DEVELOPMENT *as* ACCOUNTABILITY

Accountability Innovators in Action

AccountAbility

AccountAbility is an international non-profit, membership organisation established in 1995 to promote accountability innovations for sustainable development. Our 200 members include businesses, NGOs and research bodies, who elect our international Council, which includes representatives from Africa, Asia, Europe, Latin America and North America.

In pursuit of our goals we focus on promoting citizen participation, competitiveness, and collaboration. AccountAbility's leading-edge innovations have included the world's first Sustainability Assurance and Stakeholder Engagement Standards (AA1000 Series), the Partnership, Governance and Accountability framework and learning network, the Responsible Competitiveness Index covering the links between responsible business practices and the competitiveness of 110 countries, and, in collaboration with csrnetwork, the Accountability Rating of the world's largest 100 companies published annually with Fortune International. AccountAbility also co-convenes the Global Leadership Network, an international network of leading businesses.

AccountAbility is convenor of the MFA Forum, an international alliance of business, international development agencies, NGOs and labour organisations working on the links between national competitiveness and labour standards in garments and apparel supply chains.

http://www.accountability21.net

Table of Contents

Executive Summary

Everyone is calling for more accountability. Accountability is the stated commitment of multi-hundred million-dollar funds; the topic of keynote speeches; the central component of development projects. But accountability is still seen largely as a toolbox of metrics and mechanisms to bolt on to existing development projects, designed to reduce corruption and inefficiency at the margin.

This report argues that accountability should instead become the central goal of development. To see development as accountability means fundamentally reinventing the way the poor collaborate with their development partners. As the development landscape faces a set of new challenges, from superstar donors to Chinese investments in Africa, and from floundering multilateral institutions to stalled trade negotiations, major innovations in their accountability are needed.

Accountable development does not mean more layers of compliance-based systems to ensure donors' money is accounted for, or to feed philanthropists' craving for instant results. Indeed, this one-way, bottom-to-top orientation is fast becoming part of the problem: accumulating power, dispersing responsibility, dampening innovation and disempowering collaboration. This report argues that accountability must be repositioned at the core of development, not consigned to the technical small print.

With the support of the Ford Foundation, AccountAbility in late 2006 convened three dialogues in Indonesia, Russia and Brazil. We talked with hundreds of leaders, from civil society, business, the public sector, international institutions and the media. What they told us is deeply unsettling: traditional forms of accountability are unfit for the new challenges of development. But they also revealed evidence of a new groundswell of accountability innovations.

From global financing in health to service delivery in water and sanitation, and from public infrastructure projects to voluntary certification of sustainable forestry, collaboration is increasingly promoted as a more effective way to achieve development goals. From informal dialogues, through contractual public-private partnerships, to complex multi-stakeholder initiatives, there are now hundreds of collaborative efforts worldwide.

Collaboration is celebrated as an inherently more accountable way of promoting development, but this is a claim that has run well ahead of the evidence. Because of difficulties in evaluation and a reluctance to share lessons, there is insufficient awareness of the importance of getting Collaborative Governance (CG) right.

This report showcases experiments across a wide range of collaborative frameworks, unleashing the potential for poor people to work more effectively with governments, businesses, NGOs and donors. Whether it is street waste pickers in São Paulo, energy efficiency campaigners in Moscow or committed local mayors in Bali, accountability innovators are leading initiatives to align interests, pool resources and share responsibilities to tackle development challenges.

Innovations in Collaborative Governance

➜ In Brazil, the AVINA foundation is bringing together extractive companies, environmental non governmental organisations (NGOs) and the government to move beyond environmental compliance towards sustainable development in the unique Pantanal wetland. These actors are preparing to undertake a joint strategic impact assessment that will produce information, analysis and recommendations. The findings will inform debate and guide collaboration to build accountability in the Pantanal region.

➜ In Indonesia, the Electricity Governance Initiative brought together a consortium of NGOs and research institutions, which produced a joint assessment of decision-making in the Indonesian electricity sector. The consortium is now using the results to engage with the authorities and policy-makers on where and how to improve accountability.

➜ In Russia, the Institute for Sustainable Communities facilitated partnerships between municipalities, local businesses and NGOs to design and implement energy efficiency projects together. It promoted mechanisms such as collaborative Memoranda of Understanding (MoUs) and joint bank accounts, and is now exploring how these partnerships will govern the financial savings from improved energy efficiency and invest in social and environmental community projects.

What these cases demonstrate is that further innovation in collaborative governance – through all the permutations from informal conflict resolution to formal multi-stakeholder partnerships – is essential both for the 'Global 100' development partnerships and for the thousands of collaborations springing up at regional and local level. Faced with resource leakages, dispersed responsibility, donor impatience and the collapsing credibility of grand development plans, the need for smarter accountability in the development processes is now urgent.

There is much to celebrate, from novel methods of convening stakeholders to counting tools that cast a spotlight on unaccountable behaviour. We now need to pull together the best of these innovations into more coherent, systematic and integrated approaches. Without better frameworks for collaboration, convening and counting soon lead to participation fatigue. Practitioners from around the world are beginning to experiment with Collaborative Governance frameworks to help them deliver on the challenge.

The report's key findings are that:

1. *Development partnerships are not inherently more accountable.* They can combine the lagging accountability features of each participating institution, resulting in unexpected new forms of unaccountability. Results depend on putting in place the right governance systems, not assuming they will magically grow.

2. *Collaboration is weakening traditional mechanisms of state and private sector accountability.* In some sectors, partnership has become a

byword for inefficiency, or worse, a means of cheating intended bene-ficiaries. New methods are urgently needed to assess the accountability and effectiveness of partnerships.

3. *Poor people understand and value accountability, despite cultural varia-tions in emphasis. Yet ensuring participation by the poor continues to be a major challenge for development projects.* This undermines their legit-imacy and performance. Building the collective voice of the poor is a major task, but Indonesia's consumer association and Brazil's national movement of street waste pickers show that it can de achieved.

4. *Civil society organizations now have a complex twin role, as advocates of accountability and as active partners in multi-stakeholder partnerships.* As advocates, they must stay on top of fast-moving contracts, regulations and relationships between the state and the private sector to hold part-nerships to account. Traditional advocacy capabilities, such as campaigning for access to information or rights-based approaches to development, need to be adapted to this new institutional context. As partners in collaborative arrangements, they must ensure a step-change in their own accountability to their beneficiaries in order to maintain their legitimacy and leverage.

5. *There is an observable gap of knowledge on collaborative governance.* Practitioners simply do not know where to go to get information and comparative experiences. They are calling for help in the negotiation and design process when governments announce a massive scaling up of public-private partnerships in the delivery of public services and infrastructure; when civil society is invited to 'get involved' in new multi-billion dollar health partnerships; and when corporations propose new major resource partnerships.

6. *Accountability innovators are active around the world.* They are catalyzing change by building collaborative governance and improving the outcomes of development programs. Despite different cultures and issues, these innovations fall into three broad categories. First is the *convening* of stakeholder dialogues to agree priorities. Second is the development of *counting* methods to assess accountability deficits. Third, and most difficult, is the design of agreements among stake-holders to build *collaborative* solutions.

7. *Collaborative governance requires systems that encourage mutual accountability on shared roles and responsibilities among development actors, instead of one-way, bottom-to-top reporting and compliance systems.* Mutual accountability is the essential ingredient of collabora-tive governance and should be at the heart of the development process.

Recommendations

The report makes recommendations across the following five areas:

1. Collaborative Governance

Those designing and leading collaborations face a dilemma. Because accounta-bility is seen as being about compliance mechanisms, attention is usually placed on more pressing issues such getting action plans rapidly in place. But the

window of opportunity to build mutual accountability between unequal partners and to ultimate beneficiaries can soon disappear. Practitioners should make the time early on to design a governance system. Collaborative governance can begin simple, but must be adaptive, allowing for deepening over time.

The governance systems should improve the inclusiveness in decision-making, and also open the door to innovations in core strategy. Governance systems should not be cumbersome, but they should cover the full scope of the collaboration, from vision and strategy, through structures and performance to reporting

AccountAbility's Collaborative Governance Framework (CGF)

The Collaborative Governance Framework (CGF) developed by AccountAbility is a user-friendly online tool for exploring and improving the accountability and effectiveness of collaborative initiatives. Developed and tested over three years by dozens of collaborative initiatives, the CGF assesses collaborative governance across six different domains, asking whether:

1. The stated vision, mission and goals are the result of agreements between partners.

2. The development strategy has been adequately discussed between the partners and the risks and impacts assessed as they relate to all stakeholders involved. The input and views of ultimate beneficiaries are taken centrally into account in the strategy process.

3. The governance mechanisms are legitimately in place. An effective governing body evaluates not only the partnership's compliance but also discusses strategies and performance, based on transparent and participatory evaluations and feedback that give voice to intended beneficiaries and weaker partners.

4. The performance is monitored and evaluated according to indicators developed in consultation with intended beneficiaries and other stakeholders. Monitoring and evaluation results are used to encourage learning of all the partners and used by governing bodies to make strategic decisions. Report-back mechanisms establish clear lines of accountability for performance.

5. The financial and asset integrity is realized through procedures understood by all the partners and key stakeholders. Reports are clearly and transparently communicated through the governance mechanisms.

6. The stakeholder engagement process provides the basis to understand and respond to the views and concerns of critical groups, and subsequently informs the decisions and actions of the partners and the governing body. Engagement can be used to anticipate and manage risks, increase trust, gain knowledge of impacts and, therefore, drive performance.

Source http://www.pgaframework.org

and engagement (See Collaborative Governance Framework in Box).

Further research on governance systems must take account of:

i. *Comparison of development goals*: for example, is the governance of health partnerships comparable to those promoting micro-finance?

ii. *Geographic relevance*: the approaches used in Indonesia, Russia and Brazil show some similarities, but also unique cultural qualities;

iii. *The complexity of the initiative*: from a bilateral deal between a large corporation and a global NGO, to a complex open forum involving multiple representatives from half a dozen or more distinct stakeholder groups; and

iv. *The interplay with public accountability systems* that may either support or conflict with the collaboration's governance.

At its best, the governance of collaborative initiatives makes accountability not a compliance requirement but a dynamic driver of performance; a form of mutual compact that balances power in favour of achieving development goals. Using tools such as AccountAbillity's Collaborative Governance Framework (CGF), senior partners and staff working on collaborative approaches to development can develop such Accountability Compacts.

2. Government policy and regulation

Governments provide the regulatory environment for accountable development. They play a key role in promoting good governance and the capacity for democratic scrutiny. They negotiate trade policy and compete for foreign investment. Accountability is an inalienable duty, entailing three key responsibilities:

i. Public policies and regulations to promote accountable collaboration, especially in public-private partnerships for the provision of public services and infrastructure, should include clear provisions for the transparency of, and access to, contractual documents and governance procedures. They should ensure that performance evaluations and audits of partnerships are widely available for public scrutiny;

ii. Governments, through regulatory agencies or other appropriate bodies, should demand assurance that Collaborative Initiatives (CIs) take adequate account of the interests of key stakeholders especially of the poor, via stakeholder engagement mechanisms and reporting; and

iii. Public sector officials and government agencies should be supported with capacity building to develop the skills, incentives and systems to ensure good governance and adequate civil society participation in the design and regulation of CIs.

3. Investors and donors

The influence of investors and donors, from private philanthropists to business to public and multilateral institutions, provides the most important external set of incentives for accountable development. For this system to work effectively, investors and donors should:

i. Ensure that the projects they fund are designed, operated and reported on in accordance with a collaborative framework;

ii. Develop common criteria for the governance of collaborations, highlighting and prioritizing downward accountability to the ultimate beneficiaries;

iii. Consider the development of a rating system to provide consistent and comparable feedback to donors, governments and citizens on the legitimacy of these arrangements, and further enforce the external incentives to improve accountability;

iv. Invest in supporting knowledge networks that produce analysis and share experiences of effective governance and accountability, therefore supporting civil society development around these issues (see below). Some of this knowledge already exists but is often locked up in sector-specific networks or confidential evaluations;

v. Be required to state and publish the criteria on which they judge the accountability of the initiatives they support;

vi. Review and improve their own accountability systems in relation to a Collaborative Framework to ensure they are providing the strongest example for the initiatives they support.

4. Civil society organizations and networks

Civil society in most countries faces the major task of developing a groundswell of accountability through enhancing its capabilities in advocacy, analysis and action. Stronger capabilities are needed by NGOs and local communities to act as:

i. *Advocates of accountability and transparency*. New capacities are needed to promote best practice and scrutinize the governance systems of collaborations, the fine print of contracts, procurement processes and revenue sharing agreements;

ii. *Independent experts* in analysing public-private partnerships for service provision and infrastructure; multi-sector partnerships developing global standards and regulations; and business partnerships providing financial and in-kind resources for development;

iii. *Partners in development projects*. Civil society organizations need to ensure that their own accountability systems provide a sound basis to engage with partners, as well as allowing their constituents, the poor, to steadily build inroads into such projects;

iv. *Watchdogs* undertaking assessments and benchmarking exercises on how different development actors, including government, business and international agencies, support or inhibit accountability. NGOs and research bodies should work with the media on issues of governance and accountability, starting with the specialist media that cover development issues, and moving on to mainstream media.

5. International standards bodies

Institutions that create organizational standards should play an important role in providing formal and informal incentives for the design of effective policies and management systems.

i. Standard-setting institutions should develop tools specifically for partnerships to use in their management systems and reporting processes. AccountAbility, as a standards developer, intends to initiate a process of developing, with other organisations working on reporting issues such as the Global Reporting Initiative (GRI), an approach for comparable reporting to increase partnership accountability.

ii. Many development collaborations are designed with the sole purpose, or gradually take on the role, of creating global standards. These global partnerships must exemplify best practice in their own governance and accountability systems. 'Who certifies the certifiers?' is a question that needs to be further explored with standard-setting bodies, paying particular emphasis to downward accountability systems to citizens and beneficiaries.

