Donors and Funders' Meta-Governance of Multi-Stakeholder Partnerships

Anne Ellersiek
# Contents

List of Abbreviations 3

Abstract 4

Introduction 5

Concepts, Analytical Framework, and Methods 6

Donor and funders' perspectives on partnerships and meta-governance: Empirical Findings 10

Meta-governance for Partnerships: Gaps and Future Challenges 19

Appendix: Table of Interviews 24
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Accra Agenda for Action</td>
</tr>
<tr>
<td>AAAA</td>
<td>Addis Ababa Action Agenda</td>
</tr>
<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
</tr>
<tr>
<td>DMDP</td>
<td>DANIDA's Market Development Partnerships</td>
</tr>
<tr>
<td>ESF</td>
<td>Environmental and Social Framework</td>
</tr>
<tr>
<td>FCPF</td>
<td>Forest Carbon Partnership Facility</td>
</tr>
<tr>
<td>GPEDC</td>
<td>Global Partnership for Effective Development Cooperation</td>
</tr>
<tr>
<td>HLPF</td>
<td>High-Level Political Forum</td>
</tr>
<tr>
<td>IPF</td>
<td>Investment Project Financing</td>
</tr>
<tr>
<td>MCC</td>
<td>Millennium Challenge Corporation</td>
</tr>
<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MOI</td>
<td>Means of Implementation</td>
</tr>
<tr>
<td>MSPs</td>
<td>Multi-Stakeholder Partnerships</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD-DAC</td>
<td>Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)</td>
</tr>
<tr>
<td>PPPs</td>
<td>Public-Private Partnerships</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
</tr>
<tr>
<td>UNCED</td>
<td>Rio UN Conference on Environment and Development</td>
</tr>
<tr>
<td>UNGA</td>
<td>UN General Assembly</td>
</tr>
<tr>
<td>UNECA</td>
<td>United Nations Economic Commission for Africa</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
</tr>
<tr>
<td>UNDESA-DSD</td>
<td>Division for Sustainable Development Goals Department of the United Nations Department of Economic and Social Affairs</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>VNRs</td>
<td>Voluntary National Reviews</td>
</tr>
<tr>
<td>WSSD</td>
<td>World Summit on Sustainable Development</td>
</tr>
</tbody>
</table>
Abstract

Partnerships are again being positioned as a central means of implementation (MOI) of the Agenda 2030 for Sustainable Development and the sustainable development goals (SDGs). After several decades of experiences with multi-stakeholder partnerships, current calls go beyond an increase in quantity and ask for better quality and impact, in particular regarding the concurrent objectives of becoming an effective, inclusive, and transformative MOI. To this effect, recent calls ask for frameworks and platforms to support and guide partnerships. This study uses a series of interviews with donors and funders to evaluate if and how they, through the frameworks they provide, already assist partnerships in becoming effective, inclusive, and transformative. The findings show several examples that hold the potential to make partnerships fit for purpose of implementing the SDGs. Remaining gaps and limitations and possible strategies of donors and funders to overcome these are discussed.


The paper benefits from theoretical and empirical work undertaken in the research project “Transnational Partnerships for Sustainable Development,” which has been carried out as part of the Berlin Research Center SFB700 from 2006 to 2017, led by Dr. Marianne Beisheim, Senior Researcher at the SWP (see www.sfb-governance.de/ppp). We gratefully acknowledge funding provided by the DFG (German Research Council) in this regard. The author would also like to thank Robin Faisst for his support in the analysis of the interviews as well as all respondents who participated in the interviews and in the roundtable discussions.
Introduction

Multi-stakeholder partnerships to achieve development goals are not a new phenomenon. Originally conceived as an innovative approach for achieving the Agenda 21 from the Rio UN Conference on Environment and Development (UNCED) and the Millennium Development Goals (MDGs), partnerships are now referred to as a central Means of Implementation (MOI) of the ambitious sustainable development goals (SDGs, especially under SDG 17.16). Multi-stakeholder partnerships have shown mixed performance in the past, however, and the literature continues to fuel debate about their legitimacy and overall desirability. Consequently, current appeals for partnerships as a MOI of the 2030 Agenda ask not only for more but for more effective and inclusive partnerships (SDG 17.17). The Accra Agenda for Action (AAA) asks for “inclusive partnerships in which all partners – not only DAC donors and developing countries but also new donors, foundations and civil society – participate fully”⁴, and the Global Partnership for Effective Development Cooperation (GPEDC) requests for more “inclusive, coordinated and effective multi-stakeholder partnerships for reaching the SDGs.”⁵

To make partnerships more effective, inclusive, and transformative, calls highlight the need to extract lessons learnt and strengthen support and guidance, or what this paper terms the meta-governance of partnerships. To this effect, the UN-General Assembly (UNGA) resolution, under the agenda item entitled “Towards global partnerships”, requests debate on “the best practices and ways to improve, inter alia, transparency, accountability and the sharing of experiences of multi-stakeholder partnerships and on the review and monitoring of those partnerships” (2016: para. 15) and the GPEDC asks to “put in place platforms and hubs for inclusive and structured multi-stakeholder dialogue” (2014: 124).

Due to their longstanding experience in administrating funds through partnership programs and facilities, donors and funders clearly are in the position to identify lessons learnt and reflect upon their experience with and the provision of meta-governance for partnerships. Based on an analysis of donors and funders’ views, this paper sets out to answer the following question:

How do donors and funders, through the meta-governance they provide, assist multi-stakeholder partnerships in becoming more effective, inclusive and transformative?

