Marianne Beisheim and Andrea Liese:

Who governs? Unpacking Transnational Public Private Partnerships' Work in Areas of Limited Statehood

(Project Paper)

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First Draft! Comments are more than welcome!

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Authors' Address:

SFB 700 "Governance in Areas of Limited Statehood"
D1 Project "Transnational Public Private Partnerships"
Freie Universität Berlin
Binger Str. 40
14197 Berlin
www.sfb-governance.de/ppp

marianne.beisheim@swp-berlin.org & aliese@uni-potsdam.de

Field Studies:

hannah.janetschek@uni-potsdam.de (South Asia) & johanna.sarre@swp-berlin.org (East Africa)

1. Introduction

Much of the scientific debate on governance in areas of limited statehood centers on the question *how,* i.e. by which governance modes, security and other collective goods can be provided in the absence of strong statehood. To us it seems equally important to study the question *who* governs or co-governs in these areas. Which actors are involved in governance configurations, and who makes decisions in public-private partnerships (PPPs), which have become a rather prominent governance actor in the field of development?

Sam Parker is the chief executive officer in the London-based secretariat of the public private partnership Water and Sanitation for the Urban Poor. WSUP's mission is to improve the lives of the urban poor in developing countries by improving access to sustainable water and sanitation services. This mission was agreed upon by all WSUP members, i.e. NGOs, firms and other independent water experts. For example, in Kambi Muru, part of Nairobi's large urban slum called Kibera, WSUP is setting up tanks to supply water kiosks and communal sanitation blocks. But who "governs" WSUP's activities in areas of limited statehood? Is it Sam Parker as WSUP's CEO? It is WSUP's board that approves funding for WSUP's projects in urban slums (see section 2.2 on PPPs' boards)? Projects are selected, co-ordinated and monitored by WSUP's staff and directors in a complex process (see section 2.3 on PPPs' project cycles). WSUP's Projects Group, which is part of the WSUP governance structure, provides support for the project planning phase and the review of these projects. Each WSUP member organization is represented in this group. For each project the board assigns a project director who is fully accountable to the board. Sam Parker himself is in charge of WSUP's projects in Kibera/Kenya and Dhaka/Bangladesh; two colleagues oversee the others. WSUP also has regional offices and local project managers who facilitate the project work. As WSUP aims to apply participatory and demand-driven processes, local water authorities and service providers as well as local community based organizations are involved as early as the project planning phase. During this first phase, WSUP also sets up a multitude of supporting structures for local stakeholders, such as supervisory committees, management committees or advisory groups. Moreover, WSUP often co-operates with local consultants or companies that are involved in planning and operational decisions. But does this mean that local actors do really co-govern?

These first empirical "snippets" shall illustrate that it is quite hard to decide "*who governs*" in or through transnational public private partnerships in areas of limited statehood. We need to unpack PPPs' complex actor networks and procedures at multiple levels to gain a better understanding of who does what on what level and at what point of the process. Hence, we need to analyze actors, tasks and levels along the overall project cycle and moreover check for variation across the areas of limited statehood (e.g. urban slums in India versus urban slums in Kenya).

Our work builds on the SFB 700 project on transnational public private partnerships' work in areas of limited statehood.[1] In and through such PPPs, non-state actors (e.g. non-profit organizations,

companies) and state actors (e.g. international organizations, donor agencies) join forces to perform functions and provide services that previously rested firmly within the authority of sovereign states. While in the OECD world, community-level PPP often complement or supplement governmental regulation or services (Vaillancourt Rosenau 2000), in areas of limited statehood the situation is quite different. Here, PPPs often pursue the goal of providing collective goods: They may provide rules or services that were simply absent before, or, alternatively, PPPs might substitute state activities in a situation of state failure (cf. Posner 2004: 239). The literature on PPPs tends to be quite normative. This already becomes apparent with their definition as "cooperative relationships between government, profit-making firms, and non-profit private organizations to fulfill a policy function" (Linder/Vaillancourt Rosenau 2000: 5) that are composed of "people and organizations from some combination of public, business, and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common social aims through combining their resources and competencies" (Nelson/Zadek 2000). Building on a comprehensive discussion of literature on PPP, our project team makes use of an explicitly non-normative definition of transnational PPP as "institutionalized transboundary interactions between public and private actors that aim at the provision of collective goods" (Schäferhoff et al. 2009).

Our current empirical field work focuses on four transnational development partnerships that aim at the provision of certain services (sustainable water and energy, fortified food and medical support) in areas of limited statehood in East Africa (e.g. informal settlements in Kenya, Uganda) and South Asia (India, Bangladesh). The aforementioned partnership WSUP, for example, builds water kiosks as well as pit latrines for individual households in Karagita, a satellite settlement of the provincial town Naivasha, Kenya. The Renewable Energy and Energy Efficiency Partnership (REEEP) promotes renewables and energy efficiency in developing countries. Their projects are very diverse, from support for energy efficient street lighting in several Indian communities or solar heating in Uganda to drafting and implementing clean energy building codes in Bangalore. The Global Alliance for Vaccines and Immunisation (GAVI) seeks to extend the reach and quality of immunization coverage (e.g. on Hepatitis B). Similarly, the Global Alliance for Improved Nutrition (GAIN) fights vitamin and mineral deficiencies in developing countries. For example, they run several projects on fortified school meals in India and support Ugandan wheat millers in improving the nutrition value of their products. While in general our research project analyzes all kinds of conditions for the success or failure of PPPs' projects, in this paper we focus on the Panel's question "who governs" in the context of these PPPs' projects.

Our paper is structured as follows: the following section attempts to "unpack" PPPs. We analyze *who governs* in the context of their activities within areas of limited statehood. Due to their important role in the governance process and their responsibility for the design of the governance "product", we first focus on the *board* of the PPPs at the transnational level. A second part outlines typical features of *project cycles* of PPPs, going back and forth between the transnational and local level, and analyzes actor's roles.

