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A Theory of Change for the Extractive Industries Transparency Initiative

Designing resource governance pathways to
improve developmental outcomes

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The Extractive Industries Transparency Initiative is a major international effort to disclose information about extractive activities. Having an explicit Theory of Change could help it to improve natural resource governance and developmental outcomes. The design of an appropriate Theory of Change model should reflect national contexts and objectives, strengthen and target better information disclosure, and build capacity among the public and civil society.

Main points

- Many researchers, practitioners, donors, and decision makers have evaluated the EITI's impact on resource governance and development since its implementation, and whether its notion that information disclosure prompts change is valid. An explicit Theory of Change could help understand how the EITI can achieve improved extractive sector governance and development in participating countries.
- An EITI Theory of Change should build on the EITI's success in providing credible information, creating constructive dialogues, and contributing to institutional reforms.
- The EITI would gain from a Theory of Change that strengthens and targets better information disclosure, and builds capacity among the public and civil society to analyse and act upon the disclosed information. It would also benefit from greater outreach within government, through representation at the multi-stakeholder group, and clearer communication channels and products.
- Designing a Theory of Change that integrates information and issues at the subnational level would enable governments to show in more detail where revenues come from, what they are used for and where, and engage citizens on issues that are 'closer' to them.
- An EITI Theory of Change must address pressing issues such as the social and environmental costs of extraction, small- and medium-scale mining, and the expenditure side of revenue management.
- The EITI needs to develop models and guidelines to design and implement effective and dynamic country-specific Theories of Change. The needs, challenges, and objectives that the national EITIs seek to address vary between countries and over time.
- Of the three simplified and stylised Theory of Change models presented in this study, the Public Debate model was deemed as the most important, the Technical Reforms model as the most efficient, and the Name-and-Shame model as often initially relevant.
- Although the models are not mutually exclusive and can be complementary, they are useful in structuring reflections and discussions about how the EITI and information disclosure can lead to better extractive sector management and improved developmental outcomes for the society.

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Abbreviations

ASM: Artisanal and small-scale mining
CSO: Civil society organisation
DFID: Department for International Development
DRC: Democratic Republic of Congo
EITI: Extractive Industries Transparency Initiative
FDI: Foreign direct investment
FPIC: Free prior and informed consent
GHEITI: Ghana Extractive Industries Initiative

MDTF: Multi-donor trust fund
MSG: Multi-stakeholder group
NGO: Non-governmental organisation
PWYP: Publish What You Pay
ToC: Theory of change

EITI and pathways to improve natural resource governance

Conceived in the late 1990s and launched in June 2003, the Extractive Industries Transparency Initiative (EITI) has been a hallmark of international resource governance efforts. Initially designed as a voluntary process of extractive sector revenue disclosure for payments between companies and governments, the EITI evolved in the 2010s into a broader instrument seeking to improve transparency and accountability along the whole natural resource management value chain, including corporate beneficiary ownership. Under its 2019 Standard, the ambition of the EITI is to further broaden this disclosure, including for contracts and environmental impacts, to contribute to more developmentally effective extractive resources exploitation.

The EITI is generally considered a success story, given the large number of resource-dependent governments that have committed to it and the vast support it has received from donors, non-governmental organisations (NGOs), and extractive industry companies.¹ Yet, after more than a decade of implementation, many researchers, practitioners, donors, and decision makers are asking what the EITI's impact on resource governance and development has been so far, and whether the EITI assumption that information disclosure brings about change is indeed valid. As a result, donors, practitioners, and many of the studies evaluating the EITI have called for an explicit Theory of Change (ToC) as it could help understand how the EITI is expected to result in better extractive sector governance and improved development in participating countries.²

Although the EITI Board established a working group to develop a more rigorous and realistic results framework,³ the EITI Secretariat has long been reluctant to formally establish a ToC. Its Deputy Head and Executive Director have argued that it is more important to focus on the small wins than the large overarching goals, and that having a specific ToC might scare some countries off.⁴ It was only in 2019, under the leadership of the new EITI Board Chair, Helen Clark, that discussions restarted on the EITI ToC, and it is now included in the 2020 EITI International Secretariat Work Plan.⁵

1. Rustad et al. 2017.

2. Scanteam 2011; Gillies and Heuty 2011; Acosta 2013; Vijge et al. 2019; Neumann et al. 2016.

3. WGTOC 2012.

4. Rich and Moberg 2015.

5. EITI 2019a, 51.

Subsequently there is greater interest in defining a ToC and understanding how the EITI could help improve natural resource governance and developmental outcomes.

Based on previous literature, a survey, three country case studies, and our own observations from a decade of engagement with the EITI,⁶ we introduce three simplified and stylised models on how the EITI can reach its long-term goals of improving natural resource governance and promoting inclusive forms of social and economic development. These are: 1) *Naming and shaming*, ie pointing out stakeholders that are mismanaging or stealing natural resource revenues, including through investigations and prosecution, to curtail revenue loss and increase integrity in resource management; 2) *Public debate*, ie increasing knowledge levels among the public and public demand for better resource governance, to change and improve natural resource governance; and 3) *Technical reforms*, ie strengthening the procedures and efficiency of the bureaucracy dealing with natural resources, to improve the collection, handling, and spending of revenues. Although the three models are not mutually exclusive and can be complementary, they are useful in structuring reflections and discussions about how the EITI and information disclosure can lead to better extractive sector management and improved developmental outcomes for the society.

Our findings point to the value of a ToC approach for the EITI, although the suitability of the three main models varies from country to country and, over time, within a country. We identify the need for national and international EITI bodies to work together to design and implement ToC models that are best suited to local contexts, including governance and development issues. We emphasise that there is no one EITI ToC, but rather that each model is context specific (depending on the challenges that each of the EITI implementing countries faces) and should be grounded in the EITI Principles. Based on the interviews conducted, there is a need, and desire among the stakeholders, for the EITI International Secretariat to start helping the implementing countries in developing and instituting country-specific ToCs.

Theory of Change

A Theory of Change (ToC) is often referred to as programme theory, pathway mapping, programme logic, road map, or direction to travel. There is no consensus around a specific definition of what a Theory of Change (ToC) is, but broadly it can be described

6. Besides the specific work conducted for this study, engagement with the EITI among the three authors dates back to the late 1990s through pre-EITI discussions on transparency strategies for extractive industries, participation in several EITI Global Conferences, and dedicated interviews in several EITI implementing countries over two decades.

as a way to understand how an intervention will lead to a specific change.⁷ Its aim is to connect outputs and activities of an initiative (such as the EITI) to the desired outcome(s). The ToC describes the set of intermediary steps through which short-term activities and outputs will lead to the achievement of long-term goals.⁸

The concept of ToC was introduced in the 1990s, partly as a reaction within the development organisations against the logframe methodology – a tool for project planning, monitoring, and evaluation, which is more rigid and linear. The logframe had become a mandatory requirement for many donors, serving as a constraint for the implementing organisations, and was seen as an instrument for donors to control projects and programmes, with at times counterproductive effects. In contrast, ToC models have been promoted as having a stronger potential to better understand the complexity of change processes.⁹ Mayne¹⁰ argues that a ToC helps to better identify the assumptions and interlinkages within a causal chain – or impact pathway – and thus understand how to move from one step to another. These could be changes coming directly from a specific intervention or from external and unanticipated influences.

A ToC can serve many purposes, such as developing common understanding, bringing greater clarity, effectiveness, and focus, as well as providing a framework for evaluation and monitoring, organisational development, communication, and more generally empowering stakeholders.¹¹ Stein and Valters¹² argue that ToC should be understood as a continuum. At one end it can be a practical planning tool, and at the other end, it is a complex understanding of how things change to help policymakers and practitioners become more ‘political[ly] literate.’ In between these two extremes, is the process of describing how a project is expected to work – in less rigid ways than just the ‘planning toolbox’ but also in less complex ways than a full ‘political literacy’ approach. Stein and Valters¹³ identify four main purpose categories for ToC: 1) Strategic planning, 2) Monitoring and evaluation, 3) Description, and 4) Learning. These categories are overlapping, and an organisation does not have to use ToC for all of these purposes.

Most organisations with an aim to make change have a ToC, whether it is stated or implicit. However, to understand how a ToC functions within an organisation, it is useful to look at how it is implemented at different levels of the organisation. James¹⁴

7. Stein and Valters 2012.

8. Stein and Valters 2012.

9. Prinsen and Nijhof 2015.

10. 2015.

11. James 2011.

12. 2012, 7.

13. 2012, 8.

14. 2011.

defines several levels at which a ToC can work, including macro level, sector or target group level, organisational level, and project and programme level. Stein and Valters¹⁵ point out that it often can be difficult to identify at which level the ToC should be implemented, or whether it is necessary at all levels. If the latter is the case, a unified theory would be required, which would be an enormous task. On the other hand, only implementing it at specific levels might make it one-dimensional.

Ownership of the process is important. Sullivan and Stewart¹⁶ argue that it is essential to develop a ToC which takes into account the specific context in which the project will be implemented. They suggest that ‘total ownership’ is the ideal, where all stakeholders are engaged in developing and evaluating the ToC. In the case of the EITI, this would require a consensus within the EITI community (ie members and participants across the world as well as within participating countries).

Transparency, accountability, and natural resource (revenue) governance

The transparency narrative

Theories of transparency often model it as operating through a *causal chain* where information disclosure catalyses a series of phases ending in improved governance, and in which each stage acts as a prerequisite for the following stage.¹⁷ Formulated as a ‘transparency action cycle’,¹⁸ the transparency process in the extractive industry context would consist of the state, or the EITI, disclosing information about natural resource (revenue) management that will be used by the public to form or amend views, to debate resource related issues, and, when necessary, as a basis for voicing concerns and requesting improved accountability in natural resource management. The state would respond constructively to such action and feedback through changing its practices and policies. Better governance is then expected to increase the revenues available for education, health care, infrastructure, and other sectors that promote societal development. The loop would be finalised by the state/EITI providing updated information to the public about the changes for further evaluation.

15. 2012.

16. 2006.

17. Hood and Heald 2006; Fenster 2015.

18. Fung et al. 2007; Kosack and Fung 2014.

A fragile process

The ‘change through transparency’ process described above appears as fragile as its weakest link. First, transparency may fail if the information provided does not reach the intended audience (ie the ‘public’ for the EITI, see discussion below).¹⁹ Information disclosure may have a disempowering effect on already marginalised people as it can empower already better-off groups or individuals.^{20, 21}

Second, transparency may also fail if it leads to what can be called the ‘illusion of transparency’:²² governments and other actors are believed to be transparent as they make information public (nominal transparency), yet do not follow through on disclosing relevant or sensitive information.²³ In some cases, limited information disclosure may be used by authorities to reduce (well-founded) distrust and suspicion among citizens, therefore (problematically) supporting the status quo in cases where effective change is needed.²⁴

Third, for attitudinal and behavioural changes to take place, the public must find the information they receive useful, care about the information and the policy in question, and be dissatisfied with the status quo. Further, in order to request improved natural resource governance, citizens need to have feasible ways of acting on the disclosed information, and they need to be aware of what those are.

19. This, for example, seemed to be the case for Ghana where a survey conducted among 3,500 Ghanaians found that less than one-third recalled having heard something about resource revenue management at the national level during the past 12 months and a mere 5% had heard about the Ghana Extractive Industries Transparency Initiative (GHEITI) (Lujala et al. 2020; Brunnschweiler et al. 2019). Note that the recognition of the GHEITI was based on respondents’ self-assessment. Of the few (mostly male) respondents who said they had heard of GHEITI, less than half were able to describe it (partly) correctly when asked to do so.

20. Lujala et al. 2020.

21. The claim that transparency is inherently good rests on the assumption that better-informed citizens would use the newly acquired information for the good of all citizens. Citizens in many countries, as in Ghana (Lujala et al. 2020), are likely to have unequal access to information, with those already in the best position also having better access to new information. This may simply indicate that information is reaching those who can make greater use of it, but it may also suggest that increased transparency disproportionately benefits those in more powerful positions, replicating and reinforcing any existing social or economic power imbalances.

22. Ofori and Lujala 2015.

23. For example, restraining the extractive industry’s environmental or social impacts requires different types of information to be disclosed from the information that is supposed to form a basis for the public to demand reforms in natural resource revenue governance. In some cases, the information may be withheld, like in the case of the ‘Hidden Loans’ in Mozambique, where the government had agreed with donors to release the findings of the forensic audit but did not do so, and disclosure was only achieved through leaks (Nuvunga and Orre 2019).

