

NRGI Organizational Evaluation

Executive summary

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INTRODUCTION

This is the final report of a learning evaluation of specific areas of the Natural Resource Governance Institute's (NRGI) 2015-2019 strategy.

In 2013, NRGI was established from the merger of the Revenue Watch Institute with the Natural Resource Charter with the principal goal of helping people to realize the benefits of their countries' oil, gas and mineral wealth through applied research and innovative approaches to capacity development, technical advice and advocacy. In 2015, NRGI embarked on its most recent five-year strategy.

The following assumptions inform NRGI's theory of change:¹

- Governments, civil society, media, parliaments, private sector actors, national oil and mining companies hold the power to create change and play unique but complementary roles in natural resource governance.
- Effective communication of evidence and dialogue between government and citizens is critical to building understanding of and buy-in to resource governance policy choices.
- Effective collaboration between parliament and civil society helps hold the executive branch of government accountable, generating incentives and informing policymaking and implementation.
- Media builds public understanding and demand for government accountability in the management and spending of revenue generated from natural resources; working in partnership with civil society and parliaments strengthens their role.
- Policymakers and companies respond to international cues about expectations and desirable practices, and they use domestic policy to signal intentions and improve their reputations abroad.
- While a number of factors affect outcomes (e.g., the domestic political landscape, commodity prices, and the international relations context), in general, improving natural resource governance will increase government revenues that are available to contribute to social policies that will increase benefits for citizens.

The organization's theory of action flows from its theory of change and assumes that improved resource governance is mainly a function of capacity and political will. Put simply, NRGI brings expertise in resource governance to drive evidence-based decision making and work in collaboration with the key actors in the sector. NRGI strives to directly and indirectly build capacity and trigger incentives to accelerate change in the various areas described above. During the 2015 to 2019 strategy period, this theory of action took a three-pronged approach:

- promoting accountability norms at the **international level** to drive incentives to enhance natural resource governance. This includes shaping norms and standards, private sector behavior and multi-stakeholder initiatives.
- directly and indirectly, contributing to the capacities of national **governments** who are motivated to improve resource governance. Their motivations can be due to incentives driven by global norms and/or domestic political imperatives (including the use of norms by domestic accountability actors). NRGI assumes that increased capacity will result in better policy adoption and implementation by governments and other actors.

¹ Natural Resource Governance Institute, *Theory of Change Assumptions*, internal document (Undated).

- enabling and collaborating with **accountability actors—agents of change in parliaments, media and CSOs—to provide better oversight**. Enabling the sustainability of movements and multi-stakeholder collective action or collaboration is key to this work. In other words, NRGi assumes its work will directly increase the capacity of these actors to amplify incentives for governments and private sector actors to be more transparent and improve both the collection and management of revenue.

There are elements that are implicit in and mentioned by staff as part of NRGi's approach that the theory of change or its assumptions do not formally codify. For example, although staff talk about, and some programs do confront corruption and deep power structures that prevent citizens from enjoying the benefits of natural resources, these issues are not explicit in NRGi's theory of change or action. Relatedly, though citizens feature primarily as beneficiaries in the theory of change, the theory of change presumes they have agency and act in other ways that complement NRGi's efforts.

EVALUATION SCOPE

In view of the breadth of the strategy, as well as evidence and learning generated by NRGi during its implementation, the evaluation aimed to generate insights on a limited set of issues driving the original strategy to inform NRGi's forthcoming work:

- NRGi's ability to leverage its 'think and do approach' that is the array and combination of typical NRGi interventions. NRGi's 'think' functions include applied research, analysis and data. These approaches inform and are informed by 'do' functions, which include capacity building, technical assistance, policy advocacy and convening.
- The efficacy of NRGi's approaches in contributing to lasting outcomes. NRGi defined these approaches in terms of two separate and discrete sub themes: a) closing policy implementation gaps – a relatively new area of emphasis for NRGi, as well as, b) the efficacy of its work in support of sustainable accountability-seeking institutions.
- NRGi's contribution to the use of extractive sector data (e.g., payment, contract and beneficial ownership data) for natural resource accountability and policy reform. This is an important cross cutting area of work in which NRGi has invested substantial resources over recent years.
- NRGi's success in **leveraging partnerships with international influencers**² to achieve a multiplier effect and increase NRGi's potential reach and impact.

In addition, I considered the implications of evaluation findings for the ongoing evolution of NRGi's theories of change and action.

METHODS AND LIMITATIONS

The ambition of the original evaluation design, which allowed for breadth (survey) and depth (in- country studies) had to be narrowed following NRGi's decision to change the evaluator early in the process. This placed considerable limitations on what the evaluation could achieve.

