Global Public Policy Networks as Coalitions for Change

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SUMMARY

Numerous international agreements have been concluded over the past few decades, yet on a global scale environmental quality has deteriorated. Traditional legal and institutional arrangements for environmental protection have not lived up to the task. The time is ripe to complement the traditional governance system with innovative elements of “networked governance,” bringing together governments, the private sector, and civil society organizations.

Over the last decade, global public policy networks have emerged as a possible element of such a governance structure. These open, flexible, and transparent structures have formed around issues of common interest. The World Commission on Dams, the Global Environment Facility, and the flexible mechanisms of the Kyoto Protocol are three examples of networks that have been instrumental in forging successful working arrangements. These models are worth examining more closely. Global public policy networks, coordinated by international organizations, might help to close the current gap between needs and results in global environmental governance.
Global problems demand global responses. Key issues that pose a direct threat to the common future of our planet include climate change, depletion of the ozone layer, loss of biodiversity, maritime pollution, and trade in hazardous waste, among others. Traditionally, global governance was viewed as intergovernmental cooperation to solve common environmental problems. Governments today are competing with private entities for power, influence, and representation (Reinicke, 1998; Strange, 1996, 1997). A world of growing international interdependence, increasing economic and political liberalization, and technological change cannot be regulated at the national level or by traditional intergovernmental cooperation alone (Rischa, 2001).

Several key characteristics distinguish today’s reality from traditional governance contexts:

- National economies are increasingly integrated through trade and financial flows, the spread of knowledge, and the movement of people;

- Technological change and economic integration have created transnational economic and social networks of interdependence that are difficult to regulate through national legislation;

- Traditional bureaucracies often lack the knowledge and flexibility to react to today’s complex and fast-moving governance challenges.

The instruments of international policymaking currently at our disposal – international treaties, institutions, and agencies – have proven insufficient to meet the challenges of an increasingly globalized and interdependent world in a timely and efficient manner. New institutional and operational responses are necessary to deliver measurable environmental results through an inclusive and transparent process. Flexible and integrative networks may show one way to address international problems more quickly and effectively than existing hierarchical and sluggish structures are able to.
Recent trends in international governance indicate that the focus has shifted from intergovernmental activities to multi-sectoral initiatives – from governance at the international level to governance across different levels, and from a largely formal, legalistic process to a less formal, more participatory and integrated approach.

EMERGING ALTERNATIVES: GLOBAL PUBLIC POLICY NETWORKS

Global public policy networks are a recent addition to the system of global governance. Such networks have appeared mainly at the international level, where a constant need for policy solutions and the lack of a central government leave room for innovative structures. They are multisectoral partnerships linking different sectors and levels of governance and bringing together governments, international organizations, corporations, and civil society.

Global public policy networks offer a promising model for how to handle new governance problems because complex political, economic, and social systems cannot be governed by a single sector – the public sector – or from a single level – the national level. Governance structures building on networks are able to bridge the gap between the public, the for-profit, and the non-profit sectors and integrate human and financial resources to find solutions to multifaceted problems. Networks have emerged around issues of public health, financial regulation, international crime, and the global environment.

Where networks appear spontaneously around certain problem areas, they should be integrated more consciously into a system of global environmental governance. The effectiveness of less formalized and flexible networks could then point toward a more viable solution to protect the global commons.

FEATURES OF GLOBAL PUBLIC POLICY NETWORKS

Global public policy networks generally form around issues of an international character. They minimize hierarchy through the involvement of multiple stakeholders across many sectors. The network par-
participants bring complementary resources to the process, allowing for synergies and more effective responses:

A typical network (if there is such a thing) combines the voluntary energy and legitimacy of the civil society sector with the financial muscle and interest of businesses and the enforcement and rule-making power and coordination and capacity-building skills of states and international organizations. Networks create bridges that enable these various participants to exploit the synergies between these resources. They allow for the pooling of know-how and the exchange of experience. Spanning socioeconomic, political, and cultural gaps, networks manage relationships that might otherwise degenerate into counterproductive confrontation. (Reinicke and Deng, 2000)

Several key features characterize successful global public policy networks:

• *Diversity.* The trilateral nature of global public policy networks, involving the public sector, civil society, and business, makes them distinct institutional arrangements. In the context of economic, social, and cultural globalization, the participation of the private sector has become critical to finding effective solutions to international problems. At the same time, political liberalization has led to a rapid growth of transnational advocacy coalitions of non-governmental organizations (NGOs), which need to be involved in policymaking (Gemmill and Bamidele-Izu, this volume; Tamiotti and Finger, 2001; Wapner, 2000).

