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White Paper

Poly-Governance Models to Address Global Challenges

Global Agenda Council on Global Governance and the Future of Regional Organizations

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Contents

Introduction

Successful implementation of the 2030 Agenda for Sustainable Development and the United Nations Sustainable Development Goals (SDGs), adopted in September 2015, will require unprecedented collaboration globally across societies. As the preamble to the Agenda notes, "All countries and all stakeholders, acting in collaborative partnership, will implement this plan."

Poly-governance models (PGMs) for partnership and collaboration, including actors from government, civil society, business, finance, philanthropy, knowledge institutions and international organizations, must play a key part in the process of ensuring the Agenda is effectively implemented.

While public-private partnerships have been encouraged at every major UN development meeting since the Millennium Summit of 2000, PGMs that are quantitatively and qualitatively different from previous generations of partnerships are increasingly emerging. These have set new norms, reached an unprecedented scale and broken new ground in delivering services and achieving transformational impact. They have also contributed to new governance models that represent major innovations in international affairs.

The World Economic Forum Global Agenda Council on Global Governance and the Future of Regional Organizations (2014-2016) has tapped its diverse expert membership to explore the role PGMs could play in effectively implementing the SDGs.

This paper examines some of the common problems with traditional global governance mechanisms that have led to the rise of PGMs. It makes the case for more effective models of poly-governance engagement, exploring some of the challenges inherent in them, for instance in efforts to govern the internet. It concludes by drawing out some of the lessons from these early examples of multistakeholder partnerships, and recommends how policy-makers could scale up efforts to address today's serious global challenges.

Justification of the Need for a Poly-Governance Approach for Implementing the 2030 Agenda for Sustainable Development and the United Nations Sustainable Development Goals

By Michael Moller, Director-General, United Nations Geneva (UNOG), Geneva

The Sustainable Development Goals (SDGs) and the multistakeholder approach
The 2030 Agenda for Sustainable Development is a universal, integrated and transformative vision for a better future for everyone, everywhere. It emerged from the most inclusive process in the UN's history. Now, the true test will be its implementation: to achieve these new global goals, we will need the highest-level political commitment, the collective effort of all people and the engagement of all actors, at all levels.

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Multistakeholder partnerships

17.16 Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Motivation
There is a sense of urgency in achieving the required transformative change: achieving the SDGs is not an option any more; it is a necessity for the well-being of humankind. We have only 15 years.

Today we are facing more complex and interconnected global challenges. Often, even the most local problems have a global dimension. "No organization or country can do it alone," according to United Nations Secretary-General Ban Ki-moon.

Cross-cutting issues require cross-cutting solutions, different ways of functioning and an aggregation of resources and competencies from multiple stakeholders. There is a need to work at *all levels* (local, national, regional and global) and to have an "all-of-society" approach, with strategic engagement of different stakeholders in different forms of partnerships. Sustainable development means long-term actions, which require ownership, capacity and consensus. The only way is through the development of a renewed global partnership that creates trust between the actors and solutions that provide mutual benefits (win-win). Because of the inclusive and participatory approaches used, stakeholders have a greater sense of ownership for decisions made and thus are more likely to comply with them.

Business as usual for the UN is not an option any more: partnerships bring innovations and new synergies. In the past, multistakeholder partnerships, or poly-governance models, contributed to the modernization of the UN by introducing new ideas and methods of work.

Achieving the "global goals" requires additional capacity and the mobilization of resources beyond the UN system – resources intended as funds and human capacity, but also innovation, technology, research, etc. Poly-governance models are pivotal in bringing to the table innovative methods and strengthened tools for leveraging funding, innovation and research; through this, they restore the indispensable trust in governance structures across our diverse societies.

The Rise of Poly-Governance Models: The Result of Common Challenges with Traditional Global Governance

Traditional governance models based on the institutions, mechanisms and relationships that govern and regulate peaceful relations within and between entities and states – such as governments, the United Nations, international organizations and international legal instruments – are crucial to promoting a world based on the peaceful, democratic resolution of problems in the interests of the greater good.

However, a number of common, overlapping challenges are inherent in traditional models of global governance. This White Paper looks at three main problems that have affected the performance of established models of governance: their complexity and lack of transparency, stifling bureaucracy and inability to respond quickly, and confusing lines of authority. It relates instances where these shortcomings have had or threatened to have dramatic real-world consequences.

Problem 1: Complexity and lack of transparency

A common complaint concerning many traditional governance models is that they are unnecessarily complex and lack transparency.

Example: Governance of the oceans

Figure 1 is a schematic diagram that summarizes the current international multistakeholder model for ocean governance, showing the sectoral approach and plethora of organizations involved.

This ocean governance model has multiple organizations, overlapping mandates and unclear lines of authority. Moreover, it has no platform for ocean management where private and public sectors, civil society and the scientific community can work together to develop new partnerships that address the challenges oceans face. Excessive bureaucracy hinders effective action, meaning serious damage to the oceans slips through the cracks in the model. With no single agency responsible for the malaise, the outcome is poor in terms of governance.

This failure has given rise to recommendations by the Global Ocean Commission to create an Ocean Accountability Board, a "social enterprise regulator" model designed to provide a single governance platform through which stakeholders can collaborate, share information and resolve disputes.

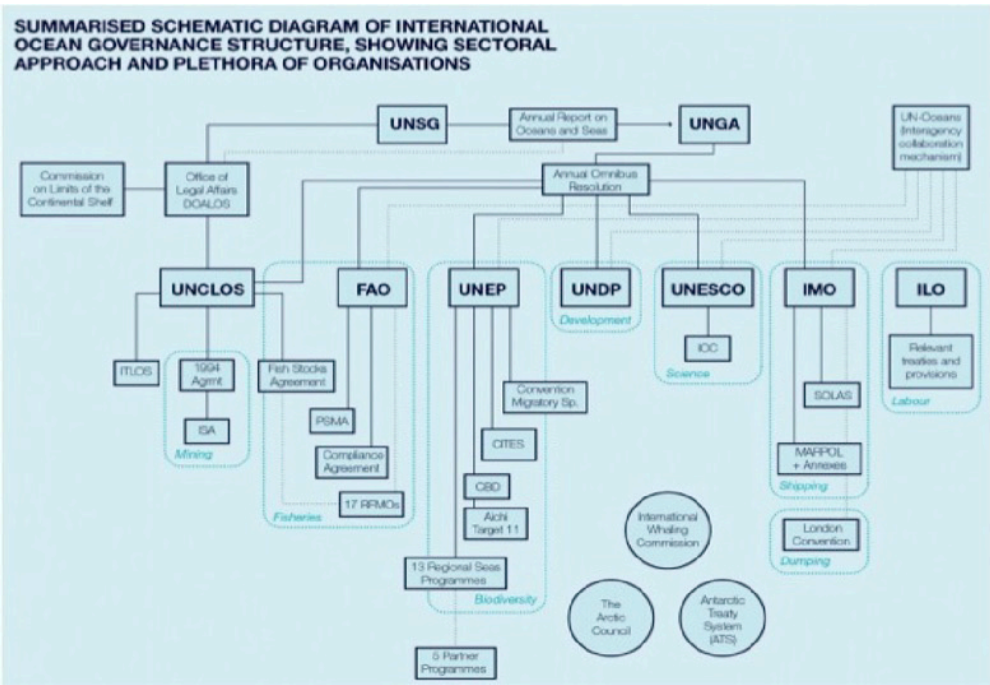
Problem 2: Bureaucracy and inability to respond quickly

Another common complaint of many traditional governance models is that they are unfocused, duplicate processes and are mired in bureaucracy.

Example: The 2013 Ebola crisis

In the case of the 2013 Ebola epidemic, the international community's sclerotic response, represented by multiple, isolated organizations with vague mandates, contributed to the deaths of over 11,000 people and the severe impact the crisis brought on three West African countries. Epidemiologists point to the 21st century's mobile

Figure 1: International Ocean Governance Structure



Source: Global Ocean Commission, *From Decline to Recovery: A Rescue Package for the Global Ocean*, 2014, p.7

populations, transport networks and large cities as providing conditions favourable to the spread of contagious diseases and the occurrence of epidemics and pandemics. The failure to find ways of effectively coordinating the many authorities with responsibility for healthcare may mean societies will not be adequately prepared to face larger and more frightening health crises than Ebola.