This report showcases many promising efforts to translate accountability from a delivery mechanism to a development goal, making development processes more democratic, reciprocal and power balanced. Such examples are often home-grown and tightly focused on specific issues. This is both a key strength and also a limitation. Can they be scaled up without losing the vital ingredient of mutual accountability?

There are no simple blueprints for building and scaling up the collaborative initiatives that promote accountability in development. By distilling best practice from disparate initiatives, this report has begun to identify some of the common themes in convening, counting and collaboration, pointing to the distinct challenge of improving collaborative frameworks. Combining these approaches and creating synergies between these initiatives with the support of governments, businesses, philanthropists, agencies and civil society is key to making accountability a central goal of development.

Opening Reflection

Anwar Ibrahim
Honorary President
AccountAbility

While we cannot deny the positive impact that aid and policy reform have had on helping the poorest people around the world emerge from poverty, it would be foolhardy to assume that all is well in the world of development. As governments, corporations, and non-governmental institutions have grown wealthier, more powerful, and more capable of contributing to a common good, the failure of these entities to live up to expectations that their wealth and influence will lead to substantial achievements in development is troubling.

Goals that we set at the turn of the century that were deemed lofty, yet attainable, have fallen by the wayside. In reality, the poorest people are scarcely better off today than ten years ago – and for many the situation grows more perilous. Perennial problems such as the provision of adequate healthcare to all are increasing in magnitude, with the potential for global pandemics looming around the corner. Climate change, long marginalized as a peripheral issue, is now prominently seated at the table of key global issues; and may well become the defining issue of the current generation. Yet even with virtual consensus on the impact of global warming we still fumble when it comes to creating solutions to the problem.

At the core of these failures is a crisis in accountability. As power grows more concentrated there has been little corresponding increase in the obligation of power holders to act responsibly and to be held to account. Unaccountability is sadly all too easy to identify across the institutions we have created, whether those that represent and speak for us, or those that create and distribute our material wealth. At best we respond with turnkey measures designed to enforce compliance rather than address the underlying aim of accountability, which is to foster meaningful relationships between people and institutions so that those with power are answerable to those whom such power impacts.

The fight against corruption must remain a priority. Common and uncommon thieves alike must be brought personally to account, through greater transparency, and the effective application of the law through an independent judiciary. But sound enforcement cannot be the extent of our vision for an accountable society. Whereas the law-breaking citizen or corporation is our easiest and most discernible enemy, our real challenge lies in taming those beasts for which the consequences of unaccountability are, in the main, perfectly legal.

Our political leaders speak out on the importance of probity only to fail repeatedly, visibly, and generally without penalty to deliver on their promises of social justice and sustainable livelihoods. Those to whom we entrust the matter of business justify excessive profits and the destructions of livelihoods and the natural environment in the spirit of shareholder value. And the power of civil society organizations, our contemporary champions of the disadvantaged, is increasingly exercised with little if any accountability to those whose voices they claim to represent.

Our greatest failures are enacted within the law because our institutions are no longer fit for purpose. Business' accountability to shareholders was at one time a great innovation in accountability. Today, not only does such accountability in practice not best serve the public good, but it does not meet the needs of citizens, the real owners of shares, disenfranchised by an enriched investment community. Globally, instead of visionary leadership translated into practice, we

see horse-trading between nations, the worst forms of economic nationalism and domestic pork-barrel politics. We have created a generation of international institutions intended to foster inter-dependence and mutuality. But these institutions are fundamentally trans-national, lacking any sense of global vision.

Witness the weakening of the World Trade Organization in its efforts to mediate a successful 'development round'. How much more difficult will it be to join together in addressing the problems of climate change, water scarcities, energy security and the needs of tens of millions of migrants? We need global institutions to convene, facilitate and mediate between diverse contexts, concerns and needs. But without vision and leadership they will remain empty roadways to nowhere.

Accountability, at its core, concerns the civilizing of power, empowering it with the legitimacy to act in return for being answerable to those it impacts. It requires bringing adverse and antagonistic stakeholders together and establishing a basis upon which the dangers and opportunities of our inter-dependencies can best be managed. Effective accountability delivers the conditions that unlock people's potential and our ability to invent, to steward and to sustain ourselves indefinitely into the future. This has practical implications for our deliberations today and, hopefully, our actions tomorrow.

International development assistance has failed us for five decades, conclusively. More of the same will equally fail us. We can account for it, making sure it is forthcoming, but this form of accountability will not make it work for us. We can audit it, to make sure it is not stolen. But this in itself will not deliver development, just more efficient, perhaps even legal, un-development. The right accountability for managing aid must be to engage those who will use it and are intended to benefit from it, from the beginning, in design, all the way through to the very end. What we need is a concerted effort to improve collaborative governance systems to include those with a real stake in the outcomes, notably so-called 'intended beneficiaries', but the businesses and civil society organizations as well. This is why AccountAbility has developed the Collaborative Governance Framework.

And business cannot be there just to pitch for contracts. And NGOs cannot demand justice without sharing responsibility for how economic wealth is created. All stakeholders need to understand their co-dependency, and share the responsibility for the design and implementation of solutions.

AccountAbility first launched its 'Accountability 21' initiative in early-2005. Its purpose is to advance accountability innovations that open new avenues to promote development by civilizing power in a century already over-endowed with old problems and new challenges. The initial international convening in late 2005 brought together hundreds of accountability innovators to share and debate their learning. Subsequently, a series of national dialogues in Moscow, Jakarta and Sao Paulo explored the challenges of effective collaboration in addressing practical challenges on the ground.

'Development as Accountability', our second report in the series, reports on the learning from these convenings, set against the wider landscape of AccountAbility's work on corporate responsibility, collaborative governance and responsible competitiveness. Its purpose is to move debate and practice beyond the stalemate of applying yesterday's accountability solutions to today's problems. To this end, it explores the role of Accountability Compacts, and sets out a practical agenda for accountability innovators across all the major constituencies, including business, civil society and the public sector.

Anwar Ibrahim is the Honorary President of AccountAbility. From 1993-1998 he served as Deputy Prime Minister of Malaysia. He also served as President of the UNESCO General Conference, and in 1997 he chaired the development committee of the World Bank and International Monetary Fund. He is currently an advisor to the People's Justice Party of Malaysia and is the Chairman of the Foundation for the Future.

Chapter 1: **Development as accountability**

Accountability: Tool or Goal?

The opportunities and challenges to improve the lives of farmers in Uganda, slum dwellers in Indonesia, the fuel poor in Russia's far east or street waste-pickers in Brazil no longer depends only on their governments taking the exclusive or even the leading role. Development seems more than ever dependent on complex networks among community groups, government agencies, private firms, labour unions, NGOs and donor agencies.

> 'I heard rumours about assistance for the poor, but no one seems to know where it is.'
>
> **A discussion group participant, Tanjugrejo, Indonesia**[1]

Increasingly, ex-politicians, celebrities and private philanthropists are exerting their influence on development programmes.

Who is responsible for delivering development? As goals proliferate, resources and resource-providers multiply and new players enter the development arena, this question has never been more urgent. Yet alongside the technical challenges of

Development as Accountability

Amartya Sen's classic formulation of 'development as freedom' provided a milestone in development thinking at the end of the 1990s. For Sen, five types of freedoms are instrumental to enable poor people to become 'active agents of change, rather than as passive recipients of dispensed benefits': (1) political freedom, (2) economic facilities, (3) social opportunities, (4) transparency guarantees, and (5) protective security.[2] Progress in any of these, history shows, requires changing the values and ways in which those with power are held to account by their subjects. Accountability is usually regarded as being about compliance and counting: assigning performance indicators and safeguards against corruption and inertia. But accountability is fundamentally about civilizing power. It is about the process of setting development agendas, establishing priorities and deploying resources. Attaining freedom requires 'the capacity of individuals to participate effectively in shaping the social limits and rules that define what is possible' for them.[3]

Some will be uneasy about the claim that development is about accountability; but as we have seen with those struggling to over-come poverty and inequality, others will see effective accountability as an imperative social and political project that lies at the heart of the development process.

assigning responsibilities for development success or failure, there is a growing recognition that development, at its heart, must be about building mutual accountability.

Building accountability into the development process is an even more difficult challenge than fighting corruption or overcoming institutional inefficiency. It is about guaranteeing what Amartya Sen calls 'the substantive freedoms of individuals, seen as active agents of change, rather than as passive recipients of dispensed benefits' (see box). For Martha Nussbaum, it is about enabling core human capabilities. For George Soros, about building an open society.

It is also about challenging the new mantra of partnerships, heralded as the best way to deliver development, so that they are not just another way of rearranging the same powerful actors (business-NGOs-government). This will achieve little unless the interests and concerns of the poor are fully represented in the strategies, activities and evaluation on development programs and institutions.

The new development agenda

The accountability innovations promoted for development in the 1980s and 1990s are struggling in the face of a radically altered development landscape. Five key challenges confront development practitioners:

> 'A major challenge of the twenty-first century will be to strengthen and reform the institutions, rules, and customs by which nations and peoples complement the global market with collective management of the problems, including persistent and unjust inequality, which global markets alone will not resolve.'
>
> **Nancy Birdsall,**
> **The World is Not Flat**[4]

1. **Fractured Multilateralism:** there is a real danger now of a further fracturing of the always fragile but crucial post-World War II multilateralism and associated institutional arrangements. Notable is the decline in effectiveness and legitimacy of most – if not all – arms of the United Nations, including its more powerful cousins, the World Bank and International Monetary Fund. Signs of decay are everywhere, but are highly visible, for example, in the re-emergence of 'hard power' politics, whether by the US in relation to Iraq, Russia in relation to the old Soviet satellite states, or China in relation to Africa.

2. **Globalization Losers:** A growing concern, in developed as well as developing countries, of growing income inequalities from the last five decades of global economic integration. The plight of the current Doha Round is an example: a recognition of the need for a 'development' deal and the likelihood that a deal will either not be done or will under-achieve, particularly for the least developed countries.

3. **Development's Last Round:** Historic commitments to increase public resources channelled into development assistance, particularly following the G8/Gleneagles agreement, but also related to debt cancellation and rapidly expanded financing mechanisms. There is a widely shared sense that there may only be 'one more development round'. The relative decline of Western influence over development processes could make this the last decade in which the international community shares an essentially universalist, liberal consensus over development.

4. **New Development Actors:** Following from the above, the increased importance and impact of new development players, such as China's private investors in Africa, and US philanthropists like the Bill and Melinda Gates Foundation.

There is a steady increase in private sector engagement in aid and the delivery of public services and infrastructure. This changing geo-political and institutional landscape is also likely to reshape the conditions under which civil society organizations might be expected to be effective.

5. **The Return of the Environment:** the re-emergence of the environment as a critical development issue, primarily in the form of climate change and tensions over access to resources, from energy and water to food and land.

In the face of these five emergent challenges, there is an unmistakeable increase in debate and scrutiny about how development institutions deal with governance and accountability. There is a deepening unease amongst traditional public development agencies, with doubts being cast over their own accountability and effectiveness. This is mirrored by slow progress in the strengthening of national public institutions in many developing countries, despite decades of extensive investment. Simultaneously, there is a new spirit of resistance by weak and corrupt regimes to pressure from the international development community, fuelled by increasing commodity prices, combined with Chinese patronage and associated access to capital.

While trust in institutions from all sectors is more vulnerable than ever, civil society organizations are taking on greater roles in policy arenas, political advocacy, and service delivery. But this is combined with a steady erosion of the 'halo' factor that has until now secured their independence, legitimacy, resourcing and roles. Meanwhile, the business sector's role and visibility in development-focused activities has expanded significantly, with commensurate increases in their share of public resources. And with several dozen new global public-private partnerships launched at Johannesburg sustainability summit in 2002, we saw the emergence of a much-hyped new institutional vehicle for development.

In short, the development landscape is radically different from that which generated the accountability systems of the late 20th century: a world in transit from multilateralism to multi-polarity; a development community more cautious than confident; a portfolio of pilot initiatives but no master plans; a world where collaboration is essential, and where it has never been more difficult.

The rise of Collaborative Initiatives

Multi-sector partnerships are emerging as a 21st Century institutional innovation to address development, provide finance, and develop infrastructure projects and service delivery. But attention to their governance has not kept pace. Their accountability mechanisms carry forward the limitations of the partnering institutions: vertical, bureaucratic, compliance-based, ill fitted to support effective collaboration and inclusiveness of stakeholders.[5]

From Indonesia to Senegal to Bolivia, when public-private partnerships take over what have been traditionally public areas of service, like water and sanitation, they can blur the lines and channels for accountability. Ironically, they can mark a move away from good governance, making it more difficult for citizens to cope with increasingly complex blends of interests and distributed roles and responsibilities.

Civil society organizations and social movements looking to build links with other sectors also find that traditional forms of institutional accountability need to improve. For the national movement of street waste-pickers in Brazil, dialogue and collaboration with businesses and public development banks has been a far greater challenge – and opportunity – than just complying with donor requirements (see MNCR case study in the next section).

Collaborative Initiatives (CIs) range from informal dialogues and alliances to more formalized partnerships. AccountAbility has distinguished between three

types of CIs: Service-based are those providing direct delivery of public services and infrastructure; Resourcing are those providing increasingly large private and public resource transfers and development finance across borders; and Rule-setting are those involved in the co-design, promotion and stewardship of new rules and standards 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 these collaborative initiatives depends on how well they make decisions and on their legitimacy to key stakeholders' says Simon Zadek, Chief Executive of AccountAbility, 'this in turn depends on their governance and accountability structures, processes and norms.' This is particularly true for the initiatives 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 developers.