• *Openness and flexibility.* Global public policy networks offer policy mechanisms adaptive to a constantly changing environment and open to new actors. Different approaches of policymaking and varying cultural perspectives increasingly demand recognition and integration. Networks provide a vehicle for incorporating such diverse perspectives, including local knowledge, and involving affected communities in the problem-solving processes.

• *Speed.* Global public policy networks provide for rapid responses and rapid “activation of reputational effects” (Rischard, 2001). They are well equipped to quickly identify issues, outline a vision,
options, and an action plan, and launch a concrete effort for their attainment. Moreover, through the political energy and urgency they generate, networks can put pressure on traditional institutions to respond in a quicker and more efficient manner.

- **Subsidiarity and legitimacy.** Global public policy networks respond effectively to the need for delegating policy processes to the governance levels that can most effectively formulate and implement policy solutions. They provide a means of implementing agreements and policies at various levels of decision-making. Through the open architecture now allowed by the internet, participation in networks at multiple levels is facilitated, leading to greater legitimacy and ultimately to the development of common global norms.

Due to their structure, networks are largely opportunistic, and are most likely to emerge in situations of political deadlock. A stalemate can trigger a special engagement by institutions and individuals who can assume leadership roles in bringing stakeholders together. Global public policy networks can also emerge wherever national policymakers lack the information, knowledge, or means to address complex policy issues, or where responses need to be built on a broad consensus of stakeholders. Finally, networks may arise around treaties, where diverse stakeholders are expected to take a coordinated approach in translating international consensus into action.

**FUNCTIONS OF GLOBAL PUBLIC POLICY NETWORKS**

There is so much variation among networks that no consistent pattern of network-building under specific circumstances and conditions has yet been observed. However, it is possible to highlight different functions that networks perform even though no simple typology can do justice to the full range of network activities:

- **Agenda-setting.** Global public policy networks can bring new issues to the international agenda and initiate public discourse on the issues at stake. Moreover, they can “increase the prominence of issues that are already on the global agenda by articulating clear
and focused goals, often justifying them on incontrovertible moral grounds” (Witte, Reinicke, and Benner, 2000). A handful of individuals with the right leverage and powers of persuasion can create a common vision and convince important actors to throw their weight behind an issue.

• **Standard-setting.** An important role for global public policy networks is the development of soft law guidelines and other non-binding legal instruments. Whereas treaties often provide a framework for international cooperation in a certain policy field, conferences of parties and other fora of international negotiations are not suited to formulating quick policy responses on burning issues. Networks can help affected parties or their representatives reach compromises that can then be poured into soft law agreements or standards.

• **Generating and disseminating knowledge.** The rapid change in the state of knowledge, and in the technological capabilities for its transmission, have often left governments at a disadvantage in comparison with the private sector, and even NGOs. Global public policy networks can serve as tools for gathering existing knowledge in a fast and efficient manner and even for the generation of new knowledge where gaps have been identified. A number of networks – the Roll Back Malaria Initiative of the World Health Organization, the Consultative Group on International Agricultural Research, and the Global Water Partnership – have made the generation and dissemination of knowledge their primary activity.

• **Bolstering institutional effectiveness.** By addressing participatory shortcomings, global public policy networks can facilitate building institutions, increasing their effectiveness and broadening their constituency base. During the institution building stage, multi-sectoral networks can help raise awareness of issues and gather political and financial support. Subsequently, institutionalized multi-stakeholder participation can ensure transparency, encourage flexibility, and allow for adaptability to change.
Providing innovative implementation mechanisms. Some global public policy networks could be formed with the specific purpose of translating the results of intergovernmental negotiations into concrete action.

