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Partnerships for Sustainable Development

Why and How Rio+20 Must Improve the
Framework for Multi-stakeholder Partnerships

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One of the two main themes of the Rio+20 United Nations Conference on Sustainable Development (UNCSD 2012) is the reform of the UN institutions for sustainable development (IFSD). Part of the reform package under discussion involves the reorganization of the UN Commission on Sustainable Development (CSD). Following the outcome of the 2002 World Summit on Sustainable Development (WSSD), the CSD Secretariat now keeps a register of the so-called partnerships for sustainable development. In these partnerships, public actors (from governments or international organisations) and private actors (from businesses or civil society) work together to help implement intergovernmental commitments. The CSD database lists 349 partnerships that are working in areas related to sustainable development.

Public private partnerships (PPPs) are considered an innovative form of governance that pools the resources of the various partners to provide collective goods. The German Federal Government has also been engaged in PPPs since the end of the 1990s. At the start of the current electoral term, the applicable item in the budget of the Federal Ministry for Economic Cooperation and Development (BMZ) was increased to €69 million. This commitment is always accompanied by affirmative rhetoric that builds up high hopes for PPPs, claiming them to be particularly innovative, effective, efficient and participatory. However, in public discourse there is a great deal of controversy surrounding these kinds of partnerships. Even experts disagree on how effective and legitimate they are, and on the extent to which governments or international bodies should monitor and control them.

This research paper does not aim to make sweeping statements either for or against the instrument. Rather, the idea is to provide an impartial evaluation of its opportunities and limits. To do so, the study takes transnational water partnerships as an empirical basis for investigating the performance record and success factors of partnerships for sustainable development. The study concludes by making recommendations on how to improve the UN institutional framework for these partnerships.

The right to safe and clean drinking water and sanitation will be one of the sectoral priority areas in the Rio+20 outcome document. As regards the water sector, there is a long history of multilateral development cooperation. The UN held its first Water Conference in 1977 and since then it has declared two decades as Water Decades. In 2000, the UN Member States adopted the Millennium Development Goals (MDGs), which include targets relating to water and sanitation. The debate on the Human Right to Water established that states are obliged under international law to ensure that their citizens have access to clean drinking water. But despite the UN's best efforts, too little has been done to adequately respond to this obligation. This has led multilateral and national development organisations to step up their efforts to initiate partnerships with competent players from industry and civil society. Particularly active in this regard are the UN's Development Programme (UNDP), Environment Programme (UNEP) and Children's Fund (UNICEF), and the World Health Organisation (WHO).

Although partnerships are supposed to help overcome the implementation gap with regard to sustainable development goals, they are limited in what they can achieve and their performance records are very mixed. Numerous partnerships fail to fulfil expectations because they are neither as results-oriented nor as efficient as was hoped. Many fail to get beyond well-meaning declarations of intent. That said, some partnerships are innovative and successful, achieve good results and can therefore serve as role models for others. With this in mind, this research paper focuses on two key questions. Which partnerships are successful and why? And following careful evaluation of the success factors involved, how can UN institutions optimise their support for a second generation of partnerships for sustainable development?

There are various types of partnerships and the tasks they set themselves differ: the initiatives either strive to develop expertise and knowledge, to set voluntary standards and develop corresponding certification programmes, or to provide services and implement projects. In doing so, partnerships must often prove their worth in difficult circumstances – for example in the context of state fragility. Thus, the success of a partnership depends on specific factors relating to the respective objective and context. This research paper will explore some of these factors, such as the involvement of competent partners and their resources, and goal-oriented structures and management processes (cf. Table 4, page 27).

Rather than praising PPPs to the skies or condemning them outright, it is more rewarding to systematically evaluate the factors that define their success or failure. These evaluations should then provide the basis for defining guidelines that can be applied to existing and future partnerships. Moreover, while it is standard procedure for bilateral German PPP projects to be evaluated, no evaluation system exists for the transnational partnerships registered with the CSD.

What recommendations result from this analysis? First, the partnerships themselves should continually evaluate their performance and implement relevant changes. Partnerships have the power to influence many success factors themselves, for instance, they can further develop their governance structures by setting up precise rules and transparent and responsive decision-making processes. It is in the interests of every individual partnership to use learning processes to drive their own performance.

Second, the ultimate responsibility for providing citizens with key governance services like access to clean drinking water lies with the state. Donor and recipient countries must fulfil their state duty to protect. If donor countries choose to use partnerships as an instrument, they should at least ensure their monitoring and evaluation, ideally from the outset. The German Federal Government should therefore commit to refining and reaching international agreement on the criteria for selecting and supporting partnerships for sustainable development. This process should be based on a systematic assessment of results from evaluations of successful and failed partnerships. Where partnerships reach their limits, other instruments should be used instead. As a rule, partnership projects should be accompanied by coordinated measures to build up state capacities in the partner countries so that they can take over control in the long term.

Finally, during the preparatory process for Rio+20, the German government should advocate that all partnerships registered with the CSD database should be subject to critical evaluation – which is not currently the case. This kind of evaluation, however, is the only way to separate the wheat from the chaff, provide more appropriate support to those partnerships that are working well, and to achieve a broader impact over the long term. To this end, there must be a reform of the UN organisations responsible – in particular the CSD.

Partnerships as an Innovative Form of Global Governance

Transnational partnerships for sustainable development with private actors from business and civil society are new forms of global governance. Some people have high hopes for these initiatives; while others have serious reservations about them.[1] Using the example of transnational water partnerships designed to realise the MDG of access to safe drinking water, this research paper will outline the expectations and criticisms of the instrument, and will analyse the factors that define its success or failure. It will also discuss the role that the UN and individual countries should play in politically integrating these new forms of global governance.

But first: what does global governance actually mean, and why are public-private partnerships such an apt example of new forms of governance? Global governance means attempting to find an appropriate political response to increasingly globalised contexts. Many cross-border problems can no longer be overcome with a unilateral approach. There is also a lack of political institutions that are capable of making decisions and taking action at the international level. That said, the answer does not simply lie in creating or expanding global institutions. Global governance is about incorporating different levels into the governing process. Depending on the scope of a particular problem, it may be appropriate to act at either the local, regional, national or global level to negotiate political regulations and implement these in this *multi-level* governance system.

Global governance is not the same as global government, since the former does not limit its definition of political *actors* to governments. Staff of intergovernmental institutions – i.e. international organisations like the UN or the secretariats of multilateral agreements – also helps to organise and shape global governance. In addition, players from business and civil society can contribute to solving problems. Non-governmental actors are no longer seen only as the source or victims of problems, as passive targets of state regulations; they are now expected to take an

active role in politics. This also applies to the transnational partnerships for sustainable development investigated in this study.[2]

Global governance also focuses particularly on innovative *forms* of political rule. Political resources are no longer limited to regulatory provisions and controls, i.e. laws prescribed and implemented in a rigid top-down fashion. In addition, less hierarchical and more flexible instruments are available, such as voluntary commitments, codes of conduct, certification schemes or quality seals. A broad definition of global governance covers all those different forms of political rule, including (inter)governmental governance (cf. Box 1 on the following page); in contrast, a narrow definition of the term refers to those innovative forms of governance only.

Public private partnerships focus on a so-called *win-win* strategy, where all participants voluntarily make their specific resources available for shared use among the partners and for the good of the project. A company can benefit from the fact that its initial investments, which help it to explore the market, are flanked by other measures. These might include the regional expertise of an NGO partner, or state co-financing as part of a local further-training programme that will qualify future employees. The advantage for the donor country is that its involvement will ease the pressure on its DC budget; the partner country should be able to improve living conditions for its citizens and build up capacities. For years experts have been discussing these kinds

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1 The terms partnership for sustainable development and public private partnership will be used largely interchangeably in what follows. See definitions on page 12.

2 The partnerships analysed here should not be confused with municipal PPPs. The latter are models for the partial privatisation of previously public tasks, such as operator or concession contracts. They involve a private company taking over the planning, construction or expansion, financing and operating of an infrastructure for an agreed contract period. Cf. Matthias Finger, Jérémy Allouche: *Water Privatisation: Trans-National Corporations and the Re-regulation of the Water Industry*, London and New York, 2002; Ernst Ulrich von Weizsäcker, Oran R. Young & Matthias Finger (eds.): *Limits to Privatization. How to Avoid too Much of a Good Thing*. Report to the Club of Rome, London, 2005.

of "smarter partnerships for development"[3] as highly promising, innovative building blocks for global governance. But as will become clear further on, they are also politically controversial.

It is important to note that global governance can be understood in one of two ways. On the one hand, the term can refer to a politically *normative* vision. Proponents of this vision maintain that these innovative forms of governance are more effective than traditional approaches when it comes to improving participation and solving problems (this was the message expressed in the report by the UN Commission on Global Governance, cf. Box 1). However, critics say that this focus on problem-solving is naive because it is too intent on harmony and idealises private actors. They also claim that it disregards political struggles for power and interests, and overlooks the structural causes of problems. As a result global governance would tend to treat the symptoms and not to eliminate the root cause.

On the other hand, academic studies (like this one) use the term global governance in a neutral, *analytical* way.[4] Those who adopt this perspective do not assume from the outset that forms of governance are more or less legitimate and effective than other instruments. Instead, they empirically investigate whether this is a sound claim and if so, under what conditions.

Box 1
Report by the UN Commission on Global Governance, 1995 (excerpt)

"Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people or institutions either have agreed to or perceive to be in their interests. ... At the global level, governance has been viewed primarily as intergovernmental relationships, but it must now be understood as also involving non-governmental organisations, citizens' movements, multinational corporations and the global capital market. ... Effective global decision-making thus needs to build upon and influence decisions taken locally, nationally and regionally, and to draw on the skills and resources of a diversity of people and institutions at many levels."[a]

a Commission on Global Governance: *Our Global Neighborhood*, Oxford 1995, pp. 2f.

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3 Title of the speech given by Angel Gurría, Secretary-General of the OECD, at the MDG Summit in New York, 20 September 2010.
4 Maria Behrens, "Global Governance", in: Arthur Benz, Nicolai Dose (Hg.), *Governance − Regieren in komplexen Regelsystemen*, 2nd edition, Wiesbaden, 2010, p. 93.

Partnerships and the UN Millennium Development Goals

MDGs: Consensus on Goals but No Implementation Strategy

The outcome document of the United Nations' Millennium Summit in 2000, the Millennium Declaration, was adopted by 189 Member States in the UN General Assembly. The declaration includes a commitment to halving the number of people living in extreme poverty by 2015. In September 2001, UN Secretary-General Kofi Annan presented a roadmap towards the implementation of the Millennium Declaration. The document sets out the eight Millennium Development Goals (MDGs), which define the progress the international community resolved to make by 2015.