The governance and accountability of such partnerships raise specific challenges, as well as those more familiar to the 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.[6]

Shortfalls in their governance and accountability of CIs reduce the effectiveness of aid; distort the design and undermine the implementation of much-needed social and environmental standards; and reduce the quality and access to public services and infrastructure; and is therefore emerging as a major 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, with encouragement from AccountAbility, 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'.[7]

In 2004, a study of governance in public-private infectious disease partnerships found a 'gross under-representation of southern stakeholders' in their governance arrangements; and subsequently a strong relationship between good governance and their ability to achieve results.[8]

Concerns are growing, not least amongst those funders that are accountable to taxpayers. The UK Government's Department for International Development (DFID) advocates new forms of conditionality in the funding of partnerships for poverty reduction.[9] The policy statement underscores the necessity to have benchmarks that measure progress on the basis of accountability to beneficiaries 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 CIs in the same way.

The perspectives of southern development practitioners enrich the debate. James Taylor, a South African practitioner with the NGO Community Development Resource Association (CDRA), has referred to 'the poverty of partnerships'. In his experience, northern resource providers have called their southern counterparts 'partners' for years, but the use of the word 'partnership' has not implied in practice a more reciprocal way of working together. This, according to Taylor, systematically undermines the processes that are critical to achieve sustainable development, which are all about building equitable relationships.[10] In practice, rather than supporting collaboration, the 'accountability systems that emerge mirror the relative bargaining power of donors and recipients.'[11]

From civil society's point of view, partnerships, alliances and other forms of cross-sector cooperation, provide the new framework where NGO interventions are placed, and require major changes in NGOs themselves, namely: 'acquiring new skills and capacities to mediate these linkages and more reciprocal ways of practicing accountability.'[12]

Working Definitions

Accountability
Is about civilizing power. It describes a relationship between power-holders and those affected by their actions. Usually, it is thought to consist of two elements: 1. 'Answerability' – making power-holders explain their actions and 2. 'Enforceability' – punishing poor or criminal performance. These two elements are often described in shorthand as 'soft' and 'hard' accountability.

Collaborative Initiatives (CIs)
Cover the full range of formal and informal collaborations, from dialogues and alliances to multi-sector partnerships, where two or more organizations 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. CIs are set up to provide public services, channel resources or develop voluntary standards. There are hundreds, if not thousands, of CIs active in global development.

Collaborative Governance
Concerns the structures, processes, rules and traditions through which decision-making power is exercised in collaborative initiatives. To assess the effectiveness with which CIs are governed, AccountAbility has developed the Collaborative Governance Framework (CGF) as a user-friendly tool. There is growing evidence that effective CIs are those that successfully embed mutual accountability in all their decision-making, expressed in various forms of 'Accountability Compacts' between stakeholders.

Vertical relationships between Northern and Southern NGO 'partners' can sometimes look less like partnerships and more like typical donor-NGO relationships. In 2006, a study of development NGOs by AccountAbility and Keystone with the British Overseas NGOs for Development (BOND) found that a combination of donor pressures, market competition, organizational cultures and monitoring and evaluation systems inhibits the Northern NGOs' accountability to their southern partners and to their ultimate beneficiaries.[13]

Development NGOs in the south face the challenge of reflecting and communicating more accurately the interests and concerns of the people they serve. Not easy when most national and local NGOs in poor countries are heavily dependent on external funding and bear the pressure to report and comply with donor systems. Development NGOs innovating with accountability practices are breaking the mould of certification systems and donor-driven approaches, prioritizing their accountability to their mission and demonstrating accountability to the poor in whose interest they work.[14]

Collaborative governance in the shape of multi-sector partnerships and multi-stakeholder initiatives mean that 'NGOs will have to become more open and transparent in an age when institutional accountability is a condition for a seat at the negotiating table.'[15]

Water has been a focal point for many of these tensions. For example, in Indonesia, managing the conflicts of interest is a key issue in water and sanitation public-private partnerships, especially when discussing contractual targets

Practical challenges in partnership governance

The Global Fund to Fight AIDS, Tuberculosis and Malaria is probably the most studied public-private partnership in history. With over 360 grant programs in 132 countries valued at $5.6 billion dollars, the Fund has set a distinct benchmark in global development finance. In recipient countries, the responsibility is placed on Country Coordinating Mechanisms (CCM), composed of government officials, NGOs, civil society, and multilateral and bilateral representatives.

The Center for Global Development (CGD) found that the emphasis placed on 'ownership', 'participation' and 'transparency' has set the Global Fund apart from other donors, but also created key challenges as well. For example, the 'concerns about who is included and who is excluded [from the CCM]; government domination over NGOs, and the quality of CCM oversight.' The Fund's emphasis on performance-based funding has also found constraints since just determining 'what to measure' proves controversial between the partners.

Work by AccountAbility and the Dalberg-Clinton Global Initiative Task Force on Capacity for Program Delivery analyzed the Global Fund and eight other large-scale development partnerships to understand the leakages and bottlenecks produced by issues of accountability. Among the problems they are seeking to overcome: donor impatience to see short-term results; a mix of overly bureaucratic procedures in some areas and blind spots in others; incentive systems driven by fund disbursement; uncertainty about the choice of impact indicators; and lack of attention to adequate evaluation and learning.

Sources: http://www.cgdev.org/content/opinion/detail/10881;
http://www.dalberg.com/taskforce.pdf

and obligations. 'There are many imbalances within the partnership', says Firdaus Ali, from the Jakarta Water Supply Regulatory Body (JWSRB), 'because private partners are more accountable to their shareholders than to the public. The conflict of interests between partners is inevitable.'

In Nepal, India, Ghana and Ethiopia, Water Aid has shown that improving governance and accountability has improved the distribution of water access points and overall quality of service to the poor. The failure to deliver water to the poor is the result of inequality in decision-making processes, the primacy of politics over evidence in policy-making, and the institutional failure to take the poor into account. 'People are not only asking where is the water and where are the toilets', says Water Aid, 'but also, who is responsible?' Communities need to prepare in order to engage successfully – through dialogue and negotiation – with service providers and the government. This means ensuring that local people develop a full understanding of their entitlements to water and sanitation; their current water and sanitation service situation; and the range of roles and responsibilities that exist for policy and service delivery.[16]

'It's important to mobilize different sectors to address development challenges together.'

Pascal Irenee Koupaki, Minister of Development, Economy and Finance, Benin

Effective accountability depends on adequate capacity building in both civil

society and the state. Rather than community groups simply criticizing lack of accountability, progress can be achieved through a range of 'counting' tools, such as citizen report cards, social audits and public expenditure tracking. According to the World Bank, these approaches have improved the quality of public service delivery at the local level in India, Brazil, Argentina, Uganda and Malawi.[17]

A 'partnership declaration' was issued in 2006 by a group of 130 practitioners under the auspices of the International Business Leaders Forum (IBLF). The declaration urges for stronger systems and frameworks in which partnerships can achieve sustainable development goals. Among its resolutions, the Declaration encourages public and private and policy-makers to 'adopt procurement procedures that stimulate, rather than inhibit, innovative partnerships'; to 'treat the governance of multi-stakeholder partnerships as seriously as you treat other important commitments' and to 'create a culture of good partnering behaviour by genuinely respecting the contribution of others.'[18]

Innovations in collaborative governance include the 'rights, risks and responsibilities' approach developed by the World Conservation Union (IUCN) for decision-making in dams projects; the Electricity Governance framework developed by the World Resource Institute (WRI) and piloted in a number of South East Asian countries (see case study in Chapter 2) and the Extractive Industries Transparency Initiative.[19]

Towards mutual accountability

Accountability systems in development tend to mirror the imbalance of power and resources of the stakeholders. It is unusual for donors or businesses to be effectively held to account by grassroots NGOs or poor communities. The result is underperforming development results and the potential for social and political unrest.

Talk of mutual accountability is now present in government-to-government aid assistance. The Overseas Development Institute (ODI) in the UK has assessed efforts to improve mutual accountability in official development aid in Tanzania, Mozambique, Vietnam and Afghanistan.[21] Mutual accountability requires shared

> 'If the main problem with foreign aid is the lack of feedback from the poor themselves, and accountability to those same poor, then why not attack the problem directly? Is aid reaching the poor? Well, let the agents of foreign assistance ask them.'
>
> **William Easterly,**
> **New York University**[20]

goals between donors and recipients, and that these are supported by reciprocal commitments and monitoring in order to enhance answerability. There is also a need for a greater voice of recipients, as well as the space and capacity for these to challenge the donors. The UN's Development Programme (UNDP) in Tanzania found these conclusions to be relevant 'not only in the context of intergovernmental partnerships, but equally to NGO partnerships' and improvement could also come though informal processes that aim to examine how the relationships function, and correct misperceptions to encourage genuine dialogue between the partners.[22]

In donor-NGO relationships in Brazil involving DFID, the UK public aid agency, it was found that the focus on vertical, compliance-based accountability posed a barrier to pro-poor development work. A critical question was raised for practitioners managing those relationships: 'How can we become more sensitive to unequal power relations, and to checking regularly whether one's own behaviour is strengthening or undermining the voice of the poor and the powerless?'[23]

Some academics are beginning to challenge the assumption that 'more accountability is necessarily better'. Simeen Mahmud and Naila Kabeer argue that labour rights of women workers in Bangladesh can only be realised by moving

away from a 'culture of compliance' to a 'culture of accountability'[24]. David Weinberger talks of 'accountabalism'[25] and Alnoor Ebrahim, visiting fellow at Harvard University, warns of an accountability 'myopia' arising when:

➜ Accountability is seen only within *isolated bilateral relationships* between development actors (e.g. between global donor and global NGO; or local NGOs and beneficiaries), obscuring the trade-offs that exist when having to balance and prioritize competing accountabilities;

➜ The practice of accountability as *short-term, rule-following behaviour* on prescribed plans; it stifles innovation, rather than becoming a means of learning, adapting and negotiating collectively how to achieve longer-term social change.[26]

These are real dangers. A 2004 review of agricultural projects in Sub-Saharan Africa showed the critical importance of improving the representation of farmers' interests to ensure mutual accountability.[27] 'Evaluations are important,' claimed a participant at a workshop organized by the International Fund for Agricultural Development (IFAD) in 2005, 'but perhaps we should think beyond the standard evaluations… It could be helpful to establish an accountability system during the project cycle' where stakeholders are made accountable to each other.[28] Such arrangements can be thought of as 'accountability compacts'.

One example is the MFA Forum, an international coalition of public agencies, businesses and civil and labour organizations convened by AccountAbility and focused on creating responsible supply chains in textiles and apparel following the end of the Multi-Fibre Arrangement. The public agencies are there to align policies and resources with the deliberations of real business decisions. The NGOs and labour organizations are not 'looking in', but are centrally involved in the design of supply chains that meet key social and environmental conditions as part of what will deliver responsible competitiveness for businesses, entire sectors and communities, in Lesotho, Bangladesh, Morocco, Romania and Central America.

What makes initiatives like the MFA Forum viable is the understanding between the players of their inter-dependencies, of the entanglement of their differing interests, of their need to work together in conditions of trust, to empower each other to do what each does best, which needs a very different, powerful form of mutual accountability. Key to the success of the Forum is its collaborative framework (see MFA case study).

In September 2006, a task force convened by Dalberg Global Development Advisors reported on the effectiveness of international development assistance to the Clinton Global Initiative in New York. The Task Force examined global supply chains that organize and resource initiatives in areas such as health, infrastructure, and micro-finance. As a member of the Task Force, AccountAbility undertook key aspects of the work, along with and supported by the Shell Foundation. It focused on the place of accountability in determining the effectiveness of these development partnerships. AccountAbility's inputs to the report concluded that deficits and misaligned incentives for accountability along these supply chains accounted for a great deal of the shortfalls in development impact. The argument, in brief, was that:

➜ Development outcomes could not be effectively delivered by one type of player (business, government, civil society) acting alone in a world as complex, dynamic and entangled as ours;

➜ Creating synergies between these players that went to the heart of their respective competencies and interests (e.g. not just corporate philanthropy) required that they understood their on-going interdependence.

Case Study: Movimento Nacional dos Catadores de Materais Reciclaveis (MNCR), Brazil

Catadores are street waste-pickers; a growing informal industry in Latin America that is the result of a growing volume of urban garbage and the worsening social and economic inequality for the urban poor. *Catadores* collect and commercialize different kinds of recyclable garbage (paper, aluminium cans, steel, copper, plastics, etc.) –the diversity of materials provides some stability of income to poor families. Statistics are not precise; the total number of catadores in Brazil is estimated between 300,000 and 1 million people.

In 1992, the first meeting of *catadores*' organizations took place, and accelerated the organization process throughout the country. In 2001 the MNCR was born as a national movement. Today the MNCR brings together 35,000 people, gathered around 330 cooperative groups around Brazil.

The MNCR seeks the social and economic emancipation of Catadores, through direct action and public policy influence, in partnership with governments at the local, regional and national level, businesses and donors, and civil society. For Betrand Sampaio de Alencar, an adviser to the MNCR: '*improving the accountability of everyone involved is essential for this initiative to have an impact. We are trying to overcome the paternalistic social formation of Brazilian elites. The mere possibility of social organization by informal street recyclers has been a positive demonstration in the direction of sustainability. The partnerships in place show that reaching agreements with other actors through dialogue can generate concrete outcomes. Having identified programmatic links between the sectors has allowed for unity around mutual interests.*'

For Bertrand, accountability needs to serve to promote citizenship, the organizing process of the poor, and their participation in the commercial chains of waste recycling. The catadores commercialize with big recycling companies and they need to understand better how to manage those relationships. Importantly, Bertrand argued, '*the MNCR should avoid turning into a vertical structure, but rather articulate and network with its base; and from that position improve the attendance of private companies and other actors to partner and collaborate.*'

http://www.mncr.org.br

➜ Making something out of this inter-dependence required a collaborative approach where each understood and accepted their role in supporting the interests of the others, as well as their own interests.