In the aftermath of the response, the World Health Organization acknowledged that its technical, normative culture was unprepared to deal with large-scale, long-term and multinational emergencies.[1] The unprecedented challenge faced by those responding to Ebola exposed fault lines in the traditional, public sector-led responses to global crises. This model failed in a number of key areas. Critically, the WHO's bureaucracy failed to raise the alarm quickly enough. As Ashish Jha, K.T. Li Professor of Health Policy at Harvard T.H. Chan School of Public Health, noted, "People at WHO were aware that there was an Ebola outbreak that was getting out of control by spring … and it took until August to declare a public health emergency … Those were precious months."[2] Any future PGM for infectious disease response must be able to respond rapidly to outbreaks that can potentially become epidemics or pandemics.

Problem 3: Confusing lines of authority

The third most common problem cited in traditional models of governance is unclear lines of authority. Without a clear and unambiguous mandate, multistakeholder organizations may simply choose not to act.

Example: The 2013 Ebola crisis

One of the main criticisms of the global response to the Ebola emergency was that it was unclear who was responsible for managing the response once the pandemic had spread beyond the capacity of the relevant national governments. A panel of experts convened by Harvard University and the London School of Tropical Medicine suggested that a unit called the Centre for Emergency Preparedness and Response be created within the WHO to clearly designate who should respond when disease outbreaks outstrip national capacities. The purpose of this PGM would be to depoliticize pandemic responses, encourage investment in response capacity and ensure accountability for fulfilling these responsibilities.[3]

Matching Poly-Governance Models to the Nature of the Challenge

PGMs can be established to address a wide variety of challenges – there is no such thing as one-size-fits-all collaboration. The model chosen for the multistakeholder collaboration must be designed to address the specific problem the partners are trying to solve. Partners thinking about setting up a PGM must consider the type of challenge they are seeking to address:

- **Advisory**: a failure to provide accurate and authoritative technical advice to organizations with imperfect information
- **Collective action**: a failure to align a set of diffuse interests in a situation where multiple stakeholders would benefit from solving a problem, but no stakeholder is willing to act alone
- **Governance:** a failure to provide a platform for governance of an issue where there has previously been a vacuum in governance or multiple agencies with overlapping mandates

Models for technical and advisory collaboration

Technical and advisory panels bring together a group of experts with a diverse range of backgrounds, experience and knowledge across different sectors. The model's aim is to share information and best practices, as well as provide analysis that strengthens the decision- and policy-making processes. The model's legitimacy comes from the recognition and prestige its members enjoy. This gives it authority to provide technical advice to governments and other policy-makers.

One example of a PGM fulfilling an advisory role is the International Severe Acute Respiratory and Emerging Infection Consortium (ISARIC), a global initiative established in 2011 in response to the inadequate coordination and implementation of clinical research following the 2009 influenza pandemic.

The vision of ISARIC is to encourage global collaborative, patient-oriented research between and during epidemics of severe acute respiratory infections and other rapidly emerging public health threats, to generate new knowledge, maximize the availability of clinical information and thereby save lives. As such, ISARIC aims to mitigate some of the problems commonly encountered during epidemic crises. For example, ISARIC aims to connect clinical researchers and provide them with early and open access to protocol templates, and to data-capture and standardization tools that can accelerate the clinical research response to emerging diseases. ISARIC also strives to ease the bottlenecks that can slow the response, such as ethical review and legal agreements. "Pre-approval" is a key focus of ISARIC; while crises may be unexpected, many of the processes that must be undertaken during a pandemic response can be anticipated. Approvals for medicines used in trials, processes for obtaining visas for clinicians, and the identification of ethical concerns for trial participants can all be considered, and some determined, in "peacetime". ISARIC can provide this platform only because of the trust it has built with its members over time.

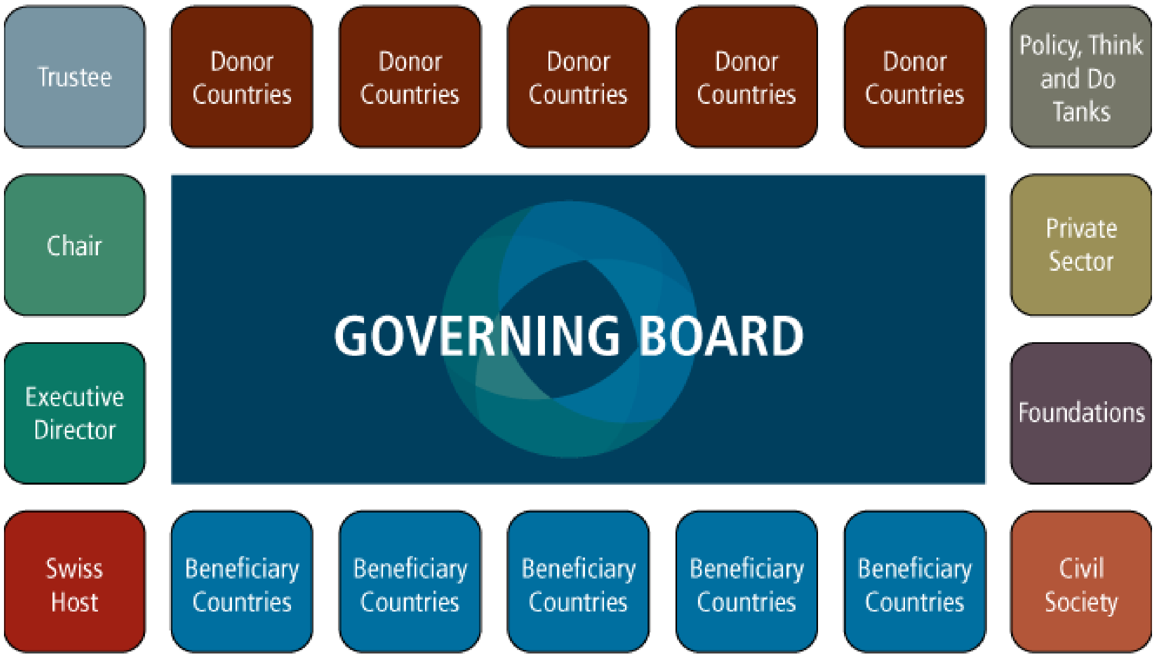
Models to solve collective action problems

A number of specific challenges in organizing PGMs concern problems with collective action:

- Encouraging alignment of diffuse interests
- Discouraging "positional" attitudes from sectional interests
- Maintaining commitment for projects with long lead times

The "constituency model" of governance is one approach that seeks to improve the models traditionally used to respond to collective action problems. Adopted by the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund); Gavi, the Vaccine Alliance; and the Global Community Engagement and Resilience Fund (GCERF), it encourages participants to work as part of a constituency of diverse interests rather than as individual interest groups (Figure 2). Rather than allowing each stakeholder a seat on the board, which encourages positional behaviour and sectional thinking, the constituency model allocates seats according to constituencies, such as donors, beneficiary countries and private-sector partners. For example, all donor countries might share five seats on the board, beneficiary countries might share five seats, and civil society and private-sector partners may each be allocated two seats. This encourages stakeholders to reconcile their positions with other members of their consistency and discourages positional attitudes. It also dilutes the influence of powerful sectional groups, who may otherwise create a perception of disproportionate influence within the governance structure.

Figure 2: Governing Board of the Global Community Engagement and Resilience Fund



Source: GCERF website, "Governance Structure"[4]

The constituency model poses the challenge that some interest groups must participate knowing that they will not have their own seat on the board. It may also create a perception of inequity within a constituency group if one member contributes more than another. Accordingly within this model, the threshold for a constituency's membership must be carefully considered, and it is critical to set clear expectations for participation. For example, board members should clearly understand whether they are acting as representatives of their interest group, like a legislative body, or acting in the best interests of the institution, like a company's board of directors.