24. Gillies 2010; Kolstad and Wiig 2009; Epremian and Brun 2018.

Finally, it all depends on the state's response being constructive, adequate, and open for making structural changes in governance. It is important to remember that if prior to disclosing information on the extractive sector, a 'public' that demanded improved natural resource (revenue) governance had not emerged, perhaps it is unreasonable to expect that such a public will emerge following the release of such information unless other measures are taken simultaneously to support the transparency process.

Overall, evidence from studies on the impact of information on behaviour is mixed and inconclusive, even in the cases where the issues related to children's education and health and, therefore, were of more immediate, personal interest for the target audiences.²⁵ There are many possible reasons for the low levels of behavioural changes when it comes to information disclosure, such as people having more important needs to attend to; thinking it is not their responsibility to request change but rather that of their representatives, civil society groups, other prominent (educated) figures, and even foreigners; not being able to act on the information provided to them since it may be too costly or beyond their means to do so; or being afraid of reprisals.²⁶

Who is the public?

A key issue in understanding how and why the transparency process functions (or does not function) in extractive industries, is the ill-defined 'public' so often evoked in transparency discussion,²⁷ and EITI Principles and the series of EITI Standards issued since 2003 (see Annex 2). Who exactly is the public? Does it refer to a wide range of intermediary organisations such as civil society organisations (CSOs), media, and supreme audit institutions on which the transparency literature places high expectations when it comes to accessing, interpreting, and disseminating information to the citizens?²⁸ Or is it the mass of 'ordinary' citizens who are expected to hold their representatives accountable through elections or other (equally ill-defined) methods after they have been presented with information regarding extractive industry management?

25. Fox 2015; Kosack and Fung 2014; Lieberman et al. 2014.

26. Fox 2015; Kosack and Fung 2014; Lieberman et al. 2014; Ofori and Lujala, 2015.

27. Lujala and Epremian, 2017.

28. Fung et al. 2007; Worthy 2015.

Attempts to change national resource governance policies and practices would most likely require collective action by citizens to hold the state accountable directly or indirectly.

These questions are not trivial as the answers have great consequences when it comes to what information to disseminate, to whom and through which channels, and what, often poor and not highly educated, citizens are supposed to do with the information. While a few committed individuals may suffice to push for local changes, attempts to change national resource governance policies and practices would most likely require collective action by citizens to hold the state accountable directly (through elections or other means) or indirectly (through official oversight bodies). However, there are examples of national extractive sector reforms that have resulted from the initiatives of individual leaders or administrations, international pressure, commercial imperatives, or other motives aside from citizen collective action. In many cases, there are various intermediary organisations that, given an opportunity, can fulfil the role of the watchdog on behalf of the public. Examples of these include national and international NGOs, and even state institutions tasked to conduct audits and pursue any inadequacies or wrongdoings they uncover.²⁹

Alternative impact pathways

Whereas the dominant transparency narrative is built on a relatively narrow and fragile pathway linking disclosure, public mobilisation, and government response, other impact pathways are possible.³⁰

First is the contribution of the EITI to the diffusion of a global norm of greater transparency in governance, including financial and contractual aspects, across a wide range of organisations, including companies and governments. By legitimising and normalising transparency beyond its own process, the EITI has made a broad contribution to the ‘good governance’ agenda. Within its own realm, the EITI may have helped to see the emergence of mandatory reporting laws in the EU, Canada, and beyond, notably by setting precedents and facilitating discussions between different stakeholders.

29. Conceptually, a push for reforms can be seen to work through horizontal (the formal checks and balances between different state institutions), vertical (citizens directly request the state to make changes), or diagonal (citizens engage directly with one state institution to influence another one) channels. See Fox (2015) on these and other conceptual frameworks for accountability.

30. We warmly thank Alexandra Gillies for this sub-section.

Such impacts can be seen, for example, in the voluntary disclosure of trading data by some commodity trading companies that were previously very secretive. Some extractive companies are also voluntarily disclosing their contracts and beneficial ownership. At the government level, a number of authoritarian governments joining EITI have to better acknowledge that resources are the property of the public, not of the ruling elites. These impacts have not made governance accountable overnight, and progress has remained marginal in many difficult contexts; yet, they remain valuable and point to the need for a broader assessment of the governance impact pathway of the EITI.

Second is the deterrence impact of transparency processes. As the idea and practice of transparency spreads through various government agencies and companies, some bad practices and poor decisions may be prevented. Assessing deterrence impacts is difficult, but lack of solid evidence should not be seen as lack of impact and greater attention is needed to assess deterrence as an impact pathway across our three models.

Third is the cross-stakeholder dynamics that often result from the nature of transparency processes such as the EITI. Multi-stakeholder initiatives create opportunities and foster interactions which contribute to exchanges of concerns and perspectives that would otherwise take place in more polarising settings, such as public demonstrations. The EITI multi-stakeholder processes have not only contributed to such exchanges between CSOs, companies, and governments. In many cases they have also helped consolidate the capacity, knowledge, and networks of participants – especially CSOs, which in turn have been able to provide more effective support across a wider range of issues in the extractive sector. Although, we note that in some cases CSOs feel that they were distracted, if not in part co-opted, by these processes.

Beyond extractive sectors, the EITI multi-stakeholder component has further emphasised the importance of opening civic space, especially in countries where extractive companies and international financial institutions did not want to push such a ‘political’ agenda (eg Azerbaijan and Equatorial Guinea).³¹ More attention should also be given to this multi-stakeholder governance impact pathway.

The evolution of the EITI

The Extractive Industries Transparency Initiative (EITI) was officially launched in June 2003 by the then British Prime Minister Tony Blair, largely as a result of Global

31. See also the EITI’s Civil Society Protocol.

Witness' ground-breaking campaign to end corruption in war-torn oil-rich Angola (1999). The EITI was designed as a voluntary process of extractive sector revenue disclosure and reconciliation between companies and governments. It has since evolved into a broad instrument seeking to improve transparency and accountability along the whole natural resource management value chain, including disclosure on corporate beneficiary ownership contracts, gender, environment, and commodity trading.³²

While national-level participation in the EITI is voluntary, the EITI Standard requires mandatory disclosure for all extractive companies, including state-owned national companies, as well as for the government, once the country has committed to the initiative. Compliant status requires implementation of strict standards of public disclosure, audit verification, and participation of civil society – with the international EITI Board deciding on members' validation as compliant, and suspension or exclusion. In the first decade especially, implementation was mostly promoted through financial and reputational incentives, including at the initiative of development banks and international donors.³³

EITI's evolving objectives and approaches

The objectives and strategies of the EITI, and the disclosure campaign that led to its creation, have developed across three broad periods.

The first period, prior to the establishment of the EITI itself, ran from 1998 to 2002 and was aimed at using revenue disclosure to 'name and shame' government officials and extractive companies suspected of corrupt practices, and therefore bring some accountability and dissuade behaviours contributing to the 'resource curse.'³⁴ During the first couple of years, the idea of disclosure mostly represented a threat to extractive companies and governments: exposure of corruption could lead to reputational damage and direct sanctions;³⁵ transparency of payments by companies could lead to infringements of confidentiality rules; and leaks about revenues earned by government could fuel public frustrations and civil unrest.

The EITI was conceived as a way to institutionalise disclosure, tame CSOs by enrolling them into a 'constructive' (if slow) process, and protect and even enhance the reputation of (mostly Western) extractive companies by demonstrating their goodwill and

32. See EITI Standard 2019.

33. See Gillies 2010.

34. On corruption and natural resources, see: Kolstad and Søreide (2009); Williams and Le Billon (2017).

35. Eg under the US Foreign Corrupt Practices Act.

compliance to new anti-corruption standards. It was also seen by some international donors as a way to address the ‘resource curse’ and aid dependence within low-income resource-rich countries.³⁶ The choice of a voluntary instrument was not initially favoured by Global Witness, which – along with Oxfam and other early members of the Publish What You Pay coalition – had advocated for mandatory disclosure.³⁷ But in the face of resistance from home governments and stock exchange regulators, as well as the challenge of bringing about transparency for national extractive companies that were not publicly listed, the EITI appeared as a pragmatic and even promising option.

The second period, from 2003 to 2012, was mostly an attempt to institutionalise revenue disclosure for the purpose of building up government and corporate accountability, and reduce illicit financial flows from resource sectors.³⁸ A crucial objective was to increase participation, including among the EITI Secretariat and supportive extractive companies, to the point where some highly controversial governments – such as that of Equatorial Guinea, under pressure from Exxon – were accepted into the scheme, before being rejected after failing to comply. Another important aspect was the consolidation of multi-stakeholder groups and the demonstration that such cross-stakeholder inclusiveness could function, and that the various stakeholders would sustain their participation, at both country and global levels. Both approaches largely worked and the rapid growth in the number of participating countries and continued support from governments, companies, and CSOs contributed to the EITI becoming more credible internationally.

The third period, from 2013 onwards, sees the EITI trying to enable tri-partite agreement on resource governance, help disclose and disseminate a large amount of information on extractive sectors, and ensure that this information translates into reforms that are effectively implemented. Drawing from a number of resources, such as the World Bank and Natural Resource Charter, both the EITI and the Revenue Watch Institute took on a ‘value chain approach’.³⁹ This has not specifically addressed the activities and outcomes related to disclosure of revenues, but has looked at the entire extractive industry value chain from the *decision to extract* to the *allocation of revenues*. The value-added in this approach is the focus on the different roles of the government, members of parliament, civil society, and media to build capacity and oversee the entire value-chain process.⁴⁰

36. Pérez Niño and Le Billon 2014.

37. Le Billon 2007; Van Oranje and Parham 2009.

38. See Le Billon 2011.

39. Acosta 2013.

40. See eg EITI Open data policy 2015; on the innovation role of CSOs, see Arond et al. 2019.

Therefore, the EITI evolved from an anti-corruption tool to a resource-governance framework (see Annex 2). The ability to reach these objectives rests on a number of relatively similar assumptions: that information on extractive sectors can be collected and made publicly available; that this information can promote better informed public debates, and more effective resource policies and revenue management; and that governance in general will improve through the diffusion of transparency and accountability norms, including via the mandated participation of CSOs.⁴¹

EITI goals, uptake, and impacts

After about 17 years of operation, many researchers, practitioners, donors, and decision makers are asking to what extent the EITI has met its goals, why some countries are joining the initiative while others are not, and what have so far been its impacts.⁴² Overall, and as identified in Rustad et al.⁴³ (see also Annex 2), it has had three major sets of goals. These are institutional ones seeking to establish the initiative and transparency as a norm and creating multi-stakeholder groups as the basis of governance; operational goals seeking to implement the EITI Standard and boost public and civil society participation; and developmental ones seeking to bring concrete outcomes for implementing states and their populations when it comes to increasing the government share of natural resource revenues, improving the extractive sector revenue management, and enhancing development (Figure 1).

EITI has been most successful in reaching its institutional goals, and fairly successful with some operational goals, but it is not clear whether the EITI has had any impact on its development goals.

A meta-study of EITI assessments found that the EITI has been most successful in reaching its institutional goals, and fairly successful in reaching some of its operational goals, such as establishing the successive EITI Standards, but that it was difficult to conclude whether the EITI had had any impact on its development goals.⁴⁴

41. Haufler 2010; Van Alstine and Andrews 2016.

42. Lujala 2018.

43. 2017.

44. Rustad et al. 2017.

Figure 1: EITI goals identified through a broad review of EITI documents and literature on the EITI

| Institutional goals | Operational goals | Development goals |
|---|--|--|
| Goal I-1: Brand EITI globally and nationally | Goal O-1: Establish clear and credible EITI standards | Goal D-1: Increasing revenues that are returned to the society through reduced corruption |
| Goal I-2: Establish (EITI) transparency as a norm globally and nationally | Goal O-2: Increase state capacity to implement the EITI standard and report in timely and comprehensible manner | Goal D-2: Improve investment climate, increase aid flows, and promote fairer government share of revenues |
| Goal I-3: Increase EITI participation, compliance, and support from governments | Goal O-3: Increase public understanding, debate and influence of natural resource management | Goal D-3: Promote good governance, sustainable development, and improved living standards |
| Goal I-4: Establish multi-stakeholder groups as the organizational basis and promote multi-stakeholder model of governance | Goal O-4: Ensure civil society's effective participation in multi-stakeholder groups | |

Source: Rustad et al. 2017.