➜ Active collaboration therefore required agreement on the nature of this mutual accountability, or an 'Accountability Compact'.[29]

Commenting on these proposals, Kumi Naidoo, Secretary General of Civicus, a global civil society alliance, said that: 'the proposals take us beyond the largely sterile debate about self-regulation or the law. There is a need to engage global civil society more deeply in the development process through their active involvement in both securing and practicing adequate accountability.'

Important in the analysis was that Accountability Compacts had to evolve over

Case Study: A Collaborative Framework: The Multi-Fibre Agreement Forum (MFA Forum)

The MFA Forum is one of a new breed of multi-stakeholder initiatives that support developing countries in building responsible competitiveness at the sectoral level. Facing the demise of the historic textile trade access quotas, a collaborative framework was developed to guide joint-actions between stakeholders. It defines roles and responsibilities of all public and private stakeholders. The MFA Forum draws together a diverse range of stakeholders, from Wal-Mart to the Maquila Solidarity Network.

The MFA Forum's Collaborative Framework enables:

➜ Garment brands and suppliers to stabilize relationships around agreed program of change (e.g. labour standards);

➜ Public agencies to better target investments on trade infrastructure development and workers' training programs;

➜ NGOs and labour organizations leverage their expertise more effectively to achieve development outcomes.

The principles of the Collaborative Framework are:

1. Common Purpose; enabling different actors to develop a clear agenda.

2. Shared Agenda; establishing a mutually agreed scope of work.

3. Pooled Resources, Skills, and Capacities; contributed by each of the key players applied to common purpose and agenda.

4. Establish Organisation; clarifying clear lines of management of the group's activities.

5. Commitment to Transparency and Accountability; agreed approach between the actors as well as towards those impacted by its actions.

6. Communication as a Group; on shared concerns and activities.

7. On-going Evaluation; maintain an open and on-going evaluation of the effectiveness of agreed activities.

http://www.mfa-forum.net

the life-cycle of a set of activities, rather than being established 'as part of the activity'. Crucially, in the cases that seemed most productive, the players came together to define the problem and preferred outcomes as well as the downstream end of defining activities, success parameters and targets, and resource requirements.

Country Perspectives: Indonesia, Russia and Brazil

Is accountability an Anglo-Saxon exported concept? In 2006 we started our project on accountability dialogues to explore exactly this question and to discover how accountability movements are developing in different cultures. We selected three very different countries on different continents. Each has had a different experience of building accountability in the last decade: In Indonesia, the transition to democracy has seen a discernible increase in accountability. In Russia indicators

> 'For more than a decade we have been working to improve accountability. We need fresh ideas. I would like to know what innovations are working in Russia and Brazil and how we can apply them here.'
>
> **Dialogue participant in Indonesia**

show a declining trend while in Brazil the situation remains more or less static (see graph). During our first discussions, all our partners pointed out that good translations of the word 'accountability' to other languages are difficult to find. In Indonesia, Russia and Brazil, colleagues said they felt the need to "own" the concept, to translate it in their own terms.

Defining **the scope of accountability** was a different question altogether. Different sectors talked about it in different ways. NGOs generally referred to accountability in terms of a fair process ('whose voice counts for deciding on

### Translating accountability

In Brazil accountability translates as a combination of '*transparência*' and '*responsabilidade*', the Portuguese for transparency and responsibility. In Indonesia, '*akuntabilitas*' has strong connotations of 'compliance' and 'the rendering of accounts'. In Russia it finds most resonance as '*prozrachnost*', which also refers to transparency. In each culture, the local language used for words like transparency, responsibility, governance and compliance take on a fresh political meaning than in an Anglo-Saxon context.

For us, the need to make a relevant political translation took precedence over the need to make a literal one. It was clear in every country that the concept of accountability is in itself a political project. Therefore, the way people translate 'accountability' is a good indication of their political context and culture, and reflects the aspirations of civil society, entrepreneurs and policy-makers to improve the quality of governance.

development goals?'), they consequently argued for a need for better auditing systems and better participation. Local government leaders, on the other hand, talked about accountability in terms of delivery ('we delivered what we promised') and argued for output targets and efficiency measures. It was interesting to see that NGOs generally did not refer to accountability in terms of public effectiveness, while governments did not refer to the process of negotiating policy goals or on what practical basis they would be held to account for their work. This highlighted the diversity of competencies and of the different stakeholders perceived needs for accountability, but also the value of dialogue about roles and responsibilities.

Participants in all three countries said that development challenges needed new forms of cooperation and **mutual accountability** between all stakeholders: to achieve energy efficiency in Russia, to improve the quality and access to public

Accountability Trends
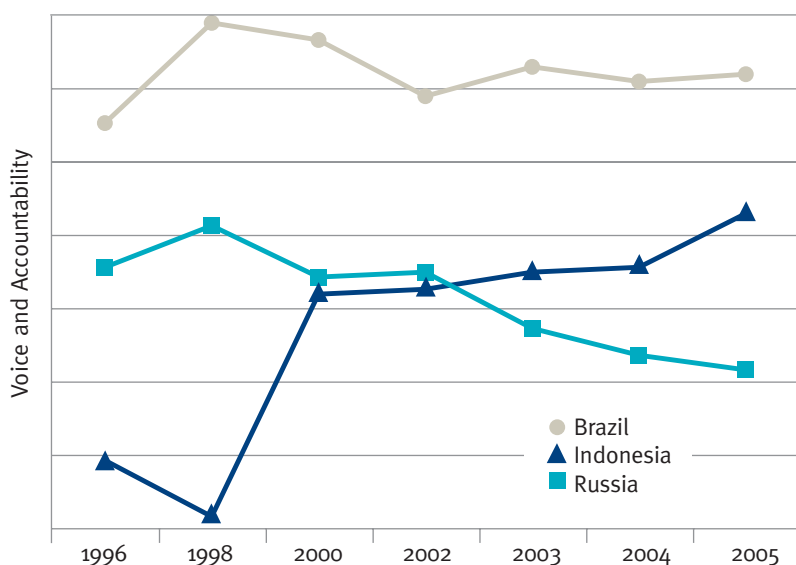
Source: Worldwide Governance Indicators 2006 – World Bank
http://info.worldbank.org/governance/kkz2005/index.htm

services like water and sanitation in Indonesia, or to manage the sustainability of rich biodiversity areas in the midst of industrial development in Brazil.

However, they defined the problem as one of ***misaligned accountability;*** the vertical, closed, and compliance-based accountability of institutions did not help partners work together effectively, enter into inclusive dialogue about development strategies, negotiate interests and outcomes, and develop forms of mutual accountability to undertake complex work. Rather, traditional forms of accountability - NGOs being mainly accountable to their donors; public donors to government bureaucracies; businesses to their shareholders and investors for short-term profits; local governments to national governments, and so on - actually created obstacles for cooperating effectively.

The Russian dialogue on energy, for example, showed the importance of aligning incentives for accountability: vertical and bureaucratic public sector accountability give civil servants the incentive 'not to do the wrong thing', but does not empower them to build alliances with business and NGOs, or build skills in holding dialogues with civil society or managing governance between a diversity of stakeholders as the key to deliver public outcomes. As a consequence, innovative and practical measures to boost energy efficiency in Moscow were impossible to adopt by the City government simply because they were being proposed by an NGO. The case for international business and financial institutions was no different. The buyer-supplier bilateral accountability mechanisms that govern economic supply chains did not provide incentives for companies and contractors to manage economic, social and environmental goals simultaneously through effective stakeholder cooperation, as the controversies surrounding the massive gas project Sakhalin-2 have recently shown in the Russian Far East.

The Russian findings were remarkably similar to those in Indonesia, where corruption, rather than soviet-style control, plays the dominant obstacle to the effectiveness of the civil service. But less so in Brazil, where a culture of cross-sector collaboration is emerging. Participants in Brazil, on the other hand, argued for the lack of accountability between sectors for improving development goals and provided insights onto a new generation of accountability systems that could encourage mutual recognition and reciprocity among stakeholders.

Chapter 2: **Indonesia**

Indonesia's transition from authoritarianism to democracy has opened the door for political reform and has led to a flourishing of civil society. However, the nation still faces widespread corruption and nepotism, rampant poverty and unequal access to public services. The long-term prospects for political stability and economic development in Indonesia will hinge on the nation's success in resolving these difficult problems without impinging on the recent democratic gains.

There are promising signs that Indonesia is negotiating this transition successfully. The decentralisation of state power after the rule of Suharto has given regional governments greater oversight and control over budgets and spending, which has in turn resulted in greater efficiency in the provision of healthcare services and education.

Improved economic and social indicators in these regions are enthusiastically heralded. Public-private partnerships are becoming the preferred mode of development and private actors are bringing new resources to the table. However, participants argue that by blurring traditional lines of accountability it has become more difficult for civil society to hold these partnerships to account.

The accountability dialogue was held in Jakarta on December 19ᵗʰ 2006, in partnership with The Habibie Center and AccountAbility's Honorary President Anwar Ibrahim. The dialogue brought together regional heads of government, from the celebrated development cases of Jembrana (Bali) and the city of Bontang, together with advocacy NGOs, consumer associations, regulatory bodies, business, and national and international governance experts, to explore what kind of public accountability could drive sustainable development results.

The focus on public accountability is not new in Indonesia and predates the transition to democratic elections in 1999. For example, in 1994 a World Bank report found that improving the voice of water users through their associations to hold irrigation service providers accountable in poor areas in

> 'When people say that the idea of accountability is being imported to the Islamic world from the West, I tell them that they should go back to the sayings of the Prophet Muhammad. He said "kullukum raa'in wa kullukum mas'uulun'an ra'iyyati"; "You are responsible for everything you do and your responsibilities will be evaluated."'
>
> **Anwar Ibrahim,**
> **Former Deputy Prime**
> **Minister of Malaysia**

> 'The dialogue has been frank. These discussions on accountability are alive in the people, but there are not a lot of instances of institutions bringing them up into a public sphere and debate.'
>
> **Harry Bhaskara**
> **The Jakarta Post**
> http://www.the
> jakartapost.com

Development Scoreboard: Indonesia
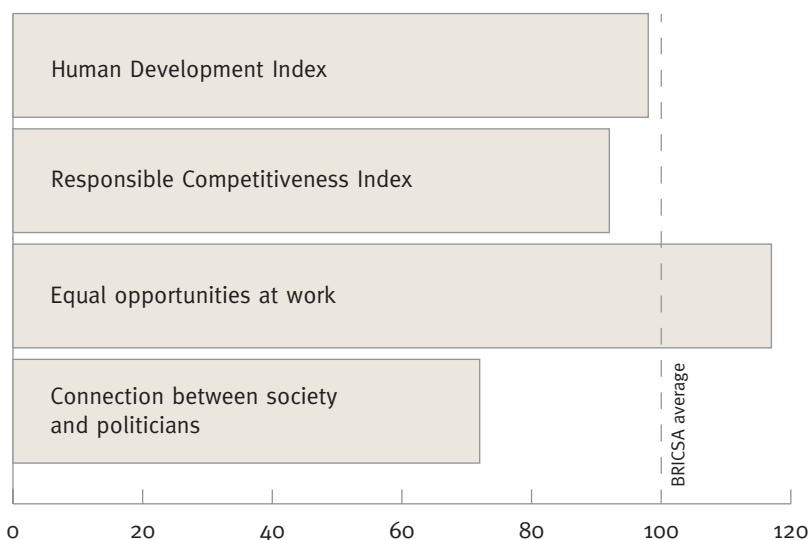
Sources: Human Development Index – United Nations Development Programme; Responsible Competitiveness Index, 2005 – AccountAbility; Private sector employment of Women, World Economic Forum, 2006/07; Networks to mediate between Politicians and Society, Bertelsmann Transformation Index; BRICSA: Brazil, Russia, India, China and South Africa.

Indonesia improved their services, as well as crop productivity.[30] Almost a decade after the democratic transition these practices have yet to be institutionalized in Indonesia's public service. The question remains, why?

One reason appears to be misaligned incentives at the local and regional level. In 2006, the Indonesian Forum for Budget Transparency (FITRA) – a consortium of NGOs supported by the Ford Foundation in Indonesia, showed that during 2000-2006 there were 113 cases of corruption prosecuted against local executive government officials and local legislative members in 32 provinces throughout Indonesia. Due to the recent intensification of prosecution against those involved in corrupt practices, there is increasing prudence among government officials at the provincial and district/city levels. Unfortunately, the fear of being prosecuted has made them hesitant to implement projects so there has been a rise in the level of undisbursed funds (outstanding deposits) at the provincial and district/city levels, from around US$ 2.2 billion in 2003 to US$ 2.7 billion in 2004 to US$ 5.0 billion in 2005 and to US$ 9.0 billion as of June 2006.[31] Combined with direct election of regents and mayors, the intensification of prosecution against corruption has persuaded politicians in around 20 districts/cities, such as in Jembrana (Bali), Surakarta (Central Java), Kupang (East Nusa Tenggara), Makassar (South Sulawesi), and Sambas (West Kalimantan) to shy away from money politics and embrace pro-poor allocations as a means to electoral success.

