



UN SYSTEM
STANDING COMMITTEE ON NUTRITION

SCN Private Sector Engagement Policy

*This private sector engagement policy was agreed as an interim document at the
33rd SCN Session in Geneva, March 2006*

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Geneva, March 2006

Preface

At the 31st Annual Session in 2004 it was agreed that the SCN explore if and how to engage the private sector in ways that could help realize its mandate. The Steering Committee of the SCN established a Task Force with representation from each of the three constituent members¹ with the purpose of exploring these issues. With the help of a consultant the Task Force developed a Report which proposed a strategy of regulated engagement with the private sector with the SCN, creating a fourth constituency for the private sector, and the development of a funding policy.

At the 32nd Annual Session it was agreed that the private sector should not form a separate grouping in the SCN. It was decided that the level of participation should be further explored by a Steering Committee Task Force, based on UN best practice (WHO/UNICEF), which would lead eventually to more active participation in the SCN, including private sector speakers, and contributions. In principle, the UN agencies welcome private sector involvement, but agreed that they should not form a separate constituency. Bilateral Partners welcomed the SCN Private Sector Engagement Report but considered that public interest must remain at the centre of the SCN activities, and in that regard several elements required clarification, including engagement criteria. The CSO/NGO constituency considered that acceptance of funding from the private sector has too great a potential for conflict of interest, both real and perceived, for it to be an option for the SCN if it wants to preserve its scientific credibility and reputation for independence and impartiality. It was felt that under any circumstance it would be inappropriate for the private sector to be involved in any management and decision-making structures or activities. However the NGO group is agreeable to the idea that the Steering Committee may invite the private sector on an *ad hoc*, individual basis, any such invitation to an individual within the private sector being justified because of special expertise that person would bring to the SCN, and not as an 'industry' representative.

The Steering Committee therefore further requested the Task Force to elaborate a policy which details the way in which SCN could engage with the private sector, including engagement criteria. This policy document was developed under the guidance of the SCN Private Sector engagement Task Force. A first draft of this policy document, originally developed by a consultant, was discussed by the Task Force, and subsequently substantially edited and further developed by the SCN Secretariat for further consideration by the Task Force. A final draft was then presented by the Secretariat to the Steering Committee for agreement at the 33rd Annual Session.

¹ Members of the task force were:

UN agencies: Florence Egal/Kraisid Tontisirin (FAO) and Denise Coitinho (WHO)
Bilateral Partners: Julia Tagwireyi (Zimbabwe) and Frances Davidson/Melia Boggs (USAID)
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Introduction

1. The Standing Committee on Nutrition (SCN) is the food and nutrition policy harmonization forum of the UN System. The SCN vision is a world where hunger and malnutrition are no longer impediments to human development. Its mandate is to promote co-operation among UN agencies and partner organizations in support of community, national, regional, and international efforts to end hunger and malnutrition in this generation.

2. The SCN is not in itself another agency. It was conceived to serve as a point of convergence for the UN system in the area of food and nutrition, to ensure that the system-wide response to tackling hunger and malnutrition is greater than the sum of the individual agency efforts. Its structures and functions exist to support the overall effort, to do what no single agency acting alone can do. The work of the SCN is based on the principle of consensus-building and inclusiveness among its members.

3. SCN membership is primarily determined by institutional affiliation among its three constituencies², namely the UN organizations, the bilateral partners (donor and recipient countries together representing their governments) and the Non Government and Civil Society Organizations (NGO/CSO). Those that belong to the UN agencies and/or the bilateral partners are easily categorized. Those that are not in these two categories are considered to be in the NGO/CSO constituency, which includes representatives of “not for profit” non-governmental humanitarian and developmental aid agencies active in food and nutrition, representatives of academic, research and civil society organizations, and interested academicians and researchers. Private Sector organizations are not seen as members of the SCN per se.

4. The SCN acknowledges the private commercial sector, and especially the food and drink industries, as important actors among those engaged in food and nutrition related activities. The need for greater private sector engagement in efforts to achieve the SCN vision and mandate are recognized. However it is also recognized that such interaction needs to be facilitated by special arrangements in order to ensure that the integrity of the SCN is maintained.