THE VALUE AND PROMISE OF GLOBAL PUBLIC POLICY NETWORKS

Ultimately, global public policy networks represent a potential strategy for governments, businesses, and NGOs to address the challenges of interdependence and globalization in an effective, participatory, and sustainable manner.

The promise of these networks lies in two central domains. First, through their ability to formulate quick responses to urgent problems, networks offer the opportunity to close the operational gap that characterizes international environmental policy today. Second, through their multisectoral and non-hierarchical structure, networks promise to bridge the participation gap that often is the main reason behind international political deadlocks. Because of these two characteristics, global public policy networks generate benefits that go beyond the sum of their parts.

CASE STUDIES: NETWORK STRUCTURES IN ENVIRONMENTAL POLICY

Global public policy networks in the environmental domain are more prevalent than any other type of public-private network, with the possible exception of public health networks. These networks, however, vary substantially from case to case, and carry out many different functions. The following examples illustrate the range of inter-sectoral cooperation, the variety of functions and operational arrangements, and the respective lessons for global environmental governance.
Standard-Setting Networks

Case Study: The World Commission on Dams

Large dams bring together many of the issues central to conflicts over sustainable development at the local, national, and international levels. The World Commission on Dams (WCD) demonstrates the potential of multi-sectoral networks to contribute to international consensus building and standard-setting.

Origins of the World Commission on Dams

For many years, large dam projects were synonymous with development and economic progress. Costs were underestimated and many environmental and social impacts ignored. Over time, civil society from both the North and the South organized to protest the construction of large dams. A global alliance of NGOs was formed, through which coordinated resistance grew and even escalated into conflicts.

By the early 1990s, opponents and proponents of large dams had reached a stalemate that brought several large dam projects to a halt. The World Commission on Dams was formed in 1998 as a two-year initiative in response to this political deadlock.

Operation of the World Commission on Dams

Inclusiveness, openness, and transparency are the key principles around which the WCD was formed. The mandate of the Commission was broad and comprehensive – to undertake a global review of the effectiveness of large dams for development and to establish internationally acceptable criteria and guidelines for future decisionmaking on dams. Twelve individuals, acting in their personal capacities and chosen to reflect regional diversity, expertise, and stakeholder perspectives, comprised the Commission.

With funding from a variety of public, private, and civil society organizations, the WCD conducted a comprehensive global review of the performance and impacts of large dams. It held public consultations on five continents and was funded through a new model involving contributions from governments, businesses, and NGOs. The Commission operated under the core values of equity, efficiency, participatory decisionmaking, sustainability, and accountability, which provided the essential test to be applied to decisions relating to the construction of large dams. The Commission developed criteria for
future large dam projects and formulated a set of guidelines for Good Practice on how to meet these criteria. The final report was published at the end of 2000 (WCD, 2000).  

Lessons for Global Environmental Governance

The WCD illustrates the potential of collaborative arrangements to overcome an international stalemate and to formulate a set of soft guidelines that can alter the political landscape around an issue ripe with conflict. Several important lessons can be gleaned from the inception and operation of the WCD (Witte, Reinicke, and Benner, 2000):

• Establishing a basic measure of trust is critical for consensus building and standard-setting in a conflict-ridden environment, although it is time consuming and costly.

• A truly trisectoral structure, process, and funding, as well as sourcing of knowledge are key to building consensus and closing the operational and participatory governance gaps.

• Time limitation is an important precondition for effectiveness of concrete initiatives. Time-bound activities ensure the pertinence of the results and preclude degeneration into a “talk shop.”

• In highly contentious policy arenas, a participatory and inclusive approach, using open sourcing to pool knowledge, is imperative for producing effective and politically sustainable results.

The completion of the process that the WCD had embarked upon generated a series of reactions. The criticism from some governments, industries, and community-based organizations, together with an unenthusiastic response by the World Bank, showed that the consensus of the Commission did not translate into a broader stakeholder consensus (Dubash et al., 2001). While it was unrealistic to believe that the Commission could solve all of the issues around the construction of large dams, it created a document which initiated a process that could lead to a consensus. Without a doubt, the WCD has created a standard – albeit informal and not legally binding – against which future projects involving the construction of large dams will be measured.