As a result, we trace a long "chain of governance actions", from agenda-setting, project planning, decision-making, financing, implementation, monitoring, feedback-loops and evaluation to attempts

of up-scaling and self-sustaining projects. During this process, a multiplicity of actors is involved, is participating in and contributing to the project – but not all of them do really "govern". While there are a lot of indirect contributions of various actors to the overall governance package that comes with the PPP project, we only speak of a governance actor if the person or institution acts *independently* and *with co-decision-making powers,* i.e. beyond mere consultation or delegation and with either formal authority or de facto room for maneuver to significantly shape governance actions, and *intentionally,* i.e. with explicit reference to the PPP as a tool for providing governance for a collective, i.e. as an "institutionalized mode of social coordination to produce and implement collectively binding rules, or to provide collective goods" (Risse 2011b).

Empirically we can show that while local stakeholders may be participating in extensive consultation processes they do not really govern. An interesting result is also that donors, even if they are not part of the board of the PPP, nevertheless may have considerable influence on the project design and implementation by imposing conditionalities or threatening to withdraw funds. Focal persons of the transnational secretariat or local implementing agencies' staff may also have a powerful de facto governance position, simply by using their room for maneuver. The role of government actors varies to a great extent: Sometimes they are applicants and governance-takers, i.e. when they apply for funding and have to comply with the PPP's rules (GAVI, REEEP). They have a role as governance-actors, when they hold a chair on the board and determine the governance structures, modes of governance and governance "product" of the respective PPP. Even when they do not hold a chair in the board, they have a veto-position in most cases as they can put an end to a project anytime. These are only first impressions – they have to be confirmed by a careful examination of our field study results.

2. „Unpacking PPPs"

The transnational PPPs which we study here typically consist of three central elements: (1) a board, which makes decisions about funds, projects and develops the statutes, (2) a consultative group of stakeholders with advisory functions and (3) a secretariat, which manages the PPP, provides assistance for decision-makers and grant applicants and provides support towards project implementation on the local level. The transnational PPP usually determines the broader goals and the direction of impact of projects and thus the character of the collective good, which is intended to be provided. However, local projects are often initially designed and usually administered by other actors within the project region (see below, sect. 2.3.). Hence, there are several chains of delegation within each partnership, which usually run from the transnational to the local level, but also feedback loops which transfer knowledge and ideas from the local to the transnational level.

In order to unpack PPPs, we propose to study (i) the type (and level) of actors involved, and (ii) the policy/project cycle. The following paragraph introduces the conceptual framework on which we base our mapping of governance actors in the board. The second paragraph deals with the involved actors on a transnational level and sheds light on the composition of the respective board and its procedures and reach of decision making. The third paragraph is dedicated to the project cycle.

2.1 Conceptual Clarifications

Even if governance is usually defined as a public affair, non-public actors may become governance actors when they intentionally contribute to the co-ordination of social action, i.e. contribute to the setting and implementation of collectively binding rules or to the provision of collective goods (cf. Risse 2011-conference paper). Studies have shown that non-state actors and public-private partnerships are abounding in areas of limited statehood, where they make use of nonhierarchical modes of social interaction (cf. Risse 2011a, S. 20). Yet, which actors become involved in the governance process once they join a PPP? And how can we map them?

While the definition of PPPs invites for a distinction of public and private actors, we chose to use other categories. Governance actors have public purposes, even if they are 'private in nature' or follow strategies of profitability. A good example is the social entrepreneur Hystra, a global firm using for-profit tools for social change. The boundaries between public and private become blurred, when we look at non-profit business associations such as the International Emissions Trading Association (IETA), comprising more than 150 companies, which are neither classic civil society actors nor business actors. The same may be said with regard to national banks such as the Development Bank of Southern Africa. Are these public or private actors? We have thus opted to separate motives and tools from the formal structure of governance actors and focus on the typical distinction between state and non-state actors. In a similar vein, Thomas Risse has suggested to conceptualize the following ideal-types of governance actors (ibid., p. 3-4): *State actors* "comprise members of the executive, legislature, judiciary at national or subnational level, also intergovernmental (or supranational) organizations 'beyond the state'." *Non-state actors* are "all for profit and not for profit organizations, again at the national or international level." Furthermore, there are non-state actors which possess "charismatic or traditional authority, granting [them] a role in political leadership outside of formal state institutions" (Risse 2011b). PPPs regularly involve actors from different levels from outside and within a state. In this multi-level setting, one may distinguish an internal side (local, national) and an external side (national, international, transnational). Table 1 shows how these factors may be combined:

Table 1: *Typology of governance actors:*

governance actors		*local/domestic/national*	*Trans- and international/ external*
State		government/executive parliament/legislature judiciary	international (inter-state) organizations (IO); other states and their agencies (e.g. donor agencies)
non-state	civil society (not for profit)	associations, non-governmental organizations (NGOs), etc.	International Non-Governmental Organizations (INGOs); Transnational Social Movements, etc.
	private sector (for profit)	Companies	multinational companies
	"traditional"	clan chief, village elder	transnational religious organizations (e.g. catholic church); transnational associations of indigenous peoples etc.

Source: Risse 2011 (conference paper p. 4)

Our finding is that these categories can be used to map governance actors. However, the categories remain rather broad, and we argue that it makes sense to unpack the categories even further. For example, in the group of non-profit non-state actors we find actors as diverse as *business associations* (Bill and Melinda Gates Foundation), *"big" aid NGOs* (Care International), *single-issue NGOs* (Water for People), *research institutes* (University departments)*, think tanks* (TERI), *expert networks* (International Water Association). Likewise, the group of for-profit non-state actors includes *local enterprises* (small independent water providers) *and transnational companies* (Thames Water, GlaxoSmithKline, Unilever), *social entrepreneurs* (Hystra) and *local consultancies* (TTI Engineers Consultants Ltd.), *banks and funds* (Greenbank Capital), *law firms* (Baker and McKenzie). And the group of state-actors includes not only the usual suspects such as *ministries*, *national development organizations, international organizations,* but also *public universities* (Cranfield University in the UK) *, public banks* (Development Bank of Southern Africa) and even *parliamentary commissions* (Energy Commission, Ghana), which carry out certain functions for the state.