---

⁵ See the outcome document of the Global Partnership for Effective Development Cooperation’s (GPEDC) 2nd High-Level Meeting Nairobi, 2016, 15-16.
The next two sections outline the core concepts, analytical framework, and methodology used in this paper. The third section takes a closer look at the statements of donors and funders regarding their experiences with partnerships and which success factors they identify for effective and inclusive partnerships. Along the identified success factors, the paper uses donor and funders’ views and the findings of independent evaluations to assess the potential of current and emerging frameworks to assist partnerships in becoming an effective and inclusive MOI for the SDGs.

Concepts, Analytical Framework, and Methods

Partnership success conditions

Our research project investigates transnational multi-stakeholder partnerships, defined as institutionalized transboundary interactions between a potentially wide range of public and private actors, aiming to provide collective goods and services. Examples are found in all sectors including agriculture, energy, education, health, and water and sanitation. Partnerships have been promoted for mobilizing resources from and pool comparative advantages of diverse actors, increase efficiency, strengthen participation and ownership, and spark innovation in products, services, methods and processes.

In the light of previous experience, some critics point at the general limits of the partnership approach, in particular, regarding the potential of partnerships to address conflicts of objectives and become more effective and inclusive. The distinction between public-private (PPPs) and multi-stakeholder partnerships (MSPs) illustrates the essence of this debate: PPPs have a long history of being an effective means to harness private investment and hopes are they will do so for the SDGs. Yet PPPs continue to receive critique for their lack of inclusiveness. The World Summit on Sustainable Development (WSSD) 2002 coined the more inclusive understanding of MSPs as innovative governance instruments, for example for standard-setting. MSPs receive praise for being catalysts for the kind of

---


inclusive and transformative development needed for the 2030 Agenda but, at the same time, often show complex governance structures and protracted processes.\(^{13}\)

Empirical research provides a nuanced picture\(^{14}\), showing that adequate institutional design and solid process management can increase partnerships’ chances of becoming more inclusive and effective\(^{15}\). Many publications have translated this knowledge into guidelines and checklists for better partnership management\(^{16}\). Rarely however, have these insights informed institutionalized frameworks for the meta-governance of partnerships\(^{17}\).

**Donors and Funders’ Meta-Governance for Partnerships**

The concept of meta-governance refers to the provision of boundary conditions and rules that support and monitor partnerships\(^{18}\). For the purpose of this article, the meta-governance of partnerships is defined as institutionalized modes of coordination, support, and guidance that frame the operations of partnerships\(^{19}\). With the term 'donors and funders' we refer to institutional donors, i.e. governments and organizations providing funds to partnerships for development purposes. Donors and funders may assume different roles within partnerships\(^{20}\). They may themselves be among the partners, either as an active partner, board member or as an observer or so-called ‘silent partner’\(^{21}\). Next to providing funds they

---

may also provide other services to partnerships\textsuperscript{22}. This study starts by assuming the funders role, keeping in mind that ever new actors become donors and funders\textsuperscript{23} of partnerships and that the role of traditional donors (in and towards partnerships) is equally fluid.

In this role, traditional donors and funders have long been providers of partnership programs and facilities that show meta-governance qualities. Regarding the funding of partnerships, conditionality and other forms of project law have meta-governance effects, like the "memoranda of agreement, terms of references, management systems, administrative and budgeting procedures, accounting and auditing procedures and standards, regulations of purchase, benchmarks for evaluating the progress of the project and the attainment of project goals, operational policies and operational directives of the donor organizations which are binding on the credit or loan recipient"\textsuperscript{24}. Donors and funders also provide a number of services for partnerships that can have supporting meta-governance qualities, such as advice, trainings, and capacity building. Furthermore, one can distinguish ex-ante (e.g. conditionality and selection criteria attached to grants) and ex-post provisions and services (e.g. reporting requirements and monitoring and evaluation activities).

The underlying argument of this paper is that donors and funders meta-governance can unlock the potential of partnerships to become more effective, inclusive and transformative. Previous experiences seem to support this hypothesis: Program evaluations show that innovative funding schemes can incentivize private investment and innovation\textsuperscript{25}, and targeted funding criteria can increase fund allocations to partnerships in priority and/or least developed countries\textsuperscript{26}. In countries, supporting services by donors and funders can help creating policy environments that are conducive to partnerships\textsuperscript{27}. At project/partnership level, research shows that such services can support knowledge transfer and capacity building\textsuperscript{28}. While these findings hint at the potential of meta-governance to influence partnerships practice, they provide little insights into potential gaps and trade-offs between different objectives of such support and guidance and if, and how donors and funders address these to assist partnerships in becoming more effective, inclusive, and transformative.

\textsuperscript{22}Kuenkel, 2017\textsuperscript{17}.
Research methods

Previous research has shown that it is difficult to generalize and/or objectively assess both the broader long-term impact of partnerships and their success conditions, including their meta-governance. Hence, the focus of this paper is on actors’ views and perspectives on these issues. Building on a first round of research and interviews in 2016-17, we decided to focus on two criteria for the selection of donors and funders. We empirically examine donors and funders that (1) have worked and continue to work through and provide meta-governance to partnerships; and, (2) have actively participated in the debate on development effectiveness and on the Agenda 2030 / the SDGs. To further delineate different perspectives, we asked donors and funders about the kind of partnerships they worked with to understand their ‘reference points’ for evaluating success conditions and meta-governance frameworks for partnerships.

To generate detailed insights into the meta-governance donors and funders provide to partnerships, we conducted a second round of interviews with respondents directly involved in the provision of these frameworks. Additionally, we used documents, existing research and evaluations, and round-table discussions for the evaluation of these frameworks. We started with open questions along three areas of concern:

(1) Success conditions for partnerships: Opening questions inquired about the success conditions that make partnerships more effective, inclusive, and transformative. These success conditions built the starting point for an assessment of meta-governance.