In terms of uptake, as of May 2020, the EITI counted 53 implementing countries,⁴⁵ including many resource-dependent, low-, and middle-income countries, and had helped disclose about 2.6 trillion US dollars of government revenues.⁴⁶ Yet, many resource-rich countries, including Angola and some of the most wealthy oil-producing countries, are still not part of the initiative and this raises questions about factors influencing participation, such as lower per capita resource wealth and higher donor dependence, rather than the need for reforms.⁴⁷

Given the high number of corrupt (and often low- to middle-income) countries joining the EITI, David-Barrett and Okamura⁴⁸ suggest that the initiative serves as ‘reputational intermediary, whereby reformers can signal good intentions and international actors can reward achievement.’ The effects on corruption have also been questioned, with many pointing out that few, if any, bribes and embezzled funds have been recovered and jail sentences served. This is partially the result of EITI’s limits with regard to anti-corruption efforts, such as a lack of EITI mandate to investigate corruption, predictability in disclosure facilitating the identification of illicit financial flows that

45. In addition to the implementing countries, one country intends to implement EITI (Australia), three countries have lost their status as implementing countries (Equatorial Guinea, Gabon, and Yemen), and three countries have withdrawn from EITI (Azerbaijan, the US, and the Solomon Islands). Azerbaijan had been suspended by the EITI Board before it withdrew.

46. For an update, see the EITI’s ‘Key EITI reporting data facts.’

47. Lujala 2018.

48. 2016, 227.

will avoid public reporting,⁴⁹ ‘cosy’ relations among multi-stakeholder group (MSG) members, and limited engagement with other anti-corruption actors.⁵⁰ More generally, the impact of the EITI on developmental goals has remained an open question. While difficult to assess, given the multi-causality of development processes, econometric studies have so far cast doubt on the pro-developmental effects of EITI implementation.⁵¹

EITI Theory of Change: Building a framework

To achieve the long-term goals of the EITI, a ToC is a useful tool to understand how various interventions will lead to change.⁵² By clearly identifying goals and interlinkages leading to effective change, a ToC could guide the EITI policies and practices, and at the same time allow for more rigorous evaluations. In 2011, the analyst company Scanteam conducted the first external and extensive evaluation of the EITI.⁵³ The report pointed out that the lack of a ToC has made it difficult to connect the ‘big picture indicators’ to the ‘big picture results,’ and thus to evaluate the success of the EITI. The lack of ToC is clearly stated in the report’s executive summary: ‘...there is not any solid theory of change behind some of the EITI aspirations’.⁵⁴ Similarly, a report by the World Bank’s Independent Evaluation Group (IEG) published the same year pointed out that one major design gap in the EITI was that it lacked a ToC to relate the initiative’s activities to the expected benefits, which made it difficult to evaluate impact.⁵⁵

The lack of a ToC has made it difficult to connect the ‘big picture indicators’ to the ‘big picture results,’ and therefore to evaluate the success of the EITI.

As a response to the critique raised by these reports, the EITI Board decided, in June 2011, to establish a ‘Working Group on Theory of Change,’ which was to ‘develop a more rigorous and realistic results framework at global and national levels.’⁵⁶ At the board meeting a year later, the working group reported that they had ‘reviewed case

49. See Le Billon 2011.

50. See EITI-IS 2019.

51. Rustad et al. 2017; Sovacool et al. 2016.

52. Stein and Valters 2012.

53. Scanteam 2011.

54. Scanteam 2011, 1.

55. IEG 2011, xiv.

56. Terms of Reference for the working group were provided in the Report from Working Group on Theory of Change (WGTOC), presented at the EITI Strategy Working Group (SWG) meeting, 11–12 April 2012.

studies from Indonesia, Nigeria and Tanzania. While there was evidence of implicit theories of change at country level, there was little evidence that EITI outputs such as EITI reports had led to change.’ Further, the working group pointed out the importance of ‘monitoring impact and developing a menu of indicators to better measure the impact at the national level.’⁵⁷ However, there was no formal report published by the working group, and after the June 2012 EITI Board meeting there seems to be no mention of ToC nor the working group in the meeting minutes (See Annex 1).

This ambivalence towards a ToC – and a certain reluctance to set a ‘fixed’ framework to define and achieve change – was further underscored by the EITI International Secretariat’s most senior staff, Rich and Moberg,⁵⁸ who concluded in their book that ‘there is limited benefit in a theory of change and little effort should be made to establish overarching goals.’ Further they saw a ToC as a linear process and not suitable for the outcomes of the EITI which are ‘unpredictable, intangible, non-attributable, and long term.’ Rather, Rich and Moberg⁵⁹ propose a theory of collective governance (‘governance entrepreneurship’),⁶⁰ where it is more important to establish a clear reason for meeting around the table, rather than grand common objectives. They argue that collective governance resembles more mediation than traditional development theory. And that, often in difficult mediation situations, it is more beneficial to focus on what one can agree upon, rather than continue to disagree on the larger issues. This would, in the long term, build trust and create space for further discussion and avoid a situation where a rigid ToC scares countries from joining the EITI.

Since 2019, there has been pressure for the EITI to better show the impact that it has on the big picture development goals.⁶¹ As a result, the EITI International Secretariat Work Plan for 2020 presents the first formal EITI ToC (see Figure 2). The model is built around the EITI validation criteria, without disentangling what actually makes change happen.

According to this ToC, if a country scores *satisfactory progress* on their indicators, this ‘can contribute’ to improved investment climate and governance, and ultimately to growth and reduced poverty. Notably, the ToC does not specifically address interlinks leading to change, and nor does it specify how transparency *itself* influences the changes. Nonetheless, the EITI’s key performance indicators are embedded in this ToC

57. Minutes from the 20th EITI Board meeting, 27–28 June 2012, Lima

58. 2015, 67.

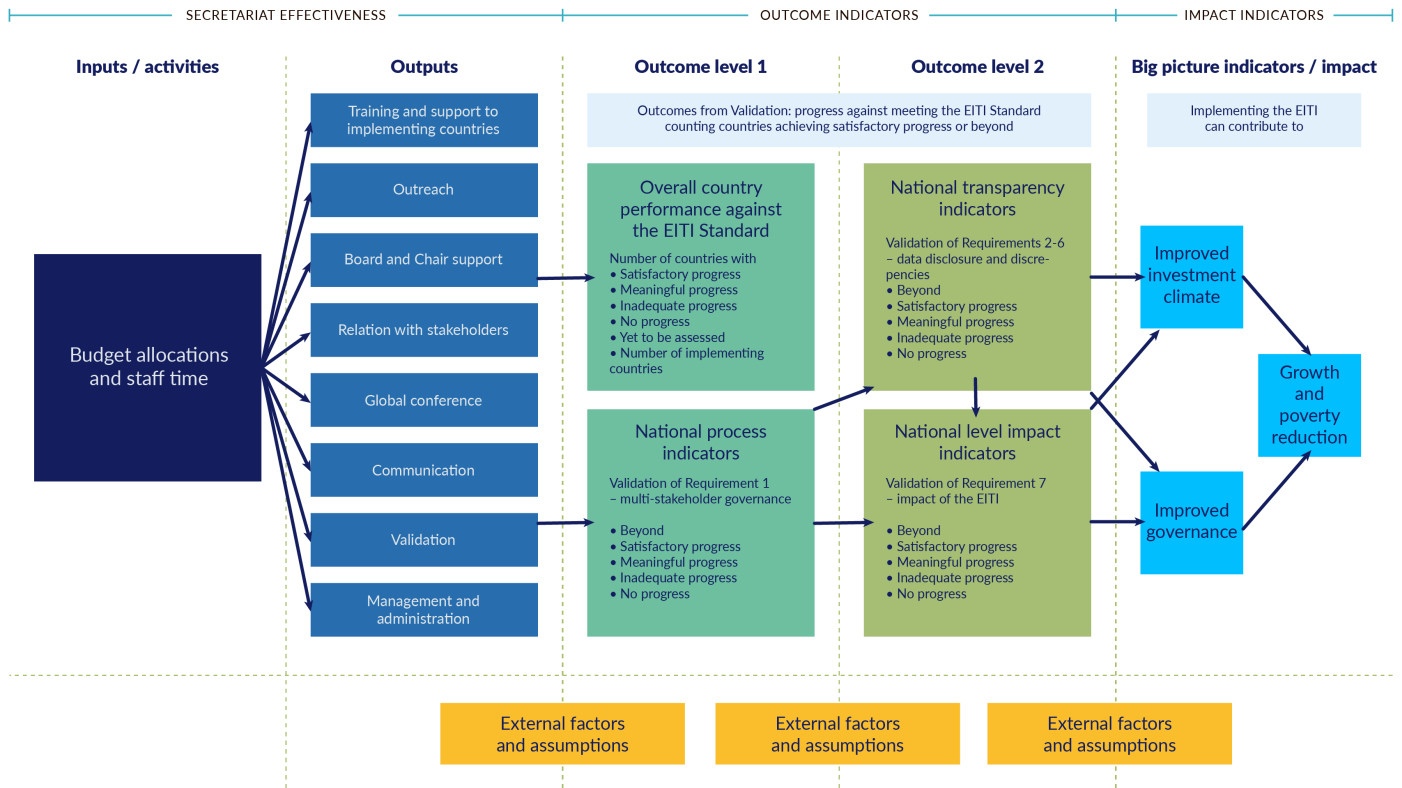
59. 2015.

60. See Making collective governance work: A Q&A with Eddie Rich on the EITI.

61. Interview with EITI Board member.

and are the basis for measuring the effectiveness by the EITI’s international management (ie the International Secretariat and the EITI Board).⁶²

Figure 2: Theory of Change developed by the EITI International Secretariat



Source: EITI International Secretariat 2020 Work Plan (EITI 2019a, 51).

Despite the hesitancy from the EITI, scholars and other organisations have made an effort to develop a ToC for the EITI. We present three different ToCs developed by external actors in order to better understand the EITI causal chain.⁶³

In 2014, the EITI Multi-Donor Trust Fund (MDTF) presented a ToC model in their Annual Report (see Figure 3).⁶⁴ As a donor organisation, the EITI MDTF needed a framework that would help it to define realistic expectations, target beneficiaries, and identify risks for the EITI, and understand how the EITI could initiate and support change. Its formulation of the ToC was a direct result of the two evaluation reports