Organizations seeking to use the constituency model must also think carefully about how power is distributed within each constituency. For example, a criticism frequently made of the constituency structure in many multistakeholder models is that, while the model may pay lip service to inclusivity, the votes are weighted to enhance the power of developed and creditor countries at the expense of developing ones. Accordingly, special attention should be given to voting power – the ability of votes to influence the outcome of a decision – in addition to voting weight within the constituency. If powerful organizations or individuals are able to dominate their constituency, this may lead to disengagement or resentment from the constituency's weaker members.

Example: New models for solving collective action problems (vertical funds)

Over the last 15 years, vertical funds, or those limited to single development domains with mixed funding sources,[5] have become an increasingly popular model for addressing global crises: they have specific, measurable goals; are less cumbersome than the traditional multilateral model; and do not require a recurrent funding commitment from governments. The Global Fund, Gavi and the GCERF, established with specific mandates to deal with their respective issues, show impressive results. For example, the Global Fund grew from initial pledges of $852 million in 2011 to over $3.6 billion in 2012. Its latest replenishment round in 2016 brought in $13 billion.[6]

The vertical fund model improves on existing methods of global governance in a number of ways. First, it has a clear, measurable and achievable objective. In the Global Fund's case, it is to control and eventually eradicate HIV/AIDS, tuberculosis and malaria. Clear and specific goals create an understanding between donors and beneficiaries on the ends to which funds will be directed, without tying grants to a specific country or to regional projects.

Second, vertical funds use a much lighter governance structure, making them more flexible and responsive, thus allowing for rapid disbursement. The Global Fund's and the WHO World Health Assembly's governance structures provide a useful comparison. While the Assembly is comprised of 194 member-state health ministers who approve the WHO's budget and its work programme, the Global Fund's board has only 20 voting members, with seven from beneficiary countries, eight from donor countries, three from civil society, one from the private sector and one from the Bill & Melinda Gates Foundation. A particularly innovative feature of the Global Fund's board is that it includes a person suffering from one of the conditions it aims to address. The board is able to make decisions much faster than traditional models of multistakeholder governance.

Third, unlike traditional global governance mechanisms such as the World Bank, vertical funds are able to bypass governments in beneficiary countries and commit funding directly to programmes on the ground. The GCERF in particular has a specific mandate to support community-led initiatives rather than governments. In contrast, the mandate of many traditional organizations requires not only that funding be channelled through the governments of member states, but also that the governments of other member states approve the funding within the organization's governance structure. This creates concerns about politicizing the grants process, funding questionable regimes and potentially misappropriating funds.

Models for new governance bodies

Bodies that seek to perform a global governance role face a particular set of challenges:

- Convincing stakeholders of the model's legitimacy
- Ensuring decisions are authoritative and enforceable
- Providing a platform where stakeholders can collaborate and share information in a secure and reliable way

Example: The social enterprise regulator model

Designed to provide a single governance platform through which stakeholders can collaborate, share information and resolve disputes, this model can include the following three features:

1. **A board of trustees**: A group of eminent persons selected for their experience and influence in global governance
2. **A panel of arbitrators**: A group to consider disputes for voluntary arbitration
3. **Levers for enforcement**: Alternative tools to enforce decisions (e.g. "name and shame", blacklisting and exerting market pressure throughout the supply chain), as well as to celebrate success (e.g. awarding prizes; using performance league tables, star ratings or favourable mentions in annual reports), given that arbitration is voluntary and unenforceable

The purpose of the social enterprise regulator model is to harness the power of eminent people in the field, public opinion and supply chain politics, and to provide a platform for multiplying the impact of the many small initiatives undertaken in this area.

Key Challenges in Developing Effective Poly-Governance Models

The emergence of new PGMs has not come without challenges. Members of the World Economic Forum Global Agenda Council on Global Governance and the Future of Regional Organizations, as well as leaders of PGMs interviewed by the Forum, cited a number of pitfalls to avoid when setting up the new models.

Challenge 1: Opacity and complexity

Opaque structures and an overly complex system can undermine a PGM's legitimacy.

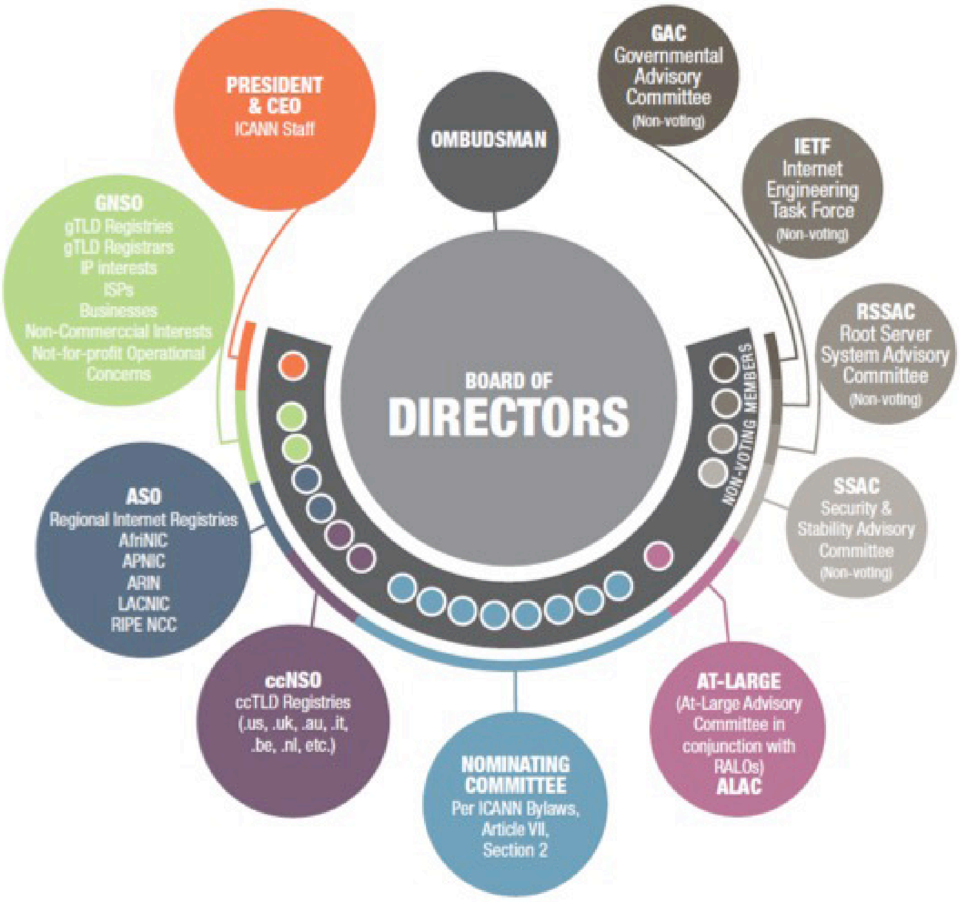
Example: Internet governance

The complexity of governing the internet can potentially cripple international cooperation; in fact, the collapse of the global consensus around internet governance could fracture geopolitical stability. Already uneasy about their lack of control over the internet, governments could step in and create islands of connectivity, inhibit free communication and undermine one of society's greatest collective resources.

Regarding the topic of internet governance, the area of domain name registration provides an instructive example of a PGM dealing successfully with opacity and complexity. This model, implemented by the Internet Corporation for Assigned Names and Numbers (ICANN), arose in response to the growing demand for a PGM that could impartially administer the complex international Domain Name System. It was designed as a technocratic body, with a consensus-driven multistakeholder PGM that could make difficult decisions while maintaining neutrality and legitimacy within the process.