Measurable, verifiable goals were to be distilled out of the framework agreements and action plans of the UN conferences held in the 1990s. For this purpose, the eight MDGs were fleshed out with 21 targets. Each target was assigned indicators, most of which have a base year and a target year. The indicators are intended to help measure progress and thereby to tackle the biggest problem with existing governance arrangements – namely, the failure to implement them. Many of the UN's declarations of intent and action programmes have suffered from participants failing to follow up on their promises. In the cases where action was taken, its success could hardly be evaluated because the official documents were often written in vague diplomatic language. The MDGs, on the other hand, established priorities by focusing on the most important multilaterally agreed goals, and developed processes that make it possible to determine whether these goals have been met. While the term sustainable development owes most of its success to its openness to interpretation and its ability to achieve consensus, the MDGs offer comparatively clear benchmarks with which gaps, successes and also failures are revealed. In the past, the MDGs have served as an instrument for regularly generating interim reports showing the degree of urgency with which further efforts are required. They have thus become a reference point in development cooperation.

Table 1

Eight goals to promote socially and environmentally sustainable development, with target and indicators for the water sector

MDG 1	Eradicate extreme hunger and poverty
MDG 2	Achieve universal primary education
MDG 3	Promote gender equality and empower women
MDG 4	Reduce child mortality
MDG 5	Improve maternal health
MDG 6	Combat HIV/AIDS, malaria and other diseases
MDG 7	Ensure environmental sustainability
Target 7.C	By 2015, reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation
Indicators	7.8 Proportion of population using an improved drinking water source
	7.9 Proportion of population using an improved sanitation facility
MDG 8	Develop a global partnership for development

At the same time, there is a great deal of dissatisfaction surrounding the MDGs. So far, many governments have failed to sufficiently deliver on their promises. This is another reason why development partnerships have been lauded as a new way of achieving the goals. At the MDG Summit convened by the UN General Assembly in New York on 20 September 2010, the heads of state and government of the UN Member States reviewed what progress had so far been made on achieving the MDGs.[5] Several months prior to the conference, UN Secretary-General Ban Ki-moon presented his report entitled *Keeping the Promise*, in

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5 Marianne Beisheim: *Zwischenbilanz. Millenniumsziele +10: Fünf Jahre verbleiben bis 2015, um die Ziele zu erreichen – aber wie kann dies gelingen?* Berlin: Stiftung Wissenschaft und Politik, SWP-Aktuell 62/2010, August 2010.

which he described the achievements, shortfalls and challenges relating to the MDGs. He said that faster progress and therefore increased efforts were needed to meet all eight goals by 2015. Mr Ban called on Member States to adopt an action plan at the MDG Summit setting out specific steps, including timeframes and verifiable responsibilities. At the summit, however, hardly any countries were willing to enter into new commitments, and just a few donor countries announced that they would be increasing their development budgets.[6]

Partnerships for Implementation: Innovative but Controversial

Anticipating this to some degree, the former UN Secretary-General Kofi Annan introduced the so-called Type-2 agreements at the World Summit on Sustainable Development (WSSD) in Johannesburg in 2002. These were a response to disappointments with the intergovernmental agreements (Type-1 agreements) reached in 1992 at the United Nations Conference on Environment and Development (UNCED). Between 1992 and 2002 progress on implementing these agreements was sluggish at best. The Type-2 agreements called for in the Johannesburg Plan of Implementation concern partnership initiatives with actors from civil society and the private sector. Making use of their specific resources, these initiatives are intended to be a non-bureaucratic and flexible way of helping to achieve the MDGs and other sustainable development goals.

In 2004, a database was set up on the website of the UN Commission on Sustainable Development (CSD).[7] All partnerships working in the field of sustainability can register themselves there. The information contained in the database is based on voluntary self-reports provided by the partnerships. The CSD also provides a platform for partnerships to communicate among themselves. Once a year the CSD holds its Part-

nerships Fair, where registered partnerships can network and present their work.

Other UN organisations also use the partnership approach. The United Nations Fund for International Partnerships (UNFIP) has been supporting UN partnerships since 1998, using funds from the UN foundation of US media magnate Ted Turner. The UNFIP is now part of the United Nations Office for Partnerships (UNOP), which since 2007 has been the organisational hub for partnerships within the UN system. However, there is clearly little coordination between the UNOP and the CSD. In recent years, the UNDP, UNEP, UNICEF, WHO and UNAIDS have been particularly active participants in PPPs – as has the World Bank. In doing so, they hope to tap into new sources of financing, and directly (i.e. eventually bypassing the Member States) engage private partners in helping them to implement international goals. Because public funds are scant, bilateral development cooperation also emphasises how important private resources are in achieving the MDGs.

Already back in 2002 at the Johannesburg summit, this new approach to global governance provoked quite some controversy (cf. Box 2 on the following page). Its supporters believe that these kinds of partnerships are a particularly effective and efficient way of implementing projects because different participants contribute resources that benefit everyone involved. And it is not just a matter of providing financing. Partnerships are also about finding the best way of combining the market's enthusiasm for efficiency and innovation, the contacts of civil society groups to the local population, and the access that public actors have to governmental organisations in the partner country. In addition to optimal resource allocation, partnerships are also thought to enable smooth policy making and implementation. If multi-stakeholder[8] partnerships included the addressees of regulations or projects – usually private companies or local municipalities – into decision-making processes from the outset, this could strengthen the legitimacy and acceptance of the procedure and help to avoid conflicts in the future.

Critics, however, doubt the legitimacy of partnerships. They claim that these kinds of informal policy networks tend to lack transparency and are prone to

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6 Marianne Beisheim: "'Keeping the Promise' or Keep Promising? Ein Abgleich zwischen den Erwartungen an den MDG-Gipfel und seinen Ergebnissen" in: Verband Entwicklungspolitik deutscher Nicht-Regierungsorganisationen (VENRO) (ed.): *Die Millenniumsentwicklungsziele 2010: Erfolge und Handlungsbedarf, 2015 im Gespräch*, Bonn and Berlin, December 2010, pp. 6–10.

7 Cf. http://webapps01.un.org/dsd/partnerships/public/welcome.do (accessed in February 2012).

8 Stakeholders refer to people, groups or institutions who are affected by a problem and may then raise claims to participation in decision-making procedures. Cf. Andrew L. Friedman, Samantha Miles: *Stakeholders: Theory and Practice*, New York, 2006.

corruption.[9] In broad, non-hierarchical structures, it is easy to conceal and shift responsibilities. In some cases it may also be difficult to distinguish partnerships from foreign trade promotion or subsidies for private businesses. Critics also question the pro-poor "aid effectiveness" of the instrument. Some claim that the non-binding initiatives amount to mere "window dressing" – they are not intended to achieve any actual results but to make all the participants look good. Moreover, partnerships risk exacerbating "projectitis", a condition where lots of uncoordinated projects run alongside each other and thus undermine the coherence that development cooperation needs. Parallel structures further weaken state structures that were unstable to start with. Critics worry that if a state is weak and struggling to exert control locally, there is a high chance that privatisation interests will ultimately gain the upper hand. There is also talk of a United Nations "sell-out"; the UN is being accused of putting its reputation in danger by lending its good name to useless or even counterproductive private-sector initiatives (cf. Box 2).

A decade after the partnerships were launched in Johannesburg, 2012 would be the ideal year to systematically evaluate their contributions and initiate reforms. The 2012 "Rio+20" Summit has the institutional reform for sustainable development as a top priority on its agenda. The first draft version of the outcome document "The Future we want" again calls for multi-stakeholder partnerships and voluntary commitments.[10] And it also investigates options for the much needed reform of the CSD.[11] But so far, the institutional link between those two elements is missing: a reform of how the UN handles its partnerships is urgently required.

Box 2
Different assessments of the Type 2 agreements from the Johannesburg conference in 2002[12]

Making business and all actors of civil society part of the solution is not only the best chance, it may also be the only chance, the UN has to meet its Millennium goals.
Michael Doyle, Assistant Secretary-General of the United Nations

This Summit will be remembered not for the treaties, the commitments, or the declarations it produced, but for the first stirrings of a new way of governing the global commons – the beginnings of a shift from the stiff formal waltz of traditional diplomacy to the jazzier dance of improvisational solution-oriented partnerships that may include non-government organizations, willing governments and other stakeholders.
Jonathan Lash, President, World Resources Institute

In place of enforceable standards and accountability, UN officials have adopted the corporate sector's call for "voluntary initiatives" and "partnerships." Activists critical of this trend have begun using the term "bluewash," which the New York Times describes as "allowing some of the largest and richest corporations to wrap themselves in the United Nations' blue flag without requiring them to do anything new."
Sheldon Rampton, PRWatch.org

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9 Peter Utting, Ann Zammit: "United Nations-Business Partnerships: Good Intentions and Contradictory Agendas" in: *Journal of Business Ethics*, 90 (2009) pp. 39–56; Jens Martens, *Multistakeholder Partnerships. Future Models of Multilateralism?* Berlin: Friedrich-Ebert-Stiftung, January 2007 (Occasional Papers: 29).
10 United Nations: *The Future We Want, Zero-Draft of the outcome document*, 10 January 2012.
11 See also Marianne Beisheim, Birgit Lode, Nils Simon: *A Sustainable Development Council. In the Run-up to Rio 2012: Options for Reforming the UN Sustainability Institutions*, Berlin: Stiftung Wissenschaft und Politik, SWP Comments 28/2011, October 2011.

12 Sources: Cf. Michael Doyle as quoted in Carmen Malena: *Strategic Partnership. Challenges and Best Practises in the Management and Governance of Multi-Stakeholder Partnerships Involving UN and Civil Society Actors*, Pocantico, New York, 2004 (unpublished paper), p. 2, Jonathan Lash: *The Johannesburg Summit*, 2002, http://archive.wri.org/newsroom/wrifeatures_text.cfm?ContentID=371, and Sheldon Rampton: "Rio+10, Environment Zero" in: *PR Watch*, Vol. 9, No. 3, 2002, http://www.prwatch.org/node/277/print?quicktabs_1=0 (accessed in February 2012).

Partnerships: Types and Criteria

Definition and Types

The literature offers a variety of definitions,[13] all of which share the following features: Public private partnerships are permanent cooperations between state actors (from governments or international organisations) and non-state actors (from businesses or business associations, foundations or non-governmental organisations) that aim to make collective goods available. In recent years, the partnership has established itself as a model concept. Even before the 2002 Johannesburg conference, a wide variety of cooperation projects had been set up between public and private actors. After the summit, a number of them redefined themselves as partnerships and signed up to the CSD database.

Beyond that, the literature differentiates between several types of partnerships,[14] mostly on the basis of their goals. Although many partnerships pursue multiple goals, it is often possible to pick out a main area of focus. Most partnerships fall into one of three types (though sometimes the names differ, and sometimes the types are differentiated further):

Knowledge partnerships pool expertise and formulate proposals on the best way to implement the development goals and objectives agreed at the major UN conferences. They function as learning platforms, and their main role is to pass on knowledge. The most widely known example of this type is the United Nations Global Compact. This initiative allows businesses to share information among themselves and with other participants on the best way to help implement the Global Compact's ten principles, which derive from the core documents of various UN organisations.