(2) Meta-governance for partnerships: Respondents were asked about whether and how these success conditions were translated into a meta-governance framework for partnerships. If available, these views were supplemented by (independent) evaluations and other research on these meta-governance frameworks and their actual impact on partnerships.

(3) Meta-governance for partnerships: Challenges and Future Directions: Eventually, respondents were asked to discuss existing and persisting discrepancies between current meta-governance practice and desirable forms of meta-governance that may help partnerships overcome prevailing challenges.

An overview of all interviews and round-table discussions organized and attended is provided in the Appendix. All donor and funders that participated in the interviews have worked and continue to work through partnerships and participated in the debates around development effectiveness and the role of partnerships in implementing the SDGs.

Donor and funders’ perspectives on partnerships and meta-governance: Empirical Findings

Three general perspectives

In our sample of interviews with donors and funders, we could identify three general patterns or different types of actors’ perspectives:

The partnerships with the private sector perspective draws upon interviews with staff of donor countries’ ministries and implementing agencies that seek to promote private sector engagement through, e.g. centrally managed partnership programs and facilities. Being a central instrument employed by most Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) (OECD/DAC) donor countries for a long time, the call for increasing private sector engagement was stipulated in the 2002 Monterrey Consensus, and reiterated by MDG 8 and SDG 17.17/16. Germany’s largest facility, deeloPPP, was launched in 1999 and several new initiatives, such as Partnerships2030 have been launched in response to the SDGs; Denmark runs partnership funds and facilities since 1993 and, among others, recently started the DMDP to address SDG 8 (Sustainable local economic growth and employment); The US, via the United States Agency for International Development (USAID) administers several such instruments, for example the Millennium Challenge Corporation (MCC)’s PPP platform; Sweden’s SIDA (Swedish International Development Cooperation Agency) maintains equally longstanding programs for Public Private Development Partnerships and recently launched, among other SDG-related initiatives, the ‘Swedish Leadership for the SDGs’ network.

The ‘public-private partnership (PPP)’ perspective draws upon interviews with staff of multi-lateral donor agencies who allocate funds and loans through partnership facilities that promote infrastructure and public service provision. Financing is provided to governments and/or private parties to support specific PPP projects and programs through a variety of different funding and lending schemes. In addition, multi-lateral donors also provide advice, technical assistance, trainings and knowledge resources to assist PPPs. Given the hopes set on PPPs to contribute to SDG implementation, multi-lateral donors assessed

this potential, strengthened several existing funds and PPP guidance and support. For example, as a joint publication by several multilateral development banks, the 3rd edition of the PPP reference guide provides guidance on PPPs as a MOI for the implementation of the SDGs, on environmental and social standards, and on PPPs in fragile and conflict-affected contexts.

The philanthropic perspective draws upon the views of private and business foundations who seek to support partnerships to help achieving the SDGs. Many foundations and philanthropies have a long-standing history of engagement in and through partnerships. To strengthen their commitment to the SDGs, some foundations launched the SDG Philanthropy Platform "to build a means for philanthropy to participate more effectively in the Post-2015 Agenda, and amplify the voice and action of grantees in determining and achieving (international) targets and strategies." Additional to own funds and programs, for example the Fund for Rural Prosperity, the MasterCard Foundation is among those supporting this initiative.

Views on success conditions and meta-governance for partnerships

We asked our respondents how, in their view, meta-governance may assist partnerships in becoming more effective, inclusive and transformative. We also inquired how donors and funders’ evaluation of partnerships’ success conditions informed the design and implementation of their meta-governance frameworks. Next to identifying the three general actors’ perspectives (as outlined above), we present our findings along three lines of reasoning when it comes to the relevance of meta-governance for effective partnerships for SDG implementation – building also on the Busan principles for effective development co-operation:

1. Firstly, regarding the relevance of ownership of partnerships by the state and alignment with national and local implementation strategies; secondly, the relevance of the inclusiveness of partnerships; and, thirdly, accountability for results.

(1) Ownership and alignment

Assuming that governments more readily own partnerships when these build on and align with their objectives, strategies, and frameworks, both the Paris Declaration of 2005 and

---


the Agenda 2030 place the creation of ownership of partnerships by governments at the center of implementation efforts.

Our respondents deem it crucial that partnerships “are in line with the development objectives and policies of the country they operate in [...]” (23) (3, 8, 9, 17). Different understandings however exist of what ownership means, how it can be achieved, and of the roles of different actors in this, most distinctly regarding the role of the state. From a PPP perspective, ownership by governments is seen as crucial to ensure secure investments and effective provision of goods/services. In case of limited capacities and/or will of governments to provide such support, a respondent pointed at the challenges to build capacities and/or “move beyond the government” (34). For partnerships with the private sector, ownership is primarily seen in the stake business has in a partnership, while host country governments are seen as posing an obstacle rather than a source of support for partnerships: “lots of red-tape and – as we have experienced it - abuse of power make it hard to get [business] partners to embark upon closer collaboration [with governments]” (34). From a philanthropic perspective, ownership by the state as duty-bearer was seen as essential to partnerships’ success but the prospect of closer collaboration caused concerns about having to subordinate to governmental oversight and control, in particular in countries where governments are seen as acting against the interests of their own citizens, and/or where severe restrictions on foreign funding and/or freedoms of speech and association exist (16, 29, 35).