2 The 2000 report of the World Commission on Dams is available online at http://www.dams.org/report
Networks and Institutional Flexibility

Case Study: The Global Environment Facility

The Global Environment Facility (GEF) has attempted to operationalize a unique and integrative governing structure which combines structural flexibility with a strong ability to adapt to a changing environment. The Facility answers new challenges of international public policy with a new type of international institution, bridging the traditions of UN and Bretton Woods agencies, like the International Monetary Fund and the World Bank.

Origins of the Global Environment Facility

The Global Environment Facility was established as a three-year pilot program in March 1991. It provides co-financing to developing countries and economies in transition for projects with global environmental benefits. Its grants finance only for the incremental costs of projects – the extra costs incurred in the process of redesigning an activity vis-à-vis a baseline. The Facility’s financing is available for investment and technical assistance in five focal areas—global warming, biodiversity, international waters, ozone depletion, and persistent organic pollutants. The operational responsibility is shared among the UNDP, UNEP, and the World Bank as implementing agencies.

Operation of the Global Environment Facility

During its pilot stage, the GEF attracted significant criticism. The dominant role of the World Bank provoked mistrust from developing countries, which saw the GEF as an instrument of conditionality. Non-governmental organizations possessed no formalized rights within its framework. Following the Rio Earth Summit in 1992, however, the role of the GEF as the key financing mechanism for the global environment was recognized and a restructuring for its integration into the UN-driven convention system ensued.

As a result of negotiations around the restructuring, the GEF emerged as a new international entity linking different interests and stakeholder groups. Developing countries, UN agencies, and the majority of NGOs were in favor of a mechanism with a governance structure similar to the UN system and the values of the UN regime, namely, transparency, accountability, democracy, and universality. In addition, NGOs demanded more participation in GEF procedures and
projects. The World Bank and OECD countries, on the other hand, preferred the governance structure of the Bretton Woods system and argued in favor of efficiency, cost effectiveness, effective management, and executive abilities. The new governance structure became an amalgamation of traditional features of UN and Bretton Woods institutions. Through the restructuring process, the GEF became more transparent, more democratic (with a double majority voting system), and more detached from the control of the World Bank (Streck, 2001). It built a significant role for NGOs, recognizing the value of institutionalizing alternative perspectives (Esty, 1998).

Lessons for Global Environmental Governance

Although today’s GEF is far from ideal, its governance structure shows features of a network that tries to flexibly integrate multiple actors. This network structure has contributed to several key strengths of the GEF:

- **Adaptability.** Comprising actors with divergent and shifting interests, the GEF must adapt in order to survive. Its mandate and overall goal of protecting the global environment requires it to respond to a constantly changing environment both outside and inside the organization.

- **Cooperation.** Despite the differences in resources, ideology, and interests among GEF participants, there is a common understanding among all countries that cooperation is necessary to address global environmental issues. Cooperation between North and South is greater in the GEF than in other fora. The increasing participation of developing countries over the years indicates a generally positive outlook for the GEF.

- **Transparency and participation.** The GEF is among the most transparent of the existing international institutions. NGO representatives are allowed to attend the GEF Council meetings not only as observers, but also as active participants. They have a right to make statements on each topic on the agenda except during the discussion of the GEF budget. NGOs played an important role in the establishment and restructuring of the GEF and continue to facilitate coalition building, to influence the debate, and to serve as partners in implementing GEF projects.
Innovation. The GEF submits itself to internal and external evaluations and is characterized by a strong ability to innovate, evolve, and change. Soft law agreements dominate over legally binding treaties. The renunciation of binding and sometimes narrow legal structures enables the creation of new and innovative mechanisms that comprise the GEF.

NGO ACTIVITIES WITHIN THE GLOBAL ENVIRONMENT FACILITY

- Contribute to consultations prior to each Council meeting;
- Observe at Council meetings;
- Engage in working groups on demand by the GEF Secretariat;
- Generate data, information, and independent analyses;
- Provide inputs to other activities initiated by the Secretariat (monitoring and evaluation activities, programs, and operational strategies);
- Lobby for donor contributions.