Standard-setting partnerships draw up voluntary standards in areas not yet subject to binding goals or regulations. The result will often be a code of conduct, like the Common Code for the Coffee Community (4C). This minimum standard for more sustainability in the mass coffee market was developed by the coffee industry in collaboration with partners from government and civil society. 4C producers undertake a commitment to reject unacceptable practices, such as the worst forms of child labour and destruction of the rain forests. While 4C is purely a verification system with minimal requirements, other standard-setting partnerships link their codes to certification systems with labelling or quality seals which can then be used to market the product.

Service partnerships differ from the first two types in that they focus on initiating and realizing projects designed to implement development goals. Some service partnerships are primarily concerned with project financing that in many cases comes from a fund supported by public and private resources. A good example for a service partnership is the GAVI Alliance, a health-sector partnership committed to vaccinating people in developing countries against preventable diseases.

Although most development partnerships set themselves a mix of goals from all three areas, the typology is helpful because it categorises the main kinds of challenges that different PPPs are confronted with in their work.

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13 Marco Schäferhoff, Sabine Campe & Christopher Kaan: "Transnational Public-Private Partnerships in International Relations: Making Sense of Concepts, Research Frameworks and Results" in: *International Studies Review*, 11 (2009) 3, pp. 451–474; Pieter Glasbergen, Frank Biermann & Arthur P. J. Mol: *Partnerships, Governance and Sustainable Development. Reflections on Theory and Practice*, Cheltenham, 2007.
14 Sandrine Tesner: *The United Nations and Business: A Partnership Recovered*, New York, 2000; Jan Martin Witte, Charlotte Streck & Thorsten Benner: "The Road from Johannesburg: What Future for Partnerships in Global Environmental Governance?" in: Thorsten Benner, Charlotte Streck & Jan Martin Witte (eds.): *Progress or Peril? Networks and Partnerships in Global Environmental Governance. The Post-Johannesburg Agenda*, Berlin/Washington, D.C., 2003, pp. 59–84; Inge Kaul: "Exploring the Space between Markets and States: Global Public-Private Partnerships" in: Inge Kaul, Pedro Conceição (eds.): *The New Public Finance: Responding to Global Challenges*, New York: Oxford University Press, 2006, pp. 219–268; Jane Nelson: *Building Partnerships: Cooperation between the United Nations System and the Private Sector*, New York, 2002; Rainer Quitzow: *Unternehmen und Staat als Partner in der Nachhaltigkeitspolitik. Chance und Herausforderung*, Berlin: Freie Universität Berlin, Forschungsstelle Umweltpolitik, 2010.

Evaluating Effectiveness and Legitimacy

Classifying partnerships usually goes hand in hand with an evaluation, the outcome of which depends on the underlying theory and normative assumptions involved. For example, the literature on governance takes a predominantly positive view of public private partnerships as new forms of co-regulation and network governance.[15] Economists are also largely in favour of partnerships within the context of new institutional economics and more recent approaches to business ethics, just as business associations themselves.[16] Critical theorists take a more sceptical or even outright negative view of these partnerships, which they see as connected to neoliberalism, informalisation and privatisation.[17]

To evaluate partnerships, we need meaningful criteria for effectiveness and legitimacy. A minimum requirement for *effectiveness* would be that a partnership demonstrates added value beyond a "business as usual" scenario. The international debate on development refers to this criterion as "additionality". Studies in the social sciences and development evaluations measure effectiveness using three categories:[18] "Output" refers to activities and products (e.g. papers, conferences, codes of conduct or project work) that are provided by the knowledge, standard-setting or service partnership. "Outcome" rates how effective initiatives or projects are with regard to successfully changing the behaviour or living conditions of their target group. Wider-reaching effects are referred to as "impact". This includes both the contribution of the partnership to solving the problem at a broader level as well as any negative side effects. Other evaluation criteria could be added, such as the scope of the activities or their coherence.

Evaluating the *legitimacy* of partnerships also requires a number of criteria. A basic requirement is the transparency of decision-making processes. The most important yardsticks are the scope and quality of participation – i.e. to what extent all affected stakeholders participate in the decision-making process. Accountability instruments go beyond this, in that decision-makers can be held accountable ex post. Civil-society NGOs view accountability measures as imperative.[19]

Empirical tests are ultimately the most significant in determining whether the partnerships actually generate added value – i.e. whether they help achieve development goals – while playing by the principle of fairness and other rules of the game.

Several projects have been undertaken in which partnerships were catalogued in databases.[20] These make it possible to analyse when and how partnerships are set up, who the partners are, and what the main focus of their work is. However, the rather superficial nature of the information in these databases

15 Wolfgang H. Reinicke, Francis Deng: *Critical Choices: The United Nations, Networks, and the Future of Global Governance*, Ottawa, 2000; Thorsten Benner, Wolfgang H. Reinicke & Jan Martin Witte: "Multisectoral Networks in Global Governance: Towards a Pluralistic System of Global Governance" in: David Held, Mathias Koenig-Archibugi (eds.): *Global Governance and Public Accountability*, Malden, Mass., 2005, pp. 67–86; Tanja A. Börzel, Thomas Risse: "Public-Private Partnerships: Effective and Legitimate Tools of International Governance?" in: Edgar Grande, Louis W. Pauly (eds.): *Complex Sovereignty: Reconstituting Political Authority in the Twenty-First Century*, Toronto, 2005, pp. 195–216.

16 Andreas Georg Scherer, Guido Palazzo & Dorotheé Baumann: "Global Rules and Private Actors – Towards a New Role of the Transnational Corporation in Global Governance" in: *Business Ethics Quarterly*, 16 (2006), pp. 505–532; World Economic Forum: *Innovative Water Partnerships. Experiences, Lessons Learned and Proposed Way Forward*, Geneva, 2010.

17 Elmar Altvater, Birgit Mahnkopf: *Globalisierung der Unsicherheit. Arbeit im Schatten, schmutziges Geld und informelle Politik*, Münster, 2002; Petra Dobner: *Wasserpolitik. Zur politischen Theorie, Praxis und Kritik globaler Governance*, Berlin, 2010.

18 Marianne Beisheim, Andrea Liese, Thomas Risse & Cornelia Ulbert: *Erfolgsbedingungen transnationaler Public Private Partnerships in den Bereichen Umwelt, Gesundheit und Soziales*, Berlin, Freie Universität Berlin, Collaborative Research Center 700, 2005; Carmen Huckel, Lothar Rieth & Melanie Zimmer: "Die Effektivität von Public-Private Partnerships" in: Andreas Hasenclever, Klaus Dieter Wolf & Michael Zürn (eds.): *Macht und Ohnmacht internationaler Institutionen*, Frankfurt am Main/New York, 2007, pp. 115–144.

19 Steve Rochlin, Simon Zadek & Maya Forstater: *Governing Collaboration. Making Partnerships Accountable for Delivering Development*, London, AccountAbility, 2008; Simon Zadek, Sasha Radovich: *Governing Collaborative Governance. Enhancing Development Outcomes by Improving Partnership Governance and Accountability*, Cambridge, Mass., Harvard University, Corporate Social Responsibility Initiative & AccountAbility, April 2006 (Working Paper 23).

20 Cf. Rebecca Homkes: *Global PPP Project Platform*, London School of Economics and Political Science, 2012 http://globalppps.org/V1/index.php (accessed in February 2012); Ian Broadwater, Inge Kaul: *Global Public-Private Partnerships: The Current Landscape*, New York, 2005; results of the project are available at http://www.thenewpublicfinance.org (accessed in February 2012); Liliana B. Andonova: *International Institutions, Inc: The Rise of Public-Private Partnerships in Global Governance*, 2005; two further database projects evaluate CSD partnerships (Prof. Frank Biermann, University of Amsterdam, see footnote 23) and climate partnerships (Prof. Harriet Bulkeley, Durham University).

makes it difficult to identify how effective and legitimate the different partnerships are, and why they tend to vary so widely in terms of performance.

Qualitative studies on the *legitimacy* of partnerships show that different benchmarks should be applied depending on the type and task in question.[21] This means that standard-setting partnerships in particular must meet high standards regarding the transparency, inclusiveness, and fairness of their decision-making process.[22] Service partnerships on the other hand must primarily account for the use of the resources entrusted to them, for instance by using evaluations. Knowledge partnerships must vouch for the accuracy of their information.

A study conducted by the University of Amsterdam on the *effectiveness* of CSD partnerships found that 37 percent produced no output at all in terms of the criteria applied.[23] Forty-three percent did produce output, but not of a kind that could be attributed to any of their functions. This would imply that 80 percent of CSD partnerships are dysfunctional. The figures in another database confirm that over 42 percent of a sample of 757 claimed partnerships were found to be without operational activity.[24] The vast majority of partnerships is therefore clearly ineffective. The next task is to track down the positive cases and examine their secrets to success.

21 Julia Steets: *Accountability in Public Policy Partnerships*, Basingstoke, 2010; Klaus Dingwerth: *The New Transnationalism: Transnational Governance and Democratic Legitimacy*, Basingstoke, 2007.

22 Marianne Beisheim, Christopher Kaan: "Transnational Standard-Setting Partnerships in the Field of Social Rights: The Interplay of Legitimacy, Institutional Design and Process Management" in: Magdalena Bexell, Ulrika Mörth (eds.): *Democracy and Public-Private Partnerships in Global Governance*, Basingstoke, 2010, pp. 122–144.

23 Statement by Dr Philipp Pattberg from the project entitled Partnerships for Sustainable Development, VU University Amsterdam, December 2010. See also Philipp Pattberg, Frank Biermann, Sander Chan & Aysem Mert: *Public Private Partnerships for Sustainable Development. Emergence, Influence and Legitimacy*, Cheltenham, 2012 (forthcoming).

24 Homkes: *Global PPP Project Platform* [see footnote 20].

Water Partnerships: Track Records and Success Factors

Access to Clean Drinking Water: Human Right and Millennium Development Goal

Although the UN set up UN Water as a coordinating body in 2003, we still lack a uniform global water management regime.[25] Instead, various international organisations address the issue of water and there are between 400 and over 2,000 water agreements (depending on how they are counted), most of which are regional arrangements that regulate cross-border water resources.[26] Just before the United Nations Conference on Environment and Development (UNCED) was held in Rio in 1992, the International Conference on Water and the Environment drew up the "Dublin Principles". One of the principles defined water as having an economic value and stated it should be recognized as an economic good. This caused uproar in the context of the heated debate on the privatisation of water supply; NGOs launched a campaign for making water a human right. In 2002, the United Nations Committee on Economic, Social and Cultural Rights confirmed the human right to water.[27] The UN General Assembly reinforced this view in a resolution adopted in July 2010.[28]

UN Member States have committed to the Millennium Development Goal of reducing by half the proportion of people without sustainable access to safe drinking water between 1990 and 2015. At WSSD in Johannesburg in 2002, the Member States added improved access to sanitation to the targets. In mid-March 2010, UN Secretary-General Ban Ki-moon presented the report entitled *Keeping the Promise*, which described the achievements, shortfalls and challenges on the road to achieving the MDGs. The results are mixed and efforts in the water sector, as in other areas, reveal varying levels of success. According to information from the World Bank, at least 65 developing countries are well on the way to achieving the MDG on water.[29] Since 1990, drinking water supplies have been set up for around 1.8 billion people, meaning that some 87 percent of the world population has access to safe drinking water; the numbers, however, vary widely from region to region.[30] In northern Africa 92 percent of people have access to clean water, but that figure falls to 60 percent in Sub-Saharan Africa. Besides regional differences, there is a big urban-rural divide. Moreover, despite these successes, 884 million people around the world do not have access to an improved source of drinking-water. Some 2.6 billion people have no access to adequate sanitation facilities, which is detrimental to water quality and to the health of those affected. Around 1.5 million children die each year from illnesses, mostly diarrhoeal diseases, caused by unclean drinking water.