Ironically, the leadership of mayors, which has been the main driver of their

> 'I see a sense of frustration: The lack of incentives to reform the bureaucracy from within is a big obstacle. Participants think that for there to be significant bureaucratic reform the leadership needs to come from above, from a strong political will, but this is not happening and it is unclear what are the alternatives that will drive political change.'
>
> **Prof. Dewi Fortuna Anwar, Director of Program and Research, The Habibie Center** http://www.habibie center.or.id

The dialogue's recommendations for improving public accountability in Indonesia:

➜ Use the political leadership of regional mayors to improve participatory processes and anti-corruption measures in the public service institutions they command;

➜ Aggregate consumer voice through intermediary institutions to negotiate with public-private service providers;

➜ Apply accountability frameworks that are specific to public-private partnerships in service provision;

➜ Improve the overall quality of stakeholder participation in public institutions;

➜ Realize the religious foundations of accountability that exist in Islam.

performance, can also be an obstacle to participatory budget reforms. At the local level, the Village Allocation Funds (DAD) are intended to promote peoples' grassroots voices, but in practice they limit the involvement of the community to only a few meetings. Village Representative Bodies (BPD) and the village chief may discuss the priorities and budget of each village twice or three times a year. Local government offices then take the proposals but the re-prioritizing process sometimes ignores the original preferences rather than explaining the final decisions.[32]

The result is that people in the village rarely know about the rationale for the government's decision. Because public sector accountability is not aligned to respond to the Village Allocation Funds, the process simply does not work. The introduction of performance targets at the government level and a language of accountability has done little to make policy processes open and participatory. In fact, some argue, it may undermine accountability in the long-run.

> 'Development has improved in some Indonesian regions because of the personal leadership style of some Mayors. This does not make the public service more accountable, decision-making more open, or civil society more influential. I am concerned that it won't last in the long run.'
>
> **Dialogue Participant in Jakarta**

In the dialogue there were proposals from the World Bank in Indonesia that the mayors, as entrepreneurs, should have more freedom to reform their own civil service, which is still heavily constrained and influenced 'from above'. Piloting client feedback mechanisms, like the celebrated Citizen Report Cards from Bangalore, India, could provide real-time information on the performance of public services to the authorities. But civil society representatives, such as Aditya Perdana from the activist NGO YAPPIKA, argued that relying on leadership without addressing participation in public policy wouldn't work in the long-run. What was needed was 'some form of commitment or charter that improves the rights of citizens to participate, and provides the basis for a 'mutual communication' between consumers and service providers'. Two elements of accountability need to be taken into account: (i) How strategic objectives are designed, and a balance achieved between *participation* and *expertise;* and (ii) How information is

exchanged and performance reported, and debated among stakeholders during implementation and evaluation of projects or services.

The question of NGO accountability gained a high profile in the aftermath of the 2004 Asian Tsunami[33]. The effective disbursement of unparalleled sums of money from tens of millions of individual donors to 1.8 million displaced people has remained a central issue for civil society, particularly for international NGOs. Slow progress has been made by NGOs to prove their accountability to their beneficiaries.

Indah Sukmaninsih, Director of the Indonesian Consumer Association (YLKI), recognized that individual complaints by consumers often have a limited impact on the redress mechanisms. YLKI is now pioneering forms of "collective consumer complaints" as a way to aggregate the voice of the citizens as consumers, and their representation of interests at the table with service companies. They installed "outlets" where citizens can file complaints about issues –

> 'Traditional development projects are fragmented. They support civil society projects, or capacity building of local government, or media development. These processes rarely meet even though they might be working in the same area or district.'
>
> **Hans Antlov, Local Governance Support Program (LGSP)**
> http://www.lgsp.or.id

Case Study: Electricity Governance Initiative (EGI) in Indonesia

The electricity sector in Indonesia presents several issues with which citizens are increasingly concerned. Electricity reform and privatisation have mobilised consumer and citizen attention. Through their advocacy, NGOs and civil society groups have drawn attention to concerns such as affordability, access to energy, environmental sustainability and renewable energy in the electricity sector.

The processes through which reforms are undertaken inevitably influence the success of these efforts. Since 2005, a coalition of NGOs in Indonesia – as well as others in India, Thailand, and the Philippines - collaborated to use the EGI Indicators to conduct assessments of governance of the electricity sector in their country. The coalition did so in close consultation with an advisory panel that included government, utility, and other private-sector representatives. Use of the indicators has helped citizens organize analysis of a complex governance issue and communicate it effectively.

The Indonesian assessment of electricity governance focused on the processes for establishing the electricity reform law of 2002. In

The Indonesia Electricity Governance Initiative

Advisory Panel
- Independent Commissioner PT PLN
- Former Director General of Electricity
- Commission for Business Competition
- Legislator – Energy Committee
- Former Secretary General Ministry of Energy
- Ministry of Economics

Research Team
- Indonesian Institute for Energy Economics
- Institut Bisnis dan Ekonomi Kerakyatan
- Indonesian Center for Environmental Law
- Pelangi
- WWF-Indonesia
- Working Group on Power Sector Restructuring

...continued

Indonesia, efforts to restructure the Indonesian electricity sector were initiated in the context of an IMF economic bailout program for Indonesia following the Asian financial crisis, but in December 2004, the Indonesian Constitutional Court overturned the Electricity Reform Law 20/2002, ruling that according to the constitution of Indonesia, public goods including electricity must remain in public control.

'The assessment has allowed us to create a self portrait and understand the roles, functions and capacity of various institutions in the electricity sector, and identify decision-making processes and mechanisms that need to be addressed' observed Dr. Indriyanto of the Indonesian Institute of Energy Economics, which has led the EGI Indonesia efforts. 'Some of our recommendations have already received a positive response – for example, the scope of information available on the House of Representatives (DRP-RI) website has improved.' The website now features the agenda for the DPR-RI, a list of works in progress, and a list of legislation passed. The website also features a message board for public input, as one improved procedure for public participation and input into the policy process.

Many of the NGOs involved in the EGI assessment have very different perspectives on issues of the power sector issues. As one member of the Indonesia team noted, 'we are all friends, but for most of us it is the first time that we have actually worked together on a project – we are usually off doing separate things.' The assessment provided an opportunity to pool experience and expertise across different NGOs. This process of conducting an assessment of electricity governance has created a unique opportunity to bring disparate stakeholders — who often talk past each other — together to have a coherent conversation about how to advance meaningful change. The EGI is an initiative of the World Resources Institute.

http://electricitygovernance.wri.org

both general and specific, about the public services they receive.

Data is then collected and aggregated, and is used to convene a consumer-government-producer forum where issues are debated and followed up. 'We are gathering the people and empowering them to speak up their aspirations, and creating new accountability channels that promote mutual communication and negotiation. YLKI only acts as a facilitator' Indah argued, '...when 200 consumers bring their interests to the company, the people there respond. That is the strategy.'[34]

Chapter 3: **Russia**

The high rates of energy consumption are undermining Russia's economic development and threatening the security of internal energy supplies. There are no incentives for energy conservation. The risks are alarming: Russian industries facing diminishing competitiveness, unequal access to energy resources by the poor and worsening prospects to tackle climate change and environmental degradation.

Russia scores well below Brazil and somewhat below Indonesia in AccountAbility's Responsible Competitiveness Index for 2005. The linkages between society and politicians are less established than other BRICSA countries; and a report on the state of Russian civil society by Civicus in 2005 concluded that a small civil society is operating in a disabling environment.

> 'Russia is making so much money with the energy industry right now that they seem almost blind to the fact that they need to conserve it too. It is obvious that the State machinery is accountable to the elite and no one else. To improve energy efficiency you need accountability at policy decision-making levels but also need to mobilise the accountability of local municipalities at the same time. These spaces need to talk to one another.'
>
> **Dialogue Participant in Moscow**

How to achieve energy security, while balancing increasing consumption rates, social and environmental impacts, investments in infrastructure, and regulation, is a central dilemma for Russian business, NGOs and policy-makers alike. This balancing act is especially difficult since so many interests (national and local, pubic and private, individual and societal, economic and environmental) need to be taken into account to make the right development decisions.

The dialogue focused on the challenges of energy and accountability. It took place in December 2006, in partnership with the electricity sector holding RAO-UES of Russia, BP Russia, the United Metallurgical Company, the World Bank/IFC Moscow and a consortium of environmental NGOs: Ecoline EAC and Ecojuris Institute. It convened different industries, from oil and gas, electricity, and steel; international finance and development donors; professional associations, social and environmental activist NGOs, and Russian energy experts.
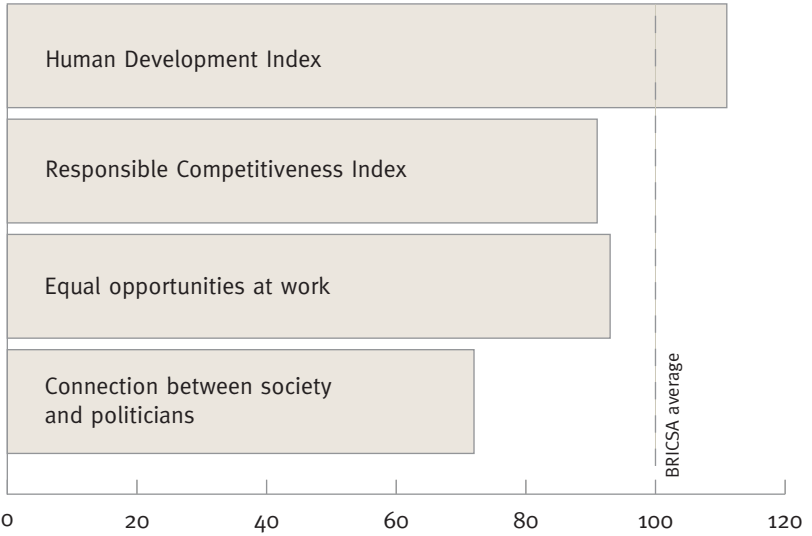
NGOs are rightly perceived to be in a weak position. Their accountability is used as an instrument to silence dissent through increased state regulation and a controversial 'NGO law' that has increased the government's oversight of their operations. On the other hand, in 2006 Russian and international NGOs staged the Civil G8 – a parallel summit to the G8 in St. Petersburg, where they expressed opposition to plans to develop nuclear energy.

Many organizations are working to improve energy efficiency in Russia, participants pointed out, but are disconnected from each other and their lobbying capacity is very low. Companies, consumer groups and other non-governmental organizations need to cooperate to help the government shift their strategic focus,

Development Scoreboard: Russia

Sources: Human Development Index – United Nations Development Programme; Responsible Competitiveness Index, 2005 – AccountAbility; Private sector employment of Women, World Economic Forum, 2006/07; Networks to mediate between Politicians and Society, Bertelsmann Transformation Index; BRICSA: Brazil, Russia, India, China and South Africa.

and to raise awareness about energy planning based on information and forecasts.

With increasing energy prices and appreciating exchange rates, unchecked consumption is affecting the competitiveness of energy-dependent industries. It is restricting economic growth and social security. Gas reserves are limited. The government is unable to mobilize the needed investment to cover the shortage of electricity and invest in infrastructure, which is overwhelmingly outdated.

Stakes for the misaligned accountabilities between stakeholders are high. In only a few years the current consumption trends would lead to a peak in power generation for the whole Moscow energy system. Efficiency, or the lack of it, is a problem that affects both producers and consumers alike and there is a need for dialogue where they can realize their mutual interests and find concrete actions to advance them.

At the time of the dialogue, Account-Ability launched a Russian Accountability Rating, which included 14 Russian energy companies. The rating measures the quality of companies' governance and accountability for social, environmental and broader economic impacts, and shows that it is possible to improve accountability by building concrete management systems and engagement processes.

> 'If we improve efficiency by 2020 we could generate a surplus 63 million cubic metres of gas instead of buying it from Turkmenistan – this is why the problem of energy efficiency in Russia is really a Pan European problem, because if no gas comes from Russia, Europe will feel the consequences too.'
>
> **Igor Bashmakov,**
> **Director of the Center for**
> **Energy Efficiency, Russia**
> http://www.cenef.ru

It was proposed that the mapping of key stakeholders and their interests could be a first step to effective collaboration. The participants identified the strategic interests for different players: The gas industry needs to improve efficiency of domestic consumption because there is a huge opportunity cost at the actual subsidized internal prices of not exporting more (at the time of the

Case Study: The Accountability Rating of Energy Companies in Russia

The Accountability Rating is a tool developed by AccountAbility together with CSRnetwork, a British consultancy. It measures the extent to which companies have built responsible practices into the way they do business and looks at how well they account for the impact of their actions on all stakeholders. Each year since 2004, the Accountability Rating is applied to the Fortune Global 100, the world's largest companies by revenue, thereby effectively providing an assessment of the accountability of 'big business'. The rating is published in Fortune Magazine.

Accountability rating Russia 2006: Scores of Russian Oil, Gas & Energy Companies

Source: http://www.accountabilityrating.com
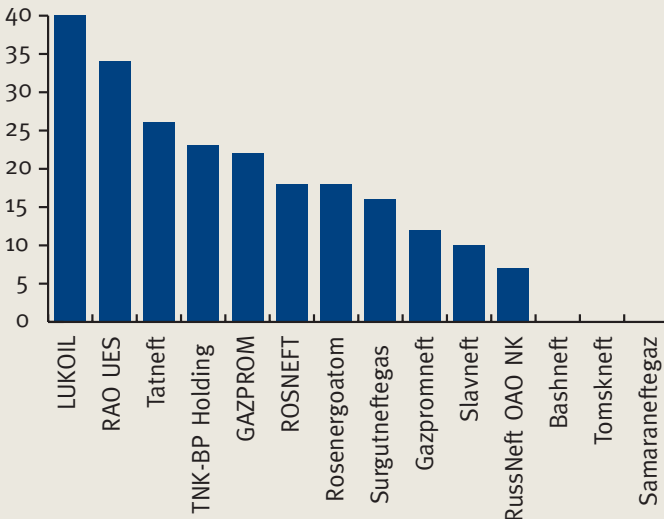
Companies earn a score in each of six categories, for a maximum total of 100. The categories are:

➔ **Stakeholder engagement.** Does the company engage in dialogue with people who have an interest in, may be affected by, or may affect its business?

➔ **Governance.** Do senior executives and the advisory board properly consider stakeholder issues when setting strategy and formulating corporate policy?

➔ **Strategy.** Does the core business strategy integrate social and environmental targets with financial ones?