ICANN's 20-member board (Figure 3) is composed of mostly technocratic "constituencies"; its 16 voting members tend to be technical organizations and include the Generic Names Supporting Organization (GNSO), which deals with policy-making on generic top-level domains and gives a voice to non-profit organizations through the Non-Commercial Stakeholder Group; the Country Code Names Supporting Organization (ccNSO), which deals with policy-making on country-code, top-level domains; and the Address Supporting Organization (ASO), which

Figure 3: Board of Directors of ICANN



Source: ICANN Department of Communications & Content, 2016 handles policy-making on Internet Protocol (IP) addresses. The board also includes expert members appointed by a nominating committee, as well as an "at-large" committee of individual internet users. In a configuration that is perhaps unique in the global governance context, national governments have no voting seats on the board and provide input only through the non-voting Government Advisory Committee. This avoids much complexity and inefficient voting structures, which have plagued many traditional governance models that allocate votes to member states or financial contributors, while allowing participation. If national governments or member states wish to influence a vote, they must convince the voting members that the policy position is in the best interests of the internet, or they must make use of the participatory mechanisms ICANN offers.

ICANN has created participatory mechanisms to guarantee inclusivity. For policy-making, it has broadly promoted a consensus-driven, multistakeholder policy development model to give all relevant actors a voice. However, since the recent and complete privatization of the coordination and management of the internet's unique identifiers,[7] ICANN has aimed to strengthen its multistakeholder model to guarantee that it remains independent and impartial. One of the new mechanisms implemented during this transition is the Empowered Community, created to improve transparency and the balance of power between the board and the rest of ICANN's community.[8] In special circumstances, the Empowered Community can ask for accountability to the board in terms of budget and ICANN bylaws, and can even request the removal of an individual board member or the entire board.

Challenge 2: Capture by vested interests

Nearly all the leaders of emerging PGMs interviewed warned that, in the effort to be inclusive and consultative, the PGM risks becoming "captured", or controlled, by its stakeholders.

This criticism surfaced prominently through the United Kingdom's Public Health Responsibility Deal, a voluntary collaboration of public and private stakeholders in public health aimed at reducing obesity in the UK. The platform has been criticized for appearing too sensitive to the concerns of its private-sector members. For example, the country's Royal College of Physicians withdrew from the deal after becoming concerned that private-sector participants were using it to propose policy that protected their commercial interests over public health.[9] Accordingly, it is important to ensure that any PGM is aware of capture, or the appearance of it, in the design of its governance structure.

Challenge 3: Reliable funding streams

Every PGM leader interviewed for this White Paper mentioned the importance of a reliable funding stream, not least to establish and maintain legitimacy and authority. Without funding, a PGM risks being beholden to its donors or distracted by fundraising.

A technical panel has found an innovative way around this problem. The Brazilian Internet Steering Committee (CGI.br), a multistakeholder organization, has a board composed of nine representatives from government, four from the private sector, four from civil society and three from the scientific and technological community, as well as a seat for an eminent individual with experience in internet governance. CGI.br is charged with administering the domain "br" and establishing the norms related to IP and domain name registration.

CGI.br guarantees a sustainable source of long-term funding by charging to register domain names. This funding model is democratic and distributed across users who pay for the service. The freedom provided by this funding model guarantees CGI.br's independence. Of course, not every multistakeholder model is able to liberate itself from donors in this way. However, finding a sustainable source of funding should be high on the list of priorities for all new PGMs.

The Role of Host States and Regional Bodies

States and cities hosting PGMs can play an important and constructive role in creating the enabling environment for a PGM to succeed. For example, the Republic and State of Geneva, along with the Swiss federal authorities, have taken a number of steps through the International Geneva initiative to further solidify the city of Geneva as a leading hub for international organizations, especially regarding the legal framework for developing this effort's enabling environment. This has included adopting the Host State Act of 2008, which provides Switzerland with the legal basis to grant international institutions (including Gavi, the Global Fund and the GCERF) the relevant privileges and immunities enabling them to establish robust operations in the country and to function independently and efficiently.

Because of the gridlock facing international organizations, regional organizations have, by necessity, become increasingly aware of the advantages offered by PGMs. Regional organizations can become ever more important actors in the aggregation of certain global challenges, where the problems are greater than those of individual states but where a regional perspective means they can be tackled more effectively than through global governance that is too distant, slow and bogged down by consensus-seeking among 193 states.

Example: Extractive Industries Transparency Initiative, African Mining Vision, African Peer Review Mechanism and the African context

Africa has many regional organizations, often with overlapping interests and responsibilities. However, they battle with limited capacity (human and financial), often relying on external funding for many initiatives and frequently lacking sufficient autonomy and a mandate from member states.

At the same time, PGMs of partnership have grown over the last number of years and are considered useful mechanisms for addressing specific global challenges, such as in health, food security or accountability. However, they are not the ideal vehicle in all circumstances. Governance is largely the responsibility of states and cannot succeed without state buy-in. Nevertheless, a number of multistakeholder initiatives, such as the Kimberley Process and the Extractive Industries Transparency Initiative (EITI), could make an important contribution to improving governance processes in individual countries and regionally.

A global standard, the EITI promotes the open and accountable management of natural resources by helping to strengthen governmental and corporate systems, informing public debate and enhancing trust in resource governance. Supported by a coalition of the government, companies and civil society in each country where it is implemented, it operates on the premise that the more transparent a country is managing its wealth of natural resources, the greater the chance that its citizens can benefit from them. More recently, the EITI has recognized that it needs to be mainstreamed and integrated into governmental and corporate reporting systems.

The EITI could work more closely with two initiatives of the African Union (AU). One is the African Mining Vision (AMV), which aims to significantly improve mining's integration into development policies at local, national and regional levels. It was cited by the United Nations Economic Commission for Africa (UNECA) as "the continent's own response to tackling the paradox of great mineral wealth existing side-by-side with pervasive poverty".[10] But the key to that is accountability and transparency.

The second AU initiative is the African Peer Review Mechanism (APRM), created in 2003 and also voluntary, but intended as a "peer state-to-state" process. Including non-state actors, it reviews political, economic, socio-economic and corporate governance in AU member states, and has begun looking at extractive industry governance-related issues. Although the APRM tries to evaluate governance comprehensively in signatory countries, it nevertheless has lost much of its political momentum since its creation.

Could these two initiatives work more closely together to enhance their common objectives and plug the areas of potential gaps? Initiatives such as the EITI help to build trust among the range of actors that determine transparency and accountability; moreover, they concern not only states, but also non-state actors important to the process. PGMs can be very effective in standard-setting and rule-monitoring, as well as helping to create platforms for dialogue and debate. However, the imprimatur of a regional organization on the AMV adds credibility and legitimacy, both of which may be weaker in a PGM where actors are "self-selected". Yet, success depends on both the AMV and the EITI ensuring a broad-ranging, multi-actor collaboration at national and local levels.

While the EITI was established in 2003, the AMV is still considered a new initiative and has begun to develop visions for mining at the country level. To date, 17 African countries comply with the EITI, while six are candidates (Tanzania and the Central African Republic have been suspended). Often regarded as an initiative set up in the north to benefit the south, the EITI has encountered opposition in some countries, such as South Africa. In addition, coordinating efforts across borders is difficult not only due to the EITI's voluntary nature, but also because not all countries within a regional bloc participate. For example, only Zambia and Mozambique are members in the Southern African Development Community. And while some countries such as South Africa and Botswana may have reasonably effective accountability mechanisms for their extractive industries, others such as Zimbabwe may not. An initiative is unlikely to take priority when it is discretionary and in a regional environment that is not part of the governance discussion.

How might a PGM be integrated into a regional organization's programmes? And, what would ensure success, measured by greater transparency and accountability?

Clearly, useful procedures and tools, as well as significant technical know-how, can be brought to bear through the EITI – and this without having to reinvent the wheel, whether in the context of the AMV or the APRM. However, accountability is not just a technical process; it is highly political. The APRM experience has shown that leaders will avoid having difficult conversations with their peers, even where peer review reports highlight areas of concern in governance. "Enforcement" of domestic accountability in the context of the AU is extremely difficult, as leaders balk not only because their own records may be problematic, but also because such enforcement goes against the principle of non-interference in internal affairs. (While the AU's Constitutive Act refers to non-indifference, practice has shown that non-interference is the preferred modus in most cases.)

As it stands, the EITI has made some impact on extractive industry governance in a number of countries, even though its record has been inconsistent. Over the last decade, Africa's institution-building has also placed greater emphasis on improved governance frameworks as vital to the continent's continued development. More can be done to explore how each can complement and strengthen the other. But the capacity to implement, and the political will to enforce or sanction, will remain crucial challenges.

