

# The 2007 Global Accountability Report

Robert Lloyd, Jeffrey Oatham and Michael Hammer



Transnational actors from across the intergovernmental, non-governmental, and corporate sectors play an increasingly important role in our system of global governance. They provide essential services such as health care, set financial standards, deliver multilateral aid and respond to climate change. As such, they have a profound impact upon people's daily lives. But how accountable are these organisations to the people they affect? How do citizens hold them to account for their actions, and how do people make their voices heard in their decisions?

The Global Accountability Report seeks to answer these questions by assessing the capability of 30 of the world's most powerful intergovernmental organisations (IGOs), international non-governmental organisations (INGOs), and transnational corporations (TNCs) to be accountable to civil society, affected communities, and the wider public. To do this, the Report assesses the existence of key accountability principles in organisational policies and management systems across four core dimensions of accountability: transparency, participation, evaluation, and complaint and response mechanisms (see Figure 1).

By assessing organisations from across sectors, the Report aims to broaden understanding of issues of accountability, identify opportunities for learning and strengthen commitment to common principles of accountability among transnational actors.

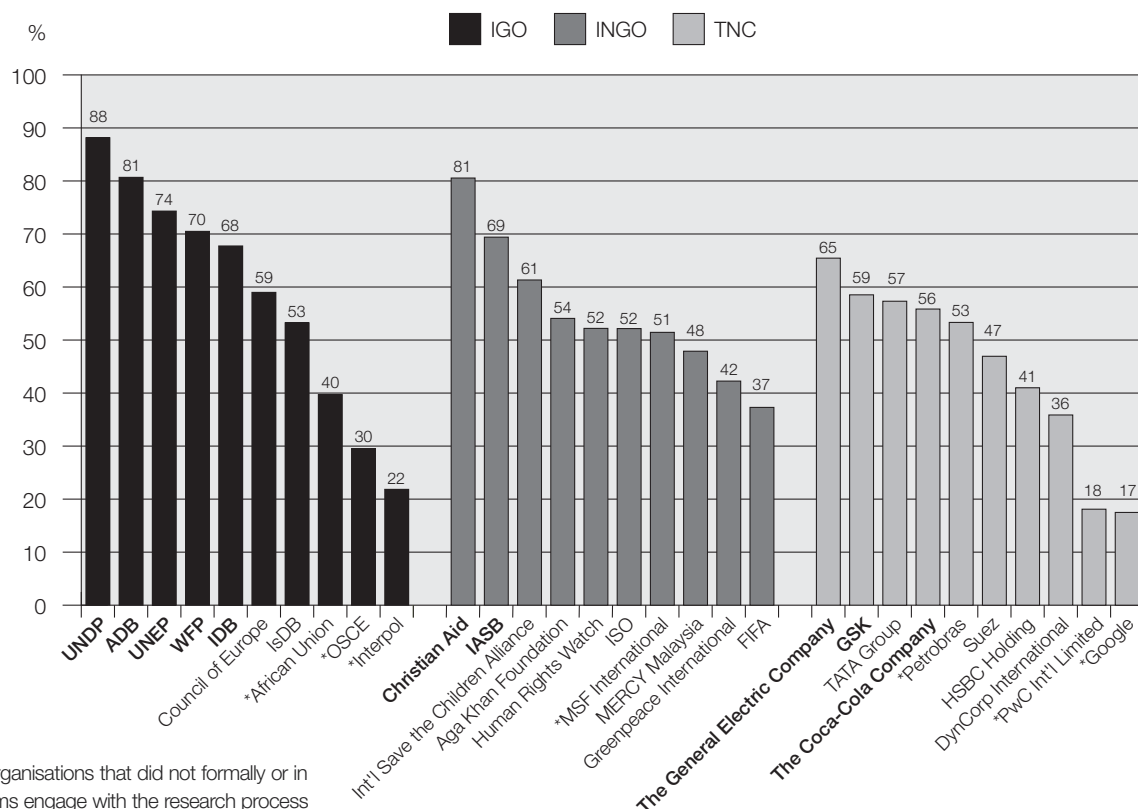
## High Level Findings

The 2007 Report highlights a mixed picture of accountability at the global level both within and across sectors. Some transnational actors are well along the path to strengthened accountability. Others are only just starting. All however, still have work to do.

