

# Governing Collaborative Governance

Enhancing Development Outcomes by Improving Partnership Governance and Accountability



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**GOVERNING COLLABORATIVE GOVERNANCE:  
ENHANCING DEVELOPMENT OUTCOMES BY IMPROVING PARTNERSHIP GOVERNANCE AND  
ACCOUNTABILITY**

**SIMON ZADEK & SASHA RADOVICH\***

**ABSTRACT**

Partnerships involving public and private actors are becoming key institutional pathways for enabling international development and the delivery of public goods. This is true across three domains, in the direct delivery of public services and infrastructure; in effecting increasingly large public resource transfers, particularly trans-border; and in the co-design, promotion and stewardship of new rules for market and non-market actors. These historically distinct domains are converging, creating a generation of hybrid partnerships that blend service delivery, resource transfer and rule-setting functions.

The performance of such partnerships depends on how well they make decisions and their legitimacy to key stakeholders. This in turn depends on their governance and accountability structures, processes and norms. This is particularly true for partnerships that become conduits, amplifiers and arbiters in the allocation of public resources, but is also the case where they are *de facto* stewards of public goods, whether through commercial contract or as standard setters.

The governance and accountability of such partnerships raise specific challenges, as well as those more familiar to traditions and practices in the corporate community and the public sector. Notable is the need to shape relationships between organizations with highly diverse philosophies, rules and practices governing their own governance and accountability.

A Framework is proposed to guide the governance and accountability of such partnerships, the first of its kind. The ‘Partnership Governance and Accountability Framework’ has been developed and tested over two years across diverse partnerships and experts, and offers a sound foundation for advancing a more systematized approach to the effective governance and accountability of multi-stakeholder, or public-private partnerships in the future.

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## 1. PATHWAYS OF CHOICE

*“Without progress in governance, all other reforms will have limited impact”*. The UK Government’s Commission on Africa’s pointed comments in its recent report ‘Our Common Interest’ says it all. Effective governance and accountability is a key ingredient of almost any kind of development, and a *sine qua non* for equitable and sustainable development.

Governments and business have long been targeted for much-needed improvements in governance and accountability. And increasingly, civil society organizations have become the focus of similar public debate and action. Yet little has been said or done about the governance and accountability of partnerships, especially the growing number of multi-stakeholder or public-private partnerships, hence referred in this paper simply as ‘partnerships’<sup>1</sup>.

This gap would matter less if partnerships remained a minor, unusual, and perhaps exotic, deviation from institutional norms. But recent years has seen an extraordinary growth of the number, size and scope of partnerships as vehicles to deliver public services or address more complex public policy issues such as the digital divide and climate change. Indeed, partnerships are emerging as the institutional ‘pathway of choice’ across an extraordinary range of activities. This choice is of course not monolithic, and there is a burgeoning literature offering diverse approaches to the categorization of this emerging practice (Nelson, 2002). At one end of the spectrum, broadly, are localized, philanthropic-style partnerships – essentially modern forms of that most old-fashioned of activities by the elite and powerful, patronage. At a different extreme are the fully commercial partnerships, and yet elsewhere lie a growing range of macro-level ‘collaborative governance’ arrangements (Donahue and Zeckhauser, 2005).

Partnerships are becoming the norm. With this trend, the matter of their effective governance and the manner in which they can be held to account is, equally, becoming a mainstream issue. One report by the World Economic Forum and the United Nations Financing for Development Initiative presented at the UN General Assembly in September 2005 concluded that: *“Effective partnership is problematic, not least because of ambiguity in the concepts of good governance: accountability, transparency, legitimacy, disclosure, participation, decision-making, grievance management and performance reporting”* (World Economic Forum, 2005). A recent review of a major global health partnership criticized it for lack of effectiveness and cost-efficiency, citing accountability failures as the primary

cause. And concerns are growing, not least amongst those funders accountable to taxpayers. A recent policy paper released by the UK Government's Department for International Development advocates new forms of conditionality in the funding of partnerships for poverty reduction (DFID, 2005). The policy statement underscores the necessity to have benchmarks that measure progress on the basis of a partnership's accountability to their beneficiaries — namely with “a strong commitment to transparency, accountability and good governance”. The paper calls for The World Bank, the International Monetary Fund and other donors to approach partnerships in the same way.

This challenge of securing effective partnership governance and accountability is not confined to emerging economies and developing countries. The UK's leading policy think-tank, the Institute of Public Policy Research, cites accountability gaps as underpinning disappointments in the UK's extensive application of private finance initiatives (PFIs) in delivering public services and infrastructure (IPPR, 2001). The UK's Chancellor of the Exchequer's, Gordon Brown, announcement in his most recent budget a further £26 billion of PFIs, there was an outcry from many campaigning organizations. Core was the perceived lack of transparency concerning commercial arrangements and associated public sector future contingent liabilities, as well as concerns over the casualization of labor contracts linked to transfers of public sector programs to private contractors.