However significant, the strengths of the GEF do not disguise important flaws within the institution. Shortcomings include the very limited integration of the private sector, a problem of asymmetry of power, and overall operational complexity.

Implementation Networks of the Kyoto Protocol

Case Study: The “Flexible Mechanisms”

Through the Clean Development Mechanism (CDM) and Joint Implementation (JI), the flexible mechanisms of the Kyoto Protocol, the Parties to the UN Framework Convention on Climate Change established a platform that allows public-private networks to develop, execute, finance, and supervise projects. The different stages of the project cycle involve a broad range of actors from developed and developing countries, as well as from international development and finance institutions. The design of these new institutional mechanisms allows for the emergence of international implementation networks.
**Origins of the Flexible Mechanisms in the Kyoto Protocol**

Through the so-called “flexible mechanisms” of project-based emission crediting or emission trading, the Kyoto Protocol fosters the creation of markets for greenhouse gas emission reductions. Under JI and CDM, Parties that have agreed to abide by greenhouse gas emission reduction targets may achieve some portion of their targets beyond their own borders. The global climate benefits from emissions reductions regardless of where they occur. The CDM encourages the achievement of emissions reductions in developing countries and the Joint Implementation mechanism in economies in transition. These flexible mechanisms are designed to enhance the cost-effectiveness of greenhouse gas emission reduction policies (Freestone, 2001).

The Prototype Carbon Fund is a multi-donor trust fund established and administered by the World Bank. Launched in 1999, the Carbon Fund brings interested parties from developing and industrialized countries together to implement projects that follow the rules set forth under the Kyoto Protocol. At its second closing in 2000, six countries and seventeen private sector entities had agreed to participate in the Carbon Fund. Public sector participants contributed U.S. $10 million each and private sector participants $5 million each, bringing the size of the fund to $145 million. The Fund’s projects are expected to generate emission reductions that, once certified by an accredited independent third party, could be used by industrialized countries toward their compliance with emission reduction obligations under the Kyoto Protocol.

**Operation of the Kyoto Flexible Mechanisms**

The World Bank launched the Carbon Fund even before the Parties to the Convention on Climate Change had approved the implementation guidelines for the mechanisms. By creating the Fund, the World Bank took the lead in implementing CDM and JI projects and the first step

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3 Emission trading, established under Article 17 of the Kyoto Protocol, forms part of the flexible mechanisms. However, since it does not involve the execution of projects, it does not promote the creation of implementation networks.

4 Resolution 99-1, authorizing the establishment of the Prototype Carbon Fund, was approved by the Executive Directors of the International Bank of Reconstruction and Development (IBRD).

5 Canada, Finland, Japan, the Netherlands, Norway, and Sweden.

6 These include Tokyo, Chubu, Chugoku, Kyushu, Shikoku, and Tohoku, Mitsubishi and Mitsui (Japan); BP (United Kingdom); Deutsche Bank and RWE (Germany); Electrabel (Belgium); Gaz de France (France); Norsk Hydro and Statoil (Norway); Fortum (Finland) and Rabobank (through Gilde Strategic Situations BV) from the Netherlands.
from talk to action. It created a “prototype” network designed to evolve and provide a platform for discussion for participating governments and companies. The Fund is intended to translate emerging international obligations into the hard law of property rights. By preparing the early market in carbon transactions, it also opened the door to a new source of income for developing countries and economies in transition while promoting a shift toward less environmentally destructive behavior.

The Carbon Fund pays for the emission reductions it purchases on delivery. It bundles projects to reduce transaction costs. Assets are certified and verified by an independent third party. In order to be certified, the projects must lead to real, significant, and long-term climate change mitigation benefits and result in emission reductions additional to any that would occur in the absence of the project. While in the years to come other networks are likely to emerge in this area, the Carbon Fund already shows how various actors can work together to translate the international agreement on project-based activities under the climate change regime into action. The Carbon Fund thus combines some of the features of the “internalization deals” described by Whalley and Zissimos in this volume, as it compels private actors to consider the incremental costs of climate change to others.

