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Project: Does Transparency Lead to Accountability? A Two-Country Study of Local Implementation of the EITI in West Africa

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Does Transparency Lead to Accountability? A Two-Country Study of Local Implementation of the Extractive Industries Transparency Initiative in West Africa
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PROJECT SUMMARY

Context: A major challenge confronting many resource-rich developing countries is severe and systemic *corruption*, which prevents them from getting the most value from their oil, gas and mining sectors. The Extractive Industries Transparency Initiative (EITI), a global initiative launched in 2002 by the UK government to promote better management of resource revenues, is strongly supported by the Canadian government, one of 15 donor partners. The EITI expects participating governments to disclose the royalties and taxes they receive from the extractive sector, and oil and mining companies to report what they pay to government. While increased *transparency* about the revenues received from extraction is expected to produce more accountable national and local governance, the EITI

Secretariat acknowledged that this outcome is not always achieved and has called for greater effort to be directed to ensuring accountability at the local level. This research responds to this call by focusing on EITI implementation at the local level in Nigeria and Ghana, two important EITI-compliant countries.

Objectives: The two main objectives of the proposed research are first: to contribute to understanding about whether and how voluntary global standard-setting initiatives such as EITI are the answer for national and local *governance gaps* in resource-rich developing countries and second: to generate knowledge about *what conditions are necessary to ensure that* greater transparency is linked to more accountable local governance in communities affected by extraction.

Methodology: We selected for comparison Nigeria and Ghana, two EITI-compliant countries in West Africa. Although they have broadly similar histories, Nigeria's economy is based on oil, while Ghana's is based primarily on gold, allowing us to identify possible differences in the impact of EITI based on the type of extractive sector. In order to generate insights into factors that affect the ability of local communities to benefit from EITI, we will conduct six community case studies in Nigeria and Ghana, so as to map any variation in EITI implementation both within and between the two countries. Data collection will consist of structured interviews with community leaders, local government officials and non-governmental organizations (NGOs), focus group discussions with local communities and street-level surveys. Drawing on the existing literature on the governance context in Ghana and Nigeria—including

national and local government capacity, regulations governing extraction and degree of democratic accountability—we will contextualise the local findings within the broader local and national institutional arrangements surrounding EITI implementation.

Significance: Innovative, multi-stakeholder governance arrangements, such as EITI, may address the crucial need for the extractive sector to contribute to, rather than inhibit, sustainable socio-economic development. Our research findings will contribute to the emerging scholarly literature on EITI impacts at the community level. Research output will be directed at multiple audiences, including the private sector, NGOs and government. Knowledge mobilization will include multi-stakeholder workshops in Ghana and Nigeria, an on-line platform to post reports, work-in-progress snapshots and policy briefs, web-enabled distance participation of students, presentation of conceptual papers at scholarly conferences, the publication of a book and six journal articles. With their substantial presence in developing countries, the Canadian government and extractive companies have a stake in learning how EITI implementation may be better linked to more accountable local governance, reduced poverty and improved livelihoods for local communities.

METHODOLOGICAL APPROACH AND METHODS

The research will employ a *multi-level* (global-national-local) and *multi-actor* (governments, companies, NGOs, communities) *framework* to better understand how national and local level dynamics influence the effectiveness of global standard-setting initiatives such as EITI (Dashwood 2012a; Webb 2012b). The approach fits the logic of EITI's governance structure, which connects the global/national and local levels with the multistakeholder dialogue groups, consisting of NGOs, governments and extractive companies. By stressing the agential role of non-state as well as state actors in shaping global governance mechanisms, and in enacting them at the national and local levels, we are able to understand and account for the multi-level dynamics inherent in the practices and process of resource extraction governance. An important dimension of the research is to unpack how the global norms of *transparency* and *accountability* are interpreted and acted upon at the national and local levels.