With the primary focus on increasing business’ ownership, meta-governance frameworks for partnerships with the private sector seek to increase business’ stake through innovative funding mechanisms, such as challenge funds that thematically link private sector interest to donor countries’ policy priorities, for example, around clean energy and green growth, or value chain development but also around issue areas, such as democracy and human rights, and gender equality. Larger-sized private investments are matched with higher grant-levels and more comprehensive service packages for ‘strategic’ partnerships. While some newer frameworks explicitly ask applicants to ensure that partnerships are “coherent with national development policies and strategies” and allocate funds only to partnerships in countries where local representation exists to support dialogue with governments, other frameworks feature no such specific provisions. To enhance ownership of PPPs, frameworks seek “to strengthen host country governments’ capacities, promote and - through the services we offer - support best practices and raise the standards of PPP design and implementation” (27). In addition, contractual frameworks and different bidding and lending schemes aim to mitigate PPP-associated risks and increase ownership by “secur-

---

50 DANIDA, 2017: 149.
51 develoPPP. (2017b) 49.
ing the public interest in the contractual agreements with the private parties” (11). Different to infra-structure PPPs, respondents (11, 26) see access and equity as a more pressing concern for PPPs in the public sectors, such as health and education. To address these issues, donors and funders seek to strengthen ‘democratic ownership’ of public sector PPPs by offering trainings and services that build governments’ capacities to facilitate public dialogue, consultations, and multi-stakeholder processes. Also respondents argue that initiatives, such as the Open Government Partnership and the Open Contracting Partnership, provide impetus to governments to raise PPP-standards in their countries. Respondents from a philanthropic perspective report on their participation in global initiatives and national-level donor coordination boards (15). They emphasize the need to expand collaboration with governments to better align partnerships with local development priorities. To create, identify, coordinate, and support partnerships in dialogue with governments’ efforts towards national and in-country implementation of the SDGs, the SDG Philanthropy Platform presents an estimated US$12 Trillion in Market Opportunities for Private Sector through Inclusive Business. Our Perspectives, UNDP in Maldives.


60 UN. (2016). Ban Calls Strongly on Governments to ‘Leave No One Behind’. United Nations (UN).


Platform piloted national-level partnership coordination platforms in five countries. Respondents involved in these, report upon first successes but do not outline a clear strategy about how such platforms may succeed in countries where private funding is weak and governments are less amenable to notions of democratic ownership.

(2) Inclusiveness

The third Busan principle ‘inclusive partnerships’ and the call for ‘inclusive multi-stakeholder partnerships’ by the 2030 Agenda, with reference to the commitment to ‘leave no one behind’, all seek to address some of the limitations and challenges of the role of governments and other actors in ensuring democratic ownership of partnerships.

Respondents involved in programs and facilities that promote private sector engagement see inclusion as an important success condition because of, among other benefits, better due diligence and assessment of local needs and demands and business infrastructure (1, 4, 7, 18, 23, 24). But as a respondent stated: ‘[i]t is a different environment for them [businesses]’, in which ‘their traditional strategies of engagement often do not work […]; and, in some cases, “[t]he business case is not there, it needs to be created” (1). To this effect, some respondents draw upon concepts of economic inclusion, such as an inclusive business approach, for which business’ commitment to principles of ‘co-creation’ bases on ‘a shared value proposition’ (1, 4, 18, 24, 30, 31). Respondents point at several benefits deriving from inclusive PPPs but also hint at the trade-off between reducing transaction-costs on the long run and the risk of decreasing short-term efficiency gains (34). One interviewee saw a challenge in that in many countries in particular civil society is de-facto not seen as ‘legitimate partner’ (26). One respondent referred to a global report on many instances of repressive laws, with a third of these policies restricting cross-border philanthropy (29). Collaborative state-society relationships are seen as a success condition for partnerships.

In line with the Busan principles and the Addis Ababa Action Agenda (AAAA) respondents see inclusion strengthened by fund allocations to partnerships in least developed countries. In countries and at project-level however, funding criteria for partnerships with the private sector often define donor countries’ businesses as the primary group eligible for

59 GPEDC, 2011.
funds. The inclusion of others is, together with the choice for a country, specified among the ‘bonus criteria’ that inform the selection of funding proposals. Also some programs and facilities that promote ‘inclusive business’ partnerships award inclusion on the basis of the anticipated development impact, e.g. the potential of projects “to increase the provision of financial services to the financially excluded rural poor.” Funding criteria that require applicants to ensure knowledge transfer to local ‘customers/users’ then cast into doubt an understanding of local partners as ‘co-producers’, as it is named as a success condition by the respondents and by the literature on inclusive business partnerships in informal and low-income markets. Partly in response to previous critique regarding the lack of local economic impact, the Danish International Development Agency (DANIDA)’s recently launched DMDP requires partnership to “reach beyond mere service delivery or delivery of e.g. base of the pyramid products, unless these directly catalyse local economic activity.”

To this effect, “[t]he vision of the partnership project in terms of engaging with local partners such as CSOs, private businesses, government institutions, knowledge institutions etc. will [...] be part of the concept note assessment criteria”. Moreover, “[a]t least one local partner must be part of the consortium [of partners]”, which is required to enter a memorandum of understanding as part of the final proposal (Ibid.). Beyond those of the private and public parties directly involved in a PPP, the interests of other stakeholders and the public are secured through minimum requirements defined by the social and environmental safeguards of PPPs and for public disclosure.

Respondents also pointed at several recent initiatives that seek to strengthen inclusion, such as the „Women Entrepreneurs Finance Initiative“ and frameworks that propose public procurement/legal regimes of PPPs to incentivize inclusion of local businesses and small and medium sized enterprises. Respondents stress however, that most of these frameworks and initiatives remain offers by donors and funders but that in practice it

---

70 DANIDA, 2014.
71 DANIDA, 2017.
largely remains “left to partners to decide who else they involve” and if and how far they go beyond minimum requirements (11, 12, 26).

