"The Core Roles of Transparency and Accountability in the Governance of Global Health PPPs"

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Keynote Address

Forum on Public-Private Partnerships for Global Health and Safety

Exploring Partnership Governance in Global Health – A Workshop

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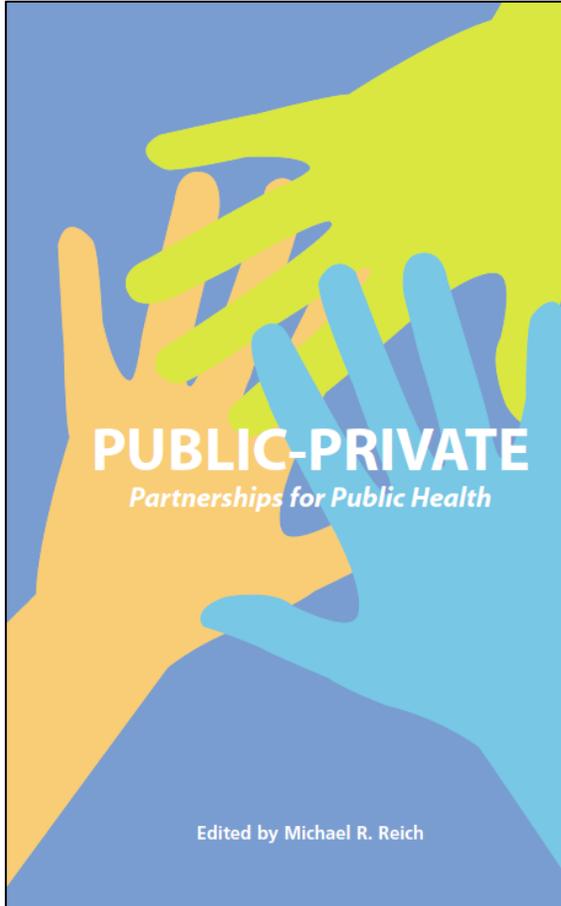The National Academies of Sciences, Engineering, and Medicine

Washington, DC

Objectives

- What the NASEM staff asked me to do: "a 15-20 minute presentation on the evolution and trends in the governance of global health PPPs, and reflections on significant issues and current challenges with these governance structures, processes, and practices."

Today's Talk:

- First, introduction about me and the topic

- Second, key findings and a proposed model

- Conclude, applications and implications

My earlier work on PPPs (a sample)

2002　　　　　　2002　　　　　　2006　　　　　　2008

ongoing

What is a PPP for global health?

- This <u>NASEM Forum</u> has a definition:

"PPPs are formal collaborative arrangements through which public and private parties share risks, responsibilities, and decision-making processes with the goal of collectively addressing a shared objective" within the global health field.

- To include both government and a private sector actor, but also possibly including a broad range of other stakeholders…

Different Types of PPPs

PUBLIC-PRIVATE PARTNERSHIPS for HEALTH

DOMESTIC

GLOBAL

INFORMAL (handshake)

FORMAL (written document)

USE EXISTING ENTITIES (contractual joint venture)

CREATE NEW ENTITY (special purpose entity)