This paper explores the topic of partnership governance and accountability (PGA). It offers several underlying premises, set out in Exhibit 1. These hypotheses have already been developed and tested to varying degrees through previous work that this paper draws on. They also provide a basis for future examination. It offers preliminary findings from recent research, including work by AccountAbility that proposes a beta version of the first-ever generalized Partnership Governance and Accountability Framework (Radovich *et al*, 2005).

- Section two – *On Partnership & Accountability* - sets out a simple framework for thinking about why partnerships emerge, and to what effect, drawing in particular on an earlier paper, ‘The Logic of Collaborative Governance’, published as a Harvard CSR Initiative Critical Issues Paper (Zadek, 2006).
- Section three – *The Practice of Partnership* – describes some of the case study work focused on exploring the governance and accountability aspects of some key development and rule-making partnerships, the detailed findings of which have been published in ‘Guidelines for Effective Partnership Governance and Accountability’ (Radovich and Zadek, 2005).

#### **EXHIBIT 1: FOUR HYPOTHESES ON PARTNERSHIP GOVERNANCE AND ACCOUNTABILITY**

- *Effective accountability to key stakeholders is a pre-requisite for legitimate partnerships*, particularly to those impacted (clients, beneficiaries, adopters, etc).
- *Improved governance and accountability of partnerships enhances performance*, and governance aligned to accountability to those impacted by partnerships will enhance development outcomes.
- *Partnership governance and accountability has distinct features*, although it can draw lessons from traditional institutional forms (e.g. business, public sector).
- *The effective application of general governance and accountability principles and practices* can play a useful role in promoting effective partnerships.

- Section four - *A Framework for Partnership Governance & Accountability* – sets out a summary of the first-ever governance and accountability framework designed specifically for partnerships.
- Section five – *Beyond Institutional Patches* – maps out some possible next steps in developing this crucial field of study and practice, including a description of AccountAbility work going forward.

## 2. BEYOND THE EXPERIMENTAL ZONE

Multi-stakeholder and public-private partnerships are graduating beyond their initial experimental phase. Over the last two decades, multi-stakeholder and public-private partnerships, which can today probably be counted in their millions, emerged largely as *ad hoc*, pragmatic responses to institutional failures. Governments found themselves unable, or politically unwilling to finance much-needed, upfront public investment, Partnerships provided a way to leverage private finance into the provision of public services. Further, public institutions proved unable to provide the quality of management needed to secure the public services demanded by citizen-voters. Again, partnerships offered a route for enabling businesses to have a shot at filling this gap.

But these partnerships came at a price to the public purse, generally in the form of commitments of future flows of publicly-funded payments for capital and services provided. That is, at exactly the time that ‘third world debt’ is being written down through political initiatives such as HIPC<sup>2</sup>, new forms of effectively sovereign debt are being created through highly dispersed public sector commitments. Furthermore, it has often proved difficult despite the globalization of cross-border trade and investment to establish new, cross-border regulatory regimes, particularly in areas facing significant resistance from business or sovereign states. Collaborative governance mechanisms have in growing numbers of cases filled the void, Many of these mechanisms do involve public institutions, but in growing instances functioning as convener and resourcer rather than their traditional statutory roles.

Multi-stakeholder partnerships are moving beyond the experimental zone, and arguably

### EXHIBIT 2: WORKING DEFINITIONS

#### Partnership

‘Partnerships’ are two or more organizations that enter a collaborative arrangement based on: (1) synergistic goals and opportunities that address particular issues that single organizations cannot accomplish on their own and; (2) whose individual organizations cannot purchase the appropriate resources or competencies through a market transaction.

#### Accountability

Accountability encompasses the pressures or factors that impact materially on decision-making. AccountAbility describes this in terms of three layers: (a) being held to account (*compliance*); (b) giving an account (*transparency*), and; (c) taking account (*responsiveness*)

#### Governance

Governance concerns the structures, processes, rules and traditions through which decision-making power that determine actions is exercised, and so accountabilities are manifested and actualized.

emerging as one of the most important institutional innovations of the last century. Of course they are not alone in competing for such accolade. One might point to the emergence in the early 20<sup>th</sup> century of public, multilateral institutions, or the rise of civil society organizations in their modern form at the end of that century. Both have proved extraordinary and important institutional innovations. But neither in themselves disrupted the organizational heartland of business or government. Partnerships, on the other hand, are underpinning a stepwise change in how both commercial enterprise and the business of government is conducted, as well as reshaping the nature of citizen's engagement in the governance of their affairs.

The pace and degree of such change varies enormously between regions, countries and cultures. For example, the dramatic institutional dynamics in many Anglo-Saxon countries is not matched across much of Western Europe, and certainly has no parallel elsewhere in Asia. The pace of change is driven by diverse needs of course, as well as the capacity and will to innovate. The rise of such partnerships in emerging nations such as Brazil and South Africa is motivated by the drive to attract private finance into public infrastructure and services, a factor less important in, say, China. And in some cases, such partnerships are in retreat. Concerns over the role of private corporations in water management in the closing years of the last Millennium have been matched by equal concerns over their more recent withdrawal from these contracts and markets in the face of perceived risks overwhelming projected profits.