As the evaluator, I took a mixed methods approach, combining interviews, a review of secondary data, plus analysis of raw data and findings from a survey run by NRGi to interrogate assumptions informing NRGi's work on the four evaluation themes. While the approach to questions on think and do and partnership was quite broad in scope, I used a more in-depth approach to explore the lasting outcomes and data use themes. To be more

2 For the purpose of this evaluation, influencers were defined in the evaluation survey sent to staff as organizations that are able to influence extractive debates, policy and norms globally or in one or multiple countries/regions. Typically, they would include international financial institutions (IFIs), regional development banks, donors, multilateral initiatives (e.g., EITI), multi-donor initiatives and large international NGOs.

specific, I focused on a purposive sample³ of countries that promised interesting stories in relation to evaluation questions on data and lasting outcomes. These were Ghana, Guinea, Indonesia, Mexico, Nigeria, Tanzania and Tunisia.

The evaluation also aimed to develop conclusions and recommendations based on learning related to higher-level assumptions in NRGi's theories of action and change to the extent possible. Theory and evidence from the wider transparency, participation, accountability and governance fields informed the analysis.

SUMMARY OF KEY CONCLUSIONS AND RECOMMENDATIONS

Findings from the sample of countries examined support key assumptions in the organization's theory of action:

- *International norms and standards successfully influenced and promoted by NRGi, such as the Extractive Industry Transparency Index (EITI) and the Resource Governance Index (RGI), 'work' in shaping national governments' incentives to engage with policy reform and good practice.* In several instances, this was due to the reputational costs of bad governance as anticipated in NRGi's theory of change. However, domestic political and development imperatives also drive the willingness of governments to engage with global norms. This is somewhat surprising in countries that had recently elected nationalist governments.
- *NRGi's capacity building works to enable national governments to design and implement improved resource governance policy, which leads to increased disclosure and revenue collection in several countries.* These achievements are remarkable given the limited evidence of transparency, participation and accountability (TPA) interventions, particularly in resource governance, going beyond increased transparency.⁴
- *NRGi's capacity building works by enabling accountability-seeking institutions to engage with and/or improve demands for changes in their governments' transparency and accountability behaviors.* The extent to which they are able to use their advocacy skills to incentivize changes in government accountability behavior varies with context. NRGi's work in Ghana provides an interesting example of how such work can shape public discourse on natural resource revenue management, driving domestic incentives for policy implementation.

The evaluation also provided some evidence on how and why NRGi's theory of action has worked in some of the priority countries studied. The evaluation found that NRGi's approach has tended to work well in pro-reform contexts. This is partly because NRGi has been successful in:

- **delivering its think and do functions in contextually-relevant ways that leverage cross-comparative rigorous knowledge.** Partners engage with NRGi's knowledge and evidence because they trust it and view it to be of better quality than that of comparators. They particularly appreciate NRGi's ability to communicate the relevance of international best practice through practical tools and approaches.
- **convening multi-stakeholder groups and facilitating relationships, reframing objectives when necessary.** Even though national CSO actors were often able to engage their governments directly and independently, these stakeholders acknowledge that NRGi plays a useful role in enabling relationships between different actors interested in natural resource governance. Staff skills in reframing global norms to make them fit national incentives appear to have helped NRGi sustain relationships in spite of shifts in political imperatives in several countries with less conducive reform contexts.

3 A purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study.

4 Andrew McDevitt. *Transparency and Accountability in Extractive Industries*, (Knowledge Evidence and Learning for development, 2017). gsdrc.org/wp-content/uploads/2017/06/082-Transparency-and-accountability-in-extractive-industries.pdf

- **increasing its focus on policy implementation for long-term change in program design and delivery.** This was achieved through a two-pronged strategy of direct technical support to government actors as well as work with accountability-seeking institutions. Though each strand has enjoyed some success, NRGi does not always design and implement them in an integrated manner.
- **building the financial and technical capacity of accountability actors to contribute to policy reform and hold governments accountable for implementing reform commitments.** NRGi has made significant and valued contributions to the capacity of several NGO coalitions. However, because coalitions' abilities to play meaningful roles in natural resource transparency and accountability are influenced by their dynamic political contexts and funding opportunities, they can have difficulty sustaining their influence over time.
- **being an effective data intermediary that has been able to enhance government and accountability actors' access to and use of extractive data, increasingly through country-led and problem-driven approaches.** Stakeholders recognize NRGi as playing an important role in collecting, organizing and making data available. Through a process of pilot testing, learning and adaptation, NRGi has also developed promising approaches to capacity development that the organization can replicate during the next strategy period.
- **multiplying the effects of its work through leveraging its access to global influencers.** NRGi has used evidence and its partnerships to effectively influence the policies of the EITI secretariat and the IMF, among other international organizations.