These different governance actors use quite different modes of governance and vary both with regard to the resources they possess as well as the power relations they constitute and are embedded in. The following section offers a descriptive account of the composition of the boards of four different PPPs.

2.2 Boards: Decision-Making Bodies at the Transnational Level

The governance structure of PPPs is 'terra incognita'. The highest decision-making body within a PPP is usually the board. The statutes of the Global Alliance for Improved Nutrition (GAIN) describe its role and functions as follows:
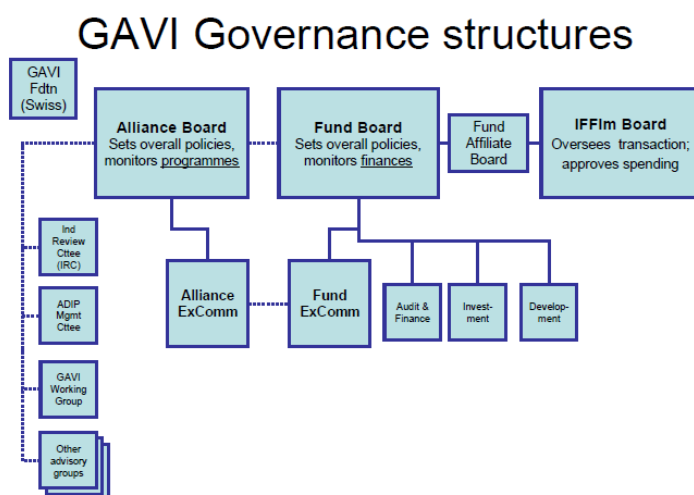
> "The Board is the **highest policy and decision making body** of the Foundation. The Board shall have **all powers** that are not expressly delegated to other organs or committees as

defined in the Statutes or By-laws. The Board **may delegate** to the Secretariat, the Partnership Council or to any committee it may deem appropriate, part of its powers for the management purposes of the current business which are not reserved to the Board by law or by the Statutes, By-laws or internal guidelines. The Board **shall adopt the Statutes**, the By-laws as well as **internal policies and procedures** necessary for the proper management of the Foundation. The Board shall be empowered to make any subsequent changes to these Statutes and the By-laws. The Statutes may be amended only in accordance with the voting procedures described in Article 16." (GAIN 2010: Statutes of the Global Alliance for Improved Nutrition (GAIN); emphasis added)

In the case of **GAIN**, the Executive Board is responsible for the approval of all projects and grants (funds). However, the National Fortification Alliances provide "strategic guidance for national fortification programs", act "as a governance body for GAIN supported projects" and also guide "the development and implementation of GAIN projects"[2].

Likewise, in the case of **GAVI**, an Alliance Board enjoys the highest and most extensive authority concerning decision-making and administration of the alliance. In particular, the Board appoints the board members, determines the policies and strategies of the alliance, adopts the by-laws and internal guidelines, sets operational plans and the business plan, makes major funding decisions, mobilizes resources, appoints auditors and legal counsels and delegates specific functions to the Executive Committee. The Board approves all projects, i.e. it is the responsible governance actor in the alliance. While governments prepare project proposals in co-operation with interagency co-ordination committees and health sector coordination committees, and while GAVI's independent Review Committee reviews all proposals, the Board eventually has to give its approval. The Board is composed of representatives from GAVI partner institutions and stakeholders (two-third of the voting members) and individuals who are appointed in their personal capacity (one-third of the voting members).

Figure 1: The governance structure of GAVI / position of the board

Source: GAVI 2006, p.4

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[2] http://www.gainhealth.org/programs/gain-national-fortification-program/national-fortification-alliances

WSUP is composed of a Board of Directors, the Secretariat, and Projects Group and Funders. Again, the Board of Directors is the ultimate governing body. As stated in the Memorandum and Articles of Association (para. 45 and 48), the Directors "exercise all the powers of the company" and "may delegate any of their powers or the implementation of any of their resolutions to any committee". The board is entrusted with the selection, monitoring and coordination of projects, although projects are usually developed through a very extensive stakeholder process.

The case of **REEEP** is somewhat of an exception, because here an assembly, the "Meeting of Partners", is superior to the board. The assembly has approved REEEP's 'constitution', i.e. the basic governance structure, while the Governing Board is responsible for conducting business in accordance to the statutes. A Programme Board and a Finance Committee (which merged with the Governing Board in 2010) make recommendations as to the priorities of the Work Programme, financial programs and fundraising. Again, it is the Governing Board which approves the projects and determines the program priorities: "The final project selection is completed by an International Selection Committee, and approved by the Programme Board and the Finance Committee to guarantee that the annual programme priorities are reflected."[3] (see also fig. 6 in the annex).

These four PPPs vary with regard to the actors that are involved in decision-making, i.e. that have voting power on the board (cf. the lists in the annex; and figures 2-5). Drawing on the typology introduced above, we distinguish non-state actors and state actors. We subdivide the group of non-state actors into for-profit and non-profit organizations. The group of state actors is divided into international organizations (IOs) and "government" (which covers the executive ministries, but also other institutions of the state, such as legislative bodies or commissions. In addition, we find many individuals who hold a chair in the board, which leads us to introduce a new category. While the majority of board members can easily be categorized along these lines, some actors do not fit the classification. (1) We find some hybrid actors, such as representatives of meta-organizations like PPPs, which cannot clearly be categorized within the non-state state divide. For these we apply the category "PPP". (2) Public universities can neither be categorized as non-profit non-state actor nor as for-profit actor; we use the category "government" to capture their quality as a public institution that is state-funded and state-controlled, although these organizations are, of course, not part of the government.