Peer review mechanisms

Many PGMs have created peer review mechanisms to act as independent evaluation bodies or groups, made up of the entire PGM membership or part of it. Such groups typically operate as a committee, which monitors, reviews and reports on a selected member's implementation and progress under the PGM. Usually, all PGM members would be subjected to peer review at some stage.

Notable examples of PGMs benefiting from such mechanisms include the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), which peer reviews where OECD countries are being held accountable for their development cooperation commitments; the Group of 20/OECD Global Forum on Transparency and Exchange of Information for Tax Purposes, where the Peer Review Group carries out in-depth monitoring of the implementation of standards of transparency and exchange of information for tax purposes; the Trade Policy Review Mechanism at the World Trade Organization (WTO), which obliges all WTO members to undergo periodic review of their trade policies and practices; and the Commission on the Status of Women, where regional Beijing Platform for Action reviews on gender equality are conducted on the progress made in implementing the 1995 Beijing Declaration and Platform for Action commitments. Each peer review mechanism may operate under a slightly different model.

Such mechanisms have several benefits. They encourage platform members to adhere to PGM rules and fulfil their commitments in a transparent manner; enable members to understand how others are addressing the same requirements; provide feedback to the reviewed member on its performance, with a view towards improved compliance; and highlight new policies or requirements that all members can consider for adoption.

Peer review mechanisms are also useful for empowering members to raise critical issues without having to face global political pressure individually (as their views or concerns are subsumed under the mechanism's label).

Given the benefits, peer review mechanisms have been identified as instrumental to monitoring the progress of the SDGs. Regional institutions such as the Asian Development Bank, the Association of Southeast Asian Nations (ASEAN), UN regional commissions, the Arab Forum on Sustainable Development and the AU's APRM are seen as good peer review structures for future assessments of national sustainable development strategies and implementation.

Lessons Learned

The PGMs considered by the Global Agenda Council on Global Governance and the Future of Regional Organizations provide the following lessons, which form the basis for the recommendations listed below:

Lesson 1: PGMs are more flexible than traditional multistakeholder models.

Whether as vertical funds that can bypass a fragile national government or as social enterprise regulators able to step into a governance vacuum, PGMs are able to accomplish things that traditional multistakeholder models cannot. The flexibility of PGMs to bring together the best of private-sector efficiency, public-sector legitimacy and civic-sector inclusiveness allows such models to mould themselves to a particular problem and ensure that the response is not hamstrung by bureaucracy or a lacklustre response. Of course, PGMs must not be designed so that they attract the worst attributes. A PGM with an ineffective voting structure, unwieldy constituency model or unclear source of funding could end up with the bureaucracy of the public sector, the amateurism of the civic sector and the avarice of the private sector. Accordingly, the PGM's design should draw on the best of each sector.

Lesson 2: Not all problems require a PGM, and not all PGMs work for all problems.

A PGM is not an end in itself. Parties collaborate to solve a problem, but not all problems require establishing a partnership. An analysis of the specific situation can determine if one is necessary. For example, the purpose of the PGM may be to:

- Address a deficit of information
- Resolve a misalignment of interests
- Provide a platform if a vacuum in governance or cooperation exists

Once the problem has been pinpointed, it will be easier to identify the appropriate model for collaboration.

Lesson 3: PGMs usually include a trade-off between inclusivity and agility.

PGMs must usually balance agility and inclusivity. When establishing a PGM, it is important to identify if the model needs to respond rapidly to problems (i.e. prioritize agility) or to provide a legitimate and authoritative platform for collaboration (i.e. prioritize inclusivity). For example, PGMs aimed at responding to pandemics or natural disasters should reduce the size of their boards, streamline decision-making and ensure that the executive is empowered to respond quickly to developing situations. In contrast, PGMs such as ICANN, which hold together a disparate coalition of interests over the long term, should improve transparency and engage in broader and more extensive consultations.

Lesson 4: All PGMs rely on trust.

No matter the model adopted, all PGMs rely on trust. As a result, and where possible, PGMs should strongly consider appointing eminent leaders in the field to participate in the model and bring their experience to the collaboration. The PGM should also invest time and energy into building trust so that relationships are firmly established during crises or difficult times. For example, ISARIC's "pre-approval" process for drug trials in pandemics relies on recognizing that its participants in pandemic-affected countries are eminent practitioners in their fields, with no vested interests.

Lesson 5: PGMs should act as a focal point for collaboration.

To provide a platform for collaboration, PGMs should try to become focal points that amplify the efforts of multiple actors operating in the field. The Ocean Accountability Board proposed by the Global Ocean Commission, for example, aims to give an authoritative voice to ocean scientists, who could directly arbitrate disputes between companies and environmental groups. ICANN amplifies the expertise of its technical constituencies, giving them the final say on matters affecting the internet's universality and functionality. Above all else, a PGM is a platform to facilitate and amplify existing efforts in an area.

Recommendations

General recommendations

- Partners thinking about setting up a PGM must identify the type of problem to be addressed. This makes it easier to identify the appropriate model for collaboration.
  - PGMs can play a beneficial role by helping to build trust among the range of actors who determine transparency and accountability.
  - PGMs can be very effective in standard-setting and rule-monitoring, as well as in helping to create platforms for dialogue and debate.
- When establishing a PGM, it is important to identify whether the model needs to respond rapidly to problems (i.e. prioritize agility) or to provide a legitimate and authoritative platform for collaboration (i.e. prioritize inclusivity).
- PGMs should strongly consider, where possible, appointing eminent leaders in the field to participate in the model and bring their experience to the collaboration.
- Building and maintaining trust are critical to the success of PGMs. Those developing and leading PGMs should plan to invest time and energy into building trust, from the earliest opportunity and through the project's lifetime, to help establish and develop robust relationships that can weather crises or difficult times.
- PGMs should factor in regional and cultural sensitivities, especially when models are developed by partners primarily from the North for countries and regions in the South that have a history of suffering under colonial rule.

Governance of PGMs

- Partners should strive for voting structures that are as simple as possible, while representing all the interests involved. Complex and inefficient voting structures have plagued many traditional governance models that allocate votes to member states or financial contributors.
- If national governments or member states wish to influence a vote, they must convince other members that the policy position is in the best interests of the overall effort. Individual vetoes or block voting should be avoided where possible.

Funding

- Finding a sustainable source of funding should be one of the top priorities for all new PGMs. Reliable funding is important to maintaining independence, legitimacy and authority.

Technical and advisory collaboration

- When responding to crises, such as humanitarian disasters or outbreaks of a highly infectious disease that threaten to become an epidemic or pandemic, a key focus should be on doing as much preparatory work as possible, such as fast-tracking visas for foreign workers, approvals for equipment and drug trials. Organizations with existing logistical networks should be engaged in "peacetime" so that plans are in place when a crisis occurs.
- PGMs should try to serve as a focal point that amplifies the efforts of multiple actors operating in the field.

Solving problems of collective action

- PGMs should consider the "constituency model" successfully employed by a number of vertical funds, such as the Global Fund, Gavi and the GCERF.
  - Within this model, a constituency's threshold for membership must be carefully considered.
  - Setting clear expectations for participation is crucial. For example, board members should be made aware of whether they are acting as representatives of their interest group, like a legislative body, or acting in the best interests of the institution, like a company's board of directors.
- Those seeking to use the constituency model must also think carefully about how power is distributed within each constituency.
- Clear and specific goals should be used to create an understanding between donors and beneficiaries around the ends to which funds will be directed, without tying grants to a specific country or regional projects.
- The governance structure chosen should be as light as possible. Vertical funds use a much lighter structure than traditional models, making them more agile and responsive, and allowing for rapid disbursement.
- Where possible, bypassing governments in beneficiary countries and committing funding directly to programmes on the ground (such as in the example of GCERF) should be explored.