5. Private sector engagement presents both opportunities and risks for the SCN and its aims, especially in this increasingly globalized world, and therefore requires a proactive strategy and policy and learning through experience. SCN recognizes and will seek to manage the potential risks of any private sector engagement, such as:

- greater corporate influence over public policy making processes of governmental and intergovernmental institutions, at the expense of the public good
- the opportunity costs of distraction from or less interest in activities which are not of interest to the private sector but which may be important for nutrition goals
- regarding private sector engagements as ends in themselves, thereby undermining strategic direction
- loss of legitimacy with key constituencies and funders due to perceived co-optation by commercial interests
- funding driven shifts in priorities at both international and national level, with fragmentation of public health/nutrition policies and programming

6. The purpose of this document is to serve as a guideline for interaction of the SCN with commercial sector actors, with the intention above all of being open and clear about potential conflicts of interest, and ensuring that these aspects are adequately managed.

² SCN Strategic Framework

Defining SCN activities

7. The SCN is a forum in which the UN agencies, bilateral partners, and NGO/CSO constituents come together to harmonize food and nutrition policies and programmes, coordinate activities and *act together* to achieve global nutritional aims. Many of the constituent members of the SCN have their own private sector engagement policies and guidelines that guide their own agency private sector interactions³. This SCN private sector engagement policy only relates to actions and activities that are sponsored by and/or carried out under the umbrella of, and in the name of the SCN.

8. The SCN holds Annual Sessions which include parallel meetings for each of the three constituencies, a public symposium, as well as Working Group and business meetings, and are in most part open to all participants. The SCN is directed by a Chair and a Steering Committee, with the support of a Secretariat. There are also Working Groups, each with a Chair and two Co-Chairs, which meet at the Annual Session and report to the SCN Chair. The Chair of the SCN reports to the Chief Executive Board (CEB) of the UN System.

9. The ways in which the SCN can engage with the private sector are limited to the activities developed through the various structures of the SCN, and approved as part of annual work plans. These include the work plans of the Working Groups and Working Group Task Forces, the Steering Committee Task Forces, all of which are approved by the Chair and the Steering Committee, with facilitation and support by the SCN Secretariat.

10. In order to pursue the SCN vision and realize its mandate an Action Plan⁴ has been developed (2006- 2010), with five broad cross-cutting areas of inter-agency activity including 1) advocacy, communication and partnership building; 2) assessment, monitoring and evaluation; 3) development of integrated approaches; 4) identifying key scientific and operational gaps; 5) the mainstreaming of human rights. The first three of these cross-cutting areas of work will be developed by three Task forces linked to the Steering Committee. The fourth area of work will be carried out by the Working Groups. The mainstreaming of human rights will be integrated into all of these other areas of work of the SCN.

Defining Private Sector

11. The 'private sector' is recognized by SCN to be 'for-profit' enterprises or companies, whether large or small, privately owned, employee owned, state owned or stock-market listed, legally registered (formal) or unregistered (informal).

12. Business interest NGOs⁵ (BINGOs) also comprises the 'private sector'. These are organizations that are funded to service 'for-profit' enterprises or advocate their interests, and include trade associations and some charitable foundations. Such organizations may or may not be registered as not-for-profit, with or without charitable status, may or may not express an explicit public purpose, but report over half of their income in the past year coming from the private sector (as donors, members or clients), or obviously share a brand with a corporation (determined at the discretion of SCN).

13. Henceforth all such companies and BINGOs are referred to as 'private sector organizations' (PSOs).

14. PSOs that do not meet the minimum acceptability criteria for engagement such as human rights, labour rights, environment and good governance as defined by the UN (see paragraph 30

³ SCN 2004. SCN Private Sector Engagement Report. Geneva: SCN

⁴ SCN Action Plan

⁵ WHO 2002. Understanding Civil Society: Issues for WHO. External Relations and Governing Bodies Civil Societies Initiative. Geneva: World Health Organization

below) are off limits on all accounts and therefore excluded from all of the further considerations regarding PSOs for the purpose of this policy.