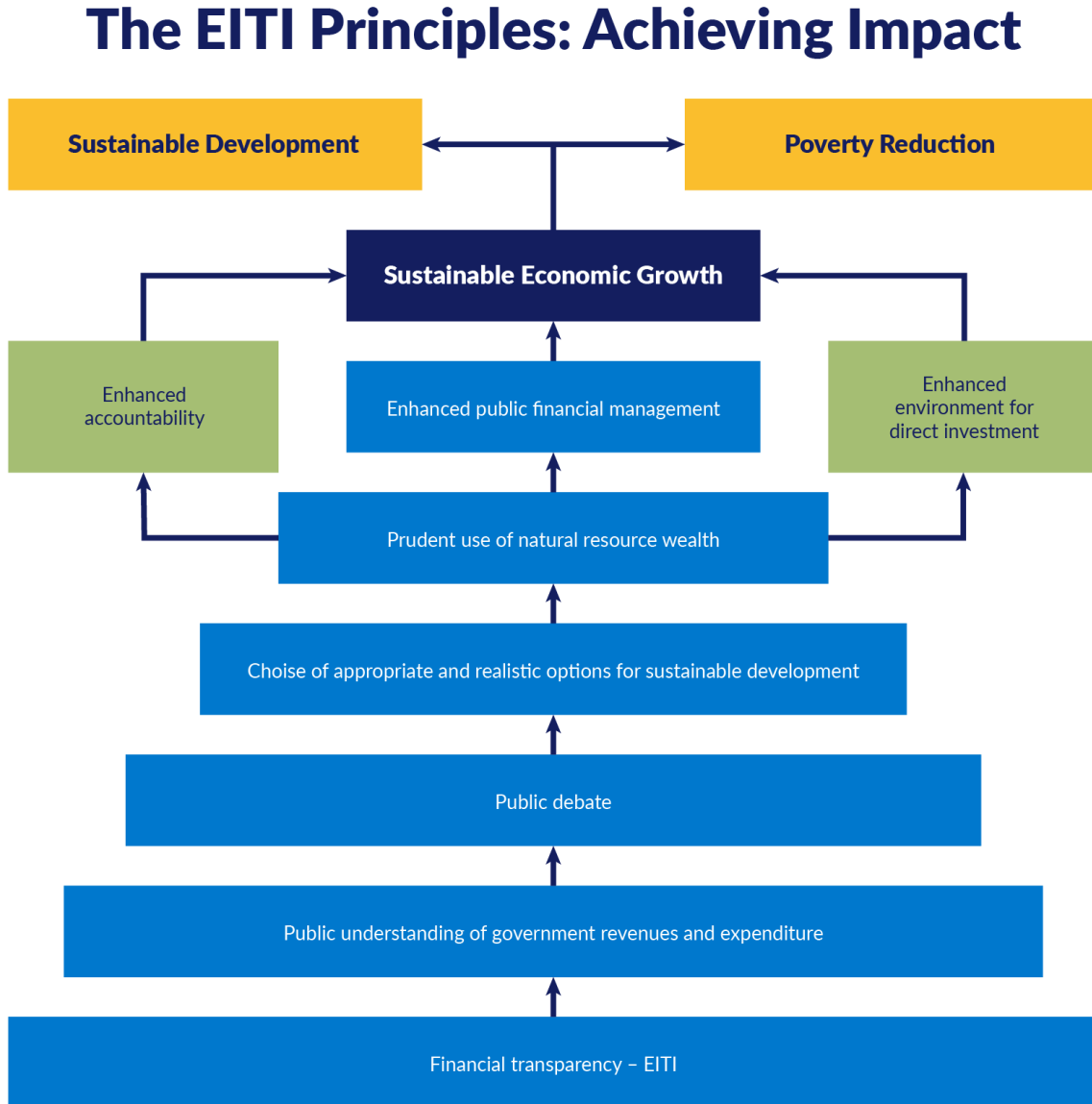
62. EITI 2019a, 41.

63. Note, this is not an exhaustive list of models that exists, but a representation of different types of models.

64. The MDTF was, until 2015 when it was closed, a World Bank-administrated programme providing grants and technical support to EITI implementing countries. While closely related to the EITI, it was an independent body.

published in 2011,⁶⁵ and it draws on the work that was done by the EITI Working Group on Theory of Change.⁶⁶

Figure 3: Theory of Change by the EITI Multi-Donor Trust Fund



Credit: Source: EITI MDTF (2014, 44).

The causal path in the MDTF model suggests that by bringing about (financial) transparency and fostering public understanding and debate, the EITI would help inform better choices over resource-development linkages and enhance accountability, public (financial) management, and the Foreign Direct Investment (FDI) environment. This would lead to poverty alleviation and sustainable development. The MDTF stresses that

65. Scanteam 2011; IEG 2011.

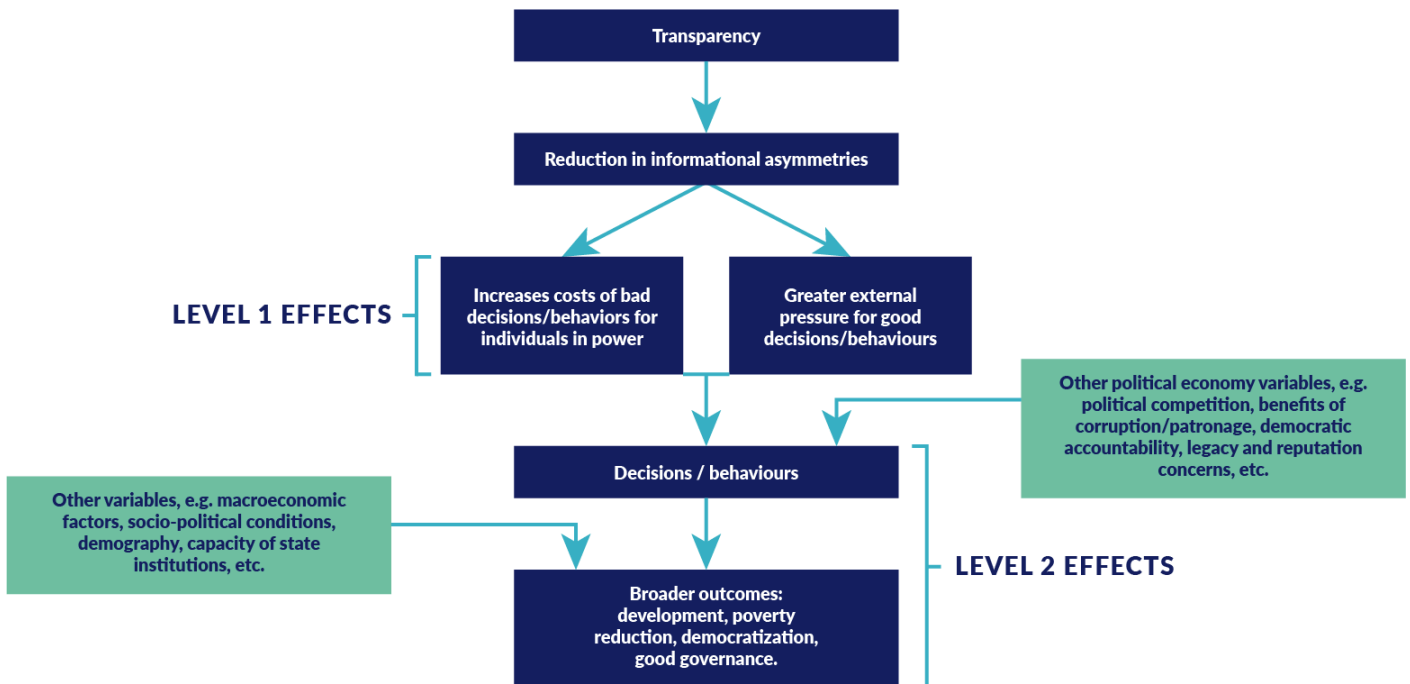
66. WGTOC 2012.

this is not meant to be a one-size-fits-all model, but rather a tool designed to help countries situate the EITI indicators in relation to their specific national contexts.

In their 2011 study about EITI effectiveness, Gillies and Heuty⁶⁷ argue that transparency (defined as public disclosure of information in accessible formats) cannot directly affect the social and economic wellbeing, or the quality of governance. Instead, transparency can, through reduction in information asymmetries, affect the cost of making bad decisions for individuals in power and therefore lead to external pressure to improve decision-making and behaviour of those in power (Level I in Figure 4). These changes, together with other contextual factors, may then contribute to long-term developmental goals (Level II). This ToC model also accounts for the influence of other variables, both in terms of influencing decisions and behaviours, as well as with regard to the outcomes of these possible changes.

Compared to the MDTF model which stresses a pathway through public debate, the Gillies and Heuty model is broader. It does not explicitly point out what the mechanisms for change are, but rather indicates what transparency can influence; therefore, it leaves open what the actual interlinkages between transparency and long-term goals are. While this model is vaguer than the MDTF model, it is more open to context-specific understanding, and allows for more than one change mechanism.

Figure 4: Impact of transparency on the political economy of decision-making



Credit: Source: Gillies and Heuty (2011, 32).

67. 2011.

A report by GIZ⁶⁸ on the impact and effectiveness of the EITI focused specifically on the country-specific nature of a ToC. As part of their methodology, they conducted workshops with the country multi-stakeholder groups to develop country-specific ToCs in the Democratic Republic of the Congo (DRC) and Mozambique. The results from the two countries were quite different. In the DRC the focus was on improved understanding of reports among civil society and better communication channels, resembling the MDTF model aimed at achieving change through public debate. Meanwhile, in Mozambique, the report pointed at more technical issues such as the national secretariat being too small, an absence of lack of high-level participants from the government and extractive industry in the national MSG, and a lack of mainstreaming of the EITI process.

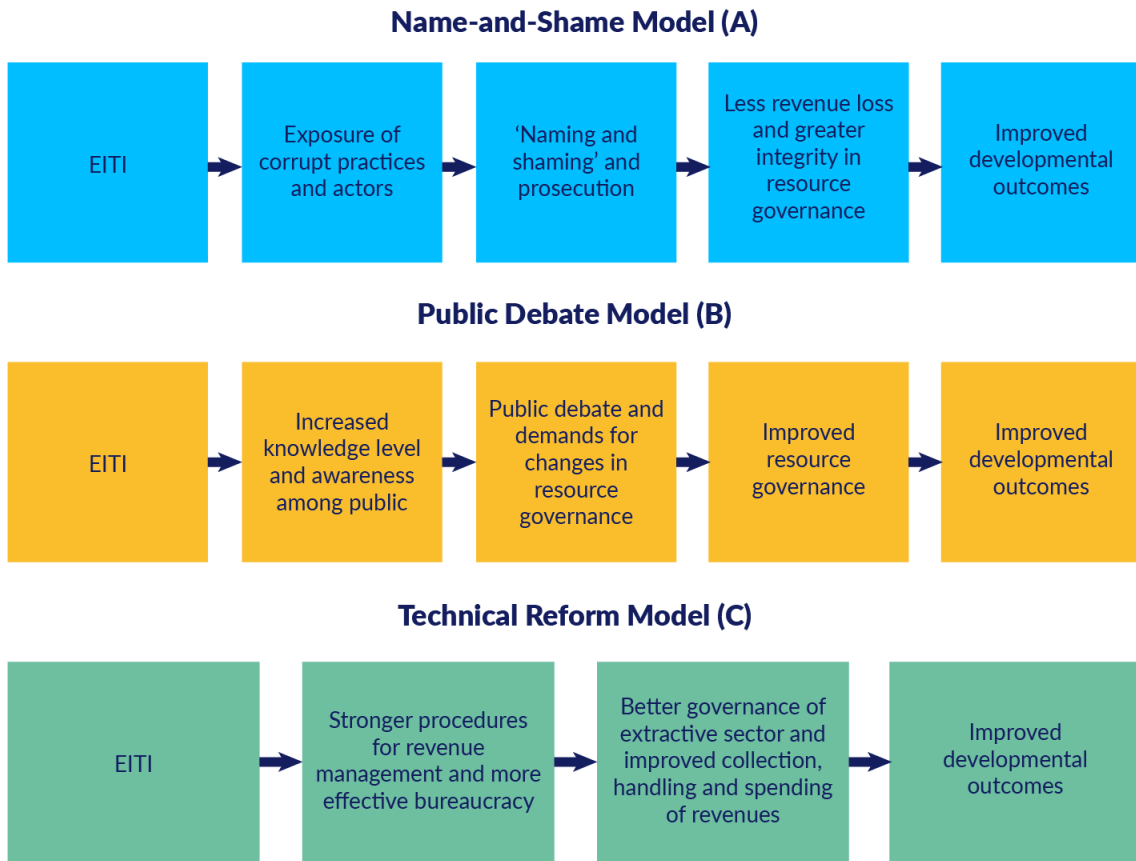
The models presented above all suggest different pathways towards the desired goals of the EITI, and that these pathways can be country and time specific. Hence, by considering only one of the models, we might grasp only parts of what the Theory of Change for EITI could be.

Three Theories of Change for the EITI

Based on a review of EITI Standards and Principles, literature, and observations on and discussions around the initiative, we developed three different stylised ToC models for the EITI, taking their information disclosure approach as the starting point and increased development as the ultimate goal: ‘Name-and-Shame,’ ‘Public Debate,’ and ‘Technical Reforms’ (Figure 5). These models are simplified and seek to condense the transparency process into a minimum of easily understood steps. This categorisation and simplification makes it easier to think of key pivoting processes that can lead to change. It should be noted that these three ToCs are not mutually exclusive and can be combined or sequenced in order to improve a variety of developmental outcomes (eg stronger and more accessible social and health services; safe and well-paid employment; high-quality infrastructure; or a healthy environment). Furthermore, while we focus here on the principles of mechanisms that can lead to change, we note that implementation and enforcement play a crucial role in delivering change.

68. Neumann et al. 2016.

Figure 5: Three EITI Theory of Change models



Name-and-Shame Model (A)

Our first model, called ‘Name-and-Shame,’ proposes that by publishing data on revenues from the companies to the government – as well as other disclosure requirements such as licence allocation processes and transfers from state-owned companies – it is possible to pinpoint which companies and government agencies have large discrepancies compared with each other when reporting revenue flows between the industry and the state and how large these flows are. The discrepancies, or unexpectedly small flows, can be investigated to expose possible tax evasion, corruption, or embezzlement. The focus is on leveraging transparency as an anti-corruption instrument to reduce revenue losses and improve the integrity of resource governance.