FOR-PROFIT

NOT-FOR-PROFIT
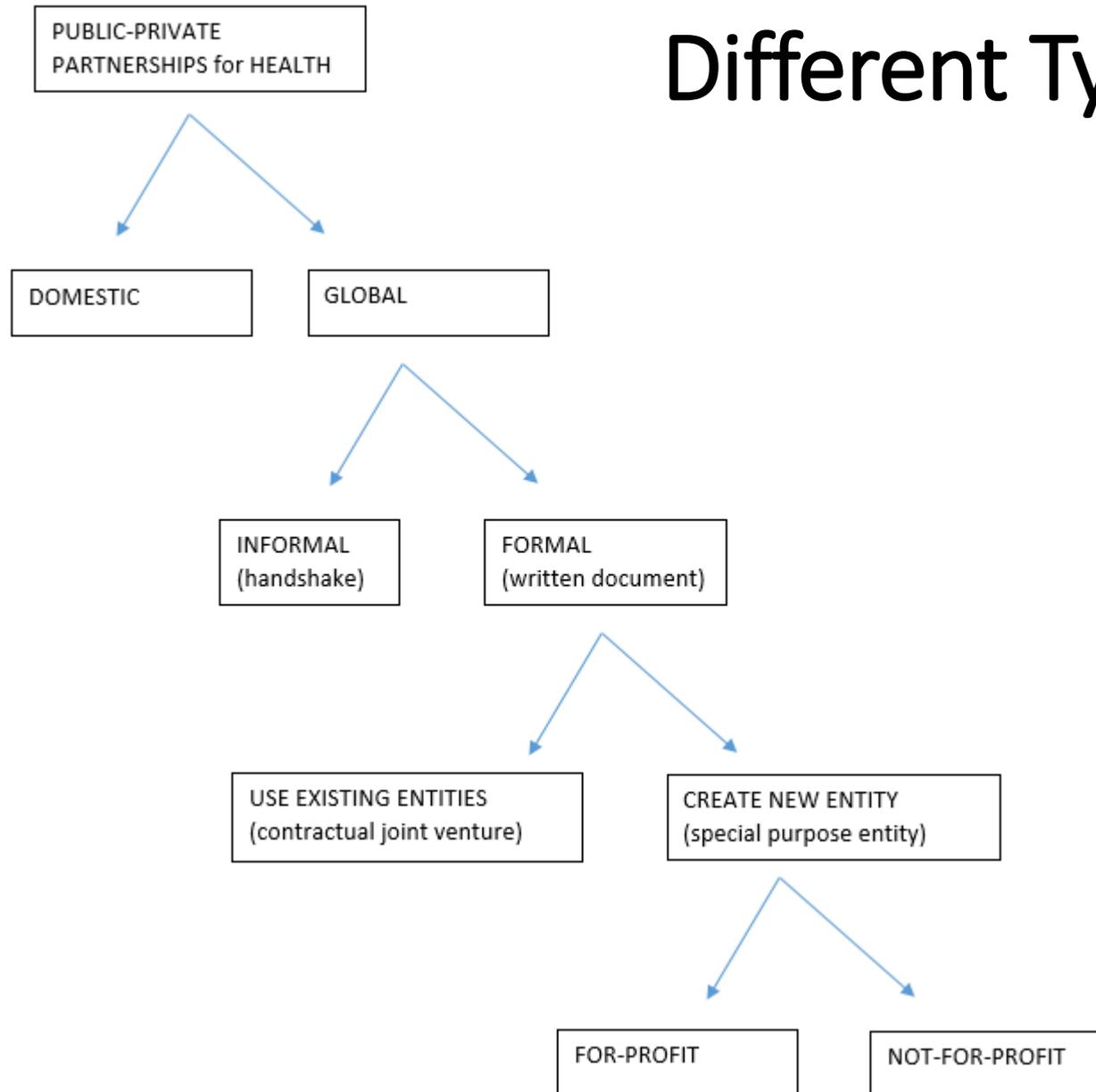
Frequency of usage of the term "Governance"
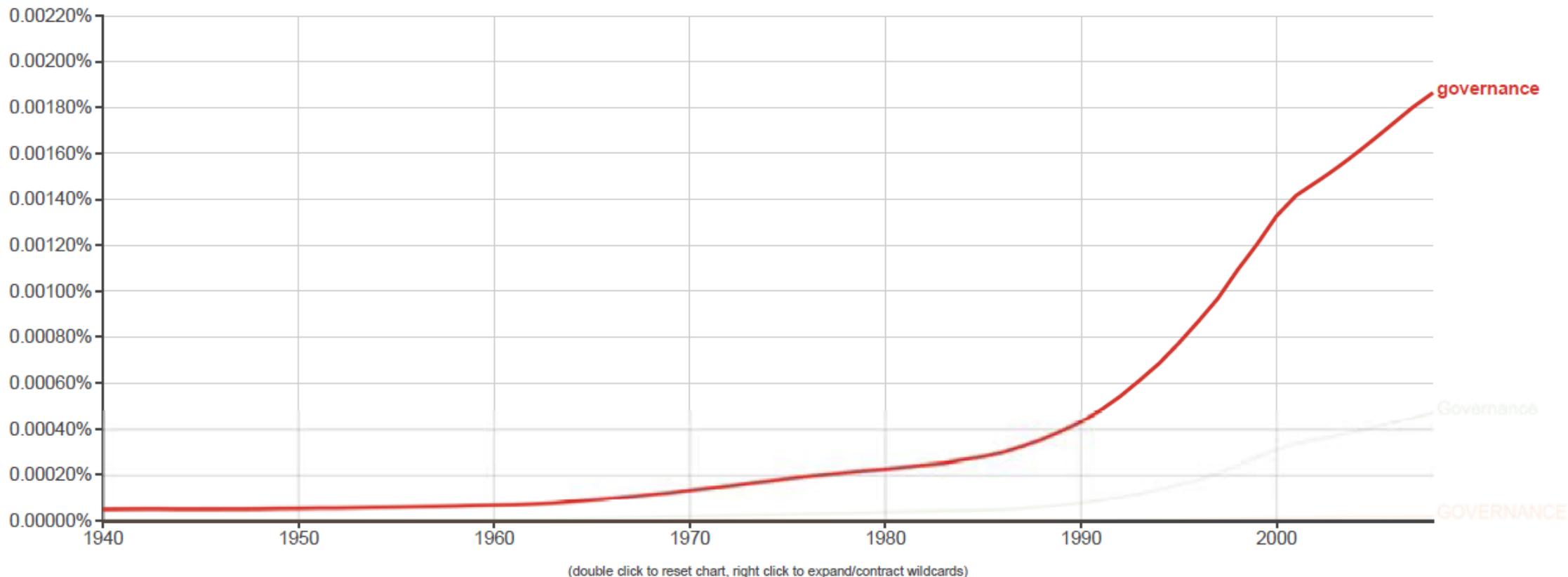
Definitions of governance