Of the 30 assessed organisations, ten are 'high performers'. These organisations have the most consistently developed accountability policies and management systems scoring over 50 percent in at least three of the four dimensions (they are highlighted in green in Graph 1). High performers correlate with organisations that score well in overall accountability capabilities, with one exception. TATA Group scores very well for evaluation, which inflates its overall accountability score, but below 50 percent in the other three dimensions.

While 'high performers' lead in their sectors, they cannot be complacent: areas for improvement remain. Furthermore, accountability is not an end state. Having good accountability capabilities in place creates an environment in which accountability can be exercised in a consistent and coherent way. To ensure accountability happens in practice requires constant vigilance translating policy commitments into action and embedding accountability principles into the culture of the organisation and into all relationships with stakeholders.

**Graph 1: Organisational scores on overall accountability capabilities**



\* Denotes organisations that did not formally or in practical terms engage with the research process

Organisations that are lagging also need to improve. Global governance is a collaborative process that involves the efforts of multiple actors in developing and implementing solutions to global challenges. Laggards are as much a part of the system of global governance as high performers. These organisations can raise their game by learning from their peers and drawing on current good practices among transnational actors.

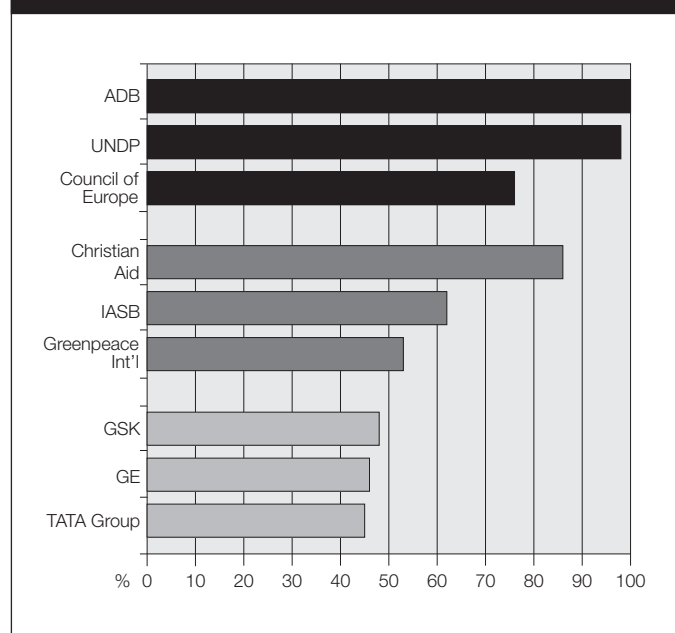
Across the four dimensions, the Report indicates that IGOs score highest on evaluation and transparency, INGOs on participation and TNCs on complaints and response. This is the same scoring pattern across sectors and dimensions as the 2006 Global Accountability Report and reinforces our message that with each sector leading on at least one dimension, there is scope for cross sector learning.

## Transparency

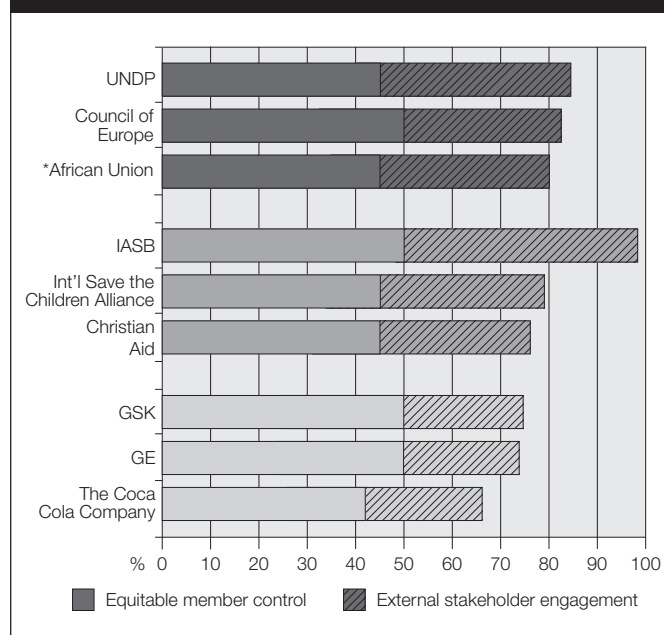
**An assessment of the degree to which policies and systems support public disclosure of information and enable the organisations to respond to information requests.**