Experiences and Track Records of Transnational Water Partnerships: Three Examples[31]

Of the 349 partnerships registered with the CSD, 81 are principally concerned with water and a further 60

25 Ken Conca: *Governing Water: Contentious Transnational Politics and Global Institution Building*, Cambridge, Mass., 2005.
26 Cf, e.g. International Freshwater Treaties Database, http://www.transboundarywaters.orst.edu/database/interfreshtreatdata.html (accessed in February 2012).
27 It did this on the basis of General Comment No. 15, an international expert report that interprets the human right to water as a component of the International Convention on Economic, Social and Cultural Rights. Cf. UN ECOSOC, Committee on Economic Social and Cultural Rights: *The Right to Water*, General Comment No. 15 (2002), E/C.12/2002/11, Geneva, 20 January 2003.
28 UNGA: *The Human Right to Water and Sanitation*, A/Res/64/292, 28 July 2010.
29 World Bank: *World Development Indicators 2010*, Washington, D.C., April 2010, p. 20.
30 In total, 71 percent of the population of developing countries had access to safe drinking water in 1990; in 2008 it was 84 percent. WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation: *Progress on Sanitation and Drinking-water: 2010 Update*, Geneva, 2010, pp. 13, 52.
31 This section is based on findings from a research project entitled "Conditions for the Success of Transnational Partnerships for Development". Funded by the German Research Foundation (DFG) and led by Marianne Beisheim and Andrea Liese, the project forms part of Research Center 700 on Governance in Areas of Limited Statehood (SFB700/D1, www.sfb-governance.de/ppp). The project investigates 21 PPPs. Sabine Campe produced case studies of GWP and WSUP, the results of which are included in the following analysis.

claim also to deal with the topic. Like other partnerships, water partnerships differ in terms of the actors involved and the problems they address. This analysis concentrates on *transnational multi-stakeholder* partnerships, which are made up of different types of actors. Their boards comprise representatives of international or regional organisations, government bodies, and of civil society, business or academia. In other partnerships, not all these groups are represented. For instance, WaterAid is in the CSD's PPP-database even though it describes itself as a purely non-governmental organisation. Some partnerships are made up of actors from one specific region (like the EU Water Initiative and the North American partnership Water for People). Others are only active in a single region (like Water for All, in Africa).

Beyond their participants and geographical scope, water partnerships also differ in terms of the task they set themselves. As mentioned above, the most common types are knowledge, standard-setting and service partnerships.[32] Each of the following three transnational water partnerships are an example for one of the three types, and each faces its own unique challenges (cf. table 2, page 17).

The *Global Water Partnership* (GWP) was initiated by UNDP and the World Bank in 1995, and founded during the World Water Forum in Stockholm in 1996. Over 2,300 governmental and non-governmental partner organisations are part of the GWP Network. Its main sponsors are the Netherlands, Sweden, the UK and the World Bank. The Steering Committee of the GWP Organisation comprises representatives of donors, regional and national partners, and other sectoral partner groups.

GWP belongs to the first generation of water partnerships to focus mainly on providing water policy advice by disseminating water-related knowledge. It is dedicated to boosting awareness for and encouraging the implementation of integrated water resources management (IWRM). This policy concept takes account of the ecosystem as a whole, and takes the water cycle together with human interventions as the basis for sustainable water management. The

integrated perspective it provides helps decision-makers weigh up different user demands. With the participation of representatives from all user groups, also involving planners and policy makers at all levels, the idea is to reach as broad a consensus as possible on how to achieve the maximum human benefit and at the same time secure the sustainability of vital ecosystems.

GWP has been instrumental in helping to establish IWRM in donor and partner countries as a recognised international standard for good water management. In doing so, this knowledge partnership has achieved its main goal. But beyond its success in terms of agenda-setting, GWP achievements have been limited. So far, only a handful of countries have implemented the concept in their national water policies. GWP responded to this by dividing its activities. The GWP Network continues to work on global agenda-setting, while the GWP Organisation focuses more on promoting national implementation. External evaluations criticised GWP for not doing enough to expand local capacities.[33] This led GWP to launch a new strategy and to direct more attention to the meanwhile 13 regional and 74 country partnerships that are intended to offer a more targeted response to local needs. In another evaluation, conducted five years later, over half of those partnerships received a positive assessment.[34] To address the criticisms regarding IWRM implementation, GWP updated its IWRM Toolbox, a website that provides case studies and planning tools for sustainable water resources management. So just how effective and legitimate is GWP? In line with its stated tasks, GWP has established a network of experts and produces knowledge (output). However, that output has not (as yet) brought about wide-reaching changes in behaviour among its target groups (outcome). GWP responded to this by undertaking organisational changes that are beginning to yield their first successes.

Controversy surrounds GWP's legitimacy. On the one hand, the partnership is open to new members. On the other it is accused of lacking transparency and of failing to adequately include representatives of developing countries and members of groups critical

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32 There are also transnational partnerships that only shed light on a very specific aspect of the water issue. The Public-Private Partnership for Handwashing with Soap, for instance, campaigns for better hand hygiene because the majority of contagious diseases are passed on from hand to hand. The Water Integrity Network focuses mainly on corruption. Others focus on gender issues (e.g. the Women for Water Partnership or the Gender and Water Alliance).

33 Performance Assessment Resource Centre (PARC): *External Review of the Global Water Partnership*, Birmingham, 2003.
34 PARC: *Global Water Partnership. Joint Donor External Evaluation*, Final Report, Sheffield, 2008.

Table 2
Transnational water partnerships: three case studies

Knowledge partnerships	Standard-setting partnerships	Service partnerships
Global Water Partnership (GWP)	Alliance for Water Stewardship (AWS)	Water and Sanitation for the Urban Poor (WSUP)

of privatisation.[35] GWP is intensifying its cooperation with UN Water, which facilitates its operational collaboration with a number of UN organisations, such as UNDP and UNEP.[36] This is intended to increase not only the effectiveness but also the legitimacy of GWP's work.

One of the few partnerships that aim to set standards for the water sector is the recently founded *Alliance for Water Stewardship* (AWS). Modelled on certification partnerships like the Forest Stewardship Council (FSC) and other environmental labels, AWS plans to develop an international standard for sustainable water use and a voluntary third-party certification programme.[37] The standard and the processes that will monitor compliance with it are to be drawn up in a round-table multi-stakeholder process (the multi-year "Water Roundtable") that is supposed to be equitable, transparent and participative. Water authorities, businesses, municipalities, local communities, environmental NGOs, and academics are all encouraged to participate. The partnership promotes its efforts in line with market and marketing requirements. It intends to make the standard an attractive brand that stands for sustainable water management. AWS also plans to offer training courses that provide water users with the knowledge required to achieve certification. What is striking is that, as yet, the partnership has no direct link to any UN organisations. The Steering Committee currently only includes representatives of non-profit organisations (like WWF, the Nature Conservancy, and the European Water Partnership).

Because the initiative only began its work at the 2009 World Water Week, it is too early to evaluate its success. Findings on other standard-setting partnerships show that this type of partnership faces particularly challenging starting conditions.[38] Firstly, the partnership has to establish precise norms that all participants are fully committed to observing. To secure the legitimacy of the norms, it must ensure that there is scope for sufficient participation in the standard-setting process. AWS is working to achieve this using the round-table process mentioned above. It has declared its intention to comply with the criteria of the ISEAL Alliance,[39] which requires a commitment to an open and transparent standard-setting process with broad, well-balanced stakeholder participation. Last but not least, the partnership has to set up a monitoring process to oversee compliance with the standards. AWS has yet to establish the standard and the processes for implementing it. However, if it succeeds in doing so, it will have achieved something that multilateral policy has so far failed to do.

The service partnership *Water and Sanitation for the Urban Poor* (WSUP) was co-initiated by UK company Thames Water in 2004. WSUP aims to improve water supply and sanitation in slums and informal settlements on the peripheries of cities. The partnership develops and supports local projects through its Secretariat, which networks and advises partners and funders. WSUP members include private-sector actors (Thames Water until 2009, Unilever, Halcrow Group), non-governmental organisations (CARE International UK, WaterAid, WWF) and, as observers, UNDP and the International Water Association. The main funders are

35 Dobner: *Wasserpolitik* [see footnote 17]; World Bank, Independent Evaluation Group: *The Global Water Partnership*, Global Program Review 4–3, Washington, D.C., 2010.
36 http://www.unwater.org/activities_Interview_Ania_Grobicki.html (accessed on 28 May 2011).
37 http://www.allianceforwaterstewardship.org/ (accessed in February 2012). Parallel to this the European Water Partnership, an NGO, is developing standards for sustainable water management in industrial processes, in agriculture and in cities, http://www.ewp.eu/activities/water-stewardship/water-stewardship-standard (accessed on 15 February 2011).

38 Initiatives like the FSC with its seal for sustainably sourced timber, or the 4C partnership (Common Code for the Coffee Community) with its code of conduct in the coffee sector have relevant experience in this respect.
39 The International Social and Environmental Accreditation and Labelling Alliance is an umbrella organisation which currently comprises 20 standard-setting initiatives. It developed its code of conduct (Code of Good Practice for Setting Social and Environmental Standards) in 2004, using experiences gained by its eight founding member organisations.

the development agencies DFID, USAID and AusAid, and the Bill and Melinda Gates Foundation. WSUP's work begins with identifying possible projects in relevant countries. It then prepares these projects by working with local authorities, local service providers and local community organisations. In the next step WSUP supports a negotiation process, during which data are collected, contracts signed and projects realised. If a project comes to fruition, WSUP members found a consortium that steers and controls its implementation. The partnership intends to create a success model for sustainably effective water-partnership projects, which can serve as a prototype for others and also be expanded. WSUP is not just focusing on technological solutions – it is also committed to taking local needs and people on board. Local partners are to be included in the implementation of projects from the outset in order to set up sustainable, locally managed infrastructures and utilities.

