

**Form Follows Function:
How Partnership Functions Determine Accountability Requirements**

by Julia Steets
draft – do not quote without permission of the author

1. Introduction	2
2. The debate about partnerships and the importance of accountability	2
3. Different accountability traditions and the need to choose between them.....	3
4. Defining accountability through partnership functions.....	5
5. The way ahead.....	9

1. Introduction

Partnerships – voluntary cooperative relationships between governments, international organisations, businesses and non-profit organisations that have common, non-hierarchical decision making procedures – have emerged as a promising mechanism for defining, implementing and evaluating complex policies. But along with its many promises, this governance instrument has raised important objections. Most critically, practitioners and academics alike have raised questions about the legitimacy and accountability of partnerships.

Yet while there is a strong demand for enhancing partnership accountability both from a political and an academic perspective, there is little common understanding of what that means and entails. This paper seeks to contribute to the debate about partnerships by enhancing and differentiating our understanding of partnership accountability. It does so by analysing the different accountability traditions of the organisations involved in partnerships.

On this basis, it argues against the development of a common accountability standard for all partnerships: the different accountability models remain incompatible in important respects. In addition, the downsides of each accountability mechanism create the imperative to select only those mechanisms that are necessary and appropriate for the partnership in question.

Rather than a developing a ‘one-size-fits-all’ model of partnership accountability, the paper proposes different accountability standards depending on the political function of the partnership. It speculates that advocacy as well as evaluation and monitoring partnerships have similar accountability requirements to civil society organisations, with an emphasis on independence and veracity. Rule-making partnerships functionally resemble the public sector and need to allow for participation and follow the correct procedures. Implementation partnerships have a stronger emphasis on private sector standards centring on accountability for results, effectiveness and economy. The paper finishes by emphasising the need for more empirical and normative analysis to develop operational accountability models for the different partnership types.

2. The debate about partnerships and the importance of accountability

At least since they were declared an official or “type II” outcome of the Johannesburg World Summit on Sustainable Development in 2002, partnerships, to many, are one of the most promising approaches to defining and implementing controversial and complex policies. In a political environment where many problems have become too complex to be effectively addressed by any single actor, where business and civil society actors enjoy rapidly growing influence and demand to be included in the policy-making process, where controversial issues often end up in deadlock and where strategies to address the downsides of globalisation are urgently needed, partnerships offer multiple promises. Partnerships promise to overcome the mutual blame culture and focus energies on addressing problems. Through cooperation, the different partner organisations avoid a duplication of efforts and instead draw on their complementary resources and capabilities to design more effective and efficient problem-solving mechanisms. Partnerships are also said to increase the responsiveness of policies and

thereby to improve compliance with and the implementation of political decisions. Finally, cooperation allows partner organisations to learn from each other and increase their capabilities.

Yet important concerns and criticisms about partnerships have also emerged. These address on the one hand the many managerial challenges connected to the setting up and running of partnerships.¹ On the other hand, more fundamental concerns about the effects of partnerships on their constituent organisations and the accountability of the system of governance have been raised (Ottaway 2001), (Witte, Streck et al. 2003). Thus, governments and international institutions have been accused of using partnerships to evade their responsibilities and weaken the accountability to their original constituencies (Slaughter 2001). Corporations are blamed for using partnerships to improve their reputation without significantly changing their management and operational practices (Richter 2001), (Corporate Europe Observatory 2002). Non-profits, finally, risk being co-opted and losing their critical perspective.