- Transparency is one of the least developed dimensions of accountability. IGOs score 56 percent, INGOs 43 percent, and TNCs only 30 percent.
- Of the assessed organisations, 28 make a public commitment to transparency, but only 11 have formal transparency policies guiding what, when, and how information should be made publicly available. Seven of these organisations are IGOs: the Asian Development Bank, (ADB), Council of Europe, Inter-American Development Bank (IDB), Interpol, Islamic Development Bank (IsDB), UN Development Programme (UNDP), and UN Environment Programme (UNEP). Three are INGOs: Christian Aid, Greenpeace International, and the International Accounting Standards Board (IASB). Only one is a TNC: GlaxoSmithKline (GSK). A transparency

**Graph 2: Top three scores for transparency by sector**



**Graph 3: Top three scores for participation by sector**



policy provides guidance to staff on information disclosure and informs stakeholders on what they can request.

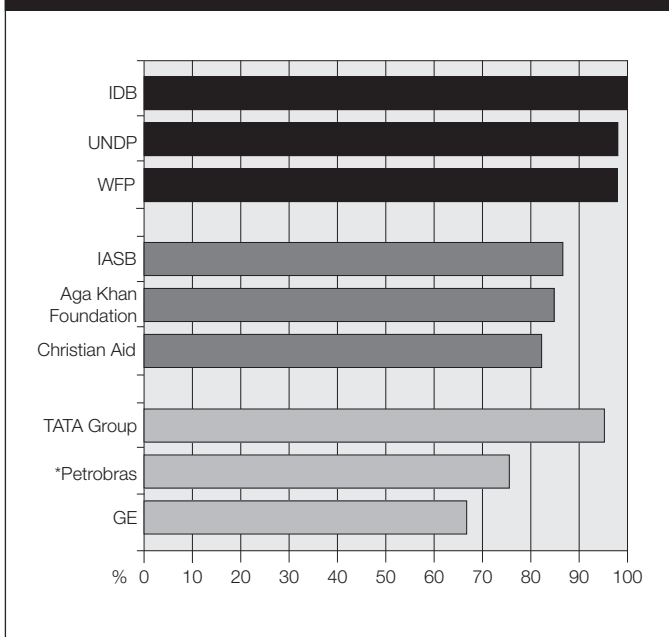
- Of the organisations with a transparency policy, five commit to disclosing all information other than that which falls within a narrowly defined set of conditions for non-disclosure (e.g. contractual and staff issues) – ADB, Christian Aid, IASB, UNDP, and UNEP. This is a crucial principle of transparency good practice and indicates an organisation's commitment to a rights based approach to access to information.

**Examples of good transparency practice:** for an IGO transparency policy, see the ADB's *Public Communications Policy*; for an INGO transparency policy see Christian Aid's *Open Information Policy*.

## Participation

**An assessment of the degree to which policies and systems support both equitable control among members or shareholders in decision making, and the consistent engagement of external stakeholders in decision-making processes and activities.**

- On average, INGOs score highest in participation with 72 percent, IGOs have 63 percent, and TNCs 51 percent.
- All assessed TNCs have weak external stakeholder engagement capabilities. While most have the management systems in place to support stakeholder engagement, none have policies or guidelines that commit to good practice principles and help foster consistency in how stakeholders are engaged.
- Almost half of all assessed organisations have institutionalised the involvement of external stakeholders in decision making at the governing, executive and/or senior management levels.
- Of the three sectors, INGOs have the most equitable member control followed by TNCs, and then IGOs. The IGOs' low score is a

**Graph 4: Top three scores for evaluation by sector**

result of the multilateral development banks (the ADB, IDB, and IsDB) having governance structures that give powerful members disproportionate influence over decision making.

**Examples of good participation practice:** for an IGO stakeholder engagement policy, see the ADB's *Strengthening Participation for Development Results: A Staff Guide to Consultation and Participation*; for an INGO engagement policy, see the International Save the Children Alliances' *Practice Standards in Children's Participation*; and for mechanisms that institutionalise external stakeholder engagement in Board and senior level decision making, see The Coca-Cola Company's *Environmental Advisory Board* and the UNDP's *Civil Society Advisory Committee*.