Understanding the causes of, and dynamics driving such variations is critical. But they are just that, variations on a pattern that is increasingly well-established. That pattern is that multi-stakeholder and public-private partnerships are becoming *a fundamental 'organizational building block' underpinning a growing array of activities seeking to mobilize and impact on diverse stakeholders in achieving a blend of public and private goals.*

Back-casting, it would not be frivolous to speculate that our children or certainly grand-children will find it hard to understand our currently 'hard-wired' distinction between business, government and civil society.

## THE GOVERNANCE GAP

Few would argue that the design of corporate governance should be left to the managers and directors of individual companies. A host of governance codes and norms have accordingly evolved. Some have statutory force, others regulate access to mainstream capital markets, while still others provide good practice guidance. Similarly for the sphere of public sector accountability, the close cousin of corporate governance. Although the governance and accountability of civil society organizations is a young practice and topic of inquiry, there are already a host of initiatives around the world focused on the identification and promotion of good practice, and its codification into codes and, in some instance, statute.

Not so for the governance and accountability of multi-stakeholder or public private partnerships, until now. How partnerships design and implement their governance systems and processes, and understand and align their basis of accountability has to date largely been a product of organic development and experimental innovation. Many partnerships operate either in a regulatory vacuum, or at a junction point of multiple regulatory regimes, or at best within relatively new, still immature, regulatory frameworks focused on partnerships.

One argument offered in favor of maintaining this *laissez faire* approach to governance and accountability is that partnerships are far more heterogeneous than business or government, making systematization more difficult, and less useful. It is the case that the term ‘partnerships’ has been used in varied ways, embracing institutions that vary not only in size and field of application, but also in purpose. Furthermore, definitional consensus has been possible, but only at a cost of maintaining high levels of generality. There is, in short, some merit to the argument that partnerships’ heterogeneity defies the effective systematization of governance and accountability.

Merit, certainly, but not the final word. This argument against generalized approaches is ultimately unconvincing. It would be wrong, for example, to deride or reject corporate governance codes because there are tens of millions of one-person (and perhaps even some very large private, family-owned) businesses for which such codes might be inappropriate. Similarly, there is a growing acceptance amongst civil leaders of the need to systematize governance and accountability across more

formalized civil society organizations, an equally if not more heterogeneous collection of organization<sup>3</sup>.

*The challenge, therefore, is not whether, but for which and how best to codify an appropriate approach to partnership governance and accountability.*

### CATEGORIZING PARTNERSHIPS

A necessary starting point concerns the categorization of partnerships. There are many approaches to defining and categorizing the blizzard of multi-stakeholder or public-private partnerships (Nelson 2002). Given the focus of this paper, we have adopted a three-way categorization that lends itself to the matter of governance and accountability (Exhibit 2).

Exhibit 3: Partnership Categories		
Category	Description	Primary Stakeholders
<i>Service</i>	Public services and infrastructure (e.g. water management, transport infrastructure) delivered by business in pursuit of profit, drawing in diverse partners to enable contractual obligations and business interests to be realized.	Clients Governments Shareholders
<i>Resourcing</i>	Delivering resources to address public goals (e.g. combating HIV/Aids, road safety), involving mobilization of public and privately resources; assessment, awarding and evaluation, issue-focused advocacy, and capacity development.	Beneficiaries Governments
<i>Rule-Setting</i>	Evolution of rules governing behavior of targeted adopters (e.g. business and human rights, anti-corruption codes), involving their development, advocacy and stewardship.	Adopters Adopter's Stakeholders

Historically, these three types of partnerships have evolved quite separately with very different concepts of why they exist and for whom.

- ❖ *Service-based* partnerships are generally made possible through public policies geared to leveraging private finance and expertise in the delivery of public goods. Their primary orientation is commercial, with operating businesses strongly focused on the need to satisfy clients or customers in order to meet their contractual obligations with their government partners, and so be able to meet their fiduciary obligations to their shareholders.
- ❖ *Resourcing* partnerships are generally made possible through either patronage-based, good works by private actors, the public sector seeking means of effectively applying public funds, or often some combination of these two. Their primary orientation is non-commercial, with a strong emphasis on benefiting the ‘intended beneficiary’ who is typically weak economically and, sometimes politically. The fiduciary interests of business participants tend to be only weakly expressed in resourcing partnerships.
- ❖ *Rule-setting* partnerships are generally alliances of concerned stakeholders and experts tasked with developing and negotiating rules governing defined actors, often businesses, but also in some instances public bodies and civil society and labor organizations. The primary orientation of these partnerships is, again, non-commercial, with a focus on ‘adopters’ (organizations that adopt the agreed rules) and their stakeholders. Fiduciary and wider legal and reputational issues tend to feature heavily in governance and accountability design and decision-making.