Model A was forcefully outlined in the Global Witness Report⁶⁹ ‘A crude awakening,’ which sought to denounce the complicity of large oil companies in Angola, like BP

69. 1999.

Amoco, ELF, Total, and Exxon, in the plundering of state assets. Global Witness called for higher levels of transparency from companies, convincing BP Amoco to commit to publish their payments to the Angolan government. This initial success was quickly dampened by threats from the Angolan government to cancel all of BP Amoco's concessions in the country for breaching confidentiality agreements. This reaction led Global Witness to pursue the creation of an international instrument to enable such disclosures, leading to meetings with industry and regulators, the launch of the Publish What You Pay campaign, and the EITI.

Transparency can change the behaviour of companies or governments and bring accountability through disclosure.

The 'Name-and-Shame' model – and its complementary positive reputational effect for the companies' and governments' participation in the EITI⁷⁰ – can seem to be effective, at least in the short term and for incentivising some companies to disclose, as seen with the example of BP Amoco.⁷¹ It follows on the idea that transparency can change the behaviour of companies or governments and bring accountability through disclosure, resonating with the ToC by Gillies and Heuty.⁷² Moreover, by helping to collect and disclose information – including on revenue flows, beneficial ownership, and contractual arrangements – the EITI can assist in triggering investigations into corrupt or abusive conduct. Even in countries with repressive governments that 'feel no shame,' disclosure can bring some longer-term form of accountability (see box below).

Conceptual critique and empirical evidence of Model A

While the 'Name-and-Shame' model can be effective, it does not find its roots in a broad civil society movement, the wider public, or a democratic process. Rather than seeking to diffuse transparency as a norm within society, it is used as a specific tool to instil fear of being 'caught' among companies and governments. Model A also supposes that investigation, divulgation, prosecution, and sanction will take place at the domestic or international level so that some form of accountability will result. As such, there is a risk that Model A will be ineffective for those who do not fear 'shame' or who can evade sanctions given existing power relations, or who cannot be voted out of office.

70. See David-Barrett and Okamura 2016.

71. A positive incentive might not work so well for national governments as for international companies, as there are generally fewer rewards for being a 'positive outlier' for the former compared to the latter.

72. 2011.

There are many examples of raw power abuse in EITI implementing countries where domestic constituents know what has been happening with extractive sector revenues, but because of power configurations are unable to do anything about this. Further, using fear and threats to promote the cause might harm the relationship between the stakeholders in the MSG, as the Angolan case indicates. This can lead to a difficult environment for dialogue and cooperation and undermine the purpose of the MSG. Finally, tax-evasion, corruption, and embezzlement may not be the main issues preventing extractive revenues from having positive impacts on development, which makes an EITI process that follows this model quite irrelevant.

Despite these challenges and limitations, Model A holds some value, even in the most repressive contexts. The methodical documentation of abuses for future domestic or foreign legal proceedings can bring some accountability results, even if there is little evidence of deterrence effects in the short term. Sanctions may not be immediate and may only come after a regime transition. But the idea that there is someone watching and documenting some of the abuses is still a powerful one.

Public Debate Model (B)

The second model is based on what is probably the most common perception of what the EITI ToC is: leveraging transparency as a public debate process to improve resource governance.⁷³ For example, the ToC outlined in the EITI MDTF 2014 report underscores the importance of public understanding and public debate as being essential for improvement of the natural resource government. This is also reflected in the EITI Principle Number 4: ‘We recognise that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development’.⁷⁴

The lack of freedom of expression for CSOs in repressive political regimes can drastically undermine the viability of a Public Debate model ToC.

73. Rustad et al. 2017.

74. EITI Standard 2019.

The Public Debate ToC is very much in line with democratic values and the EITI's ideal of including the public and civil society in the transparency process. This approach also resonates with what Rich and Moberg⁷⁵ refer to as *collective governance*, in which all three stakeholders – government, companies, and in particular civil society – together with the public have a key role in ensuring accountability through mobilisation to press the state to improve its natural resource (revenue) governance. It is crucial to note, however, that the lack of freedom of expression for CSOs in repressive political regimes can drastically undermine the viability of Model B (see below). This issue led, for example, to Niger and Azerbaijan's suspension and then withdrawal from the initiative. Insufficient engagement with CSOs has also occurred in more 'mature' democracies, such as in the case of the UK's EITI MSG – which saw the EITI Board noting 'that civil society's engagement had been insufficient in the period reviewed by Validation' and encouraging the UK government 'to ensure that challenges in constituency coordination are avoided in future'.⁷⁶ More generally, the EITI's CSO protocol has been criticised on numerous occasions for not being protective enough, while numerous cases of threats against CSOs have been reported by Global Witness and PWYP.⁷⁷

Conceptual critique and empirical evidence of Model B

In their meta-study, Rustad et al (2017) report that very few studies find evidence of the EITI being able to promote accountability through public debate. The main challenge with this model is the assumption that the civil society will be able to use the increased transparency to create awareness in the public and then foster change as a result of ensuing debates.

To make this happen, a strong coalition with key civil society actors and gate-keepers (such as the chairs of relevant Parliamentary committees or the editors of independent media) is important. However, civil society is very broad and its 'organisations' often have divergent or often conflicting interests and the general public's interest is often not in national-level issues, but rather local-level ones. Neither is providing information to the public useful unless they are empowered and equipped to understand and use it to create public debate. This requires specific efforts to address lack of capacity to use data, complexity of information, and issues of access to broad constituencies – including within the often poorly represented remote regions where extraction is taking place.

75. 2015.

76. EITI-B 2019.

77. 2020.

Analyses carried out by CSOs (for example in Indonesia or the Philippines) and more systematically by organisations such as OpenOil, and of course the numerous analyses published by EITI and Natural Resource Governance Institute (NRGI), have the potential to make a difference, at least in terms of awareness, even in the many countries where government repression hinders public debate. In some cases, mass participation may not be possible, or needed, as intermediaries can more efficiently perform the role of watchdog on behalf of the public.

Technical Reforms Model (C)

The Technical Reforms model focuses on leveraging transparency as an informational tool as well as a legal and bureaucratic process to improve resource governance through improved regulations, institutions, and processes. This includes broad legal reforms often inspired by the very principles of EITI compliance (eg mandatory disclosure legislation), and the outcomes of public debates associated with Model B (eg new petroleum and mining codes integrating transparency and reporting requirements; disclosure of beneficial ownership). But it also includes narrower regulatory adjustments within existing administrative and corporate structures to close gaps or improve efficiency in data management as a result of EITI reports highlighting weak processes that had not received much scrutiny before.⁷⁸ Such changes may come from demands by civil society participants, but also from civil servants who are either better (or newly) informed about poor practices or more directly ‘named and shamed’ by these findings (hence a link with Model A).

In this model, the EITI national reporting has a dual role. First it increases transparency through publishing revenue flows, and second, but just as important for changes, it can reveal shortcomings in governments’ management and reporting systems. Based on the shortcomings that the EITI reporting exposes, the national EITI is expected to provide recommendations for improvement, and therefore contribute to governments’ policy reforms. According to the 2016 EITI report ‘From reports to reform’: ‘In many countries, the most important contribution of the EITI has come about because governments have decided to act on recommendations that have emerged from EITI reporting’.⁷⁹

78. Andrews 2016; EITI 2019b.

79. EITI 2016, 3.

An efficient and relatively independent bureaucracy will deliver technical reforms, even in the absence of a strong political commitment for such changes.

For example, the Nigerian EITI (NEITI) pointed out issues with lack of monitoring and management of oil transported via pipelines. This was followed up with the government and the Nigerian National Petroleum Company (NNPC) and resulted in implementation of a digital measuring system, pointing to the need of incentives to carry out reforms – whether as a result of incentives and/or sanctions. Overall, Model C is likely to be sensitive to the quality and capacity of state institutions, with higher quality and capacity resulting in faster and more impactful responses. As such, an efficient and relatively independent bureaucracy will deliver technical reforms, even in the absence of a strong political commitment for reforms.

Conceptual critique and empirical evidence of Model C

The advantage with this model is that it can be more efficient and less time-consuming than the public debate channel, and can have more lasting effects than ad hoc anti-corruption efforts. The disadvantage is that it includes fewer stakeholders and may thus be biased towards certain interests. Similarly, the process might not get a strong foundation in the public and civil society, hence there might be less trust in it. Further, the recommendations based on the EITI national reports are not mandatory, so there is no guarantee that they will be implemented.

For example, in Peru, the 2008–2010 EITI report recommended that the government should improve routines for licensing data. However, as of 2016, the government and the national MSG had not yet considered this recommendation (EITI 2016, 6). Out of ten African countries examined, none had fully implemented the recommendations made in the EITI report (Lemaître 2019), though some important reforms were conducted that, for example, helped strengthen civil society and inform IMF programmes.

Assessing EITI goals and potential ToC models

We conducted a survey among participants at the 2019 EITI Global Conference, held in June 2019 in Paris, using an online questionnaire. An enumerator introduced the survey to the respondent and handed over a tablet and a chart for the three ToC models. The

respondent returned the tablet to the enumerator after completing the survey, which sought to map various EITI stakeholders' thoughts on what they perceived to be key objectives for EITI and their experience with a Theory of Change. Also they were asked to indicate what they saw as the main steps to achieve change in the context of EITI, and which of the stylistic models they felt was the most fitting for the EITI (see Figure 5). The questions were mainly closed-ended.

In total, 59 participants took part in the survey. The respondents worked in 38 different countries: 15 in Africa; 12 in Asia; 7 in Western countries (including Australia); and 4 in South America. Forty of the respondents declared that they represented a particular EITI country. Most of them worked for or represented the national EITIs, NGOs and CSOs, government agencies, and extractive companies. Sixteen respondents declared that they did not represent a specific EITI country,⁸⁰ often working for the EITI International Secretariat, extractive companies, institutional investors, academia, or media. The length of the respondents' engagement with the EITI varied from one year to over 16 years, with two respondents indicating that they had engaged with the EITI since 2003 or earlier. A little over 40% of the respondents had been engaged with it since at least 2010, and around 75% since at least 2015.

We conducted 24 semi-structured interviews in three countries – Colombia (6), Ghana (13), the United Kingdom (5) – and one interview with the Norwegian Agency for Development Corporation (Norad), responsible for EITI in Norway, in order to gain a deeper understanding of national-level perspectives across a range of stakeholders (see Annex 3 for a list of interviewees). Interviews were carried out in person in Ghana and the UK, and over Skype with respondents in Colombia and Norway, between December 2019 and March 2020.

The selection of these countries reflects regional criteria (noting the absence of an Asian country), status at the time of the research ('satisfactory progress' for Colombia and 'meaningful progress' for Ghana and the UK), research team languages (English and Spanish), previous contacts within countries, and logistical constraints at the time of the research (including restricted options on travelling). Given these, and the small size of the sample, our results cannot be considered representative of the vast array of country-level experiences with the EITI. The semi-open interviews followed a common template for all four countries (see Annex 4 for the interview script). The interviews were transcribed and then analysed by all three authors in order to identify key observations on the EITI processes and factors of effectiveness, fit between the three models, the

80. Three respondents did not answer the questions or answered 'I do not know.'

situation in the country as seen by individual survey respondents and interview informants (hereafter, interviewees), and general recommendations.

In addition to the material collected specifically for this particular study, the authors' engagement with the EITI dates back to the late 1990s and the pre-EITI discussions on transparency strategies for extractive industries. Since then, the authors have participated in several EITI Global Conferences (2009, 2011, 2016) where they have observed the discussions and presentations, conducted formal and informal interviews, and engaged in discussions with other participants across all stakeholder groups, including the representatives of the EITI International Secretariat. Furthermore, the authors have engaged in dedicated interviews and discussions on other occasions in Ghana, Indonesia, Norway, and Sierra Leone that also inform this discussion.

What are the EITI goals?