Also respondents point at global funds, such as the Forest Carbon Partnership Facility (FCPF)\textsuperscript{76}, that exemplify inclusive governance structures by combining layers of shareholder (representation of contributors) and stakeholder governance (representation of broader groups). Evaluations\textsuperscript{77} and a respondent involved in the FCPF report upon the challenges these inclusive but complex governance structures entail (25). Research on the implementation of the FCPF-framework argues that due to a lack of effective measures to ensure representation and participation of marginalized groups in the proposals of national-level FCPF-funded partnerships, the framework “is still failing to fulfill its environmental and social commitments” in many countries\textsuperscript{78}. Others note however, that in a joint global fund they cannot single-handedly turn best practice examples into binding requirements, in particular in the light of budget cuts\textsuperscript{79} and competition with other donors\textsuperscript{80}, whose loans come without or “little strings attached” (34).

The SDG philanthropy platform promotes multi-stakeholder partnerships that “bring together all segments of a society” (19, 20). Philanthropic actors stress however, that despite their funding power, it remains a challenge in many countries to ensure inclusive partnerships without alienating governments and jeopardizing access (35).

(3) Accountability for results

The 2030 Agenda asks to set up follow-up and review platforms for multi-stakeholder partnerships. For this, a framework of indicators has been set up to monitor progress on the SDGs, inform policy, and ensure transparency and accountability.81

As success conditions for the accountability of private sector partnerships and PPPs, our respondents mainly named host countries’ legal provisions and policy frameworks and the capacities and will of partners to enforce these, for example through program-specific requirements and reporting schemes. For PPPs, one respondent put it as: “[t]he whole idea of PPPs is to reduce transaction costs through smart contracting” (34). Beyond the contracting partners, respondents highlight external accountability to the public, to the targeted beneficiaries and to marginalized groups as a success condition (12, 26, 34). Respondents involved in frameworks that promote business partnerships argue that a strong joint value proposition ensures mutual commitment to and accountability for partnerships’ success beyond what is stipulated by funding requirements (1, 4, 15). Corresponding with the continuous calls for accountability and transparency directed at philanthropic actors82, addressing these is seen as crucial to gain and warrant legitimacy. But respondents voice concerns about a potential misuse of transparency and discrimination of alternate agendas and viewpoints as well as of less efficient actors and approaches.

Not all funds and frameworks for partnerships with the private sector featured provisions that ensure accountability through alignment with governments’ policies or through broad inclusion of stakeholders other than donor countries’ businesses. In these cases, respondents pointed at the primary objective to strengthen accountability by ensuring additionalit83 and moderating “a potential conflict of interest between the requests made on behalf of the [donor country development ministry], for whom the assisted projects are required to be relevant in terms of development policy, and the private business interests of the companies that are taking part in the programme” 84. To this effect, respondents stress that preparatory services are extensive and screening processes are rigorous (12, 13, 20, 24, 26).

But there is also pressure, because getting a certain number of partnerships off the ground is still seen as the primary evaluation criterion of partnership programs and facilities (35)85. Likewise, evaluations note that programs and facilities allocate comparably less attention and resources to follow-up provisions that ensure accountability for results in the local context: “Coordination between programmes and alignment with local needs do not always take place, partly because three quarters of the PSD [Private Sector Development] programmes are managed from the [donor country].”86. Respondents from a PPP perspective share the impression of an imbalance of focus on ex-ante measures that incentivize the creation of partnerships versus ex-post provisions that – if enforced – ensure follow-up in the local context. As reasons for this, respondents voice concerns to scare away potentially

84 Deval, 2016: xi85.
85 Cf. Henrich, 201387.
terested partners and/or overburden local partners with too extensive reporting requirements (32). One respondent argued that voluntary measures are more effective, because they allow for innovations adapted to the local context, which are more likely to be owned and enforced by local partners (35). Another respondent referred to PPP-coordination units within governments that attract more loans for PPPs because they advanced standards for public disclosure beyond what was required by freedom of information acts (26). Yet in line with the findings on country-level implementation of global facilities, like the FCPF\(^{87}\), respondents assert that such examples remain exceptions and entail risks, in particular in contexts in which little or no local accountability frameworks exist that partnerships could draw upon in the first place (33).

To ensure accountability for results in the local context, respondents point at services and support provided by embassies, country support teams, and intermediary/implementing organizations. In line with recent evaluations\(^{88}\), however, ensuring the actual use of these services is seen as challenging (33). In response, some respondents assert ambitions to scale local representation, to build local monitoring and evaluation capacities, and align partnerships with existing accountability frameworks. The SDG philanthropy platform\(^{89}\) seeks to link partnerships to national frameworks for development strategy implementation. Others point at facilities and programs that aim to build independent local monitoring and evaluation capacities, e.g. of local research institutes\(^{90}\), civil society organizations, and beneficiary communities. To this effect, respondents see the need for separate funding of these efforts, since “the funding relationships inherent in partnerships require independent local monitoring and evaluation capacity” (35). Yet rarely are partnership-specific accountability frameworks applied, “mostly partnerships are evaluated as any other kind of project” (35). Project-level evaluations then are seen as falling short of grasping the longer term and relational perspective of partnerships.

By the same token, one respondent emphasized the need to create and maintain ‘safe spaces’: “Next to partnerships, it’s important to sustain safe spaces, such as peer networks, where stakeholders can build the capacities to effectively engage in and monitor and assess partnerships without depending on the same sources of funding and support” (29). Linking these efforts back to local accountability frameworks then was seen as necessary to leverage broader impact and scale, so that successful cases “not only inform our funding strategies and programs but feed into and strengthen local accountability frameworks” (15).

\(^{87}\) Dooley et al, 2011\(^{78}\).


\(^{89}\) SDG Philanthropy Platform, 2016: 7\(^{58}\).