Evaluating WSUP's success requires taking a differentiated view of its track record. To date, WSUP has run nine projects (output) and, according to its own figures, to date has provided 596,000 people with access to clean drinking water (outcome).[40] One could criticize that in terms of speed and scope the partnership missed its target, set in 2007, of reaching half a million people by the end of 2008. Nevertheless, this service partnership is comparatively effective because measurable successes exist that can clearly be traced back to its work. With the help of accompanying capacity-developing measures, WSUP also managed to ensure that the majority of its projects were well-received in their respective regions. When it comes to legitimacy, the situation is rather ambiguous. While those affected at the local level have participated very actively in the implementation of projects, they are not represented in WSUP's decision-making bodies.

40 http://www.wsup.com/whatwedo/achievements.htm (accessed in February 2012).

Lessons Learned: Success Factors in Partnerships for Sustainable Development

The factors that determine the success or failure of partnerships are as diverse as the partnerships themselves. Some success factors are relevant to all transnational development partnerships while others only apply to specific types (both in the water sector and beyond).

Partners and Their Resources

The partners involved in an initiative play a crucial role: the initiative's success depends on how well the partners' interests and intentions dovetail with the goal of the partnership, and on how well their resources complement each other.

The word "partner" can have many meanings. Here, it mainly refers to all the parties who are represented on the central decision-making committee of a transnational partnership. In this case, the partners are often also the founders. This steering body largely maintains a ratio that is intended to secure a fair representation for all partners involved. For instance, a third of representatives could each come from government, industry and civil society or, in other cases, consist in equal parts of producers, retailers and consumers, or representatives of business, environmental and social interests. The main donors are usually also represented, but recipients from the South feature less regularly – something that NGOs are always quick to criticise.

If standard-setting partnerships are to be effective and legitimate, they must include as partners everyone who is potentially affected by the standard. This is the only way to secure the necessary voluntary recognition of and compliance with the standard. Knowledge partnerships, on the other hand, must above all attract expert partners. Service partnerships need two types of partners, those who bring in the necessary financial resources and those who are familiar with local conditions and who they can work with on implementing individual projects. Examples of the latter partners are local representatives of NGOs or local service providers.

Correspondingly, the resources that partners contribute to initiatives are also very diverse, and vary according to the type of partnership in question. In addition to financial resources, there is also demand for expertise and good contacts in the target countries. The main motivation participants have for collaboration is their interest in the complementary resources of their partners. This should create synergies and lead to the intended win-win situation.

Another key resource is leadership. Participants often point out that the success of the entire initiative depends on the commitment of one particular partner. This leadership can be of an intangible or tangible nature. In the first case, one partner takes on the lead role within the partnership,[41] for example by acting as a pioneer; in the second, a partner makes the main financial contributions.[42] Some partnerships, like AWS, set up a steering committee that shall take on the leadership of the initiative. Many partnerships, among them WSUP, receive generous support from the Bill and Melinda Gates Foundation. Without sufficient funds, it is impossible to set up a secretariat with qualified personnel and a functioning infrastructure. Hosted partnerships, i.e. with secretariats located permanently in the parent organisation, are often only half-heartedly operated from there, and therefore rarely make it out of the start-up phase.[43] While GWP, for example, was initially part of the Swedish International Development Cooperation Agency (SIDA), it was able to emancipate itself and achieve independent status, thanks to its sponsors. The availability of re-

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41 An individual can also perform this kind of leadership role. One example is Annemieke Wijn, president of the German Coffee Association, who was involved in drafting the Common Code for the Coffee Community. Another is Kader Asmal, former chair of the World Commission on Dams that developed guidelines for building large-scale dams.
42 Marianne Beisheim, Andrea Liese & Cornelia Ulbert: "Transnationale öffentlich-private Partnerschaften – Bestimmungsfaktoren für die Effektivität ihrer Governance-Leistungen" in: Gunnar Folke Schuppert, Michael Zürn (eds.): *Governance in einer sich wandelnden Welt*, Wiesbaden, 2008 (PVS-Sonderheft 41), pp. 452–474.
43 This finding is supported by the data in Rebecca Homkes: *Analysing the Role of Public-Private Partnerships in Global Governance. Institutional dynamics, variation and effects*, unpublished PhD-thesis, London: LSE, September 2011.

sources therefore also affects the ability to develop independent and efficient structures.

Internal Governance Structures

Partnerships are incapable of acting without a sound internal governance structure.[44] Many partnerships have found a dual structure to be helpful in ensuring the effectiveness and legitimacy of internal decision-making and participation processes: While their decision-making bodies are kept relatively small and therefore efficient and flexible, many partnerships convene a larger meeting at least once a year, at which all partners and in some cases affected third-parties have certain rights of say, but cannot block decisions.

Crucial for securing a partnership at the institutional level are the contracts and agreements that it is based on.[45] These must involve a high degree of obligation and precision. Rights and duties must be set out in unambiguous terms for each partner. The agreed norms and statement of tasks must be formulated with sufficient precision to guide the behaviour of the partners and to ensure that violations of the norms can be clearly identified. A monitoring process must be established to oversee compliance with the norms. The most reliable kind of monitoring process is one that is managed by an external third party. This kind of institutional design has proven essential for standard-setting and service partnerships in particular, as they have to deal with typical collective action problems like free-riding or cheating. There are strong incentives to abuse the system – for instance, to use the seal of a standard-setting partnership while saving on the costs for actually implementing the standard, or spending project funds on things other than the purposes for which they were intended. In these and other cases, the structure described can prevent a partnership falling into disrepute.

Managing for Results

The management aspect refers mainly to process features. Partnership management covers decision-making and communication processes, as well as the management of the implementation of plans and projects. Once again, it is a matter of effectiveness and efficiency, legitimacy and recognition.

Partnerships are characterised by voluntary participation and a non-hierarchical relationship between the partners. This brings about some challenges; partners must invent their institution themselves – they have to define goals, and develop structures and processes like, for example, the decision-making procedures. All participants must deem the structures and processes of the partnership to be fair and appropriate; otherwise, partners will soon jump ship and go looking for other initiatives. Therefore, from the very outset, all partners must communicate extensively and transparently with each other. It has proven helpful to bring in a neutral moderator as early as possible – one who is accepted by all sides. This facilitator organises and drives forward internal communication and, where necessary, arbitrates between participants. Despite the harmonious rhetoric surrounding partnerships, conflicts can break out quickly, especially in the initial phases. Experts and participants therefore agree that it is best to firmly anchor some kind of mediation mechanism in the partnership so that problems can be eliminated as quickly as possible.[46] Insurmountable differences have spelled the end of more than a few fledgling initiatives. Standard-setting partnerships are particularly vulnerable because the partners have to agree at an early stage on a uniform standard with a certain level of ambition. Conflicts are bound to arise when the visions of critical NGOs clash with the ideas of businesses operating under cost pressure. If the standard is set too low, NGOs will protest. If the standard is too demanding, there is a risk that too many industry representatives will opt out. The partnership can there-

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44 Andrea Liese, Marianne Beisheim: "Transnational Public-Private Partnerships and the Provision of Collective Goods in Developing Countries" in: Thomas Risse (ed.): *Governance without a State? Policies and Politics in Areas of Limited Statehood*, New York, 2011, pp. 115–143.

45 Ibid. See also Carmen Malena: *Strategic Partnership. Challenges and Best Practises in the Management and Governance of Multi-Stakeholder Partnerships Involving UN and Civil Society Actors*, Pocantico, New York, 2004 (unpublished paper).

46 Jennifer M. Brinkerhoff: "Partnership as a Social Network Mediator for Resolving Global Conflict: The Case of the World Commission on Dams" in: *International Journal of Public Administration*, 25 (2002) 11, pp. 1281–1310; Minu Hemmati et al.: *Multi-Stakeholder Processes for Governance and Sustainability. Beyond Deadlock and Conflict*, London, 2002; Hans-Peter Meister, Constanze Helmchen: *Dialogue and Mediation on Environmental Issues in Europe. Experiences, Success Factors and Perspectives*, Study on behalf of the European Commission, Final Report, Berlin, 2003.

fore only work if participants negotiate a consensus. The comments on the negotiations currently being held at the AWS round table are a good example. The documents on its working method repeatedly emphasise the importance of an open and transparent process and of a participative structure that includes sectoral and regional interests.[47] The International Standard's Development Committee that AWS recently set up is therefore staffed in a complex process and according to differentiated criteria and quotas.

As soon as a transnational partnership is locally active, the demands on communication increase. More and more typical multi-level problems will occur, which is why effective interface management is required.[48] By this point at the latest, partnerships must have an independent, well-equipped secretariat that manages everyday communications. This should not only happen in a top-down process: If the secretariat fails to quickly pass on feedback from local partners or target groups to decision-makers at the transnational level, it will compromise the effectiveness and acceptance of the project work at the local level. Evaluations confirm that service partnerships must pay particular attention to coordinating their project work with local actors. In the case of donor coordination, this might include other project organisers, or locals who are affected but are not part of the specific target group – e.g. private water traders whose business will be affected by the competing partnership water project.

It is therefore clear that implementing projects involves considerable management challenges. If partners draft plans for projects at the transnational secretariat level only, there is a danger that those will not reflect local realities. Projects should not be planned top-down on the basis of one-size-fits-all blueprints. From the outset they should be developed in collaboration with the people who will be directly affected by the project.[49] For example, after a bumpy start WSUP switched to an approach that took account

of local needs and capacities at every step.[50] GWP also stresses that its activities are designed to be demand-oriented.[51] And AWS is already planning to give participants from the target regions a major role in the first test-run of the standards. The research literature also confirms that the management of any given partnership must ensure that projects are adapted to fit local conditions.[52] This has been under discussion for traditional bilateral and multilateral development-cooperation projects since the 1980s.[53] Unsurprisingly, it also applies to development partnerships' projects. The participation of target groups should not only help to achieve goals more effectively; it should also boost recognition and legitimacy of the work.

Finally, partnerships should review the evaluations of their own working methods and projects thoroughly and should respond rapidly and constructively to criticism.[54] The Paris Declaration on Aid Effectiveness calls for a "managing for results" approach in development cooperation.[55] PPPs' projects would certainly benefit from a performance assessment that is trans-

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47 http://www.allianceforwaterstewardship.org/water_roundtable.html (accessed in December 2010).

48 Marianne Beisheim, Sabine Campe & Marco Schäferhoff: "Global Governance through Public-Private Partnerships" in: Henrik Enderlein, Sonja Wälti & Michael Zürn (eds.): *Handbook on Multi-level Governance*, Cheltenham, 2010, pp. 370–382.

49 Within the discussion on development cooperation, a key supporter of this position is William Easterly: *The White Man's Burden. Why the West's Efforts to Aid the Rest Have Done so Much Ill and so Little Good*, London, 2006.