Most of these fears can only be assuaged if partnerships themselves are sufficiently accountable (Goodin 2003). In the current situation, a more differentiated understanding about existing accountability models and their possible application to partnerships is particularly important. First, partnerships are still relatively young phenomena and it is now that critical decisions on engagement in partnerships are taken in large organisations and that standards for partnership structure and operation are defined. Second, all accountability mechanisms have trade-offs with flexibility, cost-efficiency, the speed of decision-making and the definition of goals. These downsides are particularly strong for partnerships since they are overwhelmingly young institutions (increasing the costs of information gathering), one of their main advantages is their institutional flexibility (making restrictions on this particularly harmful) and because they have multiple principals with different expectations (rendering the definition of what the partnership is held accountable for very problematic). Finally, accountability is an especially complex issue for partnerships. The complexity stems on the one hand from the presence of organisations (governments, businesses and non-profits) with very different accountability traditions and expectations. On the other hand, it stems from the fact that the accountability expectations directed at a partnership vary according to the political function the partnership fulfils.

3. Different accountability traditions and the need to choose between them

A good starting point for partnership accountability are the accountability models and mechanisms developed in the constituent organisations, i.e. the public, the private and the non-profit sectors. Table 1 roughly summarises these traditions. The strength of the colours used is meant to indicate the relative strengths of the instruments.

¹ The literature on managerial challenges is mostly non-academic. Useful observations and recommendations are contained among others in (Nelson and Zadek 2000), (Nelson 2002), (Tennyson 2003), (Vaillancourt Rosenau 2000).

Table 1: Sectoral Approaches to Accountability

public sector	corporate sector	non-profit sector
to citizens, interest groups & the media for acting in the citizens' interests through elections, petitions, complaints, organised interest groups, media pressure	to owners & shareholders for maximising shareholder value through hiring & firing, executive compensation, boards of directors, concentrated ownership	to donors for cost efficiency, output delivery through financial pressure, reporting requirements
to parliament & executive for effectiveness and compliance through rules, appointments, orders, budget, reports	to consumers for price, quality, production methods through market mechanism: competition and informed consumer choice	to legal & fiscal system for rule compliance & mission through tax exemption and sanctions
to courts & watchdogs for rule compliance through transparency, rule interpretation, sanctions, recommendations	to legal system for rule compliance through sanctions	to members for mission and effectiveness through elections, financial contributions
to all principals for outcome effectiveness through market mechanisms	to stakeholders for respecting their interests through multistakeholder processes, evaluations, reports	to recipients for serving their needs through participatory programme development and evaluation

© Julia Steets 2005

The table indicates that each sector has a complex accountability tradition on its own where different principals that rely on different accountability mechanisms compete for influence. Usually, however, each of these sectors has a dominant accountability model.

As Dennis Young puts it for the corporate and the public sector:

“In the grossest terms, businesses are accountable to their owners for making money. Government is accountable to its citizens for carrying out the public’s will, as ultimately reflected in voting, legislation, and judicial interpretation. Of course, accountability in both of these sectors is much more subtle: Businesses are also accountable to government for operating within the law and to their customers, at least instrumentally, to assure long-term profitability. Government agencies and officials are also accountable under law for appropriate behavior, often through complex intra- and interagency, intergovernmental, and extragovernmental relationships that exert checks and balances within the federal, democratic system. In both government and business, professional norms, labor relations, interest groups, and market conditions also play their parts in holding organizations to account. But, in both these sectors, the basic constituency to whom accountability is owed and the ultimate criterion of accountability are relatively unambiguous.” (Young 2002, pp. 2-3)

Many argue that the non-profit sector has no similarly well-defined bottom-line. This might be true in theory: there is no dominant and generally accepted school of thought justifying why priority should be given to one set of actors for one specific aspect of an NGO’s work. In practice, however, non-profits usually depend on some source of funding for their work. This creates the bottom-line that makes NGOs accountable to those who provide them with financial resources - be that members or donors - for using them for the agreed purpose. Like in the other two sectors, the other accountability relationships (to legal and fiscal authorities, to beneficiaries and to other NGOs) are simply not as strong as that one cf. (Edwards and Hulme 1995).

In each sector, the dominant accountability focus comes with a dominant accountability mechanism. The public sector mainly relies on elections and rules and procedures to create

accountability. In the private sector, the market and internal incentive systems for managers are the dominant mechanisms. For non-profit organisations, reputation and financial reports are key.