Meta-governance for Partnerships: Gaps and Future Challenges

There is not much literature yet on how donors and funders seek to support partnerships in becoming an effective and inclusive means of implementing the SDGs. From three perspectives, the findings presented here illustrate how donors and funders portray these efforts. The following sections discuss some of the persistent gaps between what respondents propose should be done and what is actually been done.

Creating ownership: The ambiguous role of the state

Different understandings of ownership as a success condition for partnerships coined our respondents’ accounts of the meta-governance frameworks they provide, with an ambiguous role ascribed to the role of local governments. Most of the frameworks for PPPs seem to fall short of ensuring democratic ownership and our respondents shared the view that “government ownership does not guarantee democratic ownership of PPPs”. As a consequence, PPPs continue to receive critique for the persisting public risks they entail, such as accruing future debts or contingent liabilities from PPP loans and turning a blind eye on misconduct and sometimes severe human rights violations against vulnerable groups during PPP implementation.

In response to concerns voiced by evaluations about the pertaining risks resulting from a lack of provisions that support and ensure closer alignment of partnerships with government-led implementation efforts, DANIDA’s new DMDP program only funds partnerships in priority countries in which local representation exists. The German Federal Ministry for Economic Cooperation and Development (BMZ) instead does not foresee such provision for its developPPP program. Because Germany’s bi-lateral co-operation frameworks ensure alignment with governments and because the stated objective of the program is to support partnerships where German businesses are willing to invest. Since these countries do not need to be congruent, partnerships risk a lack of alignment in countries to which donors maintain no such frameworks. The DMDP seems to mitigate this risk at the expense of scope. Ultimately, respondents argue that such alignments need to be tailored to host countries’ needs. In this context, the BMZ recently launched the Partnerships2030 platform which seeks to facilitate dialogue between country-level partnership platforms.

In the light of an increased competition among donors and unassertive future resource commitments by key shareholders, it remains to be seen if multi-lateral donors can and

---

94 DANIDA, 2017: 49.
96 DANIDA, 2014; DEval, 2016.
will turn the plethora of new initiatives and provisions into long-term and mandatory requirements that concede democratic ownership the same significance as financial risks in the mitigation hierarchy of new PPP-frameworks. By the same token, the potential of more recent initiatives to strengthen alignment of partnerships with government-led implementation efforts through country-level platforms remains to be demonstrated for countries in which tense state-civil society relationships challenge conceptions of democratic ownership. In this regard, respondents assert that “[T]he current lack of formal institutional frameworks in many partner countries to ensure sustained engagement with governments remains a big challenge to partnerships role’ in national-level SDG implementation” (6) and “[B]eyond recognizing the importance of partnerships for the SDGs, we [donor country] need to focus more on strengthening our and our partners’ [governments] “how-to” capacities” (35). In this regard, some respondents see the UN as primary forum to create a marketplace for best partnership practice (cf. 6, 30, 35). Moreover, the UN-HLPF (High-Level Political Forum) should be supplemented by initiatives that strengthen peer-learning on national-level and in-country SDG implementation.

**Inclusiveness: Widening or shrinking space through partnerships?**

Despite making a strong case for inclusion as a success condition for partnerships, de facto many of the meta-governance frameworks discussed by our respondents define very specific groups as eligible for funds and lack binding provisions that require recipients to ensure inclusive partnerships still. This way the frameworks seem to fall short in overcoming long acknowledged deeper systemic challenges, such as the ‘aid-based structural disadvantage’ of local civil society, to which none of the frameworks discussed by the respondents established a direct funding relationship.

Reasons for this provided by respondents echo some of those collected by Fowler100, such as a lack of capacity to administer smaller funds, a lack of local reporting capacity, and too high risks and legal barriers in the form of anti-terror and money laundering rules. These reasons seem unsatisfactory in view of the SDGs’ commitment to ‘leave no one behind’. Also they stand in stark contrast to the prominent role’ ascribed to domestic civil society by donor governments, for example in their voluntary national reports (VNRs) to the UN-HLPF101. Donor countries’ civil society, which are often identified as primary recipient of Official Development Assistance (ODA)102, and private funders traditionally fund local civil society103. Yet initiatives like the SDG Philanthropy platform that may open up ‘civilateral’ funding

---


102 SIDA, 2017.

channels face challenges in countries where governments hamstring external private funding. In these contexts and when domestic private funders are able and willing to fill the gap, local civil society may seek to mobilize domestic resources in order to counter criticism of Western-backed dissent.

Some respondents refer to anticipated changes in overarching funding frameworks that may turn best practices into binding commitments and ensure more inclusive partnerships. For example, respondents point at extensive consultation process that preceded the launch of the new Environmental and Social Framework (ESF) of the World Bank. The ESF sets out the mandatory requirements for the bank and its clients, for all projects that receive support through Investment Project Financing (IPF). Civil society commentary on the new ESF however, raises concerns over a persisting overreliance on partners' self-reporting and lack of mandatory and legally binding conditions. Some respondents however, raise concerns about the general limits of economic inclusion and about who and what kind of issues partnerships can cover if these questions predicate on a business/investment case. In particular in cases, in which other options for political participation are limited and suitable "owner organisations" are difficult to identify, inclusive business and market-based partnership approaches may not be suitable to strengthen inclusion, even if required by donors and funders.

**Accountability for results: Strengthening local accountability frameworks**

Meta-governance frameworks can serve to strengthen partnerships' accountability for results by ensuring mutual accountability among partners and towards the general public and/or external stakeholders. Regarding the latter, findings show that not all programs and funds feature provisions that ensure involvement of governments and/or groups other than the contracting parties. Our respondents highlighted that "[a]s for any contractual relationship, they can be designed badly or well" and, in the end, they tend to be only as good or bad as their enforcement is in the local context. With the parallel goal not to discourage potential partners with too extensive contractual stipulations, it seems that donors and funders need to better balance the requirements they place on individual partnerships and at program and facility-level, and ultimately in balance with what is warranted by existing local accountability frameworks.