15. PSOs that are involved in or linked to the food industry are of particular interest to SCN for the purpose of this policy. Food-related PSOs are involved in the production, processing, distribution, marketing and retail of any edible and drinkable items. This is a broad definition covering all companies that have a commercial interest in food, drink, or nutrient supplements. For example, it includes chemical companies, involved in pesticide manufacture, through to marketing companies which specialize in marketing edible items, as well as pharmaceutical companies involved in producing micronutrient supplements. Any group or company with 10% or more of its assets in a food-related subsidiary is also considered a food-related PSO by SCN, as are any of its subsidiaries. Business interest NGOs which report more than 10% of their income in the past year coming from food-related companies are also treated as food-related PSOs.

16. If a person engaging with SCN is working on a project that is majority-funded by PSOs, then even if the organization does not qualify as a PSO, it will be treated as such for the specific engagement concerned.

Purpose of Engagement

17. The purposes of engagement of the SCN with PSOs can be divided into two categories: either seeking to receive their support and resources and/or seeking to influence their activities. These two categories are not necessarily mutually exclusive of each other. The purpose of engagements with PSO by the SCN could therefore potentially include the following:

- to consider new sources of funding
- to harness the skills, experiences, resources and networks of the private sector, especially for issues like food fortification
- to increase private sector understanding of and support for the work of SCN and its constituencies
- to respond to the growing industrialization and commercialization of food and drink supply globally
- to utilize and shape the growing interest of corporations in voluntary responsible practices
- to explore new sustainable approaches given the limited capacity of many governments

18. SCN's engagement with the private sector should focus on fulfilling the SCN mandate and pursuing its vision, trying where possible to maximize the private sector's potential to contribute to these efforts. Such initiatives should recognize the food and nutrition priorities of the UN system as a whole, including those embodied in the Millennium Declaration and the Millennium Development Goals, and more specifically the Global Strategy on Infant and Young Child Feeding and the Global Strategy on Diet, Physical Activity and Health. SCN recognizes UN conventions and associated documents as the substantive and authoritative definition of 'well-nourishment' and 'adequate growth and development', and the rights and responsibilities of various actors to achieve these, including the private sector. These international instruments are particularly relevant to companies with international operations. The International Code of Marketing of Breastmilk Substitutes and subsequent relevant World Health Assembly resolutions, provides an excellent example of the sort of legislation that states should adopt, and practices that companies should adhere to, in order for nations to achieve optimal breastfeeding practices and the adequate growth and development of their infants.

19. SCN's vision for the private sector is a future where international companies both recognize and actively support the right to adequate food and other human rights treaties including the

Convention on the Rights of the Child (CRC) and the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), within the sphere of their operations and influence, while all other entrepreneurship operates in ways that help achieve these rights, whether knowingly or not. This vision is particularly relevant to food-related companies, but is not limited to them, due to the broader economic influences on both hunger and malnutrition. Those aspects of the right to adequate food that address sustainable development and food/drink quality issues are particularly relevant to SCN's vision for the private sector

Principles of Engagement

20. Collaborative engagement with the private sector, beyond mere commercial transactions such as buying products and services, is guided by the following principles:

- a. **Relevance to Vision and Mandate:** Any collaborative activities with PSOs must have a direct relevance to and be in support of achieving SCN's vision and mandate. SCN shall establish and pursue its own agenda for private sector engagement, rather than only react to proposals.
- b. **Effectiveness and Efficiency:** Securing concrete outcomes in line with achieving the goals of the SCN, as well as the appropriate use of the SCN's resources as compared to alternative actions.
- c. **Managing Conflict of Interests:** Identification of interests of collaborating individuals and institutions, assessment of potential conflicts of interest, and subsequent management of these or exclusion from participation.
- d. **Independence from vested interest:** Maintaining the credibility of SCN by ensuring independence from commercial interests.
- e. **Transparency:** While respecting individual privacy and institutional confidentiality, as appropriate, the aim must be for all interested persons to easily obtain information on the activities, including through posting on websites.
- f. **Diversity:** Diversifying types of PSOs, to ensure that no one type (size/origin) dominates engagements, and ensuring that those who have no commercial interests in the issues have preferential participation.
- g. **Differential Safeguards:** Distinguishing between activities that relate to public policy making and should be particularly safeguarded from corporate influence, and other activities with less relevance to or influence on public policy. Differentiating between PSOs involved in activities that are confluent⁶ with the interests of SCN, and those that are not.
- h. **Human rights based:** promoting and respecting human rights principles, treaties and covenants.

