



NRGI
End-of-Year
Review
2019

Executive Summary



Natural
Resource
Governance
Institute

Executive summary

The Natural Resource Governance Institute (NRGI) is an independent non-profit organization dedicated to improving countries' governance of their natural resources so that citizens see greater benefits from their resource wealth.

In 2019, our team of over 80 staff members worked in more than 15 countries on a range of thematic areas linked to our work. We continued pressing governments to disclose crucial information to enable evidence-based decision making and support anti-corruption efforts, supported countries' efforts to get good deals in exchange for their natural resources and worked to oversee that the revenues from subsoil wealth are responsibly managed.

As the final year of NRGI's 2014-2019 strategy, we built on significant previous gains and reflected on lessons learned to inform our new strategy. The *2019 End-of-Year Review* is an overview of select successes and challenges of the previous year and shares key learnings for the organization, the partners with whom we work, funders and the broader natural resource governance field. Through selected outcomes presented in this review, we demonstrate how these successes have tangibly benefited citizens of resource countries—be that through increased revenues for development, or more empowered oversight actors keeping governments accountable.

Increased disclosure

A key step on the path to good resource governance is ensuring information is disclosed in an accessible way that enables accountability of governments and extractive companies. One realm of progress was in regards to commodity traders—businesses that focus on the market of primary goods, which play a key role in extractive industries. NRGI supported significant disclosure gains from both commodity traders themselves and the national oil companies (NOCs) they deal with.

On a larger scale, NRGI and partners also succeeded in improving relevant disclosure standards in the guidelines of multilaterals such as the International Monetary Fund's (IMF) Fiscal Transparency Code.

While progress on mandatory disclosure of payments to governments has slowed because of delayed implementation of the United States' Dodd-Frank 1504 legislation and the United States' withdrawal from the Extractive Industries Transparency Initiative (EITI), by working with a range of partners, NRGI was able to contribute to key improvements to the EITI Standard, the global standard for the good governance of oil, gas and mineral resources.

Use of data

Accessible and useful data about the extractive industry sector can play a significant role in evidence-based decision making, and NRGI continued its work to bring data to the fore. The Resource Governance Index (RGI)—NRGI's assessment of the quality of transparency and accountability in oil, gas and mining sectors—continues to shape policy and debate in resource-producing countries. Key stakeholders, including governments, state-owned enterprises and civil society advocacy groups, engaged with RGI findings. Along with government-led policy shifts, private sector investors are also using the RGI to assess potential investments in resource-rich countries.

Additionally, NRGI continues to collect, collate and present extractive sector data already in the public domain, making it accessible and useful to stakeholders to address policy problems and push for evidence-based reform.

Combating corruption

Our anticorruption work seeks to improve policy to prevent and root out corruption, and also to support actors to bring more integrity to resource governance. In 2019, NRGi saw improvements both in terms of policy and implementation. Myanmar, Nigeria and Tanzania adopted new and significant transparency policies related to “beneficial owners,” the real people who own, control or gain substantial economic benefits from extractive companies. In terms of implementation, Guinea has demonstrated timeliness and better quality of EITI reports with more disclosures on beneficial ownership, in part as a result of NRGi’s multi-year engagement and advocacy in the country.

Getting a good deal

To make the right decisions about managing natural resource wealth, governments and accountability actors need a strong understanding of effective award, licensing, and negotiation processes. NRGi refers to these building blocks as steps toward getting a good deal for subsoil wealth.

Across elements of this pillar of NRGi’s work, Guinea, Nigeria, and Ghana saw significant outcomes. In these three countries, the progress is specifically related to pricing policy, which consists of setting a fair price for the purchase of a good or service between two parties. NRGi works to avoid pricing practices that can become abusive, whereby related parties distort the price of a transaction for their own interests. Guinea adopted strong transfer pricing rules based on international best practices in its 2019 finance law, thus potentially driving greater funds into the state budget. The Nigerian National Petroleum Corporation improved its pricing practices in line with NRGi recommendations. NRGi had previously contributed to Ghana’s petroleum regulations, and in 2019, several of these regulatory provisions were implemented. In some cases, Ghana’s government even went beyond regulatory requirements to implement transparency good practices.