The EITI has many goals,⁸¹ but when asked about this as an open question⁸² our respondents overwhelmingly stated that the principal goal for the EITI was to increase transparency. Improved accountability/better resource sector governance was evoked by several participants, and developmental objectives were mentioned by three respondents. Only a few stated goals like increasing FDIs (two respondents), promoting multi-stakeholder engagement (two), curtailing corruption (one), or improving the country's international reputation (one). Notably, no one mentioned public understanding or public engagement as a goal, except for one who answered 'change minds,' without specifying whose minds should be changed.

A slightly different, and more nuanced picture, emerged when the respondents were asked to rate specific EITI goals, based on the Rustad et al.⁸³ categories (see Figure 1), on the scale from 'Not important' (0) to 'Very important' (4). Although the respondents rated 'establishing transparency as a norm nationally' together with improving good governance as very important goals, objectives related to the 'public' were also deemed to be highly important, notably those of increasing public understanding of natural resource management and widening public debate and civil society influence over natural resource management (Figure 6). More long-term goals were also regarded as important, among them promotion of long-term economic growth and reduction of poverty.

81. Rustad et al. 2017.

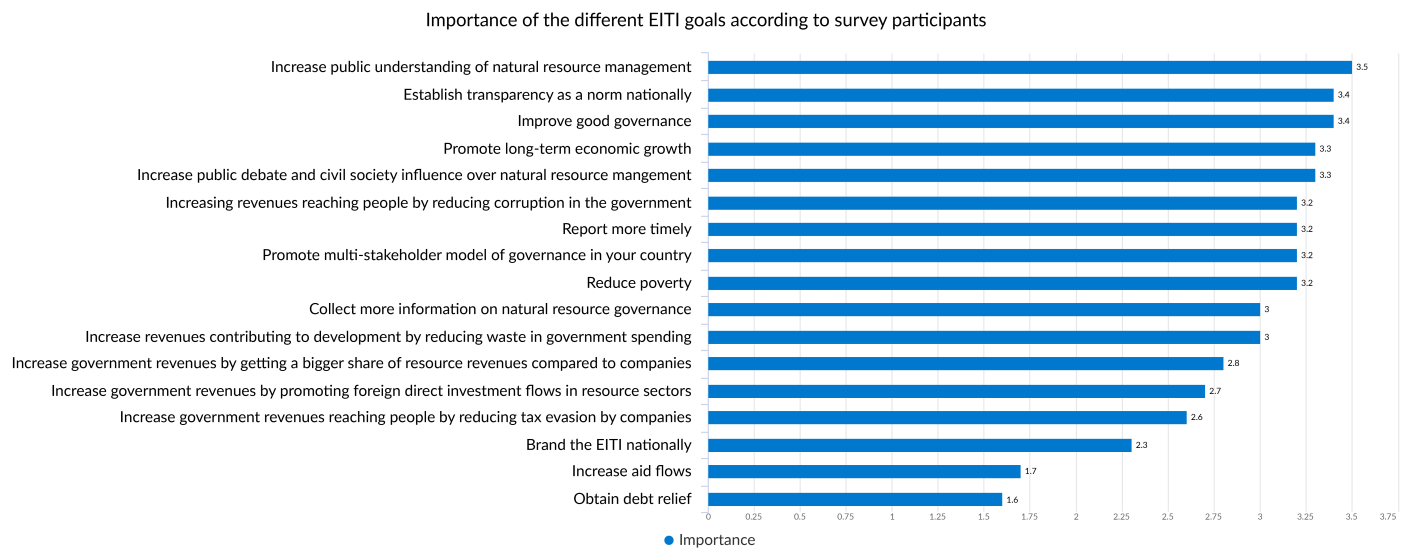
82. Question asked: 'What is the key objective for the national EITI in your country or the organisation you represent?'

83. 2017.

Among our survey participants, increased aid flows and obtaining debt relief were the least important goals. We also note that, in general, our respondents rated specific ways the EITI could potentially increase government revenues (ie increased FDI in the extractive sector, reducing tax evasion by companies, and increasing government share of resource revenues) as relatively less important. Among those who indicated that they represented a particular EITI country, obtaining FDI was a rather important goal (average score of 3.1), while the other respondents rated this only as a moderately important goal (2.1). There is also some evidence that attracting FDI was more important for the Asian respondents (average score of 3.4).

According to our interviewees, the reasons for joining the EITI varied greatly between the countries. For the UK and Norway, joining the EITI was mostly a symbolic affair in the sense that the countries felt that they already were doing many of the things that the EITI demands, but that it was necessary to show that the EITI is not just an initiative for resource-rich developing countries.

Figure 6: Importance of the different EITI goals according to survey participants



- Scale
- 0 – Not important
 - 1 – Slightly important
 - 2 – Moderately important
 - 3 – Important
 - 4 – Very important

Reputational aspects were also mentioned by several Ghanaian interviewees, who thought that the government of Ghana prefers to present itself globally as a country that is making serious efforts to promote good governance. At the same time, most Ghanaian interviewees felt that adoption of the EITI was the result of a genuine interest within the government to address the negative externalities caused by mining and the lack of

development in the country despite over a hundred years of extensive gold mining. Further, the informants noted that the underlying motivation for the government was to bring the opaque extractive sector under a firmer state control and increase the government share of extractive revenues.

In Ghana and Colombia, prior to the establishment of the EITI, the governments had already started processes to more firmly manage the extractive sectors and, according to our interviewees, the EITI was useful in that work. By signing up, the governments could show that they took changing the status quo seriously, answered the call by civil society for increased transparency and accountability, and established a trusted, third-party platform to provide information on the extractive sector revenues. Thus, the EITI was adopted because the governments saw it as a vehicle that would support their objectives for the sector but also, and sometimes more importantly, bring reputational benefits nationally and internationally (eg the Colombian government was keen to use the EITI to advance its OECD candidacy).

Among civil society in Ghana and Colombia, the concerns over the extractive industry were not limited to revenues, but were more about the social and environmental externalities that the sector caused.

Among civil society in Ghana and Colombia, the concerns over the extractive industry were not limited to revenues, but were more about the social and environmental externalities that the sector caused. Most civil society representatives stated that they initially saw the EITI as an opportunity to promote dialogue with the extractive industries companies and the government to address concerns related to the negative externalities caused by the sector. Those representatives also stated that they had hoped the EITI would help in understanding how much revenue was transferred to local governments and communities, get information about the licensing processes, and assist in addressing the local tensions around extractive projects.

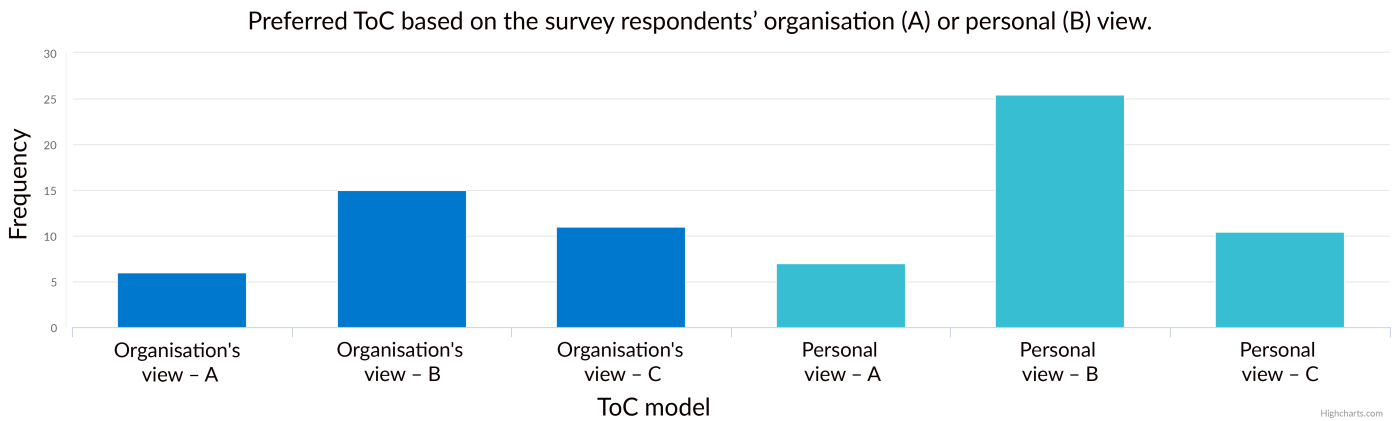
A ToC for the EITI?

Most of our survey respondents (60%) agreed or strongly agreed that it would be useful to have a ToC for the EITI, suggesting a clear demand for it among Global Conference participants. Only one respondent disagreed with the statement, while 20% of the respondents remained neutral and 14% answered that they did not know. About half of

respondents who represented specific countries indicated that their national EITI had formulated a ToC or similar, or was in a process of doing so, and among these, two-thirds had personally been involved in the process. Our interviewees also saw a ToC to be beneficial, and at least in Ghana and Colombia there had been discussions about how to link the EITI information disclosure to changes in natural resource governance and broader societal development.

When presented with the three stylised ToC models for how the EITI could potentially lead to improved developmental outcomes, our survey respondents chose the Public Debate ToC (Model B) as the one that best represented their organisation’s view and that they personally thought to be the best model for the EITI (Figure 7). Technical Reforms ToC (Model C) was the second most popular among our respondents and their organisations.

Figure 7: Preferred ToC based on the survey respondents’ organisation (A) or personal (B) view.



Note: Many of the respondents did not know which model was most in line with their organisation’s thinking.

In the survey, the respondents had to choose one of the models as their preferred option, while in the interviews a more nuanced picture emerged (for a summary, see Table 1). Model A (Name-and-Shame) was often seen as an initial motivator of the EITI, especially among civil society. Model B (Public Debate) was recognised as the basic principle and approach of the EITI. Model C (Technical Reforms) was identified as the most pragmatic and effective way through which the EITI had so far made a difference. Many interviewees thought at least two or all three of the models fitted their country, especially in Ghana where most interviewees deemed all three models relevant. Moreover, several interviewees pointed out that the models work in parallel, often being complementary and feeding into each other. Although the interviews revealed that the country-specific fit varied between our three case countries, there were also some common perceptions.

Table 1: Summary of Model fit by the case country

| Models / Countries | A – Name- and-Shame | B – Public Debate | C – Technical Reforms |
|-----------------------|---|---|--|
| Colombia | Least relevant model as other anti-corruption processes are in place and corruption issues are mostly associated with subnational authorities and, so far, poorly covered by the EITI | Most relevant model as EITI reports inform some public debates, but very limited due to lack of dissemination and limited interest | Second most relevant model as the EITI clarified and helped to correct bureaucratic processes, and informed reforms |
| Ghana | Relevant in the sense that it forces the companies to pay their dues (taxes, royalties, surface rentals etc.) and to comply with the information disclosure requirements | Relevant to the extent that the EITI is making a lot of information available to the general public. Seen as rather irrelevant currently as the link from the disclosed information to accountability is missing. | Relevant as the EITI has improved revenue collection and informed polices, regulations, and legislation concerning the extractive sector |
| United Kingdom | Not relevant | Could be relevant but of limited impact as the general public is not interested in the issue | Relevant. EITI was used to push some reforms through faster in the early days, such as project reporting. |

Model A was generally seen by interviewees as initially relevant and motivating, especially on the part of CSOs which initially pushed for the EITI adoption. There was a sense that ‘naming and shaming’ had helped to secure the participation of the companies, forcing them to ‘open their books’ or have their names published in the annual EITI report; limit intentional and non-intentional tax evasion; and point at underperforming government agencies not being able to claim companies to pay their taxes and other payments.

None of the case countries had seen the EITI directly expose clear-cut cases of corruption, and exposing corruption was not seen as a key responsibility of the EITI. Rather, the EITI was perceived as having a *supporting* role in the upholding and enforcement of anti-corruption and anti-bribery laws through the provision of third-party audited data. There was a perception among many Colombian and Ghanaian interviewees that the EITI had helped, rather than undermined, the companies to improve their public image through disclosing their contributions to the government, notably by giving them a credible platform to communicate.

Model B was seen as the foundational principle of the EITI, one that constitutes the core of the approach. Yet few interviewees asserted that the dissemination of information and its contributions to public debates had contributed significantly to improving the governance of extractive sectors and its revenues. Although the EITI was praised for having made information public, the absence of feedback mechanisms from the information disclosure to increased accountability specific to this approach was seen as making the EITI increasingly obsolete.