WSUP's board is dominated by non-state actors (60 per cent) and individuals (30 per cent), with state actors only possessing 10 per cent of the votes. In contrast, the board of REEEP is dominated by state actors, in particular government actors (50 per cent). Non-state actors also hold few chairs in the board of GAVI (22 per cent), which is dominated by individuals (47 per cent), while governments and international organizations hold 16 per cent of the seats each. Apparently all boards try (somewhat) to balance the influence of NGOs and companies. In GAIN and WSUP non-profit and for-profit actors are represented with equal numbers, the difference is minimal for GAVI (one per cent) and slightly to the advantage of the for-profit sector in the case of REEEP (six per cent).

Figures 2-5: Board composition according to type of governance actors

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[3] REEEP Annual Report 2009/10, pp. 53-4.

The Board of GAIN

- non-state
  - non-profit — 25%
  - for-profit — 25%
- state
  - Government — 17%
  - IO — 8%
- Individual — 8%
- PPP — 17%

The Board of GAVI

- non-state
  - non-profit — 10%
  - for-profit — 11%
- state
  - Government — 16%
  - IO — 16%
- Individual — 47%

The Board of REEEP

- non-state
  - non-profit — 19%
  - for-profit — 25%
- state
  - Government — 50%
  - IO — 6%

The Board of WSUP

non-state
- non-profit
- for-profit

state
- Government

Individual

30% 30% 30% 10%
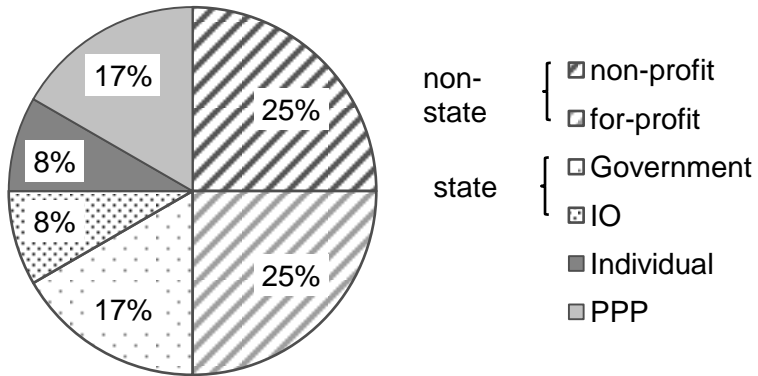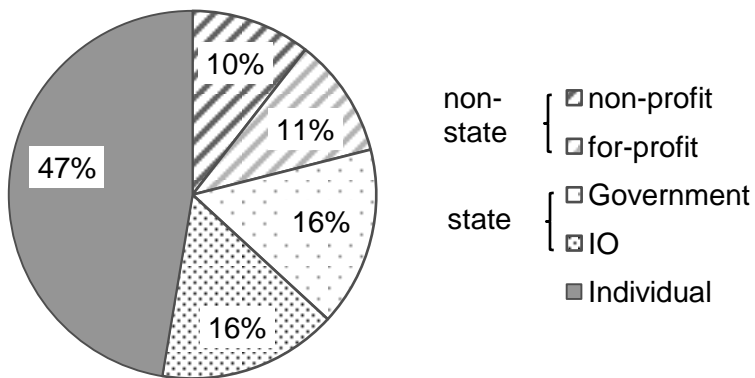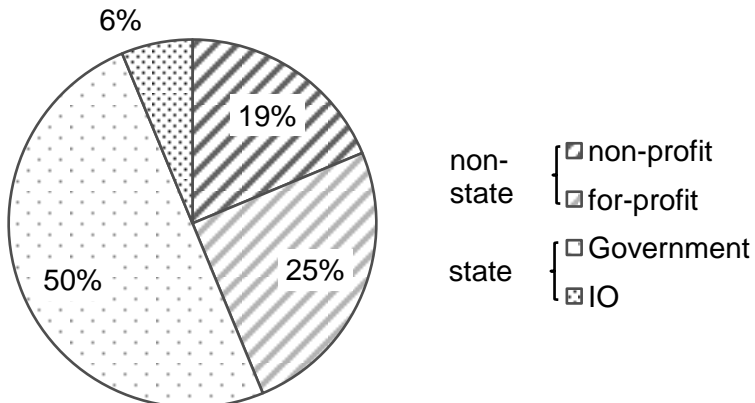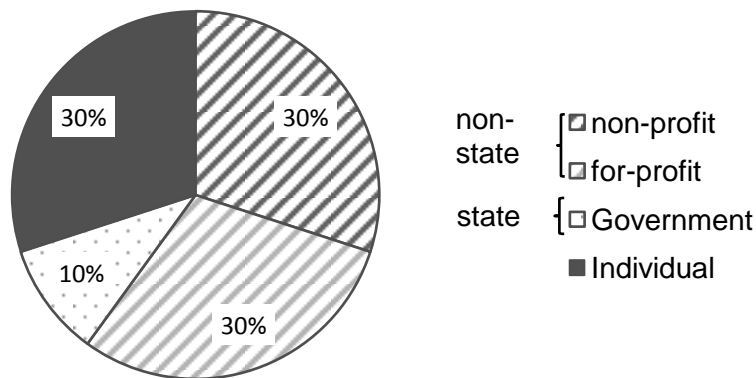
As this brief overview of the boards shows, actors within the PPP govern in complex multilevel networks, which include state as well as non-state actors, the latter group being composed of both non-profit and for-profit actors. Interestingly enough, certain actors are less represented than others. In three of the four cases state actors of developing countries ("government") were not represented. The one exception is GAVI, where the governments of Nicaragua, Yemen, Vietnam, Rwanda and Chad are currently representing the group of countries eligible for GAVI support. In all four cases "critical" non-profit non-state actors are not represented on the board. Instead, the group of non-profit actors consists of business foundations, transnational NGOs, think tanks and charity organizations. Likewise, sub-state actors (municipality) and national „southern"-NGOs are equally missing. TERI, a research institute involved with REEEP, and BRAC, an NGO from Bangladesh involved with GAVI are the exception to the rule. In general, there are only few governance actors from Areas of limited statehood represented on the boards. GAVI is most inclusive of members from areas of limited statehood: Besides the already mentioned five „country governments" and BRAC (Bangladesh), it involves the Serum Institute (India). REEEP's board includes one research institute and one parliamentary commission, while GAIN involves a transnational company (Britannia Industries, headquartered in India) and the Development Bank of Southern Africa. WSUP includes no actor from areas of limited statehood and no representative of a developing country.