➔ **Performance management.** Do the company's management processes, business standards, incentives and targets seek to achieve social and environmental goals?

...continued

➜ **Public disclosure.** Does the company provide a detailed report of social and environmental performance?

➜ **Assurance.** Does the company secure appropriate independent assurance of its social and environmental management processes and reporting?

The Accountability Rating is based on publicly available information, primarily annual reports and social and environmental reports published before July 15, 2006.

In 2006, the two partners teamed up with Delovaya Kultura IPB, a Russian consultancy, on the development of a Russian list, assessing the 50 largest Russian companies. The chart below shows the results for Russian Oil, Energy & Gas Companies.

dialogue, the domestic price was 45 USD/000m3, against 250 USD/000m3 of the export market). Official pressures on Gazprom - Russia's State-controlled gas monopoly - to expand the domestic gas network for distribution in Russia would be met more easily under conditions of increasing competitiveness. The power industry faces the difficult challenge of increasing investments for electricity generation in conditions of unchecked electricity demand of consumers. The financing is not in place and foreign investors are wary of investing heavily in Russian utilities without a stable legal climate. Management tools are needed, as well as improving organizational culture and knowledge about efficiency. An emerging wholesale market can offer a solution, but technology to support it, like automated electricity metering for clients, is lacking and critical for success.

The Russian government faces high pressures to guarantee the security of energy supplies. Political stability depends, particularly in winter, on meeting domestic demands for energy. There is a need to ensure reliability of supply sources, a desire to keep energy prices stable and control inflation. There is also a need to revamp the effectiveness of local administrations to conduct efficiency programs, as well as funding for efficiency projects. The NGO community argued for better participation in public policy formation and a greater voice in planning and evaluating energy programs, their environmental risks, and would like to see more support for renewable forms of energy and cleaner production. It is important for them to have access to information resources. As part of civil society, business and trade associations expressed the need to articulate industry programs and tools that can help companies transit to a more efficient use of energy. Finally, the financial sector values the access to potential new markets of energy efficiency. It is important for them to see certainty in energy tariff growth, and to have a voice in public policy formation, in order for there to be transparent and stable laws that are important for financing and non-distorting the financing market.

'Openness is key to develop Russian energy companies as we move towards a liberalization of the electricity market. We have initiated a dialogue with environmental NGOs to inform the development of our corporate responsibility policy. The type and level of auditing of our non-financial report is the key to the quality of the process. We have implemented an independent stakeholder panel to review it.'

Marina Liborakina, Head of Non-Financial Risk Management, RAO-UESR
http://www.rao-ees.ru/en

Following the path of the forestry sector in Russia, environmental issues are seen as a potential leading area for the competitiveness of energy companies. Responsible markets could transform the incentives that companies face to comply with standards. For example, a coalition of twenty Russian environmental NGOs developed a voluntary environmental standard for Russian oil and gas companies. A Russian oil company joined the standard voluntarily; later, the TNK-BP partnership also established a dialogue with the coalition. Now a step-by-step approach is being developed in cooperation with the NGOs for the company to meet environmental requirements. For Evgeny Shvarts, Director of Conservation Policy at WWF Russia, this is an important step forward because 'NGOs can track the dialogue constructively and work with local authorities and communities to progressively expand the platform of cooperation around specifically agreed targets. As an NGO we don't participate in any dialogue that is not geared to achieve concrete goals.'[35]

Initiatives to improve energy efficiency at the municipal level are seen to be

> 'Middle-level officials in government are over-cautious about making decisions on their own. We brought simple and practical ideas to cut energy consumption in Moscow to the city government and the officials said they couldn't do anything without the Major's signature. There is a strong accountability failure here: a huge bureaucratic machine designed to monopolize power.'
>
> **Vladimir Tchouprov,**
> **Greenpeace Russia**
> http://www.greenpeace.org/russia/ru

Case study: Energy efficiency in Russian municipalities

The "Sustainable Development of Model Communities on a Municipal Level in Russia", also known as the Star Communities Initiative, is a joint project of the Fund for Sustainable Development in Russia and the Institute for Sustainable Communities in the U.S., and the financial support of the United States Agency for International Development (USAID). The program has designed a unique mechanism for developing energy-efficiency projects by strengthening cooperation among organizations, sectors, and regions in Russia; and has generated a growing interest from the Russian government and private investors.

In 2005 the initiative is forming viable multi-sector partnerships at the municipal level between local and regional governments, businesses, NGOs, and community service organizations in order improve resource conservation, energy security and environmental conditions through energy efficiency. Projects are co-designed and implemented by the collaborative consortiums. To do this, a collective memorandum of understanding (MoU) describes how they are going to be held mutually accountable, as well as manage joint-bank accounts and collaborate in their overall management.

The consortiums have generated almost $450.000 in savings for local public funds originally intended for utility services. These have been accumulated in the local budget through various mechanisms, such as Local Community Funds, and will be re-directed support local social development. The management of these savings needs to be

...continued

done on the basis of joint decision-making by all stakeholders, and is based on principles of cooperation and transparency. The model is being extended to a wider range of communities and municipalities throughout Russia.

The projects have generated important results:

➜ A reinvestment of the funds saved as a result of energy-efficiency projects into social, environmental or economic development projects, and future energy-efficiency projects.

➜ The development by local governments, NGOs, businesses, and the public of mechanisms of joint financing of their communities on the basis of resource consolidation and transparent decision-making.

➜ Active public participation, especially of youth, in decision-making regarding community development planning and resource distribution.

➜ Introduction of integrated approaches to local decision-making, promoting the long-term sustainability of Star Communities and solutions to energy-efficiency, natural resource management, health, environmental education, responsible attitudes to business development, etc.

➜ The formation of a network of model communities throughout Russia that will serve as examples for sustainable development in other regions.

➜ A considerable energy saving and a reduction of emissions, a simultaneous improvement of the quality of energy services for the population and a reduction of their cost (up to 4 times cheaper for heating); and improvements in their quality of life and purchase power.

➜ Other activities, such as proper insulation of educational establishments has had an incidence on acute respiratory diseases among children, teachers and attending personnel, which has dropped by 25 per cent.

http://www.iscmoscow.ru and http://www.fund-sd.ru

the most effective. A Russian law on municipal self-governance has broken up Russian regions into small administrations. This has created many new districts, and put in place many new administrators with very little actual experience in administration and public management.

The lack of energy conservation at the municipal level is a serious problem that can be traced to the 'abysmal waste of energy going on through the retail supply chains' and implies a lack of coordination of gas producers and distributors, from the private sector and State, at the national and regional levels. Public and private intermediaries that sell gas to municipalities only meter the out-flowing gas. In the community, the only customers that have metering capacity are a handful of businesses, which pay for what they consume. Without adequate metering, the community pays for the rest, including the costs of lost resources

through inefficiencies, which can amount in some cases to 40% lost gas through faulty infrastructure.

The Institute for Sustainable Communities (ISC), a US-based NGO and its partner the Moscow-based Fund for Sustainable Development, found that it was possible to improve energy conservation at the local level by encouraging municipalities to bring together sectors to co-design projects.

> 'At the local level things are different, officials deal with real social conflicts and real people and are more open to dialogue.'
>
> **Vladimir Tchouprov, Greenpeace Russia**

This created *formal partnership agreements* among at least three different sectors at the local level (e.g. local administration, local business and community NGOs) as well as joint bank accounts to control the resources (see case study). Public administrators were surprised with the dynamism at which things happened once they had participation happening in the community. In the process they would need to negotiate and clarify the distributed roles and responsibilities. This has made actors accountable to each other for creating an agreement together.

But the root of the energy problem is seen to go beyond the municipality. Responsibilities along the energy supply chains are diffused. Who is responsible

> 'A new kind of accountability is needed that connects responsibilities among different players, at different levels and spheres of influence in order to make all this come together. At each step of the supply chain you might have multiple accountability factors depending on the issues at that link of the chain. A key question is who is excluded from the way traditional accountability works. You need research to find out what are the accountability issues along the supply chain are and then convene players to discuss. Stakeholders need to have a clear outcome in mind that favours their interest – they ask 'what's in it for me?''
>
> **Richard Aishton Program Officer, Ford Foundation Russia**

for fixing the pipeline that runs from an intermediary to a municipality? The lack of metering makes consumers pay both for the energy they use and the leakages. Intermediaries have no economic incentives to fix the pipe connection. Everyone looses with inefficiency, communities, the energy business, the government and the environment. Potentially, everyone could win from cooperating, but individual accountabilities are not aligned in this direction.

Chapter 4: **Brazil**

Since hosting the United Nations Conference on Environment and Development in 1992, Brazil has seen a steady rise of corporate responsibility standards, sophisticated NGOs and civil networks cutting across national and local levels, efficiently mediating between politicians and society, and increasing efforts by governments to form partnerships with business and civil society. Brazil has seen a steady improvement in human development, as measured by the UNDP, and ranks 48th of 83 countries in AccountAbility's Responsible Competitiveness Index.

> 'Dialogues and partnerships will not deliver sustainable development unless there are mechanisms that balance the power relationships between the partners, help negotiate interests in a way that maximizes public value and commitments towards development.'
>
> **Dialogue participant in Sao Paulo**

Yet development is far from sustainable, poverty is rampant, and accountability and corruption issues will loom over the second term of President Luiz Inácio Lula da Silva. Public trust in politicians is among the lowest in the world, and there is growing apathy from many quarters for a perceived failure to turn dialogues and partnerships into concrete and scalable results for the poor and the environment.

The accountability dialogue took place in November 2006 in Sao Paulo, in partnership with Associação Brasileira para o Desenvolvimento de Lideranças (ABDL), through their existing initiative 'Sustainable Development Dialogues' and the strategic support of the AVINA Foundation and UMAPAZ University for the event. Their ongoing initiative also has the support of the UKs Department for Environment, Food and Rural Affairs (DEFRA) and the British Embassy in Brazil.[36]

The dialogue brought together 60 leaders from civil society, business, government and media to discuss and propose new forms of mutual accountability for sustainable development, emphasizing multi-stakeholder collaboration and shared responsibility in Brazil.

The synergy between ABDL and AccountAbility was timely. The challenge to move private-public collaboration forward in Brazil is seen

> 'Dialogue and accountability are central to sustainable development. In Brazil we are seeing the construction of new solidarities among stakeholders who are beginning to see the benefits of moving from conflict to cooperation. These initiatives are putting in place new forms of governance and accountability that are multi-stakeholder in nature, voluntary and built on mutual regulation.'
>
> **Valdemar Oliveira Neto, Fundaçao Avina, Brazil**
> http://www.avina.net

Case Study: multi-sector dialogue in the Pantanal

The Pantanal region is both the largest wetland area in the planet, host to an unparallel wealth of biodiversity – part of which has been a World Heritage Site by UNESCO – as well as a rich geological reserve, a prime exploitation area for both national and international extractive industries. A mining and steel industrial pole is rapidly developing in the Corumbá region, in the boundary between Brazil and Bolivia.

The accelerated economic development and the industrialization of the Pantanal pose risks to the region's social and environmental ecosystem as well economic opportunities from high global demand for raw materials, especially from China. Neither NGOs nor businesses would like to see the region deteriorate. 'A history of confrontation between NGOs and companies around environmental sustainability in Brazil has not led to improved outcomes. Both sides recognize this; and see the need to create a platform for dialogue that creates a negotiated agenda and a mutual recognition of interests, as a way to address this complex challenge,' says Miguel Milano, AVINA Foundation representative for the region, who is mobilizing and facilitating this process.

Legal norms and regulations for companies' operations do not provide an adequate basis on which to balance interests and objectives for sustainable development. This is an experiment that goes beyond compliance. To date, it has taken eight months of meetings, which started with individual sectors meeting separately and has now moved to a multi-stakeholder dialogue and negotiation. Public Ministry officials have been invited as observers. The Public Ministry is of great importance in the Brazilian context; it has the duty of defense of the public interest and the ability to initiate legal action against the Brazilian State. Its presence has been an incentive for companies to sit at the table. There are between 16 and 20 stakeholders participating. Companies are MMX, MSGás, Petrobras, Pirâmide, and Vetorial. NGOs are Fundação Pantanal Com Ciência, Instituto do Homem Pantaneiro and OCCA; local organizations are ECOA, Fundação Ecotrópica e Fundação Neotrópica; and national and international ones are Fundação O Boticário de Proteção à Natureza, WWF-Brasil, International Conservation – Brasil, and Fundação AVINA.

As a voluntary initiative, the group devised a 'commitment statement' that participants sign up to. This states the objectives of the dialogue, what is expected of participants, the agreed scope and boundaries of the initiative, such as the 'observer' status of government officials, its apolitical nature, the scope of participation, the clarification of legal implications of the discussions, and the need to define an effective governance mechanism for the platform, including executive body and policies.

As a first step, the dialogue platform has agreed to commend a Strategic Environmental Impact Assessment (SEIA), and has agreed on selecting COPPE/UFRJ – a Brazilian scientific institute at the Federal University of Rio de Janeiro – to carry it out. The SEIA will produce information and analysis that satisfies the interests and demands of the parts. The SEIA will provide a concrete basis on which to build a negotiation process and seek collaborative action and outcomes between

...continued

the parts. The SEIA will take eight to ten months with a cost R$ 950.000 (US$ 450.000), which will be covered by the participating companies. Currently, the NGOs are covering their own costs for participating in the dialogue, an essential component for the success of the initiative. Participating foundations like AVINA, O Boticário and ECOA, have committed to support the participation of NGOs who do not have resources to travel to meetings and participate.

It is expected that this dialogue and the commitments it is encouraging will generate an effective process, policies and actions for the protection and integral risk management of the Pantanal region.

to depend on some sort of accountability, but it was still unclear what that might mean in practice. ABDL 'multi-stakeholder' dialogues for development embraced the opportunity to discuss the accountability agenda.