50 Cf. interview with a WSUP employee: "The project development process we inherited from the original concept in the organization in the early phase is quite engineering-influenced. So it was a lot of upstream project development [...]. Now, we are approaching it very differently. [...] then from almost the first go, we are out in the communities to build up capacity, even at a small scale." Interview material from SFB700/D1-project [as Footnote 31].

51 "GWP is a demand-led and responsive international action-oriented network." Global Water Partnership (GWP), *Specific Lessons from the Independent Evaluation Group's (IEG) Review Related to the 2004–2008 Strategy Period with GWP Comments*, Stockholm, 2010, p. 2.

52 James Manor (ed.): *Aid That Works. Successful Development in Fragile States*, Washington, D.C., 2007, p. 7; Daniel Compagnon: *Transnational Public Private Partnerships and Environmental Governance in Africa. Can New Forms of Governance Solve the Implementation Deadlock?* Université Bordeaux, January 2008 (GARNET Working Paper 3208), p. 8; Liliana B. Andonova, Marc A. Levy: "Franchising Global Governance. Making Sense of the Johannesburg Type II Partnerships" in: Olav Schram Stokke, Øystein B. Thommessen (eds.): *Yearbook of International Co-operation on Environment and Development 2003/2004*, London, 2003, pp. 23f.

53 World Bank Independent Evaluation Group: *Annual Review of Development Effectiveness 2006. Getting Results*, Washington, D.C., 2006; Roger C. Riddell: *Does Foreign Aid Really Work?* Oxford, 2007.

54 Martin Greeley: "A Framework for Assessing Program and Project Aid in Low-Income Countries under Stress" in: Manor (ed.): *Aid That Works* [see Footnote 52], pp. 53f.

55 Cf. OECD-DAC: *Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability*, Paris, 2005.

parent and can be monitored using indicators. In a number of partnerships incentive systems with performance-based funding have proven effective: Once a project phase has ended, additional funding is only provided if the phase has achieved measurable, proven successes.[56] At the same time, managers of a development partnership must ensure that control systems are not too complex and expensive for recipients who have only limited capacities. For that reason, duplicate reporting should be avoided.

Knowledge partnerships can also benefit from evaluations. GWP learned its lesson after reports levelled harsh criticism at the partnership.[57] It responded by introducing a new management structure designed to improve communication, monitoring and evaluation. Instead of going on the defensive, partnerships should develop awareness for the importance of continual change management over the course of a project. This would better equip them to respond to new challenges. Partnerships that are open to learning generally work more effectively than those that are not.[58]

Opportunities and Limits of Partnerships

Partnerships offer good prospects for being learning institutions. And it is not only individual partners that can learn from each other – entire partnerships can do so too. The aim should be to replicate pilot projects that have received a positive evaluation, i.e. scaling up to achieve broader impact. The results of a McKinsey study show that it makes sense to begin with a narrow scope and then to expand it when the first successes start coming in.[59] Helen Clark, Administrator of the UNDP, sees the replication of successful learning partnerships as their main contribution to achieving the Millennium Development Goals.[60] But this learning

process does not just happen automatically.[61] It is the responsibility of the partners and the governments or international organisations that are supporting these partnerships. Therefore, institutional reforms are needed if we are to make the most of the opportunities offered by the partnership approach.

That said, the approach does have its limits. Development partnerships are not equally suitable or attractive for every task. When win-win situations are in sight, private actors may well be interested in public private partnerships. But if conflicts persist and there are no prospects of future profits or market access, many companies will turn their back on PPPs. This has proven to be the case with water partnerships in particular. Water companies were forced to acknowledge that they could not simply sell their costly standard technology in developing countries. Consumers in these regions lack the necessary purchasing power, and the local requirements are different to those at home. It took a while before companies could be persuaded to offer affordable and needs-based low-tech solutions that were better suited to the conditions in poor countries. If problems of this nature are ignored, there is a risk of conflict at the local level – as overly hasty attempts at privatisation in many developing countries have demonstrated. The failure of these projects proved costly for everyone involved.[62]

Moreover, certain topics and tasks are better suited than others to encouraging the private sector to get involved. For instance, it is often bemoaned that inadequate sanitation generates less publicity than access to clean drinking water and is therefore a less attractive issue.[63] This is why relatively few development partnerships are currently involved in improv-

56 Originally developed to make governmental development cooperation more effective (cf. OECD: *Managing for Development Results*, Paris, March 2009 [Policy Brief]), these systems are also used successfully in partnerships.
57 "GWP builds on and learns from its past, as it evolves." GWP: *Specific Lessons* [see Footnote 51], p. 1.
58 Ken Caplan, Joe Gomme, Josses Mugabi & Leda Stott: *Assessing Partnership Performance: Understanding the Drivers for Success*, London: Building Partnerships for Development, 2007.
59 McKinsey & Company: *Developing Successful Global Health Alliances*, Report for the Bill and Melinda Gates Foundation, 2002.
60 "With strong global partnerships, with committed leaders, and by applying what we learn and replicating and scaling up what works, we can achieve the MDGs." Helen

Clark, Administrator of the UN Development Programme (UNDP), UN Daily News from the United Nations News Service, 9 June 2010.
61 In fact, recent studies show that most partnerships are pretty bad in sharing information and learning from each other, see Homkes: *Analysing the Role of PPP* [see Footnote 43].
62 An example of this is the attempt to privatise the water supply in Cochabamba, Bolivia. Cf. Marianne Beisheim: "Ware Wasser: Private Beteiligung bei der Wasserver- und -entsorgung in Entwicklungsländern. Lehren aus dem Fall Cochabamba" in: Beate Rudolf (ed.): *Menschenrecht Wasser?* Frankfurt am Main 2007, pp. 109–121.
63 "Sanitation remains a taboo. Toilets and latrines are not a sexy topic. The lack of public attention is contributing to the political and financial neglect of the sanitation issue." Inka Winkler, German Institute for Human Rights, in an interview for the German broadcaster SWR on 19 September 2010 (own translation).

ing sanitary conditions. If state donors want to do without traditional development instruments here, they will have to create greater incentives for partnership initiatives.

Many partnerships are expected to promote sustainable development in weak and fragile states.[64] But statistics show that most PPP activities take place in newly industrialised countries, as is the case with foreign direct investments in general.[65] This does not come as a surprise, since these emerging markets are particularly promising for businesses. By contrast, weak and fragile states lack much of what is interesting to investors. The legal framework to secure investments is often inadequate or even non-existent. Some water-partnership projects in informal settlements have failed as a result of unresolved land rights issues. Examples include WSUP projects in urban slums in India and Bangladesh.[66] Fragile security situations and poor local infrastructure are other reasons dampening the investment spirits of businesses. In many developing countries, implementing and controlling projects is complicated further by inefficient operator and management structures, overstretched municipalities, corruption and political intervention. This is why, in governmental development cooperation, accompanying capacity development is now regarded as crucial to the success of projects.[67] Capacity development can include developing administrative skills (good governance), the ability to incorporate societal groups and stakeholders, and technical expertise.[68] To date, coordinated accompanying

capacity development only occurs in a handful of partnerships. Where it does, however, it is extremely beneficial to the long-term success of the project. In some cases, the partnership itself directs its efforts towards this goal. Since 2009, WSUP has shifted the focus of its work in the direction of capacity development – this is reflected in the partnership's new profile and strategy.[69] When working on these tasks, however, partnerships quickly reach the limits of their own resources and capacities.

And so the state comes back into the picture, both in the donor countries and the partner countries. Interpreted under international law, General Comment 15 on the Human Right to Water does give governments the option of cooperating with private actors in supplying drinking water. However, it is the state that is ultimately obliged to ensure citizens' access to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use. States must therefore fulfil their regulatory duty to protect – in some instances even outside of their own territory.[70] In her 2010 report to the UN Human Rights Council, Catarina de Albuquerque, the United Nation's independent expert on the human right to water and sanitation, says that states must uphold human rights and therefore bear primary responsibility in this regard.[71] The best way to achieve this is if, in parallel to PPP projects, bilateral or multilateral development agencies would use their funds to support local infrastructure development and state-building.[72]

64 Marianne Beisheim, Andrea Liese & Cornelia Ulbert: "Governance durch Public Private Partnerships in schwachen Staaten" in: Marianne Beisheim, Gunnar Folke Schuppert (eds.): *Staatszerfall und Governance*, Baden-Baden, 2007, pp. 326–345.

65 OECD: *Public-Private Partnerships in the Urban Water Sector*, Paris, April 2003 (Policy Brief OECD Observer); Uwe Hoering: *"Zauberformel PPP". "Entwicklungspartnerschaften" mit der Privatwirtschaft. Ausmaß – Risiken – Konsequenzen*, Bonn and Berlin, October 2003 (WEED working paper); idem.: *Privatisierung im Wassersektor – Entwicklungshilfe für transnationale Wasserkonzerne: Lösung der globalen Wasserkrise?* Bonn, November 2001 (WEED working paper).

66 Marianne Beisheim, Hannah Janetschek & Johanna Sarre: *Partnerships for Development and the Provision of Water and Sanitation. Conditions and Limits*, Berlin: Stiftung Wissenschaft und Politik, SWP Comments 17/2011, July 2011.

67 UNDP: *Capacity Development and Aid Effectiveness*, Conference Paper 9, Geneva, 2006, p. 11; BMZ: *Capacity Development und Aid Effectiveness*, Discussion Paper in Preparation for the High Level Forum on Aid Effectiveness in Accra, Bonn, 2008.

68 OECD-DAC: *The Challenge of Capacity Development. Working

towards Good Practice*, Paris, 2006; Ulrike Ebeling et al: "Capacity Development in Fragile States" in: BMZ (ed.): *Transforming Fragile States. Examples of Practical Experience*, Baden-Baden, 2007, pp. 305–318.

69 "At the heart of WSUP's approach is its strong emphasis on working with service providers and strengthening their capacity to deliver services to the urban poor." http://www.wsup.com/whatwedo/index.htm (accessed in February 2012).

70 Jochen von Bernstorff: "Extraterritoriale menschenrechtliche Staatenpflichten und Corporate Social Responsibility. Wie weit geht die menschenrechtliche Verantwortung des Staates für das Verhalten eigener Unternehmen im Ausland?" in: *Archiv des Völkerrechts*, 49 (2011) 1, pp. 34–63.

71 United Nations General Assembly: *Report of the Independent Expert on the Issue of Human Rights Obligations Related to Access to Safe Drinking Water and Sanitation, Catarina de Albuquerque, to the Human Rights Council*, A/HRC/15/31, New York, 2010.

72 OECD: *Principles for Good International Engagement in Fragile States. Learning and Advisory Process on Difficult Partnerships (LAP)*. Draft, Paris, 2005.

German Bilateral Public Private Partnerships

In comparison, how are bilateral partnerships between German development agencies and private actors administered? The BMZ's partnership programme, "develoPPP", is regarded as a role-model scheme. The main organisations that were charged with implementing the development partnerships are GTZ (or now GIZ),[73] DEG[74] and the non-profit service organisation Sequa (cf. Table 3, page 25). Since 1999, over 3,300 development partnerships have been set up in some 70 countries. Together they have received funding of around €21.4 billion.[75] Of all these PPP initiatives, 4.8% were dedicated to the water sector.