The accountability traditions of the three sectors involved in partnerships, then, are different. Why not, one might ask, build on these traditions to create a ‘fusion model of accountability’ that could then be used for partnerships? After all, each of the sectors is currently experiencing reform efforts that aim at introducing new or different accountability instruments. In the public sector, for example, reform efforts running under the label of ‘New Public Management’ advocate a stronger reliance on market mechanisms to create more accountability for performance cf. (Behn 2001). In the corporate sector, advocates of stakeholder theory and corporate social responsibility demand stronger accountability to groups affected by the production process, such as local communities and the environment cf. (Freeman 2001). In the non-profit sphere, in turn, more accountability to beneficiaries and to the public at large is being demanded.

There are two major reasons why we cannot simply build a ‘fusion model of accountability’ but have to choose an accountability model that fits the type of partnership we are concerned with. First, the different models of accountability are at least partially incompatible. Take for instance the intense controversy surrounding the introduction of more outcome-oriented accountability mechanisms in the public sector. Especially the attempt to assess school performance through standardised student tests has been severely criticised as counterproductive to wider educational goals (Sirotnik 2004). Similarly, the corporate social responsibility and stakeholder debates in corporate accountability seem to lead nowhere except when they are made compatible with accountability to shareholders, see e.g. (Kuhndt, Tuncur et al. 2004)

Second, each accountability mechanism has important downsides. When different accountability systems are simply combined, we risk creating a “multiple accountabilities disorder” (Koppell 2005). This results either in organisations escaping all forms of accountability by playing one principal off against the other (Keohane 2002). Alternatively, it results in a genuine dilemma for the organisation trying to satisfy the – potentially contradicting – demands of various principals at the same time, creating substantial costs and most likely leaving all principals dissatisfied (Edwards and Hulme 1995).

4. Defining accountability through partnership functions

Since a ‘one-size-fits-all solution’ for partnership accountability does neither seem desirable nor practical, we have to find a relevant criterion to distinguish between different types of partnerships. Classifications have been proposed based on partnership purpose and degree of power-sharing (Rodal and Mulder 1993), the degree of conflict among partners (Long and

Arnold 1995) or the type of partners involved (Klein 1992). More relevant in the context of accountability, however, seems a distinction based on the political function of a partnership.²

Roughly following the political functions distinguished in the policy-cycle (Jann and Wegrich 2003), we can differentiate the following types of partnerships:

- *Agenda setting and advocacy partnerships.* Agenda setting and advocacy refer to the processes that determine political priorities (McCombs and Shaw 1972). Many NGOs see it as their task to promote the interests and perspectives of those usually excluded from this process. To make their campaigns more effective, they often form coalitions or partnerships around specific topics. These coalitions tend to have a heavy NGO presence. Once they involve partners from other sectors into slightly more established organisational structures (which qualifies them as ‘partnerships’) they tend to add an element of policy implementation to their work. As an example, consider the Global Fund to Fight AIDS, Tuberculosis and Malaria (www.theglobalfund.org) or the Cleaner Fuels and Vehicles Partnership (<http://webapps01.un.org/dsd/partnerships/public/partnerships/178.html>).
- *Decision making and standard setting partnerships.* More recently and more controversially, partnerships have also been used to set standards and make political decisions. This can increase the problem solving capacity of state actors, help manage conflicts between relevant actors and increase compliance with decisions and norms. For prominent examples of predominantly standard setting partnerships, see the World Commission on Dams (Dubash, Dupar et al. 2001), (Khagram 1999), (Dingwerth 2003) or the Global Reporting Initiative (www.globalreporting.org).
- *Policy implementations partnerships.* Particularly in the context of the World Summit on Sustainable Development held in 2002 in Johannesburg, partnerships are mainly seen as instruments for implementing internationally agreed goals of sustainable development. Many ‘type II’ partnerships listed in the database hosted by the CSD secretariat (<http://webapps01.un.org/dsd/partnerships/public/browse.do>) fall under this category. These partnerships can provide a more inclusive and flexible way to cooperate with non-profits and corporations in the implementation of policies than regulations or outsourcing solutions. This is especially the case when cross-border public policy problems are at issue since voluntary compliance that can be induced by cooperation is even more important here than in a national context.
- *Evaluation and monitoring partnerships.* Finally, partnerships between governments, international organisations, corporations and non-profit organisations can be created to evaluate policies and monitor compliance with specific policies or standards. Often,