Brazil has been the setting for formidable accountability experiments: the World Social Forum, envisioned by leaders from diverse sectors; Porto Alegre early experiences with participatory budget; or Instituto Ethos leading role in convening business to develop their responsibility. With so much innovation going on in Brazil, the challenge was to find out how sectors would assume new roles and responsibilities for sustainable development.

'The concept of 'corporate social responsibility' is limited; it needs to evolve from the usual 'unilateral communication' of a company, to 'multilateral communication' between stakeholders. We need to understand how to build accountability into these dialogue processes.'

**Olinta Cardoso,
Vale do Rio Doce
mining company, Brazil**
http://www.cvrd.com.br

Development Scoreboard: Brazil
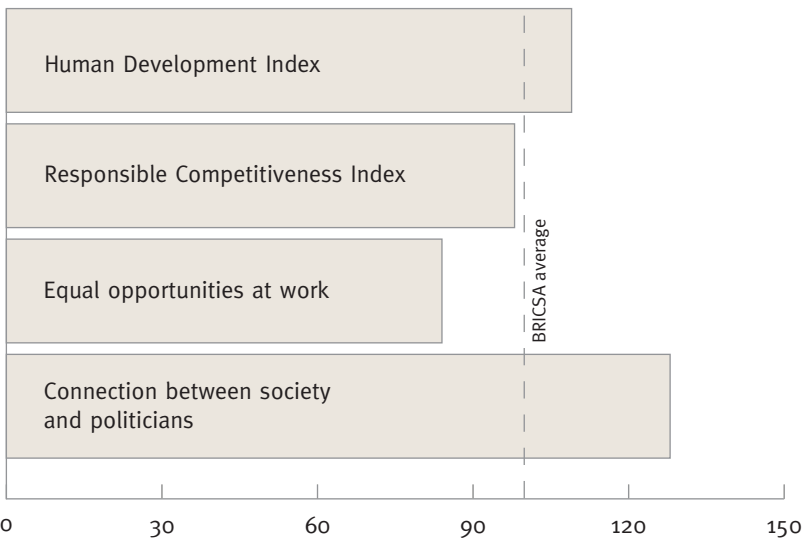
Human Development Index	
Responsible Competitiveness Index	
Equal opportunities at work	
Connection between society and politicians	

BRICSA average

0   30   60   90   120   150

Sources: Human Development Index – United Nations Development Programme; Responsible Competitiveness Index, 2005 – AccountAbility; Private sector employment of Women, World Economic Forum, 2006/07; Networks to mediate between Politicians and Society, Bertelsmann Transformation Index; BRICSA: Brazil, Russia, India, China and South Africa.

The dialogue identified six priorities to advance mutual accountability in Brazil:

1. To create and use frameworks and indicators that can give more focus to discussions about roles and responsibilities for sustainable development.

2. To promote stakeholder debates around the 'development model' for a whole region, rather than just focused on particular problem-solving;

3. To multiply the debate on co-responsibility and mutual accountability around particular issues, to explore implications, and share learning on methodologies and best practice.

4. To analyze and manage the tensions between internal accountability mechanisms in different organizations and the need for reciprocity of accountability towards others.

5. To promote a culture and education of accountability that addresses individual, organizational and societal levels.

6. To keep open and nourish the channels for learning across sectors.

Accountability, it was argued, 'is a process by which actors improve their responsibility and become more open to be made responsible by others, in a manner that leads to productive co-responsibility over development issues.' Since roles and responsibilities are greatly interdependent, participants saw the need to build this kind of accountability through dialogue.

An extensive study conducted by Centro de Empreendedorismo e Administração Social em Terceiro Setor (CEATS) on strategic partnerships for development, surveyed 400 companies with the support of the Ford Foundation in Brazil, and found that the partnerships reviewed were not usually preceded by a joint planning process that defined common objectives, clarified roles and responsibilities, or negotiated expectations of the participating institutions. The lack of adequate management competencies, cultural differences within sectors and deficits in communication accounted for the main obstacles to effective collaboration. http://www.ceats.org.br

'We need to reinvent the process of accountability. There needs to be a cultural revolution inside the powerful institutions that decide on the fate of the country: development banks, corporate mining, forestry, and energy projects; and government institutions responsible for managing public goods. This needs to be supported by concrete methodologies for managing crossed accountabilities, promoting an attitude of reciprocity and dialogue that can help align the interests of stakeholders on solutions."

Thais Corral, Rede de Desenvolvimento Humano (REDEH), Brazil
http://www.redeh.org.br

Chapter 5: **Conclusions and Recommendations**

Do these dialogues and initiatives show the beginning of a shift from accountability as a tool to accountability as a development goal? Is it possible to talk of a shift from 'accounting for development' to 'development as accountability'? Certainly, there is evidence of a growing awareness of the inter-dependence of actors, as well as a broad recognition that the causes and effects of development problems respond to complex global and local links of economic and political decision-making.

> 'I'm convinced that the fundamental principles are that anybody who has rights at stake or bears a risk in a project should have a part in the actual decision-making process. That is the future of development decision-making.'
>
> **Achim Steiner, Executive Director, UNEP**

In the three countries covered in the previous three sections, this awareness is driving stakeholders to realize the need of working together to address problems, from energy efficiency in Russia, local development in Indonesia, and regional environmental management in Brazil. But major innovations will be needed to enable development actors to work together far more effectively.

Multi-sector partnerships are quickly becoming the mainstream way to deliver and organize development, from global development finance in health, to service delivery in water and sanitation, to public infrastructure projects or global regulations for sustainable forestry. They are all examples of stakeholders coming together to organize governance in different ways. They are, in short, Collaborative Initiatives (CIs).

In most cases, a partnership arrangement is celebrated as an improvement in governance, a claim that has run well ahead of the evidence. In some cases, partnership innovators use the model to take advantage of loopholes in anti-corruption regulations or set up expensive rent-seeking operations where little attention is paid to development outcomes.

From the foregoing review of CIs, it is possible to conclude that:

1. *Development partnerships are not inherently more accountable.* They can combine the lagging accountability features of each participating institution, resulting in unexpected new forms of unaccountability. Results depend on putting in place the right governance systems, not assuming they will magically grow.

2. *Collaboration is weakening traditional mechanisms of state and private sector accountability.* In some sectors, partnership has become a byword for inefficiency, or worse, a means of cheating intended beneficiaries. New methods are urgently needed to assess the accountability and effectiveness of partnerships.

3. *Poor people understand and value accountability, despite cultural variations in emphasis. Yet ensuring participation by the poor continues to be a major challenge for development projects.* This undermines their legitimacy and performance. Building the collective voice of the poor is a major task, but Indonesia's consumer association and Brazil's national movement of street waste pickers show that it can de achieved.

4. *Civil society organizations now have a complex twin role, as advocates of accountability and as active partners in multi-stakeholder partnerships.* As advocates, they must stay on top of fast-moving contracts, regulations and relationships between the state and the private sector to hold partnerships to account. Traditional advocacy capabilities, such as campaigning for access to information or rights-based approaches to development, need to be adapted to this new institutional context. As partners in collaborative arrangements, they must ensure a step-change in their own accountability to their beneficiaries in order to maintain their legitimacy and leverage.

5. *There is an observable gap of knowledge on collaborative governance.* Practitioners simply do not know where to go to get information and comparative experiences. They are calling for help in the negotiation and design process when governments announce a massive scaling up of public-private partnerships in the delivery of public services and infrastructure; when they are 'invited to get involved' in new multi-billion dollar health partnerships; and when corporations propose new major resource partnerships.

6. *Accountability innovators are active around the world.* They are catalyzing change by building collaborative governance and improving the outcomes of development programs. Despite different cultures and development issues, these innovations fall into three broad categories. First is the *convening* of stakeholder dialogues to agree priorities. Second is the development of *counting* methods to assess accountability deficits. Third, and most difficult, is the design of agreements among stakeholders to build *collaborative* solutions.

7. *Collaborative governance requires systems that encourage mutual accountability on shared roles and responsibilities among development actors, instead of one-way, bottom-to-top reporting and compliance systems.* Mutual accountability is the essential ingredient of collaborative governance and should be at the heart of the development process.

Accountability innovators around the world – from the AVINA Foundation in Brazil's Pantanal to the Electricity Governance Initiative in Indonesia - are making progress on these challenges using a combination of techniques. First is the *convening* of stakeholder dialogues to agree priorities. Second is the development of *counting* methods to assess accountability deficits with concrete data. Third, and most difficult, is the agreement among stakeholders to *collaborate* to build solutions. Getting governance right is important in convening and counting processes, but mutual accountability will make or break a collaboration.

Mutual accountability entails building reciprocity and shared responsibilities among development actors, It is the essential ingredient of collaborative approaches to development, building recognition, reciprocity, trust, and clarity in the distribution of roles and responsibilities to achieve lasting and substantial development outcomes.

Recommendations

The report makes recommendations across the following five areas:

1. Collaborative Governance

Those designing and leading collaborations face a dilemma. Because accountability is seen as being about compliance mechanisms, attention is usually placed on more pressing issues such getting action plans rapidly in place. But the window of opportunity to build mutual accountability between unequal partners and to ultimate beneficiaries can soon disappear. Practitioners should make the time early on to design a governance system. Collaborative governance can begin simple, but must be adaptive, allowing for deepening over time.

The governance systems should improve the inclusiveness in decision-making, and also open the door to innovations in core strategy. Governance systems should not be cumbersome, but they should cover the full scope of the collaboration, from vision and strategy, through structures and performance to reporting and engagement (See Collaborative Governance Framework in Box).

Further research on governance systems must take account of:

i. *Comparison of development goals*: for example, is the governance of health partnerships comparable to those promoting micro-finance?

ii. *Geographic relevance*: the approaches used in Indonesia, Russia and Brazil show some similarities, but also unique cultural qualities;

iii. *The complexity of the initiative*: from a bilateral deal between a large corporation and a global NGO, to a complex open forum involving multiple representatives from half a dozen or more distinct stakeholder groups; and

iv. *The interplay with public accountability systems* that may either support or conflict with the collaboration's governance.

At its best, the governance of collaborative initiatives makes accountability not a compliance requirement but a dynamic driver of performance; a form of mutual compact that balances power in favour of achieving development goals. Using tools such as AccountAbillity's Collaborative Governance Framework (CGF), senior partners and staff working on collaborative approaches to development can develop such Accountability Compacts.

2. Government policy and regulation

Governments provide the regulatory environment for accountable development. They play a key role in promoting good governance and the capacity for democratic scrutiny. They negotiate trade policy and compete for foreign investment. Accountability is an inalienable duty, entailing three key responsibilities:

i. Public policies and regulations to promote accountable collaboration, especially in public-private partnerships for the provision of public services and infrastructure, should include clear provisions for the transparency of, and access to, contractual documents and governance procedures. They should ensure that performance evaluations and audits of partnerships are widely available for public scrutiny;

AccountAbility's Collaborative Governance Framework (CGF)

"The Collaborative Governance Framework (CGF) developed by AccountAbility is a user-friendly online tool for exploring and improving the accountability and effectiveness of collaborative initiatives. Developed and tested over three years by dozens of collaborative initiatives, the CGF assesses collaborative governance across six different domains, asking whether:"

1. **The stated vision, mission and goals** are the result of agreements between partners.

2. **The development strategy** has been adequately discussed between the partners and the risks and impacts assessed as they relate to all stakeholders involved. The input and views of ultimate beneficiaries are taken centrally into account in the strategy process.

3. **The governance mechanisms** are legitimately in place. An effective governing body evaluates not only the partnership's compliance but also discusses strategies and performance, based on transparent and participatory evaluations and feedback that give voice to intended beneficiaries and weaker partners.

4. **The performance** is monitored and evaluated according to indicators developed in consultation with intended beneficiaries and other stakeholders. Monitoring and evaluation results are used to encourage learning of all the partners and used by governing bodies to make strategic decisions. Report-back mechanisms establish clear lines of accountability for performance.

5. **The financial and asset integrity** is realized through procedures understood by all the partners and key stakeholders. Reports are clearly and transparently communicated through the governance mechanisms.

6. **The stakeholder engagement process** provides the basis to understand and respond to the views and concerns of critical groups, and subsequently informs the decisions and actions of the partners and the governing body. Engagement can be used to anticipate and manage risks, increase trust, gain knowledge of impacts and, therefore, drive performance.

Source: http://www.pgaframework.org

ii. Governments, through regulatory agencies or other appropriate bodies, should demand assurance that Collaborative Initiatives (CIs) take adequate account of the interests of key stakeholders especially of the poor, via stakeholder engagement mechanisms and reporting; and

iii. Public sector officials and government agencies should be supported with capacity building to develop the skills, incentives and systems to ensure good governance and adequate civil society participation in the design and regulation of CIs.

3. Investors and donors

The influence of investors and donors, from private philanthropists to business to public and multilateral institutions, provides the most important external set of incentives for accountable development. For this system to work effectively, investors and donors should:

i. Ensure that the projects they fund are designed, operated and reported on in accordance with a collaborative framework;

ii. Develop common criteria for the governance of collaborations, highlighting and prioritizing downward accountability to the ultimate beneficiaries;

iii. Consider the development of a rating system to provide consistent and comparable feedback to donors, governments and citizens on the legitimacy of these arrangements, and further enforce the external incentives to improve accountability;

iv. Invest in supporting knowledge networks that produce analysis and share experiences of effective governance and accountability, therefore supporting civil society development around these issues (see below). Some of this knowledge already exists but is often locked up in sector-specific networks or confidential evaluations;

v. Be required to state and publish the criteria on which they judge the accountability of the initiatives they support;

vi. Review and improve their own accountability systems in relation to a Collaborative Framework to ensure they are providing the strongest example for the initiatives they support.