The BMZ's partnerships have benefited from the Ministry's own catalogue of criteria, which defines the minimum requirements a development partnership must fulfil. The catalogue is used to check a prospective partnership project's development orientation, complementarity, subsidiarity, and competitive neutrality. Furthermore, the business partner must cover at least half of the total costs by contributing financing, staff or both. According to the BMZ, for every euro that the public sector puts into the PPP programme, 1.7 euros are contributed by the private sector.[76]

The develoPPP projects generally specialise in areas for which the partner company is willing and able to provide expertise or other resources. German companies usually submit projects that they want to implement within the scope of their core business in the BMZ partner countries. For instance, the GTZ is working in partnership with VAG-Armaturen AG to prevent water loss in pipelines,[77] while a project with a subsidiary of Hansgrohe AG is focusing on grey-water recycling in the hotel industry in Jordan. There is thus only limited scope for targeted steering of the overall PPP programme in line with BMZ's Water Sector Strategy.[78]

According to Jörg Hartmann, former head of the GTZ Office for Cooperation with the Private Sector, project and process management are crucial to the success of German development partnerships.[79] He says that soft factors are key like, for example, expectation management with regard to the partners. Furthermore, PPPs should not operate on the basis of a rigid plan; rather, they should be continually developed in line with the expectations and capabilities of the partners. This means that the contract is often just the beginning – not the end – of an ongoing negotiation process. Alongside the commercial interests of private-sector partners, the political interests and informal relationships of local partners also gain relevance during the course of a project. This complicates the processes, as control cycles need to be continually executed. At the same time, one needs to keep an eye on efficiency to ensure that decision-making processes are not overly delayed. According to Hartmann, small projects in particular tend to get overwhelmed very quickly, especially since they are often burdened with too many additional development targets – like conflict-prevention, gender and climate goals, or fighting HIV/Aids.

Project-development processes have been repeatedly refined. An ideas competition has been introduced to make it easier to compare project proposals with the criteria catalogue. Part of the competition remains free of thematic constraints (develoPPP.impuls), while in another section, topics are pre-selected (develoPPP.thema) to attract PPPs in a more targeted way, for example in the field of water services. The evaluation of the PPP programme recommended forming strategic inter-sector and transnational alliances to help broaden the impact of the projects.[80] Today, these larger cross-border collaborations are an integral part of the overall programme and are grouped under their own section: develoPPP.allianz.

But despite these positive developments, develoPPP cannot entirely escape criticism. Most partnerships continue to focus their activities on Asia, where attrac-

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73 Since early 2011, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) has been part of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

74 The Deutsche Investitions- und Entwicklungsgesellschaft (DEG) is part of the KfW Group.

75 BMZ: *Entwicklungspartnerschaften mit der Wirtschaft*. Annual report 2009, Bonn and Berlin, 2010.

76 http://www.bmz.de/en/what_we_do/issues/wirtschaft/privatwirtschaft/ppp/index.html (accessed in February 2012).

77 It is not uncommon for leaking supply networks to cause water losses of around 50%; worldwide, over 32 billion m^3 of drinking water are lost through leakages alone. Cf. GTZ, *Fortschritt durch Vielfalt*, Eschborn, April 2010 (developpp Report 30), p. 9.

78 BMZ: *Sektorkonzept Wasser*, Bonn and Berlin, September 2006 (BMZ Konzepte; 143).

79 Interview with Jörg Hartmann, Leiter, GTZ Büro für die Zusammenarbeit mit der Wirtschaft, 16 September 2010.

80 Tilman Altenburg, Tatjana Chahoud: "Public-Private Partnerships. Bilanz der ersten Jahre" in: *Entwicklung und Zusammenarbeit (E+Z)*, 44 (2003) 4, pp. 144–147.

Table 3
Examples of German bilateral water partnerships

	Sequa	*GTZ/GIZ*	*DEG/KfW*
Focus	Education and training	Technical cooperation	Financial cooperation
Project/country/ company	Solar water purification, Indonesia	Water losses through pipelines Brazil, Hansgrohe/VAG	Clean Water for Brazil, Grünbeck Wasseraufbereitung
		Water losses through pipelines, Jordan, Stein	Wastewater recycling, Mexico, BioPlanta

tive market opportunities beckon.[81] For the majority of the less and least developed countries bilateral PPP projects are only drops in the ocean – even if they should develop interesting pro-poor models a sustainable scaling up is yet missing. Moreover, in more than a few projects, business partners are suspected of being mostly interested in foreign trade promotion.[82] The German Water Partnership, for example, which was founded in April 2008 and is supported by five Federal Ministries (for Environment, Research, Development and Economics and by the Federal Foreign Office), is committed to promoting Germany's water industry and to developing its business fields abroad. The partnership describes itself as a platform designed to help strengthen the competitive position of industry and research on international markets.[83] It also stresses the contribution it makes to development policy, specifically to the achievement of the MDGs. But this remains rather vague and no checks are carried out to assess this contribution. The public profile of the partnership, as well as that of the participating companies is dominated by the desire to strengthen Germany's water industry and tap into new export markets. While there is nothing fundamentally wrong with that, it is important not to confuse this type of partnership with a development partnership, which should give local development interests equal weight at least.

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81 For example, 36% of the BMZ's bilateral PPPs are active here. Cf. BMZ: *Entwicklungspartnerschaften mit der Wirtschaft*, Annual report 2009, Bonn, 2010, p. 46.
82 Deutsche Welthungerhilfe/terre des hommes Deutschland (eds.): *Profitable Partnerschaft? Entwicklungszusammenarbeit mit der deutschen Wirtschaft*, Achtzehnter Bericht "Die Wirklichkeit der Entwicklungshilfe", Bonn/Osnabrück, October 2010.
83 Cf. www.germanwaterpartnership.de (accessed on 1 February 2011).

Conclusions and Recommendations

Partnerships: Potentially Innovative but Currently below Potential

As a governance instrument for sustainable development, partnerships have a mixed track record. Although most of the initiatives fail to achieve the goals they set themselves, there are some partnerships that are successful. This is partly because partnerships are able to effectively handle problems thanks to their firm but flexible institutional design and the complementary resources of the partners.

Partnerships are thus no panacea; they are just one of several types of governance instruments. It is a matter of choosing the best solution (public, private or public-private) for the task and context in question. If governments choose the public-private option, they must identify what type of partnership design is the most appropriate – for instance, whether it is better to set up a soft voluntary learning network or a tougher certification initiative that also employs sanctions. In addition, public-private forms of governance must be continually evaluated to establish whether they are long-term sustainable solutions or whether it would be more appropriate to switch to state regulation or a market solution at a certain point. This continual monitoring and assessment of partnerships for sustainable development is as much a task of the partnership as it is of the state or the CSD.

Design and Management of Partnerships

To begin with, the partnerships themselves have scope for action. They come up against the same local problems as traditional development projects. It remains to be seen whether partnerships can handle these problems better, and thereby prove the superiority of this instrument. Key success factors in this regard have been identified in three areas: the partnership's partners and resources; its internal governance structures; its management (cf. summary in Table 4). One of the most important factors is the level of leadership and dedication among the partners. Beyond that, liberal proponents who praise the voluntary nature and flexibility of the PPP concept may be surprised to hear

that if a partnership is to succeed, it requires a certain level of bindingness, precise rules, and control mechanisms. The minimum requirements with regard to institutional design vary, as the challenges that the PPPs must overcome depend on the type of task and partnership. Sharing knowledge and best practices requires a comparatively low level of institutionalisation. It is much more challenging to formulate and certify standards, or to implement complex projects. Partnerships dedicated to such goals therefore need to establish stricter institutional rules. Beyond that, partnership management is defined by factors similar to those in classic development projects: participative and transparent communication and decision-making structures; results-oriented resource management; project workflows that are adapted to local conditions. Successful partnerships recognise this and react quickly to problems by modifying their structures and processes. This flexibility and ability to change quickly is where their strength lies.

Political Integration at the National Level

The ultimate responsibility for providing citizens with vital governance services lies with the state. In developed countries, if the state delegates key tasks – like providing access to clean drinking water – to private actors, it must at least monitor success and, if necessary, intervene as a "Gewährleistungsstaat"[84] (guarantor or ensuring state). International law interpretations suggest that donor countries also bear a regulatory responsibility to protect in their activities in developing countries. Hence, when a donor country provides financial or other support to a partnership for sustainable development, it should ensure that the partnership serves the common good.[85]

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84 Gunnar Folke Schuppert (ed.): *Der Gewährleistungsstaat – Ein Leitbild auf dem Prüfstand*, Baden-Baden, 2005.
85 Cf. von Bernstorff: "Extraterritoriale menschenrechtliche Staatenpflichten" [see Footnote 70]. The UN Guiding Principles for Business and Human Rights also suggest that the state bears this duty to protect.

Table 4
Success factors in the course of a partnership

Initial phase of setting up the PPP and first products (output)	*Project activities geared to (local) target groups (outcome)*	*Broader long-term effects (impact)*
▸ Incentive and win-win situation ▸ Partners' mutual dependence on resources ▸ Actor who covers initial costs of cooperation ▸ Leadership by a recognised figure ▸ Secretariat: strong mandate, independence, sufficient resources ▸ Comprehensive communication and participation ▸ Facilitation and mediation	▸ Precise and binding goals formulated and operationalized in a process involving all stakeholders ▸ Secretariat that communicates across all levels ▸ Resource management: professional fundraising and results-based funding ▸ External evaluations to monitor performance ▸ Assessment of evaluations and change management	▸ Capacity development activities within or parallel to the project ▸ Support for local adoption and owner-ship of the project's objectives

Source: This table is based on a previous version, which was developed with Cornelia Ulbert and Andrea Liese.
Cf. Beisheim, Liese & Ulbert: "Transnationale öffentlich-private Partnerschaften" [like Footnote 42], p. 469.

To avoid the partnership failing, its prospects for success should be assessed in advance. This is a task for the donor country. To begin with, partnerships should comply with the standard criteria for social, environmental and economic sustainability. Beyond that, the BMZ's criteria for PPPs (development orientation, complementarity, subsidiarity and competitive neutrality) should be further developed and more fully operationalized in accordance with the problem and topic in question. To give these efforts an empirical foundation, evaluations of existing PPPs need to be analysed comparatively. This is the best way to produce more precise assessments of how successes can be replicated and promising approaches expanded (scaling up). Evaluations should also look at the long-term effects of the partnerships by investigating issues such as whether the measures are sustainable in the long term and whether they might have unintentional side effects.