Types of Engagement

21. The types of engagement with PSOs by the SCN covered by this policy can be categorized into three broad areas, namely direct funding, contributions in kind including access to resources, and dialogues⁷. Direct funding and in-kind contributions must not be received from food related PSOs.

22. Direct funding is the provision of cash as a grant. Direct funding of the SCN by PSOs can either be to support the Action Plan or to support the work plans of the Working Groups.

⁶ Confluent here means not only to be 'not antagonistic' to SCN vision, mandate and principles, but to have mutually supportive interests

⁷ A fourth potential area of interaction with PSOs is the joint delivery projects. These involve collaboration in programme delivery of a food and nutrition intervention. These are not of relevance to the SCN, since the SCN is not itself involved in programme or service delivery. Such activities are carried out by the various constituents of the SCN

- a. Direct funding support by PSOs of the Action Plan activities involves the provision of funds directly to the SCN through the Secretariat. Such funding would complement the funds provided by the UN agencies and other constituents for carrying out the Action Plan.
 - b. Direct funding of Working Group by PSOs should be for activities included in the WG work plans approved by the Steering Committee and Chair. Such activities could include performing studies or reviews of literature to determine either knowledge or practice gaps for example, and/or for realizing symposium and or workshops to discuss such findings and make recommendations to the SCN through the Chair and the Steering Committee. Direct funding of these activities can either be provided through and facilitated by the Secretariat, or be received through the institutions participating in the Working Group.
23. Contributions in kind by PSOs are non-cash inputs in the form of goods or services that can be given a cash value. Contributions in kind to the SCN can be provided to the Secretariat, or to the SCN Steering Committee and/or its task forces, and/or to Working Groups, in order to help in carrying out the work programme of the SCN.
- a. Provision of support in the form of goods includes travel costs (air fares and hotel bills), hosting working breakfast, lunches or dinner meetings, of providing paper or other consumables. Such support is easy to place a cash value on.
 - b. Provision of support in the form of services or access to resources includes provision of space for holding events, assistance with the printing of reports, and access to information networks, to communication networks, to data bases, to software, and advisory services. Such support is more difficult to put a cash value on.
24. Dialogues with PSOs by the SCN are not concerned with receiving PSO resources as such, but with exchanging information and/or trying to influence PSO practices. Such interactions are likely to involve food related PSOs in particular and to occur within the context of Working Group activities, or through other specially convened ad hoc task forces. Such dialogues could be of relevance to understanding the gaps in implementation of knowledge in a particular field such as food fortification for example, where the experience of the food related PSOs is particularly relevant. Another potential area for dialogue concerns business practices and whether these are meeting the human rights obligations of the food related PSOs in particular, including the issue of voluntary codes of conduct versus mandatory codes of conduct⁸.

Conflict of Interest

25. While recognizing that defining conflict of interest is not a simple affair, through this policy document the SCN is defining what it considers conflict of interest. No single document lists generally accepted principles for avoiding conflict of interests in the field of public health and nutrition. Nor is there a coherent, comprehensive framework within the United Nations System for identifying and addressing conflict-of-interest issues in interactions with the private sector⁹.
26. The SCN recognizes that conflict of interest can occur at both the individual level and the institutional level. SCN understands that conflict of interests can exist when a secondary interest influences an organization's or individual's pursuit of the primary or official interest. SCN's primary interest is in pursuing its vision and mandate to achieve a world free from hunger and malnutrition, and where malnutrition is no longer an impediment to development.
- a. Individual conflict of interest arises when a person affiliated with the SCN (be they employed by the Secretariat, or be a member of the Steering Committee, be the representatives of the Bilateral Partners and CSO/NGOs, or be one of the Chairs of the Working Groups, or

