The financial crisis has confirmed the immense power that global actors, state and non-state, can wield over the lives of individuals. Yet the influence of global organisations reaches far beyond the realm of finance. Global actors are custodians of savings, provide employment opportunities, deliver basic services such as water and health care, and are tasked with responding to global challenges such as poverty and peace and security. As such, their decisions and activities have profound impacts on people and communities around the world.

Frequently however, those most affected by the activities of global organisations have the least ability to influence them. Survivors of natural disasters or armed conflict struggle to voice concerns if international aid is inappropriate to their needs. Communities whose local environment is polluted by industrial activity often lack the channels to hold the perpetrators to account. Developing country representatives are frequently excluded from the multilateral discussions that impact their citizens. In the absence of effective international regulation, and with the limits of traditional state based mechanisms to hold global actors to account, ensuring that global organisations exercise their power responsibly and in the best interests of those they most affect should be addressed as a matter of urgent public concern.

In the face of global challenges such as the financial crisis and climate change the world needs global governance. Yet in order for global governance to be effective and legitimate, global organisations need to be inclusive of and accountable to their diverse stakeholders, particularly the most affected. Through the Global Accountability Report, the One World Trust seeks to draw attention to this need by annually assessing the capabilities of 30 of the world’s most powerful global organisations from the intergovernmental (IGO), non-governmental (NGO) and corporate sectors to be accountable to civil society, affected communities, and the wider public. In doing so, the Report assesses the existence of key good practice principles in the policies and management systems of global actors in four key dimensions of accountability: transparency, participation, evaluation and complaints and response handling (see Figure 1).

**High Level Findings**

While there have been advances in extending principles of accountability to the global level, the results of the 2008 Report reveal that even the highest performers have only basic accountability policies and systems in place. This year’s Report indicates a clustering of overall accountability capabilities scores (an average of accountability capabilities in each of the four dimensions) around 70 percent (see Graph 1). While these organisations represent the highest performers; none score consistently well across all four dimensions and only the IFC manages to score above 70 percent in three of the four.1

A score of 70 percent in all dimensions is the minimum threshold of accountability capabilities. It indicates that an organisation has policies in

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

* Denotes organisations that did not engage with the research process
place that meet some good practice principles, and has established
the basic management systems to support their implementation.
A score of 70 percent in all dimensions is thus the floor, not the ceiling,
of accountability capabilities. While in previous years we set the
threshold at 50 percent to encourage leadership and initial reform,
we have raised the bar to reflect the growing body of good practice,
and, as the review of accountability trends in the Report shows, the
evolution of the debate.

The results of this year’s Report indicate that if global organisations are
to be part of the solution to global challenges, there needs to be a
step change in their approaches to accountability. Global actors need
to immediately start implementing reforms which significantly increase
the quality of their accountability policies and systems. Specifically,
they need to tackle the more challenging accountability reforms which
truly empower external stakeholders to hold an organisation to
account. No organisation this year, for example, supports its
commitment to openness by identifying a narrowly defined set of
conditions for non-disclosure. Furthermore, organisations must take
the necessary steps to embed accountability in their culture and
ensure it is being translated into practice.

Having assessed 90 global organisations over three years, this year’s
Report also reflects on what the data from 2006, 2007 and 2008
indicates about the state of accountability across the three sectors.
Notably, it finds that each year, all sectors have consistently failed to
score above an average of 50 percent for transparency and
complaints handling capabilities. While organisations may struggle in
these dimensions, positive reforms can be achieved. Each year we
have seen those that buck the trend and score well in both areas.

Transparency
An assessment of an organisation’s capabilities to support the
consistent public disclosure of information and responses to
information requests:

- The overall picture of transparency capabilities is disappointing.
  Transparency is one of the least developed dimensions of
  accountability across all sectors with the IGO sector averaging
  45 percent, INGOs 41 percent and corporations 36 percent.
- Only two organisations, the European Investment Bank (EIB)
  and the International Finance Corporation (IFC), score above
  70 percent, the minimum threshold for transparency capabilities.
  Two thirds of assessed organisations (20) fail to achieve
  50 percent. Strikingly, Transparency International scores only
  53 percent and fails to commit to a number of good practice
  principles in transparency.
- Only nine organisations have transparency policies. Notably, none
  identify a narrowly defined set of conditions for non-disclosure.

Examples of good transparency practice: the IFC’s use of a web-
based information portal to make information on the projects it funds
publicly accessible.

Participation
An assessment of an organisation’s capabilities to support equitable
member control and the consistent engagement of external
stakeholders in decision making and activities:

- INGOs score highest in participation with an average score of
  83 percent, IGOs are second with 66 percent and corporations
  third with 60 percent.

1 The IFC lags behind all other assessed organisations in equitable member control, scoring only 46 percent. This leaves substantial progress to be made
before the IFC could achieve a 70 percent threshold in all dimensions of accountability capabilities.
Of the three sectors, INGOs have the most equitable member control with an average score of 96 percent, followed by companies with 85 percent. IGOs lag behind with 75 percent, primarily as a result of the Multilateral Development Banks (principally the African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD) and IFC), which have governance structures that allow their most powerful members to have disproportionate influence over decision making.