- Simple definition from NASEM: "the art of steering societies and organizations," from the Institute on Governance in Canada
- This is a nautical metaphor:

"STEERING"

"ROWING"

Definitions of governance

- Limitations of this steering metaphor for governance:

  "Steering suggests that governance is a straightforward process, akin to a steersman in a boat. These critics assert that governance is neither simple nor neat—by nature it may be messy, tentative, unpredictable and fluid. Governance is complicated by the fact that it involves multiple actors, not a single helmsman."

➢ Ambiguity increases when applied to PPPs, especially when they involve multiple partners, with different resources, different values, different cultures, different roles, different languages

➢ What would be a better metaphor? Herding cats?

Literature review of PPP governance conducted by NASEM

519 titles and abstracts

209 not appropriate

268 of some relevance
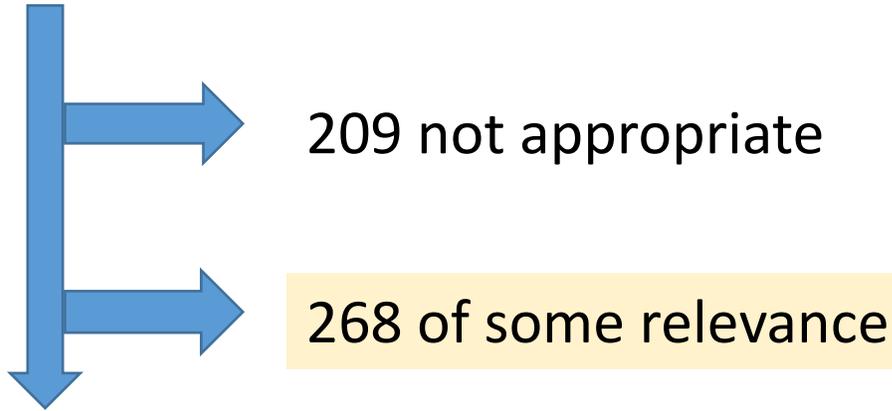
42 directly relevant

Impressions of the literature:
- Large volume of publications
- Lots of recommendations
- Ambiguity of actions

Could I imagine a simplified framework for PPP governance that might actually be used and useful in practice?