Lessons for Global Environmental Governance

A greenhouse gas emission control implementation network is emerging under the framework of the project-based mechanisms of the Kyoto Protocol. The CDM and JI provide examples of incentive-based mechanisms supported by a global public policy network:

- **Dealmaking.** The flexible mechanisms of the Kyoto Protocol open the door for negotiated project arrangements underpinning the broader framework of international law and demonstrate the viability of project-based “dealmaking.”

- **Matching interests.** The flexible mechanisms bring together the public and the private sectors. The motivation behind the engagement of different participants varies. Industrialized countries and

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7 Non-governmental experts are represented in a Technical Advisory Group to the Prototype Carbon Fund. NGOs are also important partners in raising general awareness and in providing a platform for knowledge dissemination. Environmental NGOs also play an important role in developing and implementing projects.
private companies are interested in supporting emission reductions for credit against their reduction targets. Developing countries and development agencies are interested in promoting development. Civil society seeks to foster activities to mitigate global warming and to bring development to local communities. These various interests can be matched through bargains and deals.

- **Matching resources.** Each actor brings different and important resources to the table – funding, projects, opportunities to cut emissions, specialized knowledge, or political leverage. Each participant in the fund in general and in each project in particular has an interest in the success of the fund and its operations. Participants are able to cooperate in order to achieve the common goal – to the benefit of the global environment.

**SUPPORTING GLOBAL PUBLIC POLICY NETWORKS**

International organizations can play an important role in fostering and supporting global public policy networks. They could perform a convening and a supporting function, providing leadership, a platform for sustained deliberation, and financing. International organizations could also serve as advocates and implementors of the norms developed by global public policy networks (see box on International Organizations and Global Public Policy Networks). Proposals to strengthen global environmental governance should be developed with an eye toward the potential of such cooperative arrangements.
International organizations and global public policy networks

International organizations can help to create and sustain global public policy networks through various roles:

• International organizations may act as conveners, bringing all the parties to the table, mobilizing key constituencies and providing a forum to exchange views. United Nations agencies in particular have acted as conveners, successfully making use of their credibility across different sectors.

• International organizations can provide a platform or “safe space” for people and institutions coming together in a network, by establishing a level playing field for negotiations. In highly contentious policy domains, providing such a haven and bringing together outside parties may also have a catalytic effect on negotiations.

• One of the clear lessons learned from the empirical work on trisectoral networks is that social entrepreneurship is of crucial importance for the setup of a network. While there is no reason to believe that such leadership must necessarily emerge from the public sector, political high-profile leadership on the part of international organizations in the initiation phase has in some cases proven to be decisive.

• International organizations can advance norms developed by public policy networks. Sustainable development and human rights are two realms where the interplay between public policy networks and international bodies has helped to change global understanding and expectations.

• International organizations also serve as multilevel network managers. With the dual trends of greater devolution of authority through decentralization and the strengthening of supranational forms of governance, the challenge for international organizations is to develop strategies for simultaneously interacting with the appropriate levels of governance on particular issues at appropriate stages of the public policy cycle. By serving as a hub, international organizations can facilitate multi-tier linkages (local-national-global) in public policymaking.

• Despite often limited budgets, international organizations sometimes act as financiers, providing resources for a range of programs related to the implementation of global public policies.

CONCLUSION

A sound institutional architecture for global governance must combine features of traditional intergovernmental cooperation, implementation of national legislation, and innovative networked governance approaches. Instruments of international law and intergovernmental cooperation need to be supplemented by structures that can react faster and promote consensus among stakeholders.

Dynamic in both process and structure, global public policy networks can provide alternative means to finding solutions where traditional policy or lawmaking have not or cannot deliver effective results. Networks can facilitate international policy processes as well as encourage and assist effective implementation. Networks, however, are dependent on existing or future international organizations to provide a platform through which stakeholders can engage in collaborative management of global affairs.

Strong environmental governance structures, built on a set of networks, coordinated and initiated by international organizations, may close current participatory, operational, and institutional gaps in global environmental governance and provide a more successful means of addressing environmental threats to our planet.
REFERENCES


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