---

105 WINGS, 2017.
Our interview partners saw a combination of strategies to raise partnerships’ accountability locally as most promising. Also traditional multi- and bi-lateral frameworks for co-operation regain significance in contexts where conflict and/or repressive regulations limit access and tie the hands of private actors. Our respondents saw a need for long-term strategies to enable partnerships to build upon and strengthen local monitoring and reporting frameworks: “For partnerships to have lasting impact it is most important to work together at multiple levels, and using multiple strategies of engagement to build upon and strengthen local capacities, including for follow-up” (19). This is also in line with findings and suggestions in recent academic literature. Such strategies then confront donors and funders with the double task of ensuring that partnerships meet ever higher accountability standards and at the same time of relearning about “the limits of the partnership approach” and “the value of more traditional and – in some cases – (innately less measurable) approaches” that create safe spaces when and where these are needed.

**Future Challenges**

The discussion presented here demonstrates that donors and funders already put considerable effort and resources into supporting and guiding partnerships through meta-governance frameworks. Examples from our interviews show that donors and implementing agencies have reflected upon previous experiences and – in some cases – already turned lessons learnt into new frameworks to provide better support and guidance to partnerships for the implementation of the SDGs. The findings however, also show that gaps remain in supporting partnerships to become more effective, inclusive and transformative. As a first step to address these gaps, donors and funders should further utilize own resources and experience, explore synergies between and strategic adjustment of the various partnership meta-governance frameworks they offer. During our interviews, it became clear that knowledge of other initiatives seemed limited. The discussions with respondents identify several potentially fruitful directions for integrative strategies, for example of bi-lateral co-operation frameworks with partnership funds and facilities, of provisions for PPPs in the private versus the public sectors, and between different modalities to support and guide inclusive business partnerships. Beyond those programs, funds and facilities that donors and funders execute under own auspice, the discussion revealed that joint frameworks need to better inform and warrant that the best practices and standards they promote do indeed translate to country and in-country levels. Moreover, respondents consent that apart from donor and funders’ data bases there is very little comparative country-level data on the role and impact of partnerships to inform meta-governance frameworks.

Eventually, donors and funders lament the lack of capacities and will of governments to provide adequate frameworks for partnership implementation. Yet respondents provided little information on how their own political will to support and put such frameworks into funding practice might be stimulated. The efforts of and competition with peers and new actors entering the partnership funding landscape, as illustrated by the ambitious plans outlined by the SDG Philanthropy platform, may provide impetus for other donors to develop this political will. New alliances between traditional and new(er) donors and funders may create space to learn from experiences, in particular in tackling key challenges, such as working with governments that are less amendable to partnerships. However, also new donors and funders may also pose a challenge to effective meta-governance and partnership implementation. In this regard it was argued that ‘non-interventionist’ approaches, as they

---


113 WINGS, 2017: 36.
are promoted by for example China, let governments off the hook easily and may hinder progressive approaches to enhance partnership practice.

As for the future, on the one hand there is this danger that donors and funders lower their own standards to compete with others. On the other hand, joint initiatives to raise the bar on effective and inclusive partnering are under way. The Division for Sustainable Development Goals Department of the United Nations Department of Economic and Social Affairs (UNDESA-DSD) and the United Nations Economic Commission for Africa (UNECA) plan regional workshops for member states on developing partnerships for SDGs. The UNECE International PPP Centre of Excellence (ICoE)’s ‘People first Public Private Partnerships’ initiative aims to establish dialogue on PPP guiding principles, including those that target SDG 9 as primary MOI of China’s ambitious ‘One Belt One Road’ initiative. The GPEDC closely ties criteria for effective and inclusive development cooperation to the SDGs. On the long run these initiatives may create joint market places for donors and funders that not only leverage additional investment but also the political will that is needed to turn lessons learnt into partnership meta-governance and, ultimately, inclusive and effective partnership practice.


Dr. Anne Ellersiek is a Research Associate at the Institute for Advanced Sustainability Studies (IASS) in Potsdam. Until the end of 2017 she was a Research Fellow at the Research Division »Global Issues« at SWP and worked on the Project D1 »Partnerships for Sustainable Development in Areas of Limited Statehood: Impact, Conditions for Success, and Meta-Governance« at the Collaborative Research Center (SFB) 700 »Governance in Areas of Limited Statehood«.

© Stiftung Wissenschaft und Politik, 2018
All rights reserved

The Working Paper reflects the author’s views.

SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs
Ludwigkirchplatz 3–4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org
### Appendix A: Table of Interviews / Roundtable discussions