Echoing the views of our interviewees and despite choosing Model B as their preferred option, only two of the survey respondents, when asked in an open question what they saw as the crucial steps to achieve the EITI's main goal, evoked the 'public' explicitly. A few more mentioned civil society involvement, or open discussion or communication. When asked in more detail about how effective the public debate had been in the respondent's country (for those representing a specific country) or in general in countries implementing the EITI Standard (for the other respondents), the respondents found that public debates had only to some extent been successful in empowering civil society and citizens and improving resource governance, and only to a small extent in increasing government's share of resource revenues.⁸⁴

According to the interviewees, Model C was often seen as the main process through which change had been observed so far. The recommendations from the auditors and steering committees in Ghana and Colombia had helped in improving the revenue accounting; exposed instances in which lack of capacity and inadequate fiscal regulations had hampered revenue collection; and influenced legislation, regulations, and policies concerning the sector. In Ghana, for example, EITI implementation influenced the Petroleum Revenue Management Act 815 (from 2011) in which many of the transparency and accountability provisions are a result of lessons learned from the implementation of the EITI. It was, however, noted by several interviewees that EITI does not directly increase accountability through Model C as there are no mechanisms for forcing the states to adhere to the recommendations.⁸⁵

In general, there seems to be a mismatch between the 'preferred' mode of impact, or what it ought to be ideally (ie the Public Debate ToC), and current reality (ie the Technical Reforms ToC). This was aptly shown in our interviews in Ghana, where nearly all interviewees stated that Model B is important, relevant, and even the foundational one for Ghana. Few came with solid accounts as to how it had (so far) led to change, while most were able to state several specific examples of how the EITI had

84. The scale: not at all; a small extent; some extent; a great extent; a very great extent.

85. This notably points to the importance of monitoring and enforcement for voluntary regulation to work, see David-Barrett (2019).

led to reforms through other processes (eg technocratic reforms on information flows). Overall, this points to the value of tailoring, but also in some cases integrating these three ToCs, so that they allow for different logics to work in different stages of the process, and enable different logics to work for different types of stakeholder.

Development of the EITI ToC: Key considerations

What to build on

Credible information

The EITI was seen by many interviewees as providing highly factual and credible information that is respected by the different parties. This, in turn, was understood by interviewees as allowing for more meaningful debates and possibly more effective reforms (Model B). The country representatives in our survey also stated that the EITI in their countries had been successful in collecting and making information public and in increasing transparency in the extractive sector.⁸⁶

A fundamental message here is that the EITI should continue to be a reliable disclosure and verification mechanism. In this regard, we note that some interviewees pointed to the mainstreaming of disclosure processes within other government bureaucratic procedures as giving an impression of duplication that could lead to the closure of EITI-specific institutions such as the national secretariat, as it may appear redundant. Several interviewees warned against shutting down the EITI process, arguing that unless a similar approach involving MSGs and independent auditing can be secured, this would in some cases reduce the credibility of disclosed information.

Constructive dialogue

The EITI has enabled constructive discussions between governments, companies, and civil society representatives, which is especially important for ToC Models B and C. As expressed by a Ghanaian interviewee, the EITI ‘has really, really helped to pull us all together, from different stakeholders, different positions, ... [and] come to put Ghana at the center of our conversations.’ The EITI has also been a learning tool and process for

86. Average scores between 2.7–2.8 on the scale: 0 Not at all successful; 1 Slightly successful; 2 Moderately successful; 3 Very successful; 4 Extremely successful.

stakeholders, including for government officials and civil society to learn about the industry, and vice versa.

Therefore, the multi-stakeholder approach has improved dialogue and trust among the stakeholders, even when they were very sceptical at the beginning of the EITI implementation process, and enabled them to share information and identify key issues needing attention. Several interviewees, however, were concerned that ‘true dialogue [had] progressively died down and the EITI [had] become more of a bureaucratic exercise’⁸⁷ and that the dialogue needed to focus on issues which are in the core of the sector, but not necessarily related to national revenue management (eg the externalities that the industry is causing in the local communities).

Reforms

In Ghana, the EITI has contributed to a number of legislative policy and institutional reforms, and this was seen by most of our interviewees as the main channel through which the initiative is currently bringing about change in their country. With regard to the technical reforms, the survey participants saw the EITI Standard as the most important source for technical reforms, motivated by the need to pass the EITI validation. There thus seems to be a foundation for ToC Model C.

A key point here is that the EITI has, at least in some countries, resulted in changes in extractive sector management. At the same time, it is noted that the EITI Standard does not include mechanisms that would require the participating countries to discuss and implement reforms beyond implementing the Standard.

What to improve

Outreach and the use of information by the public

In the UK, both the CSOs and EITI national secretariat voiced concerns that the public was not interested in issues related to extractive sector revenues. Even if the information was out there, nobody really cared enough to engage in a public debate. The UK interviewees did not think that the public was interested in the EITI or natural resource management; in contrast, the Ghanaian interviewees were optimistic about the public being increasingly interested in extractive sector management.

Survey respondents did not identify public interest as a limiting aspect for the public debate or the success of the EITI in their countries, but rather saw the challenges to be

87. A Colombian interviewee.

the information disseminated by the EITI not being useful to the public and the low capacity among the public to analyse and use that information. As stated by a Ghanaian civil society representative:

What do you expect citizens to do with the information? Recently, I saw a typical oil contract which had been disclosed on the Petroleum Commission websites because the EITI requires that we disclose contracts. But ordinary people do not understand contracts. So what can they do with it? ... Now recently, I looked at the draft beneficial ownership register of Ghana. It's so complicated. I don't understand shareholding transactions, debentures, all that. You need a dictionary. So how about the ordinary people? ... One of the ways in which we are able to address the abuses in mining and oil sector is to resort to the court. So courtroom advocacy, litigation, public interest litigation. But here's the case, I may feel aggrieved ... I want to go to court and get the court to reverse [a] decision, but I don't have the money. So, as a citizen, I can only grieve over it, and that's it.

The survey participants rated the EITI in their countries as being ‘moderately’ to ‘very’ successful in bringing greater transparency to the extractive sector and making information publicly available. Yet, according to our interviews – at least in Ghana and even more in Colombia – the dissemination of information among the general public was either limited or seen as generating relatively little return. The interviewees noted that the dissemination strategies used in Ghana did not necessarily reach most citizens, as the EITI dissemination workshops ‘only reach a couple of hundreds of people in a place at a go. To reach almost everybody you would have to go into the media, not just any media but a media that reaches out to the ordinary persons’ (a Ghanaian interviewee).⁸⁸

In Ghana, it seems that dissemination has been an end in itself, with relatively little feedback from the population. This presents the outreach as a reassurance mechanism that can help assuage concerns of misappropriation and misspending. At worse, the current information dissemination was seen by some Ghanaian interviewees as a social strife and grievances prevention mechanism, making promises of revenues to develop communities, but with little effective impact on the ground.

88. A national survey carried out in 2016 in Ghana with over 3,500 participants documented that only one-fifth of the general population (ie those with no leader position in their communities) had received information from any source about how revenues from oil, gas, or mining had been handled in Ghana in the past 12 months (Lujala et al. 2020). One likely reason for the low outreach levels at the time was the use of information channels (ie internet, newspapers, and meetings in the regional capitals) that do not reflect the most effective ways to reach people in Ghana (ie radio, TV, and local community meetings) (ibid).

A ToC should consider the complex interplay between information dissemination processes, public awareness, and decision-making by companies and governments.

A key message here is to carefully consider: who the end users of the disseminated information are; how to reach them; and by which means to provide the information. Attention must also be given to the types of tools that citizens can use in order to participate in the debate(s) and voice their concerns and demands to their leaders regarding extractive sector and resource revenue management. An eventual EITI ToC must include these mechanisms and specify how they are provided for. A ToC should also consider the complex interplay between information dissemination processes, public awareness, and decision-making by companies and governments. This is especially so if it is based on Model B. For example, whereas media reporting is no guarantee of public awareness it may nonetheless affect the calculations of company managers, investors, politicians, and bureaucrats.⁸⁹

Civil society strength

In the narratives of transparency, civil society is often seen as having a pivotal role in accessing, interpreting, and disseminating information to the public as well as functioning as a watchdog towards the state.⁹⁰ This requires a civil society that is strong, unified, and well resourced. However, civil society was often seen by our interviewees as weak and with limited capacity, as it consists of a few dedicated persons and organisations with limited financial resources and often a high turnover among staff (including some moving to the private or public sector once trained). Another concern, especially in Ghana, was that CSOs may have been to some extent co-opted by extractive interests so that the outcomes, including public debates, focused more on raising revenues than addressing some of the broader socio-environmental challenges of extractive industries.

Civil society needs to have access to information but also be capable of interpreting and mobilising it politically – through social movements or the political system – in order to effect change.

89. Koch-Baumgarten and Voltmer 2010.

90. Fung et al. 2007; see also Who is the public?

So, civil society needs to have access to information but also be capable of interpreting and mobilising it politically – through social movements or the political system – in order to effect change. This is not only the case in Model B, but also in Model A. Especially when anti-corruption mechanisms and other accountability instruments are captured or ineffective, and demand broader changes than Model C would suggest (ie a fine-tuning of existing processes and institutions).

Interest and uptake by relevant state institutions

A general observation among many interviewees is that the EITI is ineffective when its findings are not considered by the relevant institutions, such as revenue agencies, anti-corruption agencies, and prosecutors. This can be damaging to ToC Model B, but also – most importantly – to Model C given that this model essentially relies on the responsiveness of other agencies to EITI policy inputs and recommendations.

The main implication is that the EITI would benefit from greater outreach *within government*, for example through the presence of representatives from organisations on the national EITI MSG and board (if there is one), clearer communication channels and communication products between the EITI and relevant agencies, and high-level inter-agency coordination.

Firmer integration of subnational issues

Several interviewees, in both Colombia and Ghana, noted that a more profound inclusion of subnational level extraction is a major area for improvement for the EITI. Efforts to account for natural revenue flows at the subnational level have so far remained at the pilot level (Colombia) with Ghana's EITI (GHEITI) having integrated this more firmly in its EITI reporting. Several of the Colombian interviewees expressed that they felt that EITI was less relevant for them as it did not include information on the subnational level, for example. This is because much of the corruption in Colombia is related to distribution of revenues locally and not at the national level.

A fuller integration of the subnational level in the EITI would enable governments to show in more detail where the revenues come from, what they are used for, and where. It would also engage citizens on issues that perhaps are 'closer' to them and may even have a direct, personally felt impact. This has potential to improve the public debates at both the local and national level, and include other sections of the public than those in the capitals, or with more education or otherwise a better position in the society.

From information disclosure to accountability

The general sense among our interviewees in Ghana and Colombia was that although the EITI had been successful in producing and publishing high-quality data on the extractive sector, especially on revenues, it had not had an impact on accountability and was thus rapidly losing relevance. According to the interviewees, the EITI does not equip citizens with tools to demand accountability, does not have power to prosecute, and does not outline mechanisms that would ensure accountability – the result being that governments are still able to spend revenues as they see fit. Further, there was a feeling that as information disclosure becomes mainstreamed through general government institutions, there is a need for the EITI to provide added value and progress for it not to become obsolete in the implementing countries that have mainstreamed information disclosure (but not yet demonstrated positive impacts in terms of developmental outcomes).

At least in Ghana, there were several indications of increasing frustration among civil society representatives who felt that ‘we have done everything in the book that we are supposed to do, and yet, we haven’t been able to make that critical transition from disclosures to accountability’ (a Ghanaian interviewee). They continued: ‘We should be asking ourselves, “What next?” ... In that process, we are now focusing our attention on the missing link ... [that] needs to be identified and addressed. Because EITI international doesn’t actually have that.’

Meanwhile, few interviewees were able to come up with concrete ideas of how the EITI could push for more accountability in natural resource management. This was perhaps because it is a genuinely difficult task to identify the required steps that would link information disclosure to accountability, which would also require the state to institutionalise accountability. Some interviewees proposed that the implementing countries should be required to show progress in how accountable different state institutions have become, whether and how they discuss the EITI reports and the recommendations, and how they respond to the issues through budget, policies, and legislative framework – in effect applying the ‘Naming and shaming’ model towards the process itself.

What to include

While interviewees often pointed at similar broad approaches to ToC design in order for the EITI to be more effective, many also noted the importance of including issues that mattered to citizens, and in particular local populations more directly affected by extractive activities. Several interviewees were in fact very critical about the EITI as

they felt it did not currently address some of the most pressing issues regarding the extractive sector in the participating countries. The recurring themes were the exclusion of environmental and social externalities, small- and medium-scale mining, and the expenditure side of revenue management. Any EITI ToC that does not include these issues risks making the whole EITI process irrelevant for the implementing country and its citizens.