Focus on two key dimensions of governance: Transparency and Accountability

Consider them as orthogonal and separate
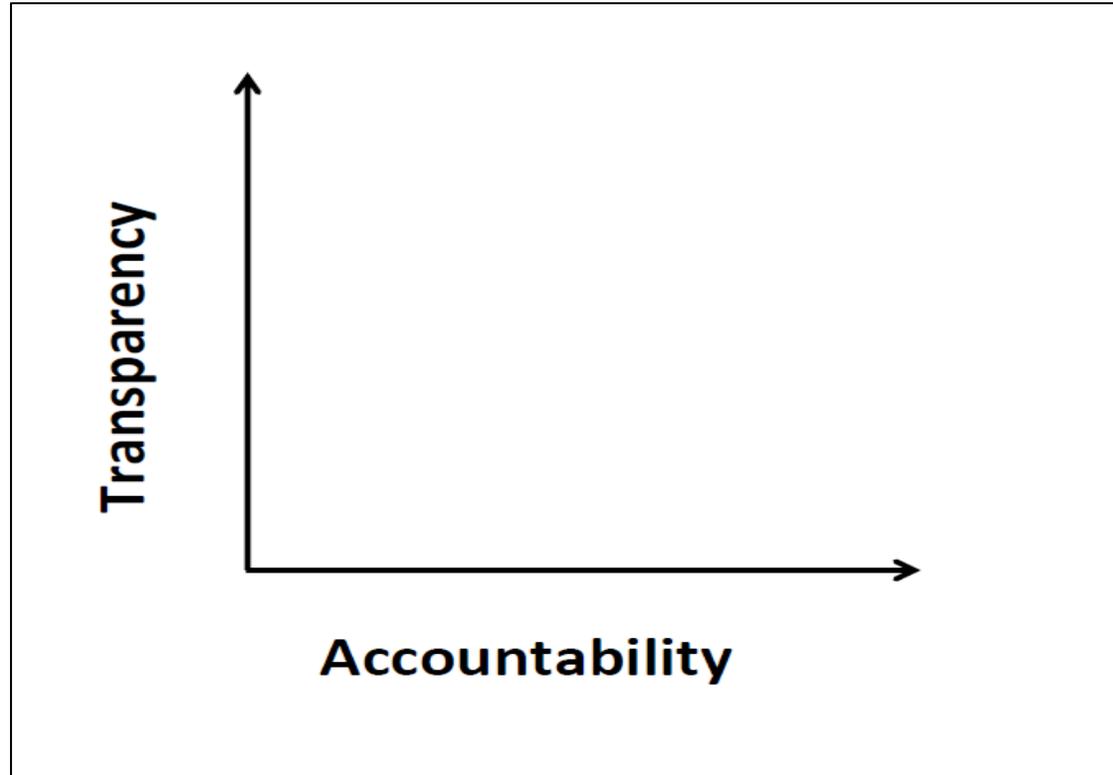
Four combinations of Transparency and Accountability

	Low accountability	High accountability
High transparency	⬆ Transparency ⬇ Accountability	⬆ Transparency ⬆ Accountability
Low transparency	⬇ Transparency ⬇ Accountability	⬇ Transparency ⬆ Accountability

Two caveats and two assertions

1. Two dimensions represent <u>only two of several</u> aspects of governance for PPPs.

2. Simplified model <u>does not tell us how much</u> transparency or accountability is good or desirable.

BUT the simplified model

- does help <u>improve conceptual clarity</u> about PPP governance

- can help <u>identify concrete options for action</u> to plan, assess, and change PPP governance

Transparency

- **Information to whom?**
  - To core founding partners , non-founding and non-core partners, stakeholders who are not partners (such as beneficiaries), government agencies (including contracting agencies and regulatory agencies), relevant actors in the public health field, donor agencies, academics, and the general public

- **Information on what?**
  - On inputs, processes, outputs, and outcomes

- **How informed?**
  - Public dissemination, by request (FOIA), through meetings, informal means (including whistleblowers)

Why we care about Transparency

- Allows Learning
- Contributes to Democracy
- Contributes to Accountability
- Shapes Organizational Performance
- Contributes to Public Perception of the PPP

Accountability

- Two core elements: "<u>answerability</u>" and "<u>sanctions</u>"

- Edward Rubin's definition:
  - "[t]he ability of one actor to demand an explanation or justification of another actor for its actions and to punish the second actor on the basis of its performance or of its explanation."