Importantly, there is a growing convergence between these three forms as, for example, resourcing partnerships become *de facto* rule-setters, and rule-setters take on increasingly commercial approaches to sustainability. In some instances, the role of partnerships in establishing and indeed enforcing, wide-ranging norms of behavior are preconceived, as in the case of the Extractive Industry Transparency Initiative<sup>4</sup>, the Forest and Marine Stewardship Councils, the Equator Principles<sup>5</sup>, the International Council on Mining and Metals<sup>6</sup>, the Global Reporting Initiative<sup>7</sup>, and the World Commission on Dams<sup>8</sup>. In most cases, however, multi-stakeholder partnerships are not formed with the strategic intent to establish new modes of governance (beyond, that is, some notion of the preferred approach to governing the partnership itself). The Global Fund to Fight AIDS, Tuberculosis

and Malaria<sup>9</sup>, for example, was not designed as a rule-setting body, but has become so by default as it precipitates new rules in how health systems are managed and resourced. Convergence in other directions is also happening. The Global Reporting Initiative was designed to promote standards for sustainability reporting<sup>10</sup> but is clearly edging towards an increasingly commercial approach to resourcing itself. This convergence, perhaps better described as ‘drift’, amplifies the governance and accountability challenges, creating a further layer of complexity in requiring that their governance and accountability are adequate for the *de facto* rather than only the designed purpose and approach.

### 3. PARTNERSHIP PRACTICE

Our starting point in the systematization of approaches to the governance and accountability of partnerships has been to explore practice on the ground. AccountAbility has been active in this regard, and has drawn from several sources of information, including:

- ❖ A series of case briefs undertaken in association with USAID’s Global Development Alliance, and the design and management of an on-line governance and accountability tool for partnerships<sup>11</sup> (Radovich et al, 2005).
- ❖ A more in-depth case study of the Global Alliance of Workers & Communities<sup>12</sup> (Radovich, 2005).
- ❖ Our direct involvement in several partnerships, such as the MFA Forum<sup>13</sup>, have allowed for very detailed, real-time exploration of governance and accountability processes. (MFA Forum, 2005)
- ❖ Our involvement in a collaborative initiative with GAN-NET<sup>14</sup>, exploring the experience of a number of participating global action networks. (GAN-NET/AccountAbility, 2005)
- ❖ Our work has benefited from an active Advisory Network of key experts and practitioners who have brought additional

#### EXHIBIT 4: SOME KEY CASES

**The African Comprehensive HIV/AIDS Partnership**

**The Angola Enterprise Development Alliance**

**The CII-Godrej-Green Business Centre  
The Global Alliance for Workers and Communities**

**The Luanda Urban Poverty Program**

**The Sustainable Tree Crops Program**

**The MFA Forum**

**The Global Reporting Initiative**

**Building Partnerships for Development Focus Project**

case material to bear in commenting on the work as it progressed<sup>15</sup>.

From these explorations, three general issues have emerged that resonate across the three types of partnership.

### **STRUCTURE IS ONLY PART OF THE SOLUTION**

*Partnership governance and accountability often evolves, with performance and legitimacy having as much to do with healthy informal processes as with formal structures.* Traditionally, governance has focused on the quality of the structure itself. This has been important for gaining legitimacy in both the corporate and non-governmental settings. However, for partnerships, what has often been crucial is how well the structure of governance supports the informal processes of the organization as it evolves.

Due to partnerships' dynamic, changing and evolutionary nature, governance evolves over the partnership's lifecycle rather than implemented from the beginning. Partnerships require flexibility to compensate for this dynamic feature rather than a fixed structure that is, by design, exclusionary. One example can be seen in **The Global Reporting Initiative**<sup>16</sup>. While it created its representative governance structure early in its lifecycle, it has developed further layers of stakeholder governance and accountability as it evolved. The serious effort given to gaining ownership, technical advice and buy-in from critical communities has been a crucial factor in its successful expansion and growing take-up. However such expansive governance processes have also involved considerable logistical and financial challenges with each successive stage of growth.

### **RESOURCES COUNT**

*In the face of a single financial donor, a balanced, representative governance model can help mitigate imbalances of power.* Where the majority of a partnership's resources are contributed by a single partner, imbalances of power and control may be engendered between partner organizations. Because of this, a representative, balanced governance model can add credibility to the organization's decision-making process and enhance external legitimacy.

In a partnership with few financial resources, formal governance is less important for the function and performance of the partnership. As more resources are contributed, especially by a single contributor, formal governance with clear accountability becomes more important for the credibility of the

organization. The **MFA Forum**<sup>17</sup> is one example of a highly informal partnership which relies heavily on leadership from key individuals and organizations to drive the initiative. However, to maintain balance the Forum has developed multi-stakeholder representation for their global and in-country work and has implemented an Executive Committee with multi-stakeholder representation.

### **Exhibit 5: The Global Reporting Initiative (GRI)**

Founded in 1997, the Global Reporting Initiative (GRI) is a global multi-stakeholder initiative that develops and promotes voluntary sustainability reporting guidelines.

The GRI's founders recognized that a credible and effective representative governance structure was needed to enable it to forge both consensus between its stakeholders in the global business, investment, human rights, labor, environmental and accountancy communities and an effective basis for its own organizational control. Early in its lifecycle it set up a basic foundation for this multi-stakeholder governance: an international Board of Directors including representatives of each stakeholder grouping, that has ultimate responsibility for the initiative.