Partnerships do possess a great deal of innovative potential: they can help to disseminate knowledge on, develop standards for, or implement projects for sustainable development. Nevertheless, they are not the perfect instrument for each and every case. From the MDG Report 2011, it is clear that we are lacking behind mostly in the least-developed countries.[86] But only a few public private partnerships are active in those countries due to inadequate investment security

and infrastructure, and the lack of lucrative markets. PPPs reach their limits under these conditions. Other bilateral or multilateral development instruments are therefore needed to address these fundamental and complex problems. If politics should want to push private-sector involvement by all means, state programmes must create targeted incentives to make these regions attractive for public private partnerships – and to ensure they remain so beyond the co-financed start-up phase. However, in doing so, it is important to avoid situations where already weak state structures are overloaded with too many projects, or where projects promoting parallel structures actually hinder state-building. Instead, in agreement with the government of the recipient country, selected partnership projects should be accompanied by measures for capacity development, to ensure that the partner countries can take over the regulatory responsibility to protect their citizens themselves as soon as possible.

Rio+20: Reforming the UN Institutional Framework for Sustainable Development

To date, the partnerships for sustainable development that are registered with the UN Commission for Sustainable Development (CSD) are not subject to any kind of comprehensive, systematic evaluation.[87] Hard-

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86 United Nations: *The Millennium Development Goals Report 2011*, New York, 2011.

87 Thomas N. Hale, Denise L. Mauzerall: "Thinking Globally and Acting Locally: Can the Johannesburg Partnerships Co-

ly any action is taken to influence the selection or institutional design of the partnerships. In June 2011, the conservative US channel Fox News levelled harsh criticism at the UN Environment Programme for its disorganised management – on the basis of an internal UN audit report on UNEP partnerships.[88] While the ideological motivation behind this criticism is obvious, the UN does need to implement reforms. A number of reports by the UN Secretary-General on UN partnerships,[89] and the outcome document of the High-Level Plenary Meeting of the General Assembly on the Millennium Development Goals (2010)[90] all stress the obligation to strengthen the central role that the United Nations plays in supporting and developing partnerships for sustainable development.

Reforming the UN's institutional framework for sustainable development (IFSD) is one of the two main themes of the United Nations Conference on Sustainable Development, to be held in Rio de Janeiro in June 2012 (UNCSD, better known as Rio+20). The current preparatory process therefore offers the ideal opportunity to encourage better UN partnership management and to draw up proposals on how to achieve this.

For instance, partnerships would benefit from having a central point of contact.[91] The responsibilities of the CSD and of the United Nations Office for Partnerships (UNOP) currently overlap; then there is the UN Global Compact (UNGC), which deals with very similar topics and has provided many incentives over recent years.[92] Furthermore, some UN organisations

operate Private Sector Focal Points as decentralised points of contact for private partners. Also at the local level, better coordination in the sense of the One UN approach is needed.[93]

Most partnerships focusing on sustainability issues are registered with the CSD. However, the partnerships that register themselves are simply added to the CSD database – they are not examined in any way. There are several problems. First of all, the criteria and guidelines for these partnerships are based on a decision made at CSD 11 in 2003; they are not binding and are very general in nature.[94] It is also unclear if they apply to partnerships in other UN organisations. The general guidelines for cooperation between the UN and the private sector were revised in 2009.[95] Although they say that "shared values and principles" and "defined timelines and measurable outputs" are crucial, the guidelines do not specify how this should be achieved or regulated. Therefore, the criteria and guidelines for partnerships must be further elaborated and operationalized so that they can be applied effectively to existing and new partnerships. In view of that, Germany should drive forward the development of clear criteria and guidelines for partnerships. As already mentioned, these criteria are important in two respects: ex ante, for deciding whether to provide governmental or intergovernmental support; ex post, to monitor and evaluate the performance of the partnership. The partnership criteria in the BMZ's catalogue offer a good starting point; they should be supplemented with additional elements such as human-rights and environmental impact assessments, as well as exclusion criteria and principles of good governance.

Secondly, there is no real review mechanism. The above mentioned CSD-11 guidelines ask partnerships to submit a regular report, preferably at least on a biennial basis. However, the reality is that the partnerships often react sluggishly or not at all to the Secretariat's annual requests for updates.[96] As a conse-

ordinate Action on Sustainable Development?" in: *Journal of Environment & Development*, 13 (2004) 3, pp. 220–239.

88 Cf. http://www.foxnews.com/world/2011/06/10/un-internal-study-reveals-its-environment-program-is-administrative-mess/ (accessed on 28 July 2011); UN Office of Internal Oversight Services: *UNEP Project Delivery Arrangements via Partnerships*, Audit Report, New York, 30 December 2010.

89 Cf. e.g. UNCSD: *Partnerships for Sustainable Development*, Report of the Secretary-General, E/CN.17/2008/10, New York, 2008, p. 25; United Nations General Assembly: *Enhanced Cooperation between the United Nations and All Relevant Partners, in Particular the Private Sector*, Report of the Secretary-General, A/64/337, New York, 2009.

90 United Nations General Assembly: *Keeping the Promise: United to Achieve the Millennium Development Goals*, Follow-up to the Outcome of the Millennium Summit, A/65/L.1, 17 September 2010, Para 78d.

91 Cf. Wade Hoxtell, Domenica Preysing & Julia Steets: *Coming of Age. UN-Private Sector Collaboration since 2000*, New York: UNGC Office, 2010.

92 Another idea on the table involves setting up a UN PPP Centre that would help governments design PPP programmes

more effectively. http://www.pppcentre.org (accessed on 15 February 2011).

93 A report by a high-level expert committee on reforming the United Nations calls on the UN to adopt a uniform and coherent profile. Cf. United Nations: *Delivering as One*, Report of the Secretary-General's High-Level Panel, New York, 9 November 2006.

94 http://www.un.org/esa/sustdev/csd/csd11/csd11res.pdf (accessed on 15 February 2012).

95 http://business.un.org/en/documents/6602 (accessed on 15 February 2012).

96 Just half of all the partnerships in the database responded

quence, the information in the CSD database quickly becomes out of date; studies suggest that up to 40 percent of the partnerships in the database are without operational activity.[97] There are no negative consequences for the partnerships for such failings. To improve this, it would be wise to introduce a uniform assessment system. The system should establish in advance whether the partnerships fulfil certain minimum criteria and whether they make sense within their specific context and problem area. Once a partnership has been operating for a while, it should have to submit brief progress reports and (where available) evaluation results, which will be assessed. One way of creating an incentive to produce regular reports would be to introduce a traffic-light system in the database, which could positively or negatively affect the public image of a partnership.[98] Partnerships that fail to report for more than two years should be removed from the database. The Global Compact is already using such a scheme. In 2007 UNGC, UNOP, UNITAR and UNDP jointly developed an instrument they called a Partnership Assessment Tool. Currently, only a few private partners employ it on a voluntary basis. But the UN itself could use it to compare and analyse the strengths and weaknesses of the partnerships. To do so, the tool would have to be anchored in the United Nations as part of a comprehensive assessment system. This is the only way to create a basis for providing targeted support to promising partnership concepts.

In the run-up to Rio+20, the German Federal Government should energetically advocate these necessary reforms of the UN institutions concerned with the partnerships for sustainable development. If the conference participants should agree to transform the CSD into a Sustainable Development Council (SDC), this new high-level body could take over the responsi-

bility for handling these partnerships.[99] The long-awaited report of the High-Level Panel on Global Sustainability also supports transforming the CSD into an SDC, and in that context asks for an institutional architecture that "encourages innovative partnerships among various stakeholders in priority areas and reviews their implementation".[100] In the follow-up process to the Rio 2012 conference, it would therefore be necessary to negotiate a clear-cut mandate for this task and to agree on adequate criteria and procedures.

The EU should immediately start drafting a proposal with suggestions for the above mentioned criteria, guidelines and review mechanisms. The paper should outline an improved institutional framework for handling partnerships within the UN. The EU should submit this proposal for the IFSD-section of the UNCSD's outcome document. This could make a valuable contribution to expanding the UN's responsibilities for the proper management of its partnerships for sustainable development – and should be part of "The Future We Want".[101]

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to an update request from the CSD Secretariat in 2003. Cf. Amy Stewart: *Partnerships for Water and Sanitation in Africa*, Report for the 16th Session of the Commission on Sustainable Development, London: Stakeholder Forum, April 2008, p. 14.
97 For that reason, a report by more than 30 scholars in international environmental governance also asks for »better methodologies for the verification and monitoring of progress«. Frank Biermann et al.: *Transforming Governance and Institutions for Global Sustainability* (Earth System Governance Working Paper No. 17), Lund and Amsterdam, 2011.
98 Green indicates active reporting; yellow indicates one report missing in the past year; red indicates reports missing for two consecutive years.

99 Beisheim, Lode, Simon: *A Sustainable Development Council* [see Footnote 11]. For reforming the UN's environmental pillar see Nils Simon: *International Environmental Governance for the 21st Century. Challenges, Reform Processes and Options for Action on the Way to Rio 2012*, Berlin: Stiftung Wissenschaft und Politik, SWP Research Paper 1/2011, February 2011.
100 United Nations Secretary-General's High-Level Panel on Global Sustainability: *Resilient People, Resilient Planet. A Future Worth Choosing*, New York: United Nations, 2012, p. 78.
101 Title of the zero-draft outcome document of the UNCSD 2012 (see footnote 10).

Abbreviations

AusAID	Australian Agency for International Development
AWS	Alliance for Water Stewardship
BMZ	German Federal Ministry for Economic Cooperation and Development
4C	Common Code for the Coffee Community
CSD	Commission on Sustainable Development
DAC	Development Assistance Committee (OECD)
DC	Development cooperation
DEG	Deutsche Investitions- und Entwicklungsgesellschaft (German Investment and Development Company)
DFG	German Research Foundation
DFID	Department for International Development
ECOSOC	Economic and Social Council (UN)
FSC	Forest Stewardship Council
GAVI	Global Alliance for Vaccines and Immunisation
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Society for Technical Cooperation)
GWP	Global Water Partnership
HIV	Human Immunodeficiency Virus
ISEAL	International Social and Environmental Accreditation and Labelling
IWRM	Integrated water resources management
KfW	Kreditanstalt für Wiederaufbau (Federal promotional bank)
MDG	Millennium Development Goal
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
PARC	Performance Assessment Resource Centre
PPP	Public private partnership
SDC	Sustainable Development Council
SFB	Sonderforschungsbereich (Collaborative Research Center)
SIDA	Swedish International Development Cooperation Agency
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFIP	United Nations Fund for International Partnerships
UNGC	United Nations Global Compact
UNICEF	United Nations Children's Fund
UNITAR	United Nations Institute for Training and Research
UNOP	United Nations Office for Partnerships
USAID	United States Agency for International Development
VENRO	Verband Entwicklungspolitik deutscher Nicht-Regierungsorganisationen (Association of German Development NGOs)
WHO	World Health Organization
WSSD	World Summit on Sustainable Development
WSUP	Water and Sanitation for the Urban Poor
WWF	World Wide Fund for Nature