Revenue management

Mismanagement of oil, gas and mineral revenues can have enormous costs for citizens of resource-rich countries. When citizens have access to transparent data on what funds their national and sub-national governments receive on their behalf, they can provide input and oversight into making sure that resource revenues are spent in ways that benefit their countries and communities. To support better oversight and use of resource revenues, NRGi helped facilitate a significant disclosure gain in Guinea, for example. After extended advocacy to the Ministry of Mines and Geology, the law department disclosed on the ministry website four key (previously unavailable) regulations implementing local payment provisions of the mining code.

Well-intentioned governments will also require advice for how to plan around and utilize income from extractives. In Uganda, for example, NRGi provided technical assistance to the Ministry of Finance, Planning and Economic Development’s tax policy department as to how their fiscal regime could be more responsive to mine profitability. In Myanmar, NRGi provided advice to the country’s Union Peace Dialogue Joint Committee on national and sub-national revenue management.

State-owned-enterprises (SOEs)

State-owned-enterprises often have a significant role to play in harnessing benefits from oil and minerals and executing broader national development agendas. NRGi has had ongoing engagement with SOEs and global standards on SOEs.

In 2019, NRGi saw a significant change in Myanmar resulting from sustained multi-year research and advocacy by NRGi around SOE governance in the country. The Myanmar government abolished the opaque other accounts system used by SOEs, which could represent a significant win for development spending.

Beyond this outcome, NRGi continues to drive the larger conversation on SOEs forward—we published the National Oil Company (NOC) Database, an online platform that provides information on the production, revenues, expenditures, balance sheets, tax payments and performance of over 70 NOCs worldwide. The associated reports showed that many state enterprises fail to disclose information critical to the oversight of public revenues and carry huge debts that burden their national economies.

Improved sustainability

Last year NRGi made a concerted effort to deepen its work on sustainability. Though it was a nascent year for this thematic area, which is now referred to as “navigating the energy transition,” NRGi engaged with actors such as the Norwegian government, UNEP, Chatham House and the Commonwealth Secretariat-led New Petroleum Producers Project and partners in Ghana and Uganda. NRGi made tangible gains in clarifying its own contribution to this critical line of work, making a concerted push in our new strategy to address the wide-ranging implications of future transitions away from extractives.

Organizational health

A major achievement of 2019 was the finalization of NRGi’s 2020-2025 strategy through a consultative, evidence driven approach. As a key input to the new 2020-2025 strategy, NRGi also completed an organizational evaluation. The evaluation noted key successes globally and demonstrated support for NRGi’s interventions, while also identifying gaps in our strategic approach and suggestions for clarifying NRGi’s role in the resource governance field.

Having shepherded the strategy development process, NRGi’s Governing Board Chair former President of Mexico Ernesto Zedillo stepped down in November 2019, as did our Nominations Committee Chair Bennett Freeman, a longstanding natural resource and civic space advocate. NRGi also welcomed new board members Lourdes Melgar and Cielo Magno.

At the November Governing Board meeting, NRGi CEO/President Daniel Kaufmann announced that he will step down in February of 2020, with the role of interim CEO/President to be assumed by COO Suneeta Kaimal. NRGi’s board, CEO, and senior management worked collaboratively in order to facilitate a successful transition.