Over time it has added further layers of stakeholder involvement in order to strengthen its legitimacy and technical credibility. A Stakeholder Council made up of 60 global members debates strategic and policy issues, builds buy-in and functions as an advisory council. Still later in its lifecycle, a Technical Advisory Committee of experts in the fields of the environment, human rights, labor, economics and finance, reporting, and accounting was formed, to provide technical advice to the Board.

### **Exhibit 6: The MFA Forum**

The MFA Forum is a global network partnership established in 2004 to examine and address the impacts of the end of quotas for the garment and textile workforce. Participants include brands/retailers, international NGOs, international donor and multi-lateral institutions, multi-stakeholder organizations, and international trade unions.

The forum is governed as an open network to encourage participation by any organization at a level of involvement that suits them. An Executive Committee made up of representatives from each of the sectors which takes operational decisions on behalf of the whole Forum. This allows informal network to be more than a talking shop whilst remaining organizationally lean and securing legitimacy and representation.

The greater the discrepancies between the partner's resource contributions (for instance, if there is one significant donor) the more important governance becomes to balance this source of power. However, the more a single partner has contributed, the less that partner is willing to give up their power and control.

An example of a partnership wrestling with the challenge of unbalanced resources commitments is India's **Green Business Center**<sup>18</sup>. The partnership's working style is based on a soft trust-based approach to accountability between the partners backed up with hard approaches, such as auditing to provide critical guarantees to external stakeholders. The partnership took a strategic decision to work towards quickly become a self-sustaining organization, free from dependence on any one donor, rather than develop a more bureaucratic governance structure designed to mitigate power imbalances within the partnership.

#### **Exhibit 7: The Green Business Center**

The Green Business Center is a partnership between the Indian State of Andhra Pradesh, the industrial house of Godrej, the Confederation of Indian Industry and the United States Agency for International Development. Initiated with support from a single private donor, the partnership aims to develop imaginative business solutions to India's environmental challenges.

Since its launch in 2000 the GBC has been sustained by informal governance processes underpinned by strong bonds of trust, a common sense of purpose and shared values. Formal governance structures have evolved organically striking a balance between necessary bureaucracy and the leanness conducive to innovation.

The GBC is committed to developing into a financially self-sustaining center, in order to avoid the problems of power imbalances from single donor influence.

#### **PARTNER ALIGNMENT & POWER**

*The perceived risks and impacts on an individual partner's organization influence how the partnership's governance is developed.* Organizations enter partnerships with individual and collective interests. The closer these interests are to the strategic part of the dominant partner's business or function, the more control is required by that partner. Conversely, if the partnership does not function within the core of the partner's business, not as much control is needed by that partner.

These two dynamics give rise to a critical tension that can derail a partnership. On one hand, the closer

### **Exhibit 8: The African Comprehensive HIV/AIDS Partnership**

The African Comprehensive HIV/AIDS Partnership is a public private partnership between Merck & Co Inc. the Bill & Melinda Gates Foundation, and the Government of Botswana, to support the Government's response to the HIV/AIDS epidemic that infects 37% of its population.

Governance has been structured to balance the power of the two donors with the interests of the citizens and stakeholders of Botswana, who are impacted by the partnership. The partnership differentiated between situations where top-down (amongst the partners) or bottom-up (through community engagement) decisions are desirable. While bottom-up decisions are generally preferred to encourage community level buy-in and to feed learning and innovation, there are circumstances, where top-down decisions are necessary to ensure effective resource deployment.

a partnership's mission is to its individual partners' core business function, the less likely balanced governance is exercised. On the other, it is precisely when partnership activities are involve significant risks or impact on partners' core business functions that a balanced governance model becomes more important for legitimacy and credibility among stakeholders.

The **Global Alliance for Workers and Communities**<sup>19</sup> (GA) was one multi-stakeholder partnership that struggled with the challenge of balancing governance. The companies involved were under the spotlight of labor standards and were stepping out on a limb with a new approach to supply chain labor issues with the potential to impact the companies' core business in a profound way. Therefore, the multi-stakeholder governance model found the

company's voices more heavily weighted in the decision-making process and involved in several strategic and operational levels of the partnership. These imbalances along with the lack of a labor voice led many to question the credibility of the initiative.

The **African Comprehensive HIV/AIDS Partnership**<sup>20</sup> also worked hard to demonstrate that its governance approach was balanced. In its informal and formal governance and accountability processes extensive consultation between the partnership the Government of Botswana and external stakeholders throughout the partnership lifecycle contributed to collaborative power sharing among

### **Exhibit 9: The Global Alliance for Workers and Communities**

The Global Alliance for Workers and Communities was a multi-stakeholder partnership between two global brands, Nike and Gap, The World Bank and an NGO, the International Youth Foundation. It was founded in 1999 to improve the workplace experience and future prospects of workers involved in global production and service supply chains, but and closed in 2004.

Despite real successes with the GA's programs, the GA ultimately closed because of the lack of support from its critical community and the inability to recruit other companies into the initiative. From the beginning, the Global Alliance struggled to establish legitimacy and was unable to attract support either from other companies or from critical communities. In the effort to address these problems, the partnership turned to the quality and effectiveness of the governance and in the end, the governance structure became too complex for the reality of the organization's operations. The weight of the governance was largely due to the perceived risk of the program by the corporate partners and their subsequent involvement at several levels of the organization.

the partners.