Many saw the EITI as a legitimating tool for ‘extractivism’ – its focus on revenues pointing only to the ‘positive’ side of extractive industries, while not considering many social and environmental costs.

While most interviewees are in support of the EITI, many saw the EITI as a legitimating tool for ‘extractivism,’ in the sense that its focus on revenues points only to the ‘positive’ side of extractive industries, while many social and environmental costs are not considered. The civil society that had promoted the EITI in its early stages (as they saw it as an opportunity to address the environmental and social concerns of the extraction) have been disappointed about the limits of what the EITI has been delivering and about the time it had taken to include at least some environmental aspects in the Standard.⁹¹ This could be considered a warning against a Model C ToC that would let an EITI process be driven by a technocracy influenced by broad international criteria but limited understanding and consideration for local-level preoccupations. Ideally, Model B should avoid this type of pitfall, precisely because it rests on public debates. However, again, it is important that these debates include all perspectives and issues that can have huge local impact but limited national interest, and not only those of a narrow range of civil servants, ‘leading’ CSOs and politicians with both interest in and access to EITI forums.

Some interviewees noted that inclusion of the environmental and social externalities should increase the relevance of the EITI for the public. In Ghana the public is taking an interest in extractives, but not necessarily in terms of how the revenues are spent by the national government. Often their interest is driven by the sector’s environmental

91. The Chair of the EITI board declared that the 2019 EITI Standard ‘has reiterated that the EITI should cover material environmental payments by companies to governments and encouraged disclosures of contextual information related to environmental monitoring’ (see Reinfeldt 2019). Also, the EITI International Secretariat 2020 Work Plan includes the development of guidance on environmental reporting as well as communication efforts on highlighting and disseminating ‘innovative ways of environmental reporting’ (Action 47).

impacts. Small-scale gold mining has, in particular, caused a wide public outcry and forced the government to ban it over 20 months in 2017–2018. Several interviewees in Ghana and Colombia noted that the artisanal, small-scale and medium-scale mining sectors presented crucial issues for their country’s resource governance, but were not covered by the EITI.⁹²

In addition to bringing transparency to all costs related to extraction, some interviewees expressed concerns that the EITI does not follow a rights-based approach, which would for example bring transparency in the areas of the right to Free Prior and Informed Consent (FPIC), or the right to a healthy and clean environment. For example, a Ghanaian CSO representative argues there is no transparency when extractive activities are imposed upon communities that do not want to see extraction taking place in their area. The main implication here is that EITI should not be based on the assumption that mining should always take place, and only look at the benefits it brings, but should include the stage at which the decision to mine or not to mine is made.

Another area in which the interviewees felt that the EITI had largely been absent was the expenditure side of revenue management. Although they believed that the EITI had helped in improving the collection of revenues, there was a feeling that the EITI was failing in increasing the efficiency of spending. One interviewee from Ghana concluded that ‘the problem is in the spending of the revenues. If the EITI cannot address that, it has failed.’ In general, our interviewees expressed that when it comes to the revenues, there is a gap in what people are interested in and what is reported; there was a sense that people would like to know how the revenues are spent and how they make a positive effect, both locally and nationally.⁹³

A ToC could start by using public debate to identify issues that are relevant and important to people, then designing and implementing effective processes resulting from those debates.

More generally, these findings suggest that a proper sequencing of ToC could start with Model B, using public debate to identify and debate local- and national-level issues that are relevant and important to people. This could then be followed by a Model C,

92. This has come to the attention of the EITI Board and International Secretariat and was included in the Secretariat’s 2020 Work Plan (Actions 45 and 46).

93. The Lujala et al. (2020) survey also documented that Ghanaians listed information on expenditure at the national and local levels among the key issues on which they would like to have more information.

designing and implementing effective processes for the policies resulting from these debates.

What to contextualise

Many interviewees emphasised the importance of contextualising ToC at national or even subnational levels. A recurrent theme was that each country would need its own ToC for the EITI, which was adapted to their specific political, social, and legal dynamics to make it relevant and effective. A general EITI ToC could risk overlooking opportunities within a country, for example the opportunity to work through courts. In some countries this may not be feasible at all; in others it may be possible but not used due to lack of funding. Moreover, as conditions in countries change over time, a ToC should be dynamic, which would be difficult to achieve with a general EITI ToC. A general ToC could also prevent the countries to move beyond the expectations of the EITI Standard if the ToC was closely tied to those, and the national EITI was not able to ‘grow’ to incorporate steps not included in the Standard.

The interviewees felt strongly that as each country has its own challenges and objectives for the extractive sector, no one EITI ToC would be able to capture these, and any attempt for a general ToC would risk addressing issues where there was no issue, but not dealing with the problems the country had: ‘[If] it’s not reflecting the reality in the country ... [it] makes the initiative quite ineffective. If we just do A, B, C, D and cannot do any other thing, it doesn’t speak to your country’s reality’.⁹⁴

A more fundamental question raised by some interviewees was to what degree the EITI can be ‘the fixer of all the problems in the extractive sector?’.⁹⁵ Among these, there was a need to acknowledge the limits of the EITI and to readjust its objectives accordingly, delineating what the EITI can and cannot achieve. In this respect, several interviewees saw the EITI ToC as a tool to identify and test more micro-level processes than the models presented in this study offered. Furthermore, they felt that any EITI ToC would need to be articulated within a country’s own ToC for the extractive sector and its development goals. In this respect, we note that promoting a ToC design for the EITI could help motivate and inform broader ToC design processes, departing from mainstream resource sector planification approaches that are often geared at fostering the growth of specific extractive sub-sectors rather than the development outcomes of extraction under the various forms it can take in a country.

94. A Ghanaian interviewee.

95. A Ghanaian interviewee.

Overall, contextualisation is relevant to all three models. Model A needs the EITI to more clearly articulate its anti-corruption mandate and relations with other anti-corruption institutions (nationally, regionally, and internationally); be particularly attentive to the country or even locally specific rationales behind corruption motives and practices; specifically improve disclosure on known areas and actors likely involved in corruption (eg subcontracting and trading agents); and address the risks of political instrumentalisation of anti-corruption measures not only with regard to politicians but also corporations.⁹⁶ Model B is generally the best suited to help integrate contextualisation imperatives if allowed to be a bottom-up approach in which the issues debated reflect the issues that truly are relevant and important to people, while Model C could also be responsive if technocrats design locally informed policies rather than reproducing (international) blueprints.

Contributions to understand the EITI ToC

This study is, to our knowledge, the first specifically devoted to an EITI ToC. Though limited in its scope, this research makes several contributions.

First, the study found that a ToC for the EITI is expected to be useful, as observed by survey and interview results, and that the EITI Board and International Secretariat are now embracing that view. There is thus value in better understanding what a ToC approach could do for EITI participating countries and how EITI institutions at both national and international levels could move forward in this regard.

A second contribution is the identification of three main ToC models (ie Name-and-Shame (A), Public Debate (B), and Technical Reforms (C)) and a preliminary assessment of their relative suitability to different contexts, according to the views of survey respondents and interviewees. The general view from this limited sample is that Model B and, to a lesser extent, Model C are more readily identified as relevant, although Model C is currently seen as the one that has contributed most to change in our case countries. We note that views on the models differ, even within one country, and that these models are not mutually exclusive. Each of these models needs to be further elaborated by identifying intermediary steps, implementing agencies, and mobilising CSOs.

A third contribution is that ToCs need to reflect national, or even subnational, contexts in which they will be designed and implemented. One of the principal questions about

96. See also EITI-IS 2018.

the ToC process for the EITI is whether the ToC should be designed at the international level and implemented at the national level through a relatively rigid policy diffusion process, or whether each country should design and implement a country-specific ToC adapted to its own EITI, extractive sector, and development goals and means of achieving them.

Based on our study, we argue that a ToC should reflect the evolution of national contexts, objectives, and capabilities, so that it suits local conditions and evolves in response to changes – both in terms of the EITI itself and the requirements of the implementing country. Therefore, a context-specific ToC would have to be developed by each country to accommodate their unique specificities. Yet, to achieve consensus within the global EITI community, the ToC also needs be grounded at EITI central level through common goals and the EITI Standard, which includes among others the EITI Principles, the EITI Requirements, and a protocol for civil society participation.

The EITI Standard should still make the basis for EITI membership and apply to all member countries. Yet it should allow for variations in scope, prioritisation, and implementation pathways so that the EITI can be implemented to have maximum concrete effects on resource governance and development outcomes. There is a need to enable some flexibility with regard to the EITI Standard in order to focus on and innovate in the most pressing and promising areas for individual countries to improve resource governance and development outcomes.

This does not mean giving up on mandatory standards, but prioritising some areas where innovation can deliver change while lowering efforts in areas where processes to meet standards have been systematised into routine government processes – a key objective of the 2019 EITI Standard. Despite the importance of nationally contextualising and designing ToCs, the EITI International Secretariat has an important role to play. This can include the creation of ToC templates, support for national-level ToC design, as well as acting as a clearing house to exchange examples of ToCs and implementation experiences.

ToC models suited to national contexts and objectives could help the move from transparency to accountability, not only to find and apply paths to improvements, but as a clearer way to assess progress.

Our final contribution is to point at the need for the EITI to evolve in order not to become obsolete. The EITI is at a crossroads, at least in some countries. It can decide that its initial mission is largely over, as institutions for making reliable data on the extractive sector public are now in place in many countries and the EITI in these countries is becoming irrelevant. Or it can decide to continue pushing for a broader agenda, including the reduction of negative socio-environmental impacts and the maximisation of developmental impacts, as seen with the 2019 EITI Standard. This latter option means that the EITI, especially at the national level but also at the international level, should be more directly involved in outlining and ensuring that increased information disclosure and transparency leads to increased accountability in extractive sector governance, and management and spending of the revenues it generates. There is still a need to go from transparency to accountability, and to demonstrate effective improvements. Clear ToC models suited to national contexts and objectives could help in this regard, not only to identify and implement pathways towards improvements, but also as a clearer way to assess progress.

Recommendations

- It would be beneficial for the EITI International Secretariat to help implementing countries to produce their own country-specific ToC. This could involve providing models by type of context, guidance on formulating ToCs, as well as examples of countries that successfully followed some specific models. Each sector (and sub-sector) may have its own ToC requiring specific governance tools and attention from dedicated staff. Country-specific discussions about ToC could lead to a clearer understanding of how transformation could happen. While this is very useful for each country, these discussions could also lead to greater debate within the EITI to, for example, understand how to demonstrate improved impacts.
- The EITI should pursue efforts to include social and environmental dimensions within its framework. In this way, it should continue contributing to greater transparency on the costs of extraction and help turn hidden ‘externalities’ into visible cost entities to inform better resource governance.
- Consideration should be given to what a ‘rights-based’ EITI would look like: one that brings transparency and accountability on consent rights, as well as rights to a clean and healthy environment. Discussion within implementing countries could help identify which bundle of rights could be more clearly integrated into EITI reporting processes, and inform reforms and redress mechanisms.
- The EITI should constantly look to national- or local-level demands and initiatives as a source of inspiration. Some national EITI MSG members, especially among CSOs, have been leading innovators, pushing for complementary disclosures that

later made their way into national-level processes or even the EITI global Standard. More efforts could be made to broaden the range of voices within companies, so that the most progressive ones can be heard and have the ability to further innovate in terms of disclosure and support for reforms. A mix of national-level industry associations bringing representation and industry champions bringing corporate innovation should be encouraged.

- The EITI Standard must not prevent countries from innovating and adapting to reflect their own requirements. At worst, the EITI can be distracting and waste energy. As the Chairman of Ghana's Public Interest and Accountability Committee argued, implementing the EITI blindly is 'like condemning yourself into a kind of treadmill that does not necessarily address your own concerns.' Flexibility should be encouraged in the way countries decide on their priority areas, provided that this prioritisation respects the EITI Standard and reflects a broad consensus, including CSO perspectives.
- A systematic monitoring of evidence should be fostered by the EITI, which shows the uptake by relevant organisations of EITI findings and recommendations: parliamentary discussion of the EITI report, taking up of cases by the anti-corruption agency, and correction of underpayment of taxes by the revenue agency.

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