² The following characterisation resembles closely that proposed by Reinicke and Deng for ‘global public policy networks’. The distinguish agenda-setting, negotiation, implementation and policy reformulation and institutional learning as categories. (Reinicke and Deng 2000)

partnerships combine a standard setting or policy implementation with an evaluation or monitoring function. Take for example the Forest Stewardship Council (www.fsc.org) that not only sets standards on sustainable forest management, but also certifies wood producing companies who adhere to its standards and labels their products accordingly.

To date, no systematic empirical studies have been conducted to analyse which accountability instruments are used in which kind of partnership and how our accountability expectations vary according to partnership type. The preceding conceptual analysis of different existing accountability models and of the different political functions of partnerships, however, suggests that accountability mechanisms should be chosen depending on the political function of the partnership. For partnerships that change their function over time (e.g. setting out as advocacy coalitions, transforming into standard setting bodies and then turning into evaluation and monitoring instruments) this means that the accountability instruments too should change over time.

Roughly, we can expect the different partnership types to have the following implications for accountability arrangements:

- *Accountability mechanisms for advocacy partnerships.* Advocacy partnerships can exert considerable influence on policy making processes, especially if they are aligned with important media players. But the ultimate locus of decision making does not change: partnerships seek to influence governments, international organisations, corporations or NGOs, but these organisations take relevant decisions themselves. Accountability to external actors for those policies thus continues to lie with these 'target' organisations. The external accountability that is required and expected of advocacy partnerships therefore closely resembles that of non-profit organisations engaging in advocacy work. This means that agenda setting partnerships must conform to the laws of the countries they operate in, account to donors for the use of funds and be responsible for providing accurate information.

The Global Fund to Fight Aids, Tuberculosis and Malaria – although it is more than just an advocacy partnership – like an NGO emphasises its registration under Swiss law as an important governance measure. And while the Fund has a board including a wide number of representatives of different organisations, this only meets twice yearly. The day-to-day running of the partnership is left to the Secretariat. Similarly, the Cleaner Fuels and Vehicles Partnership seems to be a relatively loose coalition of different institutions sharing important goals without strong internal or external accountability mechanisms.

- *Accountability mechanisms for decision making and standard setting partnerships.* The case is very different for decision or policy making and standard setting partnerships. Here, the original decision makers delegate substantial authority to a new and cooperative body and the partnership takes over a genuinely political task.

Particularly the partners in whom this authority was previously invested will therefore demand strong accountability of the partnership to them. Direct involvement in the partnership's decision making processes and veto powers are instruments to achieve this.

But since the partnership is assuming the role of a policy making institution, external demands for accountability will also be very high and closely resemble those made of public institutions. A strong focus on the processes and rules governing the decision making process is therefore to be expected, as it the demand that those groups affected by the decision ought to be represented in the partnership. Both examples of standard setting partnership given above, the WCD and GRI, confirm these expectations by showing strong internal governance arrangements and processes to include external stakeholders.

- *Accountability mechanisms for policy implementation partnerships.* Implementation partnerships play politically less controversial roles than standard setting partnerships. Rather than their representative nature and the correct following of procedures, we can expect accountability demands to focus on questions of efficiency and effectiveness. More akin to demands in the private sector, partners, donors and stakeholders are most likely to ask whether the partnership is an efficient way to reach the defined goals. Outcome assessments and a measure of competition between different ways to achieve implementation are therefore more likely to be central accountability instruments in implementation partnerships than detailed rules on process and inclusion.