### **CONCLUSIONS FROM RECENT WORK**

It is possible to draw some tentative conclusions from our review of the practice of partnership governance and accountability, and reflecting on the initial hypotheses (Exhibit 1):

- (a) *Governance and accountability are significant drivers of partnership performance, particularly those that are larger, formalized, and resource intensive.* Simply put, accountability drives decisions, which in turn drives performance and outcomes, implying that partnerships governed by clear accountability structures, processes and norms aligned to its mission will have enhanced performance and outcomes.

(b) *Partnerships have particular governance and accountability issues and needs, only some of which can be addressed by lessons drawn from business, public sector and civil society organizations. More than anything, partnership governance and accountability is more usefully thought about as an on-going mediation mechanism and process:*

- Bridging organizations with differing values, interests, viability strategies, constituencies and specific governance and accountability requirements, norms and infrastructure.
- Delivering coherence and efficiency without integrating the partners, as partnerships' strength is to leverage synergies between sustained organizational differences.
- Building and sustaining legitimacy of the partnership given the diverse and evolving legitimacy needs of each partner.

(c) *Partnerships often design or evolve ineffective governance and accountability mechanisms, processes and norms, in large part because:*

- Governance and accountability is defined during partnerships' early experimental stages when individual energies and commitment counts most, and then proves difficult to change as institutionalization occurs.
- Design and implementation of governance and accountability suffers from a lack of accepted norms or even best practice guidance, unlike for business, public or civil society organizations.
- Partners and their advisors are inexpert at building effective partnership governance and accountability, being better versed in their own 'sectoral' experience.
- Performance assessment and associated internal, partner-focused and public reporting are poorly developed and, in some instances, inhibited by the accountability imperatives of specific partners, e.g. commercial reasons.

#### 4. A FRAMEWORK FOR PARTNERSHIP GOVERNANCE & ACCOUNTABILITY

Partnerships are highly diverse and there is no ‘one size fits all’ governance and accountability model. In developing appropriate processes and mechanisms, it is necessary to be sensitive to the diversity of partnerships that exist and their changing, dynamic nature. In particular, in developing the PGA Framework, we recognize that the development process for partnerships, including their governance and so basis of accountability is generally one of evolution.

The PGA Framework aims to foster the vital characteristics that enable healthy processes of partnership governance and accountability. It aims to improve partnership performance by helping partnership brokers, managers, funders, and impacted stakeholders to better design, implement, and assess the quality of partnership governance and accountability.

##### Exhibit 10: USES OF THE PGA FRAMEWORK

- ☑ As a *guideline for appropriate governance and accountability* structures, processes and norms for those involved in the design and development of new partnerships.
- ☑ As a *self-assessment tool* for managers and partners of existing partnerships to support the strengthening of their governance and accountability.
- ☑ As a *professional training tool* for those involved in the design and implementation of partnerships, complementing existing training approaches.
- ☑ As an *assessment tool for potential or existing investors*, supporters or partners of the state of governance and accountability of specific partnerships.
- ☑ As a means for the partnership and partners *to engage with and account to impacted and interested stakeholders*.
- ☑ As an *enabler of comparative analysis and learning* of partnerships’ diverse governance and accountability practices and experiences.

## EXHIBIT 11: SUMMARIZING THE PGA FRAMEWORK

Principles	Diagnostic Framework	Guidelines
<p><i>What can we learn from other partnership experiences to make this partnership successful?</i></p>	<p><i>Is our partnership fit for purpose?</i></p>	<p><i>How can we develop effective governance and accountability as our partnership evolves?</i></p>
<p><i>Successful partnerships:</i></p> <ul style="list-style-type: none"> <li><b>Stay on track</b> towards their goals</li> <li><b>Enable learning</b> between partners</li> <li><b>Foster innovation</b> to address new opportunities and challenges</li> </ul> <p><i>This is enabled by governance and accountability approaches that:</i></p> <ul style="list-style-type: none"> <li><b>Foster trust</b> between partners.</li> <li><b>Convince leaders</b> to work together.</li> <li><b>Include stakeholders</b> in partnership's decision-making.</li> <li><b>Ensure appropriate representation</b> of stakeholders.</li> <li><b>Meet individual goals</b> of partner organizations</li> <li><b>Assemble the necessary competencies to meet own goals</b> through the mix of partners.</li> <li><b>Assign clear roles</b>, responsibilities and rights at individual, partner and partnership levels.</li> <li><b>Benefit from collective knowledge</b> and experience of the partners and stakeholders.</li> <li><b>Communicate</b> in an open, accurate and timely manner.</li> </ul>	<p><i>Diagnostic framework assesses performance in 6 key domains:</i></p> <ul style="list-style-type: none"> <li>Determining a clear <b>mission and identity</b> and gain commitment from partners</li> <li>Undertaking <b>strategic planning</b> to consider critical success factors and risks.</li> <li>Adopting a <b>legitimate and credible form of governance</b>.</li> <li><b>Evaluating and communicating performance</b>.</li> <li>Assuring <b>financial integrity</b>.</li> <li><b>Engaging with stakeholders</b> to help manage risks, increase trust and improve decision-making.</li> </ul>	<p><i>The framework can be used by partnerships, partnership brokers, funders and stakeholders to develop a roadmap to guide their evolution:</i></p> <ul style="list-style-type: none"> <li><b>Plan for the partnership's development</b> over an agreed planning period, thinking about what this means for stakeholders and resource needs.</li> <li><b>Segment into distinct development stages</b> to assist in planning how to upscale resources and impact.</li> <li><b>Identify key governance and accountability elements</b> from the PGA Framework most relevant for each of the partnership's stage of development.</li> <li><b>Engage stakeholders in the co-design</b> of its governance and regular accountability assessments based on the Framework.</li> <li><b>Define timed, measurable targets</b> linked to each stage of development of the partnership's governance and accountability.</li> <li><b>Embed the roadmap</b> into the partnership's strategic and operational plans, managers' key objectives, and Board-level and external reporting.</li> <li><b>Periodically review</b> and revise the roadmap.</li> </ul>