In general, high INGO scores in equitable member control reflect the orientation of many INGOs, especially those that are involved in anti-poverty and social justice activities (the majority of this year’s organisations), towards bringing about change through coalition building and cooperation.

A total of five INGOs score above 70 percent for their stakeholder engagement capabilities, reflecting the emphasis that many INGOs attach to participatory approaches. Only two IGOs and one company achieve this minimum threshold. The majority of companies score below the 50 percent mark and the corporate sector averages only 36 percent.

Over two thirds of all the assessed organisations—eight IGOs, seven INGOs, and six corporations—have institutionalised the involvement of external stakeholders in decision making at the governing, executive and/or senior management levels through mechanisms such as advisory bodies and stakeholder panels.

Examples of good participation practice:
- Fairtrade Labelling Organizations International’s engagement of the producers of fairtrade products in its governance structure; International Planned Parenthood Federation’s (IPPF) involvement of women and youth in decision making bodies at national, regional and international level; BHP Billiton’s use of the Forum on Corporate Responsibility to allow senior management to engage with external stakeholders.

Evaluation
An assessment of an organisation’s capabilities to support evaluation and learning (for companies, the focus is on evaluation of social and environmental impact):

- IGOs have the most developed evaluation capabilities, scoring an average of 70 percent followed by INGOs at 69 percent and the corporate sector at 61 percent. Evaluation is the highest scoring dimension for both the IGO and corporate sectors. Seventeen of the 30 organisations score over 70 percent and ten of these exceed 80 percent, four IGOs, three INGOs and three corporations.
- Organisations working in direct service delivery and poverty alleviation top the IGO and INGO sectors for evaluation capabilities. Four IGOs and three INGOs working in these fields score over 80 percent.
- While the corporate sector scores an average of 61 percent for its overall evaluation capabilities, this masks a substantial gap between strong average environmental evaluation capabilities scores at 77 percent and weak average social evaluation capabilities scores at 45 percent.
- Among the assessed corporations, BHP Billiton and Royal Dutch Shell have the most developed capabilities for environmental and social impact evaluation. This is unsurprising given that both operate in the extractive industries, which has direct and tangible impacts on the environment and communities.

Examples of good evaluation practice:
- Islamic Relief’s Quality Management System and Accountability Framework, IPPF’s Accreditation System, and CARE International’s Programme Principles; the partnership between Carrefour and FIDH to monitor labour conditions in its supply chain.

Complaints and response handling
An assessment of an organisation’s capabilities to provide safe channels for internal and external stakeholders to make complaints and receive a response:
Across the three sectors, complaints and response handling is one of the most consistently underdeveloped dimensions of accountability with IGOs and INGOs scoring an average of 45 percent, and corporations 40 percent.

The average scores for complaints and response capabilities are low primarily because of weak policies and systems for handling external complaints. Of the 30 assessed organisations, only five score over 50 percent in this area. This reflects low average scores across all sectors with IGOs scoring 30 percent, INGOs 33 percent and the corporate sector 20 percent. External complaints handling is a major accountability gap for global organisations.

Overall sector averages for internal complaints handling capabilities show very little cross sector variation; IGOs average 60 percent, INGOs 56 percent and corporations 59 percent. Encouragingly, all but two organisations have some form of procedures for handling complaints from internal stakeholders.

While two thirds of assessed organisations (21) have internal complaints policies, their quality varies significantly. Many organisations are failing to create a safe environment for staff to make complaints without fear of retaliation.

Examples of good complaints and response handling practice:
- Transparency International’s approach to handling internal and external complaints;
- AfDB’s whistleblower protections.

An overview of accountability trends and challenges
Contextualising current accountability debates and practices, this year’s Report also provides an overview of accountability trends and challenges. Reflecting on developments since the 1970/80s when large scale activism and interest in global organisations began and when many of the first accountability reforms were initiated, the review finds that there have been significant advances in extending principles of accountability to the global level. Today, there is growing consensus on both the obligation of global organisations to be accountable to those they impact, and how accountability at the global level should be manifested. Global actors have also come together to develop common principles and standards through self-regulatory initiatives such as the UN Global Compact, the Equator Principles, the Sphere Project, and the Forest Stewardship Council, which can be used to hold them to account. However, many challenges remain: translating accountability structures into practice; moving beyond administrative accountability reform towards addressing the deeper issues of who has power and makes decisions within organisations; and moving self-regulatory initiatives towards developing compliance mechanisms, which ensure implementation of principles and standards.

Measuring accountability
The Global Accountability Report examines the capabilities of global actors at headquarters / international secretariat level to be accountable to the communities they affect. Within each of the four dimensions accountability capabilities are measured by assessing the existence of key good practice principles in policies and procedures, and the management systems to support their implementation. Both policies and systems are given equal weight, as both are integral to fostering accountability. Scores in each dimension are out of 100 percent. Inevitably, commitments made by an organisation in its policies and systems may not be reflected in practice. The Global Accountability Report therefore does not claim to offer a full and definitive assessment of an assessed organisation’s accountability. Recognising that accountability practice is crucial, as part of this year’s Report short case studies, 2008 Accountability Spotlights, have been produced by stakeholders of some assessed organisations. These case studies examine how policy is playing out in practice and are available on our website.

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