'apex' global MSP for each goal (and possibly for selected major targets).

- Include MSPs in the post-2015 monitoring and review framework, with a strong focus on measuring impact and accountability for results for all actors.

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