The Board composition – and the often lacking involvements of local actors – is not a coincidence. The executive board of GAIN was deliberately reformed to involve donors and experts while excluding local actors from areas of limited statehood. These may become involved in a 'partnership council', where they can voice their interest and give advice to the board. This complementary structure allows ridding the board of conflicts between recipients and other members of the board.[4]

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[4] Based on interview with GAIN member

2.3 Who Governs along the Project Cycle? From Transnational Partnership-Building to Local Implementation and back

During the first phase of our project, we showed that already the initial phase of partnership building at the transnational level is quite demanding for the founding partners (see Beisheim/Liese/Ulbert 2008). Partners must find each other and then agree on common goals and action plans, on the internal governance structure of their partnership initiative, for example on decision making structures and the set-up and mandate of the board or secretariat, or on rules for resource management. This institutional set-up is decisive for the later project cycle. At the same time, we find that most PPPs experience significant challenges during their first years (see Liese/Beisheim 2011) – and even more so when they start working at the local level. We found that if PPPs want to be successful they have to manage quite a few institutional changes and adjustments in their governance structure and project cycles. These changes also affect the question of "*who governs*".

In general, PPPs' project cycles are quite diverse – this also translates into a diversity of "*who governs*" how and when. For example, in the case of GAVI, GAIN and REEEP, state or non-state actors apply for funds by handing in project proposals. Therefore, in the beginning of the project cycle, the position of the board at the transnational level tends to be quite strong (see above), as it sets the rules of the game by defining the programme and the call while applicants from the country level have to play by these rules. On the other hand, project proposals are drafted by the applicants – they decide what specific project they want to apply for. So, one could say that the applicants also have some kind of decision making power. In fact, some interview partners in the secretariat complained that they do not necessarily receive the kind of applications they would like to see. GAIN is more proactive, as its secretariat staff reaches out and discusses projects with possible executive agencies – encouraging and supporting them to apply. Subsequently, GAIN's programme management committee elaborates projects before GAIN's board of directors takes the final decision. GAIN's international secretariat is responsible for project oversight; the regional secretariat drives the implementation. Hence, all in all, GAIN's project cycle is driven by actors at the transnational and regional PPP level.

At the same time, GAIN and GAVI work through so-called "national alliances" or "country coordination mechanisms" which have to be established when a country wants to apply and receive funding. In the case of GAVI, the international organization WHO (a GAVI board member) supports countries in drafting their proposals. It is our impression, however, that while these national-level actors may play a vital role in shaping the conduct of the project at the country-level, they do not really impact the decision-making on the transnational level. On the contrary, GAVI's international secretariat in Geneva has taken on greater responsibilities over time and has gained a strong influence on policy formulation and implementation (Schäferhoff 2009).[5]

This is somewhat different in the case of REEEP, where the process starts with consultations to develop program priorities "bottom up". Partners, project managers, regional steering committee members, regional secretariats and independent experts define regional priorities. These are joined

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[5] Schäferhoff also shows that there have been many turf battles between partners and the PPP. For example, the GAVI secretariat challenges the core competencies of WHO in its role as technical adviser and also of UNICEF in the area of vaccine procurement.

together to "global priorities" by the REEEP Programme Board and approved by the Governing Board and Financing Committee. On the basis of these Programme Priorities the International Secretariat and Donors develop a Programme Framework. On the basis of this framework, REEEP then calls for project proposals (see fig.6). In the case of Uganda, Wilson Wafula from the Ministry of Energy and Mineral Development and in charge of a REEEP project that promotes solar water heating for hospitals, pointed out that this institutional design of the project cycle is conform with the ministry's interest in funding projects to address issues brought up by the local partners, making REEEP attractive for the local implementing agency.[6] In the case of Uganda, this has lead to diverse applications ranging from microfinance approaches for renewable energy to research proposals and procurement of solar water heaters. Once applications are in, an International Selection Committee is responsible for the final project selection which is then approved by the Programme Board and the Finance Committee. So, again, the transnational level has the final say. At the same time, REEEP claims that regional secretariats play "a key role in shortlisting proposals, ensuring that regional experience and knowledge are captured".[7] They also play a decisive role during the contracting process and they are responsible for ongoing supervision and monitoring. Beyond these official "de jure" responsibilities, many operational decisions are "de facto" being taken by the actual implementers, i.e. Ministries, NGOs or corporations. Here, it is hard to judge how significant their contribution to governance is and whether they really should be regarded as governance actors or are rather mere implementing agents. Realistically, this can only be determined ex post. As of now, we find large differences in that respect: In the case of the REEEP project in Uganda, once the proposal had been accepted, the room for maneuver seemed to shrink as actors were expected to abide by the agreed-upon implementation process. In cases in South Asia, however, as soon as the proposal had been accepted, local government actors realized that the approved grant will be disbursed regardless any time constraints, rather slowing down the implementation process and increasing their room for maneuver (although REEEP will of course not extend funding in the next year if the project fails to deliver).[8]

WSUP, the water partnership mentioned in the beginning, is a good example for going a bit more into detail for discussing the role of local actors within the project cycle.[9] WSUP was initiated by Thames Water and founded in 2005. Therefore, in the beginning, WSUP was perceived by many as a CSR-effort of Thames Water, but this is no longer the case.[10] Major start-up finance was provided by the UK Department for International Development (DfID). WSUP's members come from civil society, the private sector, and academia; UNDP and the International Water Association (IWA) are observers

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[6] Interview in April 2011, Kampala/Uganda.