- Electoral accountability is not sufficient (just look at Washington today)

- Holding a PPP accountable poses complex technical, political and ethical challenges

Accountability

- **Accountable to whom?**
  - Multiple stakeholders: core founding partners, non-founding and non-core partners, stakeholders who are not partners (such as beneficiaries), government agencies (including contracting agencies and regulatory agencies), relevant actors in the public health field, donor agencies, academics, and the general public

- **Accountable for what?**
  - Metrics for inputs, processes, outputs, and outcomes

- **How held accountable?**
  - Board of directors performance assessments, financial decisions by funders and partners, contracts, regulatory reports, public campaigns by civil society, open and closed meetings, media reports, litigation

Why we care about Accountability

- Assures PPP is Achieving its Public Interest Objectives

- Changes and Improves Organizational Performance

- Contributes to Democracy

- Contributes to Public Perception of the PPP

Implications for Analysis & Action

- My goal was to go beyond a literature review and suggest core concepts of PPP governance in a manner that would have practical implications

- Governance Matrix for PPPs
  - *Analytical tool* to assess the characteristics and levels of transparency and accountability for a particular organization
  - *Planning tool* to design transparency and accountability relationships and mechanisms for a new public-private partnership

Governance Matrix for PPPs: Assessing Transparency & Accountability for a Hypothetical PPP Example

	Relationship: Party B	Contents	Mechanisms	Level (High/Low)
	Information to whom?	**Information on what?**	**How informed?**	
Transparency: Party A (PPP)	General public	Limited number of outputs	Annual Report available on PPP Webpage	**Low**
	Beneficiaries	Information on a few outputs	Written report and public meeting	**Low**
	Board of Directors	Detailed reports on key inputs, processes, outputs	Board meetings, financial & operating reports	**High**
	Accountable to whom?	**Accountable for what?**	**How held accountable?**	
Accountability: Party A (PPP)	General public	Limited number of metrics	PPP Webpage, public hearings	**Low**
	Beneficiaries	A few metrics on outputs	Ombudsman and complaints, using public pressure and reputation	**Low**
	Core partners	Detailed metrics on inputs, processes, outputs	Annual reviews of key staff, with firing or bonus, and of key partners	**High**

How much Transparency & Accountability?

- Different Levels of T&A: minimal standards, versus bronze, silver and gold levels of PPP governance

- Who decides how much Transparency & Accountability?
  - National regulatory agency, by country, by national law
  - Industry associations
  - International or multilateral agency
  - Private voluntary agency (ISO 9000)
  - PPP association code of "good partnership practices"

- Each PPP decides on its own

Some questions about T&A for PPPs

- What happens when partners disagree about the kinds of T&A that a PPP should meet?*
  - Different stakeholders or partners may demand different kinds of transparency & accountability: how to align the interests?
  - "Upward" accountability to funders and governments (who have power) *versus* "downward" accountability to beneficiaries (who have little voice)
  - Can produce "multiple accountabilities disorder" in organizations
  - How can hybrid organizations avoid "mission drift" through governance?
- Should different kinds of PPPs be held to different standards of T&A?

*Ebrahim et al, "The governance of social enterprises," Res in Org Behav 2014; 34:81-100.

Potential applications today

- <u>Reactions</u> from panel members
  - from diverse perspectives: Global Fund, Gates Foundation, corporate, international nonprofit, national government, academic

- <u>Implications</u> for legal and regulatory aspects of T&A for PPPs
  - Discussion by the next panel

- <u>Relevance</u> for considering industry-led access to medicines programs
  - panel later today

- <u>Use</u> in designing partnership governance for a non-health PPP
  - exercise at the end of today

Thank you

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