While it is difficult to discern what accountability mechanisms are used by partnerships from the data they submit to the CSD website, current demands from governments and donors on implementation partnerships focus on their ability to demonstrate an effective contribution to the Millennium Development Goals.

- *Accountability mechanisms for evaluation and monitoring partnerships.* Policy evaluation and monitoring partnerships crucially depend for their effectiveness on credibility. Therefore, we can expect accountability demands to focus on the independence of the partnership and the accuracy of information provided by it. This, again, resembles accountability demands made on a specific type of non-profit organisation. Varied sources of funding and a credible commitment to the partnership's mission are therefore important.

The Forest Stewardship Council, since it also plays a standard setting role, has a governance structure that emphasises participation, inclusion and democracy. When it comes to the standards created by it, however, the independence of those standards from any one stakeholder group is emphasised. And in accrediting other institutions for conducting verification and monitoring compliance, their independence and adherence to the defined standards are emphasised.

5. The way ahead

Due to the scarcity of empirical materials, the preceding debate about differing accountability requirements for different partnership types has to remain largely speculative. In order to arrive at a better founded analysis of what ‘appropriate accountability arrangements’ are for partnerships, three main steps are needed:

- Analyse empirically whether reasonable expectations on accountability requirements and their dependence on different partnership functions are approximately mirrored in reality.
- If this is the case, develop detailed normative models of accountability for each partnership type.
- Operationalise these normative models so that they can be used for the evaluation of partnerships and as guidelines for the construction of accountability mechanisms for partnerships.

As argued in the beginning of this paper, these further conceptual, empirical and normative developments are important at the current stage of the debate and political practice of partnerships. Currently, the initial enthusiasm for partnerships as panaceas for international governance problems is slowly evaporating and important fundamental criticisms concerning the legitimacy and accountability of partnerships are being formulated. At this moment, it is crucial to arrive at a more differentiated debate on partnership accountability and develop operational accountability models that can serve both for partnership evaluation and to give partnership practitioners guidance in how to create appropriate accountability mechanisms.

BIBLIOGRAPHY

Behn, R. D. (2001). Rethinking Democratic Accountability. Washington, D.C., Brookings Institution Press.

Corporate Europe Observatory (2002). Girona Declaration: From Rio to Johannesburg.

Dingwerth, K. (2003). Globale Politiknetzwerke und ihre demokratische Legitimation: Analyse der World Commission on Dams. Global Governance Working Paper No. 6. Potsdam, Berlin, Oldenburg, The Global Governance Project.

Dubash, N. K., M. Dupar, et al. (2001). A Watershed in Global Governance? An Independent Assessment of the World Commission on Dams. Washington, World Resources Institute.

Edwards, M. and D. Hulme (1995). NGO Performance and Accountability: Introduction and Overview. Non-Governmental Organisations: Performance and Accountability Beyond the Magic Bullet. M. Edwards and D. Hulme. London, Earthscan: 3-16.

Edwards, M. and D. Hulme (1995). Non-Governmental Organisations: Performance and Accountability Beyond the Magic Bullet. London, Earthscan.

Freeman, R. E. (2001). Stakeholder Theory of the Modern Corporation (Reprint). Ethical Issues in Business. A Philosophical Approach. T. Donaldson, P. H. Werhane and M. Cording. Upper Saddle River, New Jersey, Prentice-Hall: 38-48.

Goodin, R. E. (2003). Democratic Accountability: The Third Sector and All. Cambridge MA, Hauser Center for Nonprofit Organizations, Kennedy School of Government.

Jann, W. and K. Wegrich (2003). Phasenmodelle und Politikprozesse: Der Policy Cycle. Lehrbuch der Politikfeldanalyse. K. Schubert and N. C. Bandelow. München, Wien, R. Oldenbourg Verlag: 71-104.