Models for new governance bodies

- In the absence of legally binding and enforceable structures or rulings, eminent people and public exposure should be harnessed. The following are possible mechanisms:
  - A board of trustees: A group of eminent persons selected for their experience and influence in global governance
  - A panel of arbitrators: A group to consider disputes for voluntary arbitration (providing a potential platform for civil society and other actors)
  - Levers for enforcement: Alternative tools to enforce decisions (e.g. "name and shame", blacklisting and exerting market pressure throughout the supply chain), as well as to celebrate success (e.g. awarding prizes; using performance league tables, star ratings or favourable mentions in annual reports), given that arbitration is voluntary and unenforceable

Peer review mechanisms

- PGMs should consider setting up a peer review mechanism to promote accountability, efficiency and transparency with regard to members' implementation and progress under the PGM. This can also shield the mechanisms' members from political pressure, enabling them to raise critical issues without being identified as representing a state.

Recommendations for host states

- Host states can support effective PGMs by aligning their domestic legislation so that it provides an enabling environment, including legal protections, a favourable tax and incentive structure and the ability to hire foreign workers.
- The effectiveness of PGMs can be further enhanced by mainstreaming efforts and integrating them into government and company reporting systems.

Annex: Examples of Poly-Governance Models

By Arancha Gonzalez Laya, Executive Director, International Trade Centre (ITC), Geneva

Mekong River Commission

Who are the stakeholders?

Established in 1995 by the Mekong Agreement, the Mekong River Commission (MRC) originally consisted of four member countries – Cambodia, Lao PDR, Thailand and Vietnam. A year later, it began to forge working relationships with China and Myanmar as dialogue partners; as the two countries are located at the upstream of the river, they are crucial to sustainably managing the Lancang-Mekong Basin flow.

In 1999, the member countries adopted and committed to the Water Utilization Programme, financed by the Global Environmental Fund routed through the World Bank. In 2002, MRC signed a memorandum of understanding with China on technical cooperation for data exchanges to improve the regional forecast of the river's water levels.

Currently, the MRC is funded by its four member countries in collaboration with the following countries or organizations through their bilateral and multilateral development and financial institutions: Australia, Belgium, Denmark, the European Union, Finland, France, Germany, Japan, Luxembourg, New Zealand, Sweden, Switzerland, the Netherlands, the United States and the World Bank.

In formulating its latest strategic plan, adopted in 2011, the MRC has included comments from not only its funders, but also non-governmental organizations (NGOs), civil societies and academic institutions.

What issues do they intend to address?

The MRC focuses on the joint management of shared water resources and the sustainable development of the Mekong River.

What was the motivation for establishing the MRC?

The MRC is the successor of the 1957 Mekong Committee, which at that time was the largest single development project ever undertaken by the UN. It was established to capitalize on the Mekong's economic potential, as it was (and still is today) considered to be one of the world's great untamed rivers.

Unlike its predecessor, the MRC is no longer under the UN's umbrella, with management responsibility now in the hands of its four member countries.

How successful has it been?

Cooperation with China has been strengthened through official technical visits, meetings and the sharing of hydrological information.

On regional cooperation, the secretariat has strengthened ties with different international organizations and intergovernmental bodies.

Continuing support from development partners has contributed to the MRC's achievements. It has signed several agreements with Australia, Finland, Germany and Japan. Discussions with these and other development partners continue for the potential establishment of a pooled fund as part of the organization's financial reform.

Global Alliance for Improved Nutrition

Who are the stakeholders?

The Global Alliance for Improved Nutrition (GAIN) is a Swiss NGO launched at the UN Special Session on Children in 2002. From the beginning, a standing board, supported by its partnership council, has governed GAIN, which works in partnership with other NGOs, academic institutions, donor country governments, developing country governments, businesses and private foundations.

The major donors are the governments of Canada, France, Ireland, the Netherlands, the United Kingdom and the United States, as well as the Bill & Melinda Gates Foundation, the Children's Investment Fund Foundation and the Khalifa Bin Zayed Al Nahyan Foundation. In the last financial year, GAIN received a total of $32 million in funding.

What issues do they intend to address?

Each year, malnutrition kills 3.1 million children under the age of five and leaves 161 million stunted, trapping generations in lives of poverty and unfulfilled potential. GAIN is driven by the vision of a world without malnutrition. It focuses on building public-private partnerships to deliver solutions for malnutrition, and builds alliances between governments, business and civil society to find and deliver solutions to communities in developing countries.

What was the motivation for establishing GAIN?

The multistakeholder alliance is needed to reach those most vulnerable when it comes to improving nutrition. GAIN supports the idea that delivery models and platforms need to be anchored in government, and that public procurement and distribution are central to making business models work.

How successful has it been?

Over the past 12 years, GAIN has built alliances with large and small companies, including partners in developing premix for large-scale food fortification and micronutrient powders for distribution and sale as complementary and supplementary foods. It also works throughout agriculture value chains, from smallholder farmers to entrepreneurs.

In 2014, GAIN's programmes reached an estimated 892 million people with more nutritious foods, including 350 million women and children, of which 52% were in Africa, 46% in Asia and 2% in the rest of the world. GAIN's target was to reach 1 billion people by 2015.

In 2013-2014, the cumulative investment was $0.25 per person reached, with a target of $0.50. GAIN's target is to reduce the prevalence of stunting in children by 5-10% and reduce micronutrient deficiencies by 20-30%.

Some examples:
- The SUN Business Network, partnering with the World Food Programme and supported by an advisory group comprised of senior business leaders, is developing national plans to scale up nutrition.
- The Amsterdam Initiative against Malnutrition, a partnership of the Dutch Ministry of Foreign Affairs, the Dutch NGO ICCO, Unilever, DSM, AkzoNobel and Wageningen University, provides technical expertise in developing countries.
- The Business Platform for Nutrition Research, founded by 10 companies, is an umbrella organization connecting public and private interest to produce and disseminate new research to improve nutrition in low- and middle-income countries.

Global Alliance for Clean Cookstoves

Who are the stakeholders?

With more than 1,000 active partners, the Global Alliance for Clean Cookstoves relies on grants and investments from governments, corporations, foundations, civil society, investors and individuals to support its work. Currently, the Alliance's largest bilateral donor is the UK Department for International Development. Donors support the initiatives through various channels, including unrestricted financial support, targeted funding and/or technical expertise. The donors are:
- Bilateral donors: Canada, Denmark, Finland, Germany, Malta, the Netherlands, Norway, Sweden, the United Kingdom and the United States
- Foundation and NGOs: Barr Foundation, Caterpillar Foundation, Dallas Foundation, Driscoll Foundation, Glenmede Trust, Korein Foundation, Lincoln Street Fund, Osprey Foundation, River City Law Group, Shell Foundation, OPEC Fund for International Development, Packard, United Nations Foundation and World Lung Foundation
- Corporate donors: Bosch Siemens, CEMEX, Delher, Dow Corning Corporation, Fuji Television Networks, Infosys, Johnson & Johnson, Morgan Stanley and Shell

What issues do they intend to address?

The Alliance is a public-private partnership hosted by the UN Foundation. Its goal is for 100 million households to adopt clean cookstoves and fuels by 2020. The work plan touches upon the SDGs on health, the environment, climate, women's empowerment and livelihoods.

What was the motivation for establishing the Alliance?

The growing consensus in 2010 was that people's reliance on traditional cookstoves to cook their food was creating a health problem. Thus a comprehensive market-based approach was built to address that issue.

How successful has it been?

- In 2014, 28 million households had adopted clean cookstoves, surpassing the original projection made in 2010.
- 28 countries have engaged in developing ISO-approved standards.
- 16 testing centres have been established in 14 countries.
- 19 market assessments, three customer segmentation studies and over 100 site visits were conducted to understand its clients in developing countries.
- 8 focus countries were defined: Bangladesh, China, Ghana, Guatemala, India, Kenya, Nigeria and Uganda, as they accounted for 65% of annual deaths attributed to household air pollution.

International Food Policy Research Institute

Who are the stakeholders?