4. Civil society organizations and networks

Civil society in most countries faces the major task of developing a groundswell of accountability through enhancing its capabilities in advocacy, analysis and action. Stronger capabilities are needed by NGOs and local communities to act as:

i. Advocates of accountability and transparency. New capacities are needed to promote best practice and scrutinize the governance systems of collaborations, the fine print of contracts, procurement processes and revenue sharing agreements;

ii. Independent experts in analysing public-private partnerships for service provision and infrastructure; multi-sector partnerships developing global standards and regulations; and business partnerships providing financial and in-kind resources for development;

iii. Partners in development projects. Civil society organizations need to ensure that their own accountability systems provide a sound basis to engage with partners, as well as allowing their constituents, the poor, to steadily build inroads into such projects;

iv. Watchdogs undertaking assessments and benchmarking exercises on how different development actors, including government, business and international agencies, support or inhibit accountability. NGOs and

research bodies should work with the media on issues of governance and accountability, starting with the specialist media that cover development issues, and moving on to mainstream media.

5. International standards bodies

Institutions that create organizational standards should play an important role in providing formal and informal incentives for the design of effective policies and management systems.

i. Standard-setting institutions should develop tools specifically for partnerships to use in their management systems and reporting processes. AccountAbility, as a standards developer, intends to initiate a process of developing, with other organisations working on reporting issues such as the Global Reporting Initiative (GRI), an approach for comparable reporting to increase partnership accountability.

ii. Many development collaborations are designed with the sole purpose, or gradually take on the role, of creating global standards. These global partnerships must exemplify best practice in their own governance and accountability systems. 'Who certifies the certifiers?' is a question that needs to be further explored with standard-setting bodies, paying particular emphasis to downward accountability systems to citizens and beneficiaries.

This report has showcased many promising efforts to translate accountability from a delivery mechanism to a development goal, making development processes more democratic, reciprocal and power balanced. Such examples are often home-grown and tightly focused on specific issues. This is both a key strength and also a limitation. Can they be scaled up without losing the vital ingredient of mutual accountability?

There are no simple blueprints for building and scaling up the collaborative initiatives that promote accountability in development. By distilling best practice from disparate initiatives, this report has begun to identify some of the common themes in convening, counting and collaboration, pointing to the distinct challenge of improving collaborative frameworks. Combining these approaches and creating synergies between these initiatives with the support of governments, businesses, philanthropists, agencies and civil society is key to making accountability a central goal of development.

Further reading

AccountAbility (2003) *Partnership Accountability* (AccountAbility Quarterly 2003)

Burgis, T, and S Zadek (2006) *Accountability 21: Reinventing Accountability for the 21st Century*

Cohen, J. and S. Zadek (2003) Private Sector Partnerships: A Framework for an IFAD Strategy (UN/IFAD)

Dalberg Development Advisors (2006) Report of the Task Force on Capacity for Program Delivery, a Clinton Global Initiative Commitment, with AccountAbility.

MacGillivray, A., Lingayah, S. & Hellqvist, M. (2000) *Working from Below: techniques to enhance local governance in India*, New Economics Foundation, for Ford Foundation New Delhi.

MFA Forum (2004) *Collaborative Framework for Post-Multi-Fibre Arrangement Activities.*

Radovich, S (2005) *Global Alliance for Workers and Communities: Lessons on Partnership Governance and Accountability* (for Global Alliance).

Radovich, S, S Zadek and M Sillanpää (2005) *Guidelines for Effective Partnership Governance and Accountability* (with USAID).

Raynard, P, A MacGillivray, C Oliviera and S Zadek (2005) *Responsible Lobbying* AccountAbility for the UN Global Compact.

Sabapathy, J, J. Weiser and S. Zadek (2000) *Innovation through Partnership* (with Ford Foundation).

Sabapathy, J, J. Weiser and S. Zadek (2004) *Community-Enabled Innovation* (with Ford Foundation/Brody Weiser Burns).

Zadek, S and S Radovich (2006) *Governing Partnership Governance: Enhancing Development Impacts through Improved Partnership Governance* (Harvard)

Zadek, S (2006) *The Logic of Collaborative Governance: Corporate Responsibility, Accountability and the Social Contract* (Harvard)

Zadek, S, P Raynard, and C Oliviera (2005) *Responsible Competitiveness: Reshaping Global Markets through Responsible Business Practices*

Zadek. S (2004) *Civil Governance and Partnerships: Inventing Tomorrow's History* (with Cambridge University).

Zadek, S (2003) *Partnership Futures*, prepared for the UN Eminent Panel on the future of UN relations with civil society (for UN)

Zadek, S (2002) *Working with Multilaterals* (with Business for Social Responsibility)

References

1 World Bank (2000) *Voices of the Poor*, Chapter 10:
   http://www1.worldbank.org/prem/poverty/voices/reports/crying/cry10.pdf

2 Sen, Amartya (1999) *Development As Freedom*, Oxford University Press

3 Hayward (1998) 'De-facing power', *polity* 31.1 as quoted in Gaventa, John (2007) 'Levels, Spaces and Forms of Power: Analyzing Opportunities for Change', in Berenskoetter, F. and Williams, M.J. (eds) *Power in World Politics*, London/New York: Routledge, Forthcoming

4 The World is not Flat: Inequality and Injustice in our Global Economy, WIDER Annual Lecture 9, 2006, http://www.cgdev.org/doc/commentary/speeches/Birdsall_WIDERpaper.pdf

5 See Zadek, S and S Radovich (2006) *Governing Partnership Governance: Enhancing Development Impacts through Improved Partnership Governance* (Harvard, Working Paper No.23); Zadek, S (2006) *The Logic of Collaborative Governance: Corporate Responsibility, Accountability and the Social Contract* (Harvard); and Radovich, S, S Zadek and M Sillanpää (2005) *Guidelines for Effective Partnership Governance and Accountability* (with USAID) http://www.accountability21.net

6 See Zadek, S and S Radovich (2006) *Governing Partnership Governance: Enhancing Development Impacts through Improved Partnership Governance* (Harvard, Working Paper No.23)

7 World Economic Forum (2005) 'Building on the Monterrey Consensus: The Growing Role of Public-Private Partnerships in Mobilizing Resources for Development; United Nations High-level Plenary Meeting On Financing for Development; September 2005
   http://www.weforum.org/pdf/un_final_report.pdf

8 Buse, K. (2004) 'Governing Public-Private Infectious Disease Partnerships', in *Brown Journal of World Affairs,* Vol. X, Issue. 2

9 DFID (2005) Partnerships for Poverty Reduction: Rethinking Conditionality
   http://www.dfid.gov.uk/pubs/files/conditionality.pdf

10 James Taylor (2002) *The Poverty Of "Partnerships*, Community Development Resource Association (CDRA) http://www.cdra.org.za/

11 Hauge, A. O. (2002) 'Accountability – to What End? The intended beneficiaries of technical cooperation should rate its effectiveness', in UNDP Development Policy Journal, Vol. 2 December; available at http://www.undp.org/dpa/publications/DPJ6.pdf

12 Edwards, M., Hulme, D. and Wallace, T. (1999) 'NGOs in a Global Future: Marrying local delivery to Worldwide leverage', presented as a background paper for the Third International NGO Conference, hosted by the University of Birmingham from January 10th to 13th 1999.
   http://www.globalpolicy.org/ngos/role/intro/gen/2000/111400.htm

13 See report prepared for the British Overseas NGOs for Development (BOND): *'A BOND Approach to quality Standards in NGOs: Putting Beneficiaries First'* by Keystone/AccountAbility
   http://www.bond.org.uk/futures/standards/report.htm

14 Lisa Jordan and Peter van Tuijl (2006) *NGO Accountability: Politics, Principles and Innovations;* Earthscan.

15 Ibid. Edwards *et al* (1999) 'NGOs in a Global Future', as above.

16 See Water Aid's Citizens' Action project Report at:
   http://www.wateraid.org/documents/plugin_documents/wateraid_citizensweb.pdf

17 World Bank (2004) 'From Shouting to Counting: A New Frontier in Social Development, Participation & Civic Engagement Group, Social Development Department, World Bank – available at:
   http://www.worldbank.org/participation

18   See the Partnership Declaration at http://thepartnershipdeclaration.org/

19   See IUCNs decision-making approach for Dams projects at
      http://www.iucn.org/en/news/archive/2005/10/rrr_scoping_report.pdf; and WRI's framework for
      electricity governance at: http://electricitygovernance.wri.org/ and the Extractive Industries Trans-
      parency Initiative (EITI) http://www.eitransparency.org/

20   Easterly, W (2006) 'Planners vs. Searchers in Foreign Aid', paper prepared for the Asian Develop-
      ment Bank's Distinguished Speakers Program, Manila, Philippines, 18th January 2006. The paper
      draws extensively from Easterly's celebrated book: *The White Man's Burden: Why the West's
      Efforts to Aid the Rest Have Done So Much Ill and So Little Good* (Penguin Press: New York, March
      2006).

21   Overseas Development Institute (ODI) 'Promoting Mutual Accountability in Aid Relationships',
      Briefing Paper, April 2006: http://www.odi.org.uk/publications/briefing/bp_april06_mutual_
      accountability.pdf

22   Courtnadge, Philip (2005) 'Independent Monitoring: Promoting Mutual Accountability', in
      Capacity.org, Issue 26, September: http://www.capacity.org/en/journal/policy/independent_monitoring

23   Eyben, R (2004) *'Relationships Matter for Supporting Change in Favour of Poor People',* Lessons
      for Change in Policy & Organisations, No.8 Brighton: Institute of Development Studies

24   Simeen Mahmud and Naila Kabeer (2006) 'Compliance versus Accountability: Struggles for Dignity
      and Daily Bread in the Bangladesh Garment Industry'; In Peter Newell and Joanna Wheeler (Eds)
      Rights, Resources and the Politics of Accountability, Zed Books.

25   Weinberger: The Folly of Accountabalism, Harvard Business Review, February 2007.

26   Alnoor Ebrahim (2005) 'Accountability myopia: Losing Sight of Organizatoinal Learning'; in
      Nonprofit and Voluntary Sector Quarterly, vol. 34, no. 1, March 2005 56-87

27   Jim Bingen (2004) *A comparative review of multi-stakeholder arrangements for representing
      farmers in agricultural development programmes and policy-making in Sub-Saharan Africa*, for the
      Food and Agriculture Organization of the United Nations (FAO), Rome, Italy, available at:
      http://www.fao.org/sd/indef_en.htm

28   Brainstorming Workshop on Indigenous and tribal peoples' perspectives on selected IFAD-
      funded projects – organized in 2005 by the International Fund for Agricultural Development
      (IFAD) http://www.ruralpovertyportal.org/english/topics/indigenous/ifad/brain.pdf

29   Reuben (2002) "Tell Me: who are those guys? To whom are they accountable? Dilemmas for
      Representation and Accountability", World Bank discussion paper; Dalberg / AccountAbility
      (2006) op cit.

30   Samuel, Paul (1994) 'Does voice matter? For public accountability, yes'; Policy research working
      paper no. 1388, the World Bank.

31   Vivi Alatas and Jehan Arulpragasam, World Bank, "Making the New Indonesia Work for the Poor",
      Jakarta, December 7, 2006

32   Echoed by FITRA participant at the Institute for Development Studies (IDS) Learning Initiative on
      Citizen Participation and Local Governance (LogoLink) International Workshop on Resources,
      Citizen Engagement and Democratic Local Governance Porto Alegre, Brazil, 6-9 December 2004:
      http://www.ids.ac.uk/logolink/resources/downloads/Recite%20writeups/IPCOS.pdf

33   Cosgrave, J (2007) Synthesis Report: Expanded Summary; Joint evaluation of the international
      response to the Indian Ocean tsunami. London: Tsunami Evaluation Coalition:
      http://www.tsunami-evaluation.org/

34   The electricity sector is now framed by the original law No. 15/1987

35   The Indonesian Consumer Organization http://www.ylki.or.id/

36   See http://www.wwf.ru/about/what_we_do/oil/eng

37   Our partner ABDL website is www.abdl.org.br and the direct link to the dialogue initiative
      website is http://www.dialogosustentaveis.org.br/article/view/3094

Notes

The Authors

Alejandro Litovsky is senior advisor at AccountAbility. His work on collaborative governance aims to improve the effectiveness of development programmes involving donors, political institutions, business, and civil society. He has organized dialogues around the world that focus on cross-sector responses to development problems, such as energy, poverty and conflict. In 2004 he was awarded the Hobhouse Memorial Prize by the London School of Economics.

Alex MacGillivray is head of programmes at AccountAbility. His work focuses on responsible competitiveness: the potential for countries, sectors, firms and multi-stakeholder initiatives to reshape markets and reward sustainable innovation. His latest book is *A Brief History of Globalization* (Robinson, 2006).

Acknowledgements

Accountability is the key to effective development in the 21st Century. Getting accountability right can unlock progress that is stalling in the face of dramatic new challenges, a range of new actors, fast-growing financial flows and complex collaborative arrangements. Wherever we look, accountability is becoming central to the development debate, whether it be governing global warming, harnessing Chinese investments in Africa, channeling the commitments of US billionaires or building sustainable markets through voluntary standards. Too often, though, accountability is seen solely as a set of compliance tools, for auditing and incrementally improving 'development as usual'.

We now have a unique opportunity, this report convincingly demonstrates, to reinvent accountability, placing it firmly at the heart of development. The report draws on evidence from accountability dialogues in Indonesia, Brazil and Russia; and builds on AccountAbility's track record in supporting multi-stakeholder collaborations. From novel methods of convening stakeholders to counting tools that cast a spotlight on unaccountable behaviour, the report celebrates the wealth of accountability innovations worldwide. And it sets out concrete proposals for building an accountability groundswell, with new responsibilities and clear frameworks for collaboration between governments, donors, businesses, NGOs and standards setting bodies. It is, in short, about rethinking development *as* accountability.