## FRAMEWORK COMPONENTS

The PGA Framework is made up of three, interacting elements:

(a) **A set of 12 principles** to frame and guide diverse approaches to partnership governance and accountability. The principal enabling characteristics are relevant as a whole to all partnerships, although specific partnership types and contexts will influence their relative importance as enablers.

### Exhibit 12: PGA ENABLING PRINCIPLES

*Successful partnerships:*

**Stay on track** towards their goals

**Enable learning** between partners

**Foster innovation** to address new of opportunities and challenges

*This is enabled by governance and accountability approaches that:*

**Foster trust** between partners.

**Convince leaders** to work together.

**Include stakeholders** in partnership's decision-making.

**Ensure appropriate representation** of stakeholders.

**Meet individual goals** of partner organizations

**Assemble the necessary competencies to meet own goals** through the mix of partners.

**Assign clear roles**, responsibilities and rights at individual, partner and partnership levels.

**Benefit from collective knowledge** and experience of the partners and stakeholders.

**Communicate** in an open, accurate and timely manner.



(b) **A diagnostic rating tool** to support the development, assessment and communication of a partnership's governance and accountability structures, processes and norms. Based on systematizing the principal enabling characteristics. This web-based tool helps partnerships to plan, design and develop appropriate governance and accountability.

### Exhibit 13: PGA DIAGNOSTIC FRAMEWORK

*A web-based tool to assess performance in 6 key domains:*

Determining a clear **mission and identity** and gain commitment from partners

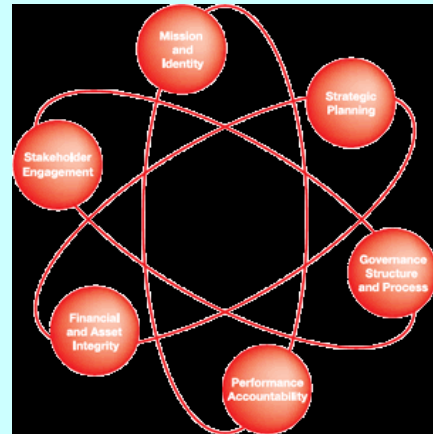
Undertaking **strategic planning** to consider critical success factors and risks.

Adopting a **legitimate and credible form of governance**.

**Evaluating and communicating performance.**

Assuring **financial integrity**.

**Engaging with stakeholders** to help manage risks, increase trust and improve decision-making.



(c) **A set of guidelines based on the principles.** The guidelines help to assess and develop effective governance and accountability structures, processes and norms through the diagnostic rating tool.

### Exhibit 14: PGA GUIDELINES

The guidelines assist partnerships, partnership brokers, funders and stakeholders to use the PGA framework in developing a roadmap to guide the evolution of their partnership. Key steps include:

**Planning for the partnership's development** over an agreed planning period, thinking about what this means for stakeholders and resource needs.

**Segmenting into distinct development stages** to assist in planning how to upscale resources and impact.

**Identifying key governance and accountability elements** from the PGA Framework most relevant for each of the partnership's stage of development.

**Engaging stakeholders in the co-design** of its governance and regular accountability

assessments based on the Framework.

**Defining timed, measurable targets** linked to each stage of development of the partnership's governance and accountability.

**Embedding the roadmap** into the partnership's strategic and operational plans, managers' key objectives, and Board-level and external reporting.

**Periodically reviewing** and revising the roadmap.

The PGA Framework can be accessed and used online at [www.pgaframework.org](http://www.pgaframework.org).

## 5. BEYOND INSTITUTIONAL PATCHES

*Multi-stakeholder, or public-private partnerships are today's most important emergent institutional form.* They have emerged to overcome the combined weaknesses of traditional markets and institutions and their relationship. Partnerships enable institutions to exchange and combine competencies in their broadest sense that cannot for diverse reasons be simply transacted through markets. To achieve this, they blend public and private aims in order to overcome institutional rigidities between business, the state and civil society that impede actions that can meet individual and collective interests.