In late 1974, the International Food Policy Research Institute (IFPRI) was created with the support of the Ford Foundation, the Rockefeller Foundation and the International Development Research Centre. Its initial objective was to conduct research and policy analysis on key issues related to food production, trade and related matters, and in so doing to assist countries' policy-makers. In 1978, three sponsoring foundations requested that the CGIAR (formerly known as the Consultative Group for International Agricultural Research) support the IFPRI.

In 1980, the CGIAR formally supported the IFPRI, with a budget expansion of $1.7 million in 1979 to $6.1 million in 1984. In addition, the IFPRI's focus was redefined, with its resources allocated to support developing-country institutions. While this has resulted in a reduction of grants from the three stalwarts, it has attracted unrestricted funds from Australia, Canada, China, France, Germany, India, the International Fund for Agricultural Development, Italy, Japan, the Netherlands, the Philippines, Spain, Switzerland, the United Kingdom, the United States and the World Bank.

In 2014, the IFPRI had more than 1,000 partners, who together received more than $89 million in pass-through funding.

What issues do they intend to address?

The IFPRI provides research-based policy solutions to help sustainably reduce poverty, and end hunger and malnutrition in developing countries. Its work is based on six strategic research areas (ensuring sustainable food production, promoting healthy food systems, improving markets and trade, transforming agriculture, building resilience, and strengthening institutions and governance) and regional research priorities.

How successful has it been?

IFPRI's stakeholder approach has continuously expanded. Its latest corporate strategy has included reaching out to new players, such as the private sector, BRICS (Brazil, Russia, India, China and South Africa), ASEAN and developing-country communities, as well as reassessing its partnerships with the Food and Agriculture Organization of the United Nations.

The following are examples of IFPRI multistakeholder achievements:

- The IFPRI has had long-standing partnerships with Ethiopia-based institutions, such as the Ethiopian Development Research Institute, various government ministries, the Central Statistical Agency and the Ethiopian Institute for Agricultural Research. These collaborations led to the launch of the Ethiopia Commodity Exchange in 2008, as well as the training of hundreds of individuals on economic modelling and statistics. The training yielded key analyses for the Comprehensive Africa Agriculture Development Programme, climate change scenarios and more.
- In Bangladesh, the IFPRI worked with the Ministry of Agriculture and other partners, with support from the United States Agency for International Development, to launch the Agriculture Policy Support Unit. The Unit delivers real-time information to inform policy-maker decisions on agriculture and food security, making an impact on poverty reduction and economic growth.
- The IFPRI and the International Center for Tropical Agriculture have come together to coordinate HarvestPlus, a programme that seeks to address "hidden hunger" by actively adding micronutrients to diets of over 2 billion people across the world who are nutrient deficient. Since 2004, HarvestPlus has been working with more than 70 partner organizations in 40 countries, including the Bill & Melinda Gates Foundation, to reduce micronutrient malnutrition through biofortification, the process of breeding staple crops to achieve a higher concentration of micronutrients. Together, the partners have reached 500,000 farmers with nutritious varieties of such crops as sweet potato, cassava, maize and certain beans.

Mano River Basin Initiative

Who are the stakeholders?

The partners collaborating with UNECA in implementing this initiative include the African Development Bank (AfDB), the Economic Community of West African States, the Organization of African Unity, the United Nations Development Programme (UNDP), the Department of Political Affairs of the United Nations Secretariat, the Office of the United Nations High Commissioner for Refugees and the World Bank.

What issues do they intend to address?

The initiative aimed to revitalize the Mano River Union secretariat. The intended end product is the resumption of normal socio-economic activity in each of the three countries for the sake of growth and development.

What was the motivation for establishing the Mano River Basin Initiative?

In July 1999, the United Nations Secretary-General asked the Executive Secretary of UNECA to lead the efforts of the UN system and other partners to develop a subregional programme of post-conflict reconstruction and development for the three Mano River Union countries, Guinea, Liberia and Sierra Leone. The Secretary-General posted the request with a view to operationalizing the Security Council's recommendations. Accordingly, UNECA launched the Mano River Basin Initiative.

Cooperation between intergovernmental organizations within this region was limited and could be strengthened considerably.

The Mano River Union members (i.e. the secretariat) were facing a lack of resources and institutional capacity at the time. The secretariat was unable to promote peace and security, thus undermining its mandate for better economic development and regional integration.

How successful has it been?

In the latest UNECA annual report, the Mano River Union secretariat was not mentioned. However, several improvements in the three countries were covered. Although sufficient data is lacking to attribute the success directly to the initiative, progress has been made in the countries, including:

- The development of an e-government indicator manual and the e-government strategy in Guinea
- The design and development of a mining model agreement in Guinea, in collaboration with the UNDP, UNECA, the African Union Commission and the AfDB
- A population census successfully conducted in Liberia (the first in 24 years)
- The increase in government support and donor assistance for Sierra Leone's national strategies for the development of statistics

Fisheries Transparency Initiative

At a Glance

Responsible Fisheries through Transparency and Participation

February 2016

THE NEED FOR TRANSPARENCY AND PARTICIPATION

Global fisheries are a critical source of jobs, food, and trade for millions of people around the world. Yet, as overfishing is threatening many fish stocks, our fisheries have an uncertain future.

We are now facing the tremendous task to reform global fisheries governance in ways that support the sustainable development and food security.

To meet this challenge, there is increasing agreement that the way forward must address poor governance at all levels. This includes addressing the chronic lack of transparency and participation in fisheries management. In many countries contracts are kept confidential, thus preventing oversight of who has which fishing rights, and at what cost. Participation in key decision-making processes is often limited, especially for civil society.

The need for transparency and participation is central to major fisheries reform efforts, including: the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries (FAO; 2015); the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (FAO; 2012); and the Guidelines for the Development of National Legislation on Access to Information, Public Participation and Access to Justice in Environmental Matters (UNEP; 2010).

Yet, progress has been limited and inconsistent. This is partly because no global consensus exists on which information should be made publicly available. Moreover, important policy agreements and guidelines refer to transparency reforms in general terms, but do not specify the details.

ABOUT THE FISHERIES TRANSPARENCY INITIATIVE

The Fisheries Transparency Initiative (FiTI) is a global multi-stakeholder initiative, which aims at enhancing responsible and sustainable fisheries through transparency and participation.

- **Transparency:** The FiTI will increase transparency by regularly publishing information regarding ‘access to marine fisheries’. This includes, inter alia, *who has the right to fish* (e.g. rights holders, vessels, license agreements), *how much is paid for the right to fish*, and *how much fish is extracted*. The information will cover large-scale fisheries as well as small-scale fisheries.
- **Participation:** The FiTI will enhance the credibility of the provided information through a *deliberative process*, which involves all major stakeholder groups (i.e. government, companies, civil society). Over time, this approach will help establish a trust-based, consensus-oriented multi-stakeholder environment for collective action.

Increased transparency and multi-stakeholder participation provide a credible basis for national debate. They also create positive competition amongst countries and companies to enhance responsible fisheries.

The Fisheries Transparency Initiative (FiTI) was initiated under the leadership of Prof. Dr. Peter Eigen, Founder and Chair of the Advisory Council of Transparency International.

The HUMBOLDT-VIADRINA Governance Platform is acting as the International Secretariat of the initiative.

www.fisheriestransparency.org
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FisheriesTI
Fisheries Transparency Initiative (FiTI)

Fisheries Transparency Initiative

KEY CHARACTERISTICS

- The FiTI is a **global initiative**. The initiative does not focus on a single country or a region. It seeks to establish a global level playing field among fisheries countries. The more countries participate, the more powerful this initiative will get!
- The **implementation of the FiTI is country-centered**. The intention to join the FiTI and the initiation of the official process must come from a country's government. For this, a country's government must demonstrate active support for the implementation of the FiTI. This includes – inter alia – the commitment to an enabling environment, the establishment of a National Multi-Stakeholder Group and the publication of timely information.
- The FiTI is a **voluntary initiative with mandatory requirements**. The implementation of the FiTI is voluntary; however, once a country has decided to participate, mandatory requirements must be followed.
- The FiTI is built on **multi-stakeholder governance**, ensuring that stakeholders from government, companies and civil society are equally represented.
- This multi-stakeholder governance will be applied at the **international** level through an International Multi-Stakeholder Board as well as in all participating countries through **National Multi-Stakeholder Groups**.
- The FiTI will provide clear procedural guidelines for gathering, verifying and disclosing relevant information on fisheries. A key deliverable of this process is the timely publication of a **FiTI Country Report**.