Areas for improvement

Despite NRGi's achievements, the evaluation revealed several weaknesses and challenges, mostly relating to operational issues. Furthermore, as with other actors in the TPA field, NRGi needs to think and work more politically, which has implications for how NRGi conceptualizes and puts into practice its theories of action and change in the future.

Although externally-driven incentives, such as global norms, are influencing government disclosure, evidence suggests that this may represent 'isomorphic mimicry' or 'open washing' in some resource rich countries. In other words, governments may implement disclosure policies to impress external audiences without changing their norms and behaviors regarding their accountability to ordinary citizens. Evidence from the TPA field suggests such open washing is likely in the absence of domestic actors challenging power structures and driving incentives for government actors to become more accountable.⁵ Some NRGi staff and partners raised questions about whether NRGi's theories of action and change adequately reflect this understanding. NRGi is good at responding to high-level political opportunities. However, it is not always as good at supporting vertically-integrated approaches that involve analyzing the power imbalances that cause accountability failures and seeking to address them through coordinated and integrated action with partners at different levels. More specifically, the evaluation made the following recommendations for improvement:

- **Think and work more politically.** NRGi staff agree that the explicit use of political economy and power analysis is uneven across the organization. Therefore, NRGi should aim to be more explicit about how its understandings of power and context inform program design and adaptation in the future.
- **Disaggregate and clarify NRGi's theories of change and action at global and local levels.** It would be helpful for NRGi to distinguish between its theories of how change happens in natural resource governance in the different contexts where it works with its country-specific theories of action.
 - *Theories of change:* During the next strategy period, NRGi should refine its internal organizational level theories of change, particularly at country level. Detailed power analysis that identifies the barriers and drivers to change in

5 Rudiger, *Fiscal Transparency and Accountability Research Note for the Fiscal Futures' Scenario Planning Workshops (March & April 2018)*

accountable natural resource governance at different levels should inform country level theories of change. Such analysis should include an assessment of donors and other actors working on related issues and thus help NRGi to identify its niche and describe its theory of action (elaborated below) in the different places it operates. In addition, NRGi's theories of change should make the role of citizens in demanding accountability and influencing government-spending decisions more explicit and complete.

- *Theories of action:* NRGi should develop country-level theories of action that make explicit assumptions about how NRGi and/or its partners will contribute to the broader country-level theories of change described above. Each theory of action should elaborate on how NRGi's work builds the capacity and leverages incentives of different actors involved in accountable natural resource governance and, where possible, should support a vertically-integrated approach. Each country-level theory of action should explain the relationships and tactics NRGi will adopt to overcome barriers identified through power analysis. In addition, they should detail how NRGi's direct work and partnership strategy complement the roles of other actors who are also involved in NRGi's theory of change.
- **Clarify the nature of NRGi's relationships with various local partners and complementarity of roles.** The context and political economy analysis described earlier will enable NRGi to define the nature of the relationships that it seeks with different organizations and coalitions. As a result, country level staff should be able to identify key partners and how NRGi can best build their capacity and enhance their influence through technical and political support. This will require assessing the funding that is available to these partners and if/how NRGi can complement funds available from other sources. Ideally, potential partners will be involved in discussions that influence NRGi's decisions regarding its partnership approach. Relatedly, NRGi should create and share its local partnership strategy—the outcomes of such deliberations—with the organizations and groups concerned.
- **Develop country-specific data use and capacity development plans.** This is a key component of the work NRGi undertakes to develop country-level theories of action and change. It requires NRGi country program teams to replicate successes in Ghana and Nigeria to map relevant data landscapes, identify and segment different types of data users and uses. The outputs would then inform a data and evidence focused capacity development strategy that is an integral part of NRGi's capacity development plans. The process should also incorporate recommendations made by staff in the evaluation survey, such as assessing the aptitudes and baseline skills of potential users before designing capacity development interventions and materials.
- **Develop a coordinated influencing strategy and plan.** NRGi should define the specific objectives of its engagement with different international institutions and the audiences that may benefit from this multiplier effect. In addition, NRGi must develop organizational systems to enable the effective coordination of inputs to achieve its aims through concerted partnership.

The conclusion section explores these recommendations, along with possible follow up work that aims to further enhance NRGi's successful approaches.