[7] REEEP Annual Report 2009/10, pp. 53-4.; http://www.reeep.org/file_upload/5272_tmpphpj7FUFF.pdf

[8] Interview in February 2011 in Hyderabad/India.

[9] This part builds on documents available from WSUP's website, e.g. board meeting minutes, on multiple expert interviews, conducted by Sabine Campe, Hannah Janetschek and Johanna Sarre, and on extensive fieldwork in Kenya, India, and Bangladesh by Hannah Janetschek and Johanna Sarre in spring 2011.

[10] Meanwhile, Thames Water has left WSUP. Rumor has it that the reason was the sale of Thames Water by the German utility company RWE to the Australian consortium Kemble Water Limited. After that, the company focused its activities on reducing its debt and improving its operational performance by increasing investments in infrastructure. Thames Water is now supporting the international NGO WaterAID as their "principal charity" created by the UK water industry in 1981.

(see section 2.2). As a trisectoral partnership, WSUP focuses on pooling the resources available from its different partners.

> "WSUP exists because of what we perceive to be a failure of both governments and markets to provide access to water and sanitation to a huge number of the world's poorest people. It was established as a result of the frustration of a group of people who could see what needed to be done, but were constrained by the ways in which their own organisations were able to operate. The result? A genuine collaboration between the for profit, not for profit and academic communities that seeks to bring the best of each to bear on one of the world's most pressing problems." (*Will Day - Chair of WSUP's Board of Directors, 2011*)

In the beginning of WSUP's work, partners agreed on the following objectives:

> "… the improvement of water supplies and sanitation by researching, developing, scoping, delivering and/or monitoring sustainable and replicable water, sanitation and hygiene projects and programmes, in partnership with other organisations, that focus on achieving full service coverage for cities and mid-sized towns in the developing world." (WSUP, 2005)

WSUP started its operations in July 2005. The first year was used to set up the organization, to secure funding from DfID, USAID, and KfW, and to develop two pilot projects (WSUP 2006). The second year was mainly spent on extending the growing project portfolio (WSUP 2007b). Additional funding was secured from the Bill and Melinda Gates Foundation (BMGF) and has enabled WSUP to consolidate the projects that were still in the planning phase (Campe 2009). Currently, WSUP administers nine water and sanitation projects in Bangladesh, Ghana, India, Kenya, Madagascar, Mali, Mozambique, and Zambia. Once a project has been designed and reaches the implementation stage, a legally binding contract is signed (Campe 2009). WSUP accounts for 100% of the project design costs and for 20-30% of the implementation costs. The members provide services to WSUP projects for which they charge on a not-for-profit basis to recover their full costs. The cooperation among the partners is also regulated through precise terms of reference.[11] WSUP has a service level agreement with each member.[12] Right from the start, a project is monitored; while this internal monitoring is not public, it is centrally enforced by the project director (who is appointed by WSUP). Projects have to report regularly to the project director and to the WSUP secretariat. When a project fails to live up to its business plan, decisions on how to proceed are taken and enforced by WSUP. So, on the one hand, the secretariat tries to "govern" projects.

On the other hand, WSUP's board decided to change the process of project design and implementation since it proved to be too top-down. The original approach put much time and effort in the initial project design and into feasibility studies, but as the parameters of projects change rapidly once implementation starts, this approach turned out to be too top-heavy and inflexible. As a result of this experience, WSUP changed its approach to the project cycle:

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[11] Interview with the Chief Executive Officer of WSUP, London, May 2008 and telephone interview with member of WSUP's Board, representative for Thames Water, May 2008.

[12] Interview with the Chief Executive Officer of WSUP, London, May 2008.

> "It's almost like a design-build type of approach, as opposed to huge research up front. […] At the very, very early on, we're signing pretty clear agreements with the institutions, with the service providers, with the governments, to make sure we are properly established in a city. And then from almost the first go, we are out in the communities to build up capacity, even at a small scale."[13]

Not only does WSUP involve national- and local actors at an earlier stage, the focus has also shifted to capacity development. There is good reason for this. Initially, WSUP proclaimed the goal to provide 0.5 million people with access to water and sanitation by the end of 2008, and 3.5 million people by 2015. Already the June 2007 board meeting minutes reveal that "there was concern over whether the target of reaching 0.5 million people by the end of 2008 was realistic and whether this would compromise the quality of implementation" (WSUP, 2007a: 2, para. 2.1). As of now, WSUP claims on its website: "To date, the nine projects have achieved: 335,000 now with improved access to safe, affordable water".[14] In terms of "large scale access" this is disappointing. In their own analysis, WSUP attributes this slow progress in scaling-up projects to weak local capacities (WSUP, 2010). Accordingly, WSUP seems to realign its overall mission – now with a new focus on capacity development for local service providers. Their mission statement now reads: "At the heart of WSUP's approach is its strong emphasis on working with service providers and strengthening their capacity to deliver services to the urban poor."[15] These local service providers are private water utilities, municipal service authorities, or small independent providers, e.g. independent private water operators or community based organizations. WSUP realized that these local actors' capacities are crucial for the successful implementation of its projects.