DEVELOPING THE FiTI

The FiTI is in its conceptual phase until early 2017.

Cornerstones of this initiative are the **FiTI Principles,** which have been adopted at the 1st International Conference of the FiTI (3 February 2016, Nouakchott/ Mauritania). These Principles reflect the beliefs and aims of all FiTI Stakeholders.

A detailed framework (the so-called **FiTI Standard**) is being developed by the FiTI International Secretariat. The Secretariat is supported by the Government of the Islamic Republic of Mauritania.

This framework will build on and support existing efforts that seek to strengthen transparency and participation in fisheries. It will define:

- what information should be made public;
- how transparency can be achieved; and
- how the initiative will be governed.

The FiTI Standard is being developed in close consultation with an **International FiTI Advisory Group.** This high-level multi-stakeholder group consists of renowned fisheries and governance experts from governments, companies and civil society. The group advises the FiTI Secretariat on strategic directions regarding the overall framework.

The process is supported by **expert working groups** (e.g. large-scale fisheries, small-scale fisheries), which provide recommendations to the International FiTI Advisory Group.

For more information, please visit our website or contact us at info@fisheriestransparency.org.

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GITI Garment Industries Transparency Initiative

At a Glance

The Garment Industries Transparency Initiative (GITI)

November 2015

THE NEED FOR TRANSPARENCY AND PARTICIPATION

Garment industries are critical for the economic and social development of many countries. These industries provide jobs for millions of people. However, recent tragic accidents in garment factories have contributed to the realization that workers' rights in garment exporting countries need to be improved. They have also refuelled an on-going debate about the responsibilities of all participating actors in industries, which are characterized by strong competition and complex supply chains. Given the lack of implementation of existing labour standards at the national level, limited legal enforcement at the international level and visible limits of voluntary business sector codes of conducts the need for workers' empowerment and for better buyer-supplier relationships has not been adequately addressed to date.

In meeting this challenge, poor governance at the national and international level must be improved. This includes a chronic lack of transparency in the garment industries. In many countries information about suppliers' base, buyer-supplier relationships or even economic sectoral data is often not publically available – or is not perceived as credible.

At the same time, there is increasing agreement on the need for closer cooperation among all participating actors. This does not only include governments and business owners in the producing countries, but also international buyers, trade unions and civil society. An inclusive, participatory process for enhancing the credibility of information is needed.

ABOUT THE GARMENT INDUSTRIES TRANSPARENCY INITIATIVE

The Garment Industries Transparency Initiative (GITI) is a multi-stakeholder initiative which aims to advance the implementation of labour standards in the garment sector through increased transparency and participation.

Transparency: The GITI will produce reliable, publicly accessible and generally accepted information in form of regular country reports as a product of a consultative-process. The provision of such country reports will be based on a coherent framework, which is currently being developed by the GITI Secretariat, supported by an International Advisory Group.

Participation: The GITI will enhance credibility of the information through a deliberative process, which involves all major stakeholder groups (i.e. government, companies, civil society and trade unions).

Increased transparency and multi-stakeholder participation provide an enabling environment and a credible basis for debate. Through its disclosure process the GITI aims to ensure active demand for accountability, resulting – in the long term – in more sustainable garment industries practices, improved buyer-supplier relationships and enhanced labour standards implementation.

Over time, this approach will help establish a trust-based, consensus-oriented multi-stakeholder environment for collective action.

HUMBOLDT-VIADRINA Governance Platform gGmbH, Berlin/Germany
acting as the International Secretariat of the Garment Industries Transparency Initiative
http://www.governance-platform.org

GITI Garment Industries Transparency Initiative

KEY CHARACTERISTICS

- **Multi-stakeholder participation**: Based on the equal representation from government, buyers and suppliers, civil society and trade unions, National Multi-Stakeholder Groups will be established in the participating countries. A global Multi-Stakeholder Board will govern the GITI on an international level.
- **Deliberative process:** The consensus-oriented discussion of the three stakeholder groups – as part of the duty of the National Multi-Stakeholder Group – is at the heart of the GITI. This includes gathering, reviewing and approving evidence-based information. This unique process increases the credibility of the published information.
- **Support of existing initiatives:** The GITI will built on and support existing efforts that seek to strengthen transparency and participation in the garment sector.
- **Global initiative**: The initiative does not focus on a single country or region, but seeks to establish a global level playing field among garment producing countries. The more participating countries, the more power this initiative will get!
- **Country-centred initiative:** The intention to join the GITI must come from a country's government. This includes – inter alia – the commitment to an enabling environment, the establishment of a National Multi-Stakeholder Group and the publication of timely information.
- **Voluntary initiative with mandatory requirements**: The implementation of the GITI is voluntary. However, once a country has decided to participate, mandatory requirements must be followed.
- **GITI Country Report:** The GITI will provide clear procedural guidelines for gathering, verifying and disclosing relevant information on the garment sector. A key deliverable of this process is the timely publication of the GITI Country Report.

BENEFITS OF THE GITI

By promoting transparency and participation, the GITI yields **benefits** for all participating actors:

Governments are able to demonstrate their commitment to implement safe working conditions and social standards. This will directly strengthen their locational advantage in the global supply chain, leading to an improved trade and investment environment, and ultimately to social stability.

Local suppliers/producers can attract new buyers and investors by showing adherence to sustainable business practices. In addition to such competitive advantages, the improvement of working conditions will contribute to productivity over time.

International brands/buyers benefit from mitigation of operational and reputational risks. The selection of suppliers/producers based on credible information is also facilitated. Furthermore, brands/buyers benefit from an economic and socially stable environment.

Trade unions and civil society benefit from an increasing amount of credible information in the public arena, thereby enhancing the ability to hold governments and companies accountable. Furthermore, they are recognized as equal stakeholder in the country's National Multi-Stakeholder Group.

DEVELOPING THE GITI

Within the framework of country pilot processes, a detailed framework (the so-called **GITI Standard**) is currently being developed. This includes to define
→ ***what* information** is relevant and should be made public in order to advance the implementation of labour standards;
→ ***how* transparency** could be achieved; and
→ ***how*** the initiative will be **governed**.

The GITI will be implemented starting in 2016 in various pilot countries.

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Endnotes

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2. Cohen, B.D., “An indictment of Ebola response”, *Harvard Gazette*, 22 November 2015, available at: http://news.harvard.edu/gazette/story/2015/11/an-indictment-of-ebola-response/ (accessed 19 October 2016).

3. Moon, S. et al, “Will Ebola change the game? Ten essential reforms before the next pandemic. The report of the Harvard-LSHTM Independent Panel on the Global Response to Ebola”, *The Lancet*, 28 November 2015, 386:10009, pp. 2204–2221.

4. See GCERF Governance Structure, Governing Board, available at: http://www.gcerf.org/about-us/governance-structure/ (accessed 19 October 2016).

5. As defined in Browne, S. and Cordon, R., *Vertical Funds: Lessons for Multilateralism and the UN*, Future United Nations Development System, Briefing 25, January 2015.

6. Sridhar, D. and Woods, N., “Trojan Multilateralism: Global Cooperation in Health”, *Global Policy*, November 2013, 4:4, p 326.

7. Until 1 October 2016, ICANN maintained a contractual relationship with the United States government through the National Telecommunications and Information Administration regarding the coordination and management of the internet’s unique identifiers (the Internet Assigned Numbers Authority functions). Following the contract’s expiration on 1 October, ICANN assumed complete responsibility for these functions.

8. ICANN’s community consists of the private sector, governments, civil society and end users, and research, academic, technology and security organizations.

Mindell, J.S., et al., “All in this together: the corporate capture of public health”, *British Medical Journal*, 17 December 2012, 345.

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10. UNECA, “Mining association endorses the AMV Compact”, February 2016.

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