Methods:

We will compare three communities in Nigeria adjacent to oil and gas extraction by three different companies and three communities in Ghana adjacent to gold extraction by three different companies. In Ghana, these communities include: Obuasi in Ashanti region (AngloGold-Ashanti), Bibiani in Western region (Kinross) and Ahafo in the Brong-Ahafo region (Newmont). In Nigeria, these communities include: Eket in Akwa Ibom State (Mobil), Escravos in Delta State (Chevron) and Obagi in Rivers State (Total). This approach will allow us to examine variation in EITI implementation both among communities in the same country, and between the two countries as well.

The metrics we will use to gauge the degree of EITI success at the local level are both tangible and intangible and can be understood as a continuum. At one end, we will look for the level of awareness of EITI and the extent to which the aims of EITI have been communicated to local communities. Moving along, we will determine the quality of involvement and engagement with EITI, which could range from a one-off information session, to continuous dialogue both between communities and the multi-stakeholder dialogue groups and within the communities themselves. We will then assess the capacity of communities to use the information on revenues accruing to national and local government to their advantage. Such capacity is a product of the quality of functioning governance structures within communities that facilitates the use of information and the level of grassroots mobilization. In this regard, we are interested to determine the 'connectedness' of NGO representatives from EITI's multistakeholder dialogue group to the local communities and grassroots organizations where they exist. Another key metric is the efficacy of EITI disclosures, measured by whether or not demands for services that local government is supposed to provide are met. The more intangible metrics are the extent to which the EITI process results in *affirmation* of communities' rights to advocate on their own behalf once armed with information and the satisfaction of local stakeholders (communities/traditional authority/local government) with the process.

TIMELINE OF RESEARCH ACTIVITIES

Year 1: Research participants and graduate students will conduct a *content* analysis of existing literature/practices (both academic and non-academic e.g. NGO sources) concerning EITI implementation, and tabulate comparative indicators for Ghana and Nigeria. In preparation for field

research in Year 2, a 'street-level' questionnaire will be developed for distribution in towns where local government is based as well as an interview schedule for the subsequent semi-structured interviews.

Year 2: *Field Research:* A street-level questionnaire survey will be administered in order to correlate awareness and perceptions of EITI with gender, employment status, educational attainment, and age. In addition, semi-structured interviews will be conducted with local academics, governmental officials, members of staff at EITI, NGOs involved with EITI, local community chiefs and elders, women leaders, and extractive companies' staff. Focus groups will be held in each of the selected local communities in Ghana and Nigeria, in order to shed light on the extent to which EITI consultations raise awareness and empower local communities and to assess the extent to which these initiatives have contributed to improved livelihoods. Research collaborators from Central University College, based in Ghana, and the University of Port Harcourt, based in Nigeria, will lend their expertise, connections and field research capacity to the research and knowledge mobilization components of this project. Their graduate students will assist with the field research, where knowledge of local languages and customs in local communities will be essential for data collection purposes.

Year 3: We will hold one-day workshops in Ghana and Nigeria. In advance of the workshops, we will disseminate a separate report on our preliminary research findings in each country. The purpose of the workshops is to allow key stakeholders from government, the extractive industry, NGOs and local communities to provide their feedback on the interpretation of research findings conducted by the research team. In order to ensure that preliminary research findings are understood by the selected local communities, and that they, in turn, are given the means to convey back to the researchers, partners and other stakeholders their understanding of the preliminary reports and what needs to be altered, African research assistants will play a central role. Canadian and African students will prepare research summaries of key findings and social media tools will be used to assist with dissemination. The outcome of these workshops will be incorporated into *revised country reports*, which will then be posted on-line by the end of Year 3, as a freely accessible document. Opportunities will be provided for on-line discussion of these documents, through discussion forum tools.

Years 4 and 5: The research team will disseminate findings at academic conferences and a practitioners' symposium. Outputs will be targeted to specific audiences, with graduate students co-authoring academic papers with team members, preparing policy briefs and work- in- progress reports for posting on-line.