There are some indications that this also changes governance patterns within WSUP's project cycles, towards a strengthening of the governance role of local actors – who then could become governance actors in the true meaning of our definition, i.e. have an influence and decide on project features in a significant way. As mentioned above, WSUP attempts to apply a participatory and demand-driven process. In Dhaka, for example, WSUP initiated a project in close cooperation with CARE Bangladesh to connect the inhabitants of a slum area with about 100 households to the public water network and to provide them with community latrines. This project began with measures that aimed at raising the awareness of slum dwellers of their rights to access public water tabs, through setting up their own *community based organization* Forum (CBO) and initiating their own action plan.[16] This attempt to influence the project design leads us to speak of those CBOs as veritable governance actors.

Moreover, in some projects, *local consultancies* have an independent say in implementation. In Bangalore, WSUP initiated a bidding process on a project in the Kaveri Nagar Slum area with 400 households to provide the inhabitants with community toilet blocks. WSUP awarded TTI Consulting Engineers India Ltd. – a local consultancy with international dependencies – to design, plan and

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[13] Interview with the Chief Executive Officer of WSUP, London, May 2008.

[14] http://www.wsup.com/whatwedo/achievements.htm (29.03.2011).

[15] http://www.wsup.com/whatwedo/index.htm (15.02.2011).

[16] Interview with WSUP and CARE team in April 2011, Dhaka/Bangladesh.

implement the project independently in the Kaveri Nagar Slum. The WSUP team took responsibilities for community work and supervision of the entire project.[17]

To go one step further, it might be interesting to analyze the role of *individuals*. The (informal) authority, personal capacity and sometimes even the ethnic affiliation of the individual selecting the kiosk vendors or plots where kiosks are to be built, highly influences the acceptance of the project and are therefore decisive for the project's success. In the start-up phase of the Kambi Muru project in Kenya, for example, WSUP organized a workshop to link existing private water tank owners with the informal settlement department of Nairobi City Water and Sewerage Company, the local service provider. Among the tank owners, Stephen Ongeni, resident of Kambi Muru and chairman of a neighborhood committee, now works as a local coordinator for WSUP, playing a crucial role in the designation of land to build additional tanks and kiosks.

In some cases, WSUP's *member organizations* are more heavily involved during implementation and they also take on full responsibility and accountability. Two projects of WSUP members in Bangladesh are good examples: In a Dhaka slum the transnational NGO CARE is supporting the local community in building a central water point and community sanitation block. The transnational company Unilever is leading a hygiene campaign in government schools. WSUP's is involved in the planning and monitoring of the projects as well as the capacity building within local water authority bodies to improve policy structures.[18]

Last but not least, in many cases *national or local authorities* are crucial players. In most cases they are relevant actors in supporting or blocking projects. For example, a comparison between WSUP's projects in Bangalore and Dhaka slums demonstrates that the accessibility and cooperation of *local water providers* is highly relevant for the success of the project. One out of four WSUP projects on community sanitation blocks in Bangalore/India failed for reasons of land property issues. In this particular case the land belonged to the local Forest Department, which denied permission for permanent infrastructure measures of water and sanitation.[19] In comparison, WSUP's project on water provision to urban slum dwellers in Dhaka explicitly included the local water provider Dhaka Water Supply and Sewerage Authority (DWASA) as a target group. That way WSUP did not only make an effort to enhance the mandated authorities' capacity to provide urban slums with public water and sanitation facilities but this also helped to secure their support for their project. And indeed, DWASA proved to be much more cooperative. DWASA set up a task force ("cell") for water provision to slum dwellers. They drafted a catalogue of requirements for public water supply in slums. Moreover, they attempted to destroy existing informal and illegal structures of water provision (that usually ask for triple the price as public water supply).[20] This illustrates the decisive role of public authorities that can either provide a catalyst function for the PPP project or obstruct progress.

In another case, the decision to build communal sanitation blocks in urban informal settlements as Kambi Muru, Kenya, is largely influenced by the government's stance on the informal character of

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[17] Interview with WSUP team in January 2011 and Interview with TTI Consulting Engineers India Ltd team in March 2011.

[18] Interview with WSUP- and CARE team in April 2011, Dhaka/Bangladesh.

[19] Interview with WSUP team member in November 2010, Swindon/UK.

[20] Interview with WSUP- and CARE team in April 2011, Dhaka/Bangladesh.

land ownership in the area. The residents of this area are officially regarded as squatters and could theoretically be evicted anytime. This not only leads them to not invest into permanent structures in their homes (e.g. sewerage-connected toilets or running water). Moreover, it obstructed the extension of a sewerage line into the informal settlement planned by Nairobi City Water and Sewerage Company. It is particularly the absence of official recognition and the ensuing lack of service provision that characterizes the areas of involvement of most WSUP projects.

As WSUP's project areas are characterized by this absence or lack of service provision through public actors, the ensuing vacuum has long been filled by various alternative structures. As a consequence, PPPs are maneuvering in a complex setting of existing formal or informal, private, individual-, NGO-, or community-based initiatives. Moreover, since we are looking at marketable services and goods (water, energy, food), competition is a crucial factor. In trying to bring diverse actors together, PPPs not only govern in their respective areas, but also (re-)structure existing patterns of governance. In doing so, they sometimes contribute to new complexities of the actors' networks; in other cases they manage to bring actors together which then may result in a more coherent setting.

3. Conclusions

- We find a long "chain of governance actions", from agenda-setting, project planning, decision-making, financing, implementation, monitoring, feedback-loops and evaluation to attempts of up-scaling and self-sustaining projects

- Board members at the transnational level of the PPP have the final say on the mission of the PPP and the selection and funding of projects. The boards are unevenly composed. Some privilege non-state actors, others privilege state actors. Actors from areas of limited statehood are underrepresented in the boards. We may thus conclude that PPPs provide external actors with governance opportunities in areas of limited statehood.