<table>
<thead>
<tr>
<th>ID#</th>
<th>Organization</th>
<th>Department/Initiative</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Danish International Development Agency (Danida)</td>
<td>Danida Market Development Partnerships (DMDP)</td>
<td>2016</td>
</tr>
<tr>
<td>2</td>
<td>Danish Ministry of Foreign Affairs</td>
<td>Programs to promote private sector engagement through partnerships</td>
<td>2016</td>
</tr>
<tr>
<td>3</td>
<td>Dutch Ministry of Foreign Affairs (MinBuZa)</td>
<td>Global Partnership for Effective Development Co-operation (GPEDC)</td>
<td>2016</td>
</tr>
<tr>
<td>4</td>
<td>Dutch Ministry of Foreign Affairs (MinBuZa)</td>
<td>Programs to promote private sector engagement through partnerships</td>
<td>2016</td>
</tr>
<tr>
<td>5</td>
<td>Dutch Ministry of Foreign Affairs (MinBuZa)</td>
<td>The Promoting Effective Partnering Initiative – PEP</td>
<td>2016</td>
</tr>
<tr>
<td>6</td>
<td>German Ministry for Economic Cooperation and Development (BMZ)</td>
<td>Global Partnership for Effective Development Co-operation (GPEDC)</td>
<td>2016</td>
</tr>
<tr>
<td>7</td>
<td>German Ministry for Economic Cooperation and Development (BMZ)</td>
<td>Programs to Promote Private Sector engagement through Partnerships</td>
<td>2017</td>
</tr>
<tr>
<td>8</td>
<td>German Agency for International Cooperation (GIZ)</td>
<td>Partnerships2030</td>
<td>2016/2017</td>
</tr>
<tr>
<td>9</td>
<td>German Agency for International Cooperation (GIZ)</td>
<td>develoPPP</td>
<td>2016</td>
</tr>
<tr>
<td>10</td>
<td>Organisation für Economic Co-Operation and Development (OECD)</td>
<td>Global Partnership for Effective Development Co-operation (GPEDC)</td>
<td>2016</td>
</tr>
<tr>
<td>11</td>
<td>Inter-American Development Bank (IADB)</td>
<td>Programs/funds to promote Public-Private Partnerships</td>
<td>2016</td>
</tr>
<tr>
<td>12</td>
<td>Inter-American Development Bank (IADB)</td>
<td>Programs/funds to promote Public-Private Partnerships through the Multilateral Investment Fund (FOMIN)</td>
<td>2016</td>
</tr>
<tr>
<td>13</td>
<td>Millennium Challenge Corporation</td>
<td>PPP platform</td>
<td>2017</td>
</tr>
<tr>
<td>14</td>
<td>Millennium Challenge Corporation</td>
<td>Programs to Promote Private Sector Partnerships</td>
<td>2017</td>
</tr>
<tr>
<td>No.</td>
<td>Organization</td>
<td>Project/Program Description</td>
<td>Year</td>
</tr>
<tr>
<td>-----</td>
<td>--------------</td>
<td>------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>15</td>
<td>MasterCard Foundation</td>
<td>Engagement with the SDGs/Funds for Inclusive Business Partnerships (e.g. Fund for Rural Prosperity)</td>
<td>2016</td>
</tr>
<tr>
<td>16</td>
<td>Rockefeller Philanthropy Advisors</td>
<td>The SDG Philanthropy Platform</td>
<td>2016</td>
</tr>
<tr>
<td>17</td>
<td>Swedish International Development Cooperation Agency (SIDA)</td>
<td>Swedish Leadership for Sustainable Development Network</td>
<td>2016</td>
</tr>
<tr>
<td>18</td>
<td>Swedish International Development Cooperation Agency (SIDA)</td>
<td>Public Private Development Partnership (PPDP) programs/funds</td>
<td>2017</td>
</tr>
<tr>
<td>21</td>
<td>United Nations Economic Commission for Europe (UNECE)</td>
<td>PPP Standards</td>
<td>2016</td>
</tr>
<tr>
<td>24</td>
<td>US Agency for International Development (USAID)</td>
<td>Programs to Promote Private Sector Partnerships</td>
<td>2017</td>
</tr>
<tr>
<td>25</td>
<td>World Bank</td>
<td>Forest Carbon Partnership Facility (FCPF)</td>
<td>2016</td>
</tr>
<tr>
<td>26</td>
<td>World Bank</td>
<td>Programs/funds to promote Public-Private Partnerships</td>
<td>2016</td>
</tr>
<tr>
<td>27</td>
<td>World Bank</td>
<td>Public – Private Infrastructure Advisory Facility (PPIAF)</td>
<td>2016</td>
</tr>
<tr>
<td>28</td>
<td>World Bank</td>
<td>Public-private partnership in Infrastructure Resource Center</td>
<td>2017</td>
</tr>
<tr>
<td>29</td>
<td>Worldwide Initiatives for Grant-Maker Support (WINGS)</td>
<td>SDG Philanthropy Platform</td>
<td>2016</td>
</tr>
<tr>
<td>30</td>
<td>SDG Kenya Forum</td>
<td>SDG Kenya Forum</td>
<td>2017</td>
</tr>
<tr>
<td>31</td>
<td>World Vision Int., SEA</td>
<td>Asia P-3 Hub</td>
<td>2016</td>
</tr>
<tr>
<td>ID</td>
<td>Event</td>
<td>Title</td>
<td>Year</td>
</tr>
<tr>
<td>----</td>
<td>-------</td>
<td>-------</td>
<td>------</td>
</tr>
<tr>
<td>32</td>
<td>Side Event during the High-level Forum (HLPF) on Sustainable Development, New York, USA</td>
<td>Partnership Exchange: &quot;Supporting the Sustainable Development Goals through multi-stakeholder partnerships - ensuring that no one is left behind&quot;</td>
<td>2016</td>
</tr>
<tr>
<td>33</td>
<td>Panel discussions during the High-level meeting of the GPEDC (HLM2), Nairobi, Kenya</td>
<td>Inclusive and Effective Multi-stakeholder Partnerships: How to strengthen ownership and results, transparency and mutual accountability?</td>
<td>2016</td>
</tr>
<tr>
<td>34</td>
<td>Roundtable discussion during the Global Partnership Week, Washington DC, USA</td>
<td>How to Strengthen Partnerships for Sustainable Development? Discussing Lessons Learned and Donors’ Perspectives on Better Partnership Governance</td>
<td>2017</td>
</tr>
<tr>
<td>35</td>
<td>Two-days exchange organized by the Partnerships2030 initiative, Cologne, Germany</td>
<td>Multi-stakeholder (MSP) – Platform Exchange</td>
<td>2017</td>
</tr>
</tbody>
</table>

1 Events were held under Chatham House Rule.