⁸ Utting, P. 2005. Corporate Responsibility and the movement of business. *Development in Practice* 15 (3-4) 375-388

⁹ Richter J. 2005. *Conflict of interest and infant and young child feeding*. Geneva: IBFAN-GIFA

a registered member of a Working Group), uses his/her professional position to influence SCN decisions and activities in ways that could lead directly or indirectly to financial gain and/or other benefits for the SCN affiliated person or his/her family (secondary interest), to the detriment of the SCN and its interests.

b. Institutional conflict of interest arises when an SCN affiliated organization through the actions of its representative to the SCN, creates a situation in which SCN enters into a collaborative interaction with a PSO in a manner that puts the interests of the PSO (secondary interests) above the interests of the SCN.

Management of engagements

27. The Steering Committee is charged with implementing the private sector engagement policy of the SCN, under the guidance of the Chair and with the support of the Secretariat. Each type of engagement with a PSO, and especially food related PSOs, has different sorts of risks for the SCN and consequently has different sorts of management requirements

28. In order to protect against institutional conflict of interest, the Steering Committee will ensure that the SCN does not accept financial or in-kind contributions from food-related PSOs for any of its activities, whether they are developed through Working Groups or through the Steering Committee/Secretariat based work plans.

29. Annual work plans presented by Task Forces of the Steering Committee and the Working Groups to the Steering Committee and Chair for approval should clearly specify whether any direct funding or in kind contributions will be sought from and/or contributed by PSOs.

30. Direct funding and in kind contributions for the SCN programme of work (Action Plan and Working Groups work plans) can only be received from non food related PSOs with satisfactory assessment ratings with regard to their performance on human rights, labour rights, environment and good governance criteria¹⁰. Direct funding of the SCN Action Plan through the Secretariat has to be managed in accordance with financial rules and regulations of the hosting agency, currently WHO. Such funding therefore needs to satisfy the WHO Guidelines on working with the private sector to achieve health outcomes¹¹, which therefore serve as a baseline or minimum requirement.

31. The Secretariat, in developing any fund raising proposals for the SCN programme of work will take this private sector engagement policy into consideration, and any proposal will require approval of the Steering Committee and Chair before seeking such funding.

32. In order to protect against individual conflict of interest, affiliates of the SCN that are actively involved in the work programme of the SCN should all sign conflict of interest forms¹². All officials (Chairs and rapporteurs) of working groups as well as the core members of working groups should sign the conflict of interest form. Similarly all officials (Chairs and rapporteurs) of the three constituencies should also sign the conflict of interest form. These conflict of interest forms will be kept by the Secretariat.

33. The Secretariat will keep the updated lists of the “active” members and officials of the UN agencies, NGO/CSO and the Bilateral Partners constituencies, as well as the Working Groups. Active here meaning those actively taking part in the ongoing work of the Working Group, and the Constituent groupings, as opposed to those less active ones that just participated at the Annual Session, or are members of a list serve.

34. The Steering Committee will periodically review the way in which the SCN is engaged with PSOs and decide and inform the SCN on how and whether the balance or emphasis of such engagements was maintained or modified.

¹⁰ The Innovest Global Compact PLUS Screening Tool is an example (www.innovest.com). Such a tool should also exclude tobacco and armaments PSOs

¹¹ WHO 2002. WHO Guidelines on working with the private sector to achieve health outcomes

¹² The standard WHO one is the one currently used. All UN agency employees already sign such forms

Monitoring and evaluation

35. The Secretariat will maintain the records all of the conflict of interest forms of SCN affiliates updated annually, and they shall be available for public inspection on request.

36. The Steering Committee will provide information concerning interactions of the SCN with PSOs, in its Annual Report, which will be published on the website of the SCN.

37. In order to ensure it maintains and utilizes its unique competencies and resources, the SCN will periodically review and revise as appropriate its rationale and strategy for private sector engagement. The next review is proposed for 2010.