Such *partnerships are, however, far more than merely 'institutional patches' to overcome technical glitches in how we organize ourselves.* They are new forms of institutionalized power and associated patterns of accountability. At times they consolidate existing patterns of control over resources, business strategy and public policy. In other instances, they are designed to and can drive shifts in wealth creation, distributional and political outcomes. Partnerships, both the fact of their emergence, and their specifics in any particular situation, are a manifestation of a contested, and dynamic social contract.

*The governance of partnerships is therefore becoming the foundations on which we govern ourselves,* in tens of thousands of ways, some relatively minor, and some profoundly important. The topic and practice is thus a window through which the dynamics of this changing social contract can be observed. However it is clearly far more than that, a means through which collaborative governance can be held to account and so outcomes impacted. From this perspective, the governance of

partnerships and the basis on which they are held to account is a critical foundation of how we ‘civilize power’ in its emergent institutional forms.

*The cracks have begun to appear in the governance and accountability of partnerships as they have evolved from experiments to mainstream institutional foundations* for the delivery of services, resource transfers and rule-setting. It is just a matter of time before they are subjected to the same probing inquiry as we have seen applied to global corporations, and most recently also to the United Nations and increasingly civil society organizations. Such probing is to be welcomed, of course, since it signals a healthy public discourse about how power is exercised. But it would be problematic if such probing reveals a widespread disregard by partnerships of their approaches to governance and accountability in line with their growing importance.

*AccountAbility’s PGA Framework is ‘beta version’ of a codified approach to assessing, planning and engaging in partnerships’ governance and accountability.* It is, to our knowledge, the first such framework, and as such has far to go before it is fully matured. It is a ‘living tool’, requiring on-going replenishment through the spirit and practice of ‘open source’ learning that can capture and systematize diverse experiences and perspectives in ways that can be shared between practitioners.

*There is clearly much to be done, and AccountAbility has initiated a next phase of activities* as a contribution to this work agenda. The next stage will involve a program of research comprising action-learning, tool development, advocacy and capacity building that will have:

- ❖ Its *core purpose* to increase recognition by practitioners, policy makers and funders of the importance of improving the governance and accountability of partnerships and how such improvements can be achieved.
- ❖ Three *secondary purposes*: (a) to develop and promote the use of practical tools for improving understanding and practice of good governance and accountability of partnerships; (b) to enhance the quality of governance and accountability of participating partnerships in the proposed international Learning Network; (c) to increase the capacity of key ‘accountability agents’, particularly in developing countries, to advance the quality of partnership governance and accountability.

This work will be done in association with a range of partnerships, and our core partners, including the CSR Initiative at Harvard University’s Kennedy School of Government.

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## ENDNOTES

1 We have elsewhere defined such ‘partnerships’ as ‘two or more organizations that enter a collaborative  
arrangement based on: (1) synergistic goals and opportunities that address particular issues that single  
organizations cannot accomplish on their own and; (2) whose individual organizations cannot purchase the  
appropriate resources or competencies through a market transaction’.

2 <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0..menuPK:64166739~pagePK:64166681~piPK:64166725~theSitePK:469043,00.html>

3 See for example, <http://www.keystonereporting.org/>

4 <http://www.eitransparency.org/>

5 <http://www.equator-principles.com/>

6 <http://www.icmm.com/>

7 <http://www.globalreporting.org/>

8 <http://www.dams.org/>

9 [www.theglobalfund.org/en/](http://www.theglobalfund.org/en/)

10 [www.globalreporting.org/](http://www.globalreporting.org/), although strictly speaking, these are guidelines not a standard.

11 <http://www.pgaframework.org/index.asp>

12 <http://www.accountability.org.uk/research/default.asp?pageid=107>

13 [www.mfa-forum.net](http://www.mfa-forum.net)

14 [www.gan-net.net/](http://www.gan-net.net/)

15 The advisory network has included: Ken Caplan (Building Partnerships for Development in Water and Sanitation), Stephan Davis (Davis Global Advisors, Inc.), John Weiser (Brody Weiser Burns), Bettina Ungerer (Dutch Ministry of Foreign Affairs), David Browne (The Kennedy School, Harvard), Jane Nelson (Kennedy School), Wolfgang Reinicke (Global Public Policy Institute), Jill Rademacher (Case Foundation), Louise Baker (Stop TB Partnership, WHO), Melanie Oliviera (Government Accountability Project), Ros Tennyson (International Business Leaders Forum-IBLF), Talia Aharoni (MAALA, Israel), William Snyder (Social Capital Group), Zehra Aydin (United Nations) and David Logan (The Corporate Citizenship Company).

16 [www.globalreporting.org/](http://www.globalreporting.org/)

17 [www.mfa-forum.net/](http://www.mfa-forum.net/)

18 <http://greenbusinesscentre.com/environ.asp>

19 <http://www.accountability.org.uk/uploadstore/cms/docs/The%20Global%20Alliance%20for%20Workers%20and%20Communities.pdf>

20 <http://www.achap.org/>