Keohane, R. O. (2002). Political Accountability. Conference on Delegation to International Organizations. Park City, Utah.

Khagram, S. (1999). Beyond Temples and Tombs: Towards Effective Governance for Sustainable Development Through the World Commission on Dams. Case Study for the UN Vision Project on Global Public Policy Networks. Available from www.gppi.net.

Klein, J.-L. (1992). "Le Partenariat: Vers une Planification Flexible du Développement Local?" Canadian Journal of Regional Sciences XV(3): 491-505.

Koppell, J. G. (2005). "Pathologies of Accountability: ICANN and the Challenge of "Multiple Accountabilities Disorder"." Public Administration Review.

Julia Steets

Global Public Policy Institute (GPPi)

Paper presented at the 2005 Berlin Conference on the Human Dimensions of Global Environmental Change: International Organisations and Global Environmental Governance, December 2-3, 2005.

- draft -

- Kuhndt, M., B. Tuncur, et al. (2004). Responsible Corporate Governance. An Overview of Trends, Initiatives and State-of-the-art Elements. Wuppertal, Wuppertal Institute for Climate, Environment and Energy: 70.
- Long, F. and M. Arnold (1995). The Power of Environmental Partnerships. Fort Worth, The Dryden Press.
- McCombs, M. E. and D. L. Shaw (1972). "The Agenda-Setting Function of Mass Media." Public Opinion Quarterly(36): 176-187.
- Nelson, J. (2002). Building Partnerships. Cooperation Between the United Nations System and the Private Sector. New York, United Nations.
- Nelson, J. and S. Zadek (2000). Partnership Alchemy. New Social Partnerships in Europe. Copenhagen, The Copenhagen Centre.
- Ottaway, M. (2001). "Corporatism Goes Global: International Organizations, Nongovernmental Organization Networks, and Transnational Business." Global Governance 7(3): 265-292.
- Reinicke, W. H. and F. Deng, Eds. (2000). Critical Choices. The United Nations, Networks, and the Future of Global Governance. Ottawa, International Development Research Centre.
- Richter, J. (2001). Holding Corporations Accountable. Corporate Conduct, International Codes, and Citizen Action. London, New York, Zed Books.
- Rodal, A. and N. Mulder (1993). "Partnerships, Devolution and Power-Sharing: Issues and Implications for Management." Optimum. The Journal of Public Sector Management 24(3): 27-48.
- Sirotnik, K. A., Ed. (2004). Holding Accountability Accountable. What Ought to Matter in Public Education. New York and London, Teachers College Press.
- Slaughter, A.-M. (2001). Global Government Networks, Global Information Agencies, and Disaggregated Democracy, Harvard Law School.
- Tennyson, R. (2003). The Partnering Toolbook, International Business Leaders Forum (IBLF) and Global Alliance for Improved Nutrition (GAIN).
- Vaillancourt Rosenau, P. (2000). The Strengths and Weaknesses of Public-Private Policy Partnerships. Public-Private Policy Partnerships. P. Vaillancourt Rosenau. Cambridge, Mass., MIT Press.
- Witte, J. M., C. Streck, et al. (2003). The Road From Johannesburg: What Future for Partnerships in Global Environmental Governance? Progress or Peril? Partnerships and Networks in Global Environmental Governance. The Post-Johannesburg Agenda.

Julia Steets
Global Public Policy Institute (GPPi)
Paper presented at the 2005 Berlin Conference on the Human Dimensions of Global Environmental Change:
International Organisations and Global Environmental Governance, December 2-3, 2005.
- draft -

J. M. Witte, C. Streck and T. Benner. Washington, D.C. / Berlin, Global Public Policy
Institute.

Young, D. R. (2002). "The Influence of Business on Nonprofit Organizations and the
Complexity of Nonprofit Accountability: Looking Inside as Well as Outside."