## Evaluation

**An assessment of the degree to which policies and systems support the evaluation of organisational strategies and operations, and the integration of learning into future planning (for TNCs, the focus is on evaluation of social and environmental impact)**

- Among IGOs and INGOs, evaluation capabilities are well developed with each sector scoring 68 percent and 62 percent, respectively. TNCs lag behind in this dimension with an average social and environmental evaluation capabilities score of 49 percent.
- Assessed TNCs have significantly higher capabilities for evaluating their environmental impact than their social impact. This difference reduces the sector's overall evaluation capabilities score.
- Of the 30 assessed organisations, 17 make no commitment to publicly disclose evaluations results. The distribution of these organisations across the three sectors indicates that this good practice principle is least developed among the assessed INGOs where only two organisations make such a commitment.

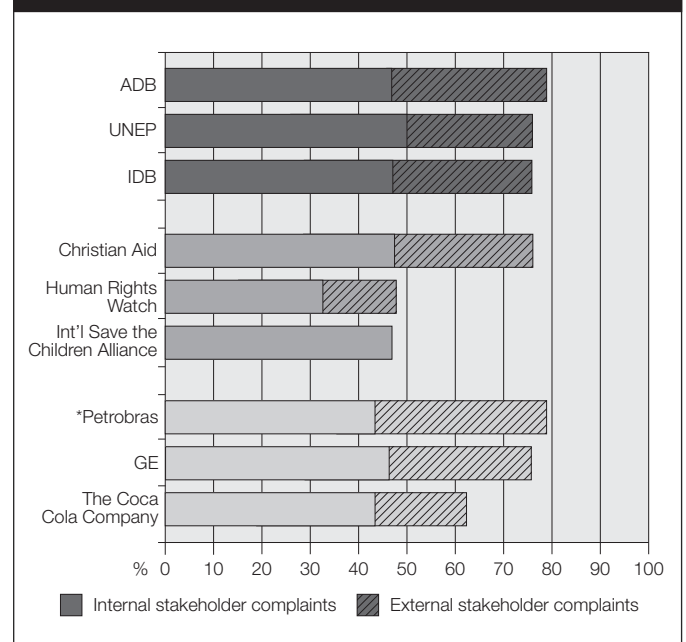
**Example of good evaluation practice:** For a TNC policy on evaluating social impact, see *TATA's Index for Sustainable Human Development*.

## Complaint and response mechanisms

**An assessment of the degree to which policies and systems provide a safe channel for staff, partners, affected communities, and the wider public to file complaints and receive a response in relation to issues of non-compliance with organisational commitments**

- On average, TNCs score highest for complaint handling with 50 percent, IGOs score 48 percent, and INGOs 42 percent. TNCs' slightly higher average score is partly a result of the Sarbanes-Oxley Act, which mandates internal complaint procedures for all companies registered on United States stock exchanges.
- Across all sectors, internal complaint policies such as whistleblower policies are of consistently high quality. The UNDP, UNEP, and World Food Programme (WFP) meet all good practice principles, such as non-retaliation and confidentiality. Internal complaints handling systems are also well developed with 20 out of the 30 organisations scoring above 70 percent.
- Across sectors, external complaint handling capabilities score significantly lower than internal complaint handling. Less than half of all assessed organisations have procedures in place for receiving and handling complaints from external stakeholders.

**Examples of good complaint handling practice:** for an IGO internal complaints policy, see the WFP's *Whistleblower Protection Policy*; for an INGO external complaints mechanism, see Christian Aid's *supporter and public complaints procedures*; and for a TNC external complaint mechanism, see Petrobras' *General Ombudsman Office*.

**Graph 5: Top three scores for complaint and response by sector**

## The importance of leadership in accountability reform

Accountability reform can generate internal resistance because of fears that change will undermine privileges or disrupt established ways of working. Leadership from the Board or senior management is needed to promote reform in the face of these obstacles and to motivate the actions required to change behaviours.

The 2007 Report investigates the role that leadership played in driving accountability reform in four of the assessed organisations: Christian Aid, GE, the IASB, and UNDP. The case studies provide a snapshot of what leadership for accountability reform can mean in practice, and highlight leadership strategies for generating momentum for change.