- Donors – while not always board members – have a powerful position by imposing conditions or threatening with withdrawal of funds

- Government actors from areas of limited statehood sometimes apply for projects (GAVI, REEEP) and thus become governance takers. Yet, they do not necessarily remain passive, but also have a decisive (veto) role as they can promote, hinder, or stop a project anytime.

- While some actors are not de jure in a position to govern they may have a powerful "de-facto" governance position because they take all kinds of operational decisions; this may be the case for transnational secretariat staff and national- or local-level implementers.

- Through processes of participation, consultation and capacity development, local actors may gain room for manoeuvre to influence the selection and way of implementation of projects. Nevertheless, local actors are not on par with the board members or the secretariat staffs at the transnational level that tend to have the final say in the process of project selection, design and funding.

- All in all, PPPs sometimes add to the messiness of actor networks and governance structures in areas of limited statehood; in other cases, they manage to bring actors together and to set up more coherent governance structures.

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Appendix

Fig. 6

REEEP programme process: From tender to contract in nine months

Programme Management Information System		

Responsible parties	List of selected projects		Responsible parties
REEEP International Steering Committees (Donors/UN/WB/IEA/REEEP)	Selection of projects to be funded	Approval of selected projects	Finance Committee and Programme Board
Finance Committee and Programme Board	Ranking of full proposals	Contracting, reporting and financing	Regional Secretariats/International Secretariat
REEEP partners, governments and DFIs	Submission of full proposals	Supervision and monitoring	
REEEP Regional Steering Committees, independent experts	Shortlisting of concepts	6-12 months after implementation	
REEEP partners	Submission of concept proposals	Evaluation and impact assessment	Independent experts

Call under the programme framework

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Table 2: The Board of GAIN

Person	Name of organization	Type	Level
J. Naidoo CHAIR	GAIN Board	PPP	transnational
G. Darmstadt VICECHAIR	Bill and Melinda Gates Foundation (US)	Non-Profit	transnational
V. Bali	Britannia Industries (India)	Profit	transnational
J.Cooper-Hohn	Children's Investment Fund Foundation (UK)	Non-Profit	transnational
F. Davidson	USAID (US)	Government	national
C. Elias	PATH (US)	Non-Profit	transnational
P. Henchoz	„Private Banker" (Switzerland)	Profit	national
R. Hurrel	Professor, ETH Zürich (Switzerland)	Government	national
O. Kayser	Hystra (France)	Profit	transnational
A. Tadesse	Development Bank of Southern Africa (South Africa)	Government	transnational
N. Alipui	UN Children's Fund (US)	Government	transnational

| M. v. Ameringen | GAIN (Switzerland) | PPP | transnational |

Table 3: The Board of GAVI

Person	Name of organization	Type	Level
	UNICEF (Switzerland)	IO	international
	WHO (Switzerland)	IO	international
	World Bank (US)	IO	international
	Bill and Melinda Gates Foundation (US)	Non-profit	transnational
x	Developing Country Governments **(5)** (currently Nicaragua, Yemen, Vietnam, Rwanda, Chad)	Government	national
x	Donor governments **(5)** (US, Norway, Italy/Spain, Sweden, France)	Government	national
x	National Center for Immunization and Respiratory Diseases (US)	Government	national
x	GlaxoSmithKline Biologicals (Belgium)	Profit	transnational

x	Serum Institute (India)	Profit	national
x	BRAC (Bangladesh)	Non-Profit	transnational
	Individual Board Members **(9)**	Individual	--

Table 4: The Board of REEEP

Person	Name of organization	Type	Level
A. Ofusu-Ahenkorah	Energy Commission (Ghana)	Government	national
E. More	Ministry for Agriculture, Forestry, Environment and Water Management (Austria)	Government	national
S. Teske	Greenpeace (The Netherlands)	Non-Profit	transnational
J. Cameron	Climate Change Capital (UK)	Profit	transnational
P. Monga	United Nations Industrial Development Organization (Austria)	IO	transnational
M. Chebbo	SAP AG (Germany)	Profit	transnational
C. Clini	Ministry of the Environment (Italy)	Government	national
H. Derwent	International Emissions Trading Association (Switzerland)	Non-Profit	transnational
M. Fogarty	Greenbank Capital (Australia)	Profit	national

H. v. Meijenfeld	Ministry of Housing, Spatial Planning and the Environment (The Netherlands)	Government	national
E. Stormoen	Ministry of Foreign Affairs (Norway)	Government	national
R. K. Pachauri	TERI (The Energy and Resource Institute) (India)	Non-Profit	transnational
M. Schöpe	Ministry for the Environment, Nature Protection … (Germany)	Government	national
G. Thompson	Department of State (US)	Government	national
P. Tulej	European Commission Environment Directorate-General (Belgium)	Government	international
M. Wilder	Baker and McKenzie (US)	Profit	transnational

Table 5: The Board of WSUP

Person	Name of organization	Type	Level
Mark Salway	Care International (UK)	Non-Profit	transnational
Dave Tickner	WWF (Switzerland)	Non-Profit	transnational
Girish Menon	WaterAid (UK)	Non-Profit	transnational
John Martin	Halcrow Group (UK)	Profit	transnational
Rebecca Marmot	Unilever (UK)	Profit	transnational

David Walton	Borealis &Borouge (UAE, Singapore)	Profit	transnational
Simon Parsons	Cranfield University (UK)	Government	national
William Day (Chair)	Independent (Former: CARE, Chair of the UK Sustainable Development Commission)	Individual	-
Ed Mitchell	Independent (Former: founding member RWE/Thames Water)	Individual	-
David Scott	Independent	Individual	-
Observer Status	*UNDP & International Water Association (IWA)*	*-*	*transnational*