While each organisation exercised leadership differently, four common strategies were identified: (1) *create a sense of urgency* for accountability reform by linking gaps in accountability with risk for the organisation; (2) *inspire change with a vision* of what strengthened accountability can do for the organisation in terms of increasing performance; (3) *foster ownership of reform* by supporting others to move forward and embed accountability within their own areas of work; and (4) *build cross organisational support* for the reform agenda. While these steps do not offer a blueprint for accountability reform, they are recurrent elements in leadership strategies that have worked in four organisations and offer potential ways forward for those advocating for accountability within their own organisations.

## Measuring accountability: the 2007 Global Accountability Report

The Report examines the capabilities of transnational actors to be accountable. It seeks to highlight accountability gaps, encourage the sharing of good practice within and across sectors, and advance accountability reform. Over time, the Report will revisit organisations to track changes in accountability and highlight progress.

The assessment is based on the Global Accountability Framework an analytical tool developed over five years of multistakeholder dialogue where representatives from across sectors were brought together to discuss what accountability means at the global level and to identify common principles of accountability for transnational actors.

The Report documents the degree to which the headquarters / international secretariat of global organisations foster accountability to the communities they affect. Within each of the four dimensions of accountability an organisation's capabilities are measured by assessing the existence of key accountability principles in policies and supporting management systems. Policies are considered to be written documents through which the organisation makes a commitment to accountability. Systems are the management strategies and resources

(such as leadership, training and dissemination of relevant information) through which the organisation encourages and supports the implementation of accountability policies. Both policies and systems are given equal weight, as both are integral to fostering accountability. Scores in each dimension are out of 100 percent. A full list of indicators is available on the One World Trust's website.

## Why global accountability is important

While transnational actors have gained increasing influence over people's lives, their growing power has not always been accompanied by adequate accountability. Current mechanisms for holding transnational actors to account are stated based. While necessary, alone, they fail to provide citizens with adequate influence over global decision making. New tools and mechanisms are needed at all levels to make transnational actors more accountable and transparent to the individuals and communities they affect.

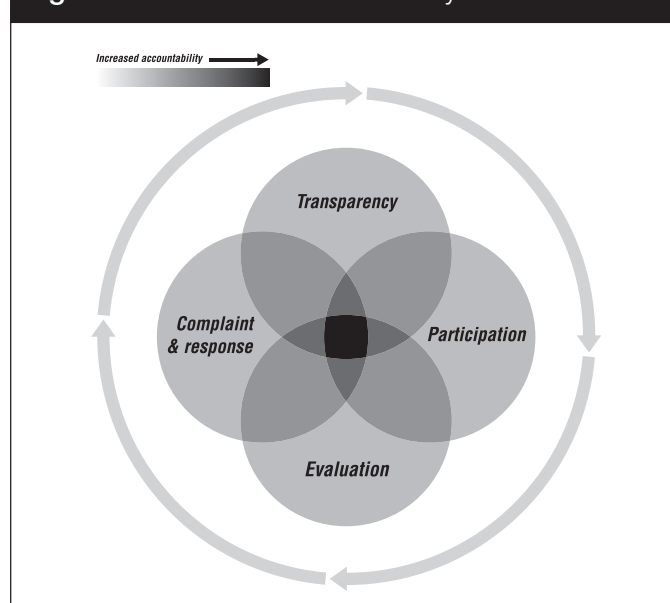
The task of creating a more accountable and responsive system of global governance could not be greater. Unless we are able to find ways of creating broad, informed participation of all relevant stakeholders in global decision making processes, our responses to global challenges, such as climate change and poverty, will fail.

## Source material:

This Briefing Paper is based on the *2007 Global Accountability Report* by Robert Lloyd, Jeffrey Oatham and Michael Hammer, One World Trust, London (2007).

© One World Trust, 2007

Figure 1: The Global Accountability Framework



one world trust

One World Trust  
3 Whitehall Court  
London SW1A 2EL  
United Kingdom

Telephone ++44 (0)20 7766 3470  
Email [info@oneworldtrust.org](mailto:info@oneworldtrust.org)  
Visit [www.oneworldtrust.org](http://www.oneworldtrust.org)  
Charity N° 210180