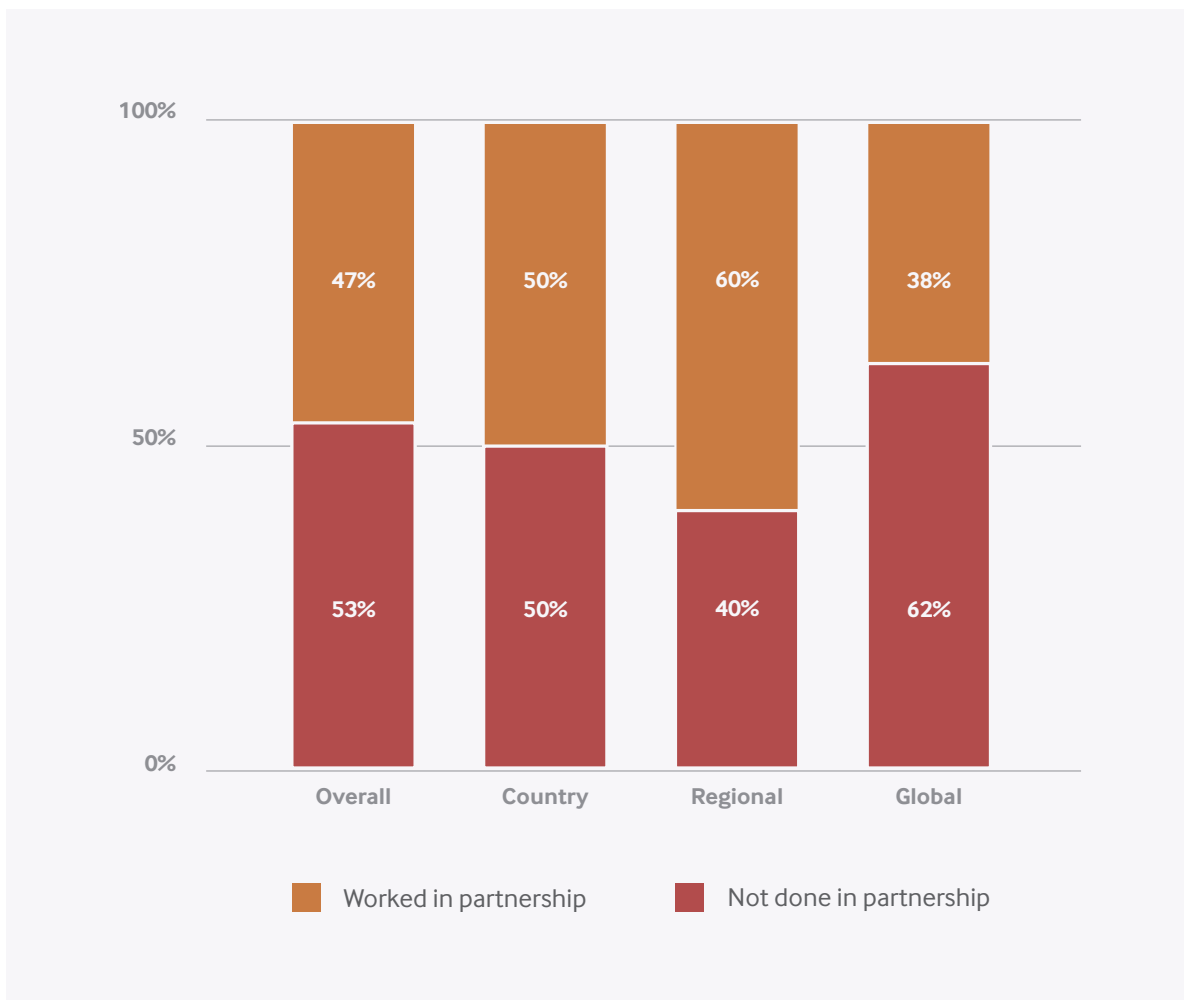
Improvements in human resources (HR) functions, monitoring, evaluation and learning (MEL) and finance represent ongoing progress toward strengthening the operational backbone of NRGi. Additionally, new strategic processes led by the communications team and the maturity of the internal research and data committee will support quality, rigor and reach of NRGi’s knowledge products.

NRGI’s Approach

NRGI's internal monitoring system provides us with data regarding the details of our programming and ways of working each year. One key insight related to NRGI’s “think and do” approach stands out among this data: the ongoing emphasis on and value of partnership in our work. As the figure below demonstrates, partnership is at the core of how NRGI gets things done. Partnerships play a particularly important role in the delivery of our regional ambitions, and half of our country-level

work is done in collaboration with other stakeholders. Overall, it is evident that the work we do is enabled by the strong partnerships we have built up over the years, and the development of new relationships. As we look ahead to the 2020-2025 strategy period—in which our theory of change even further demonstrates the interlocking role of partners in the field of resource governance—we are proud to see that our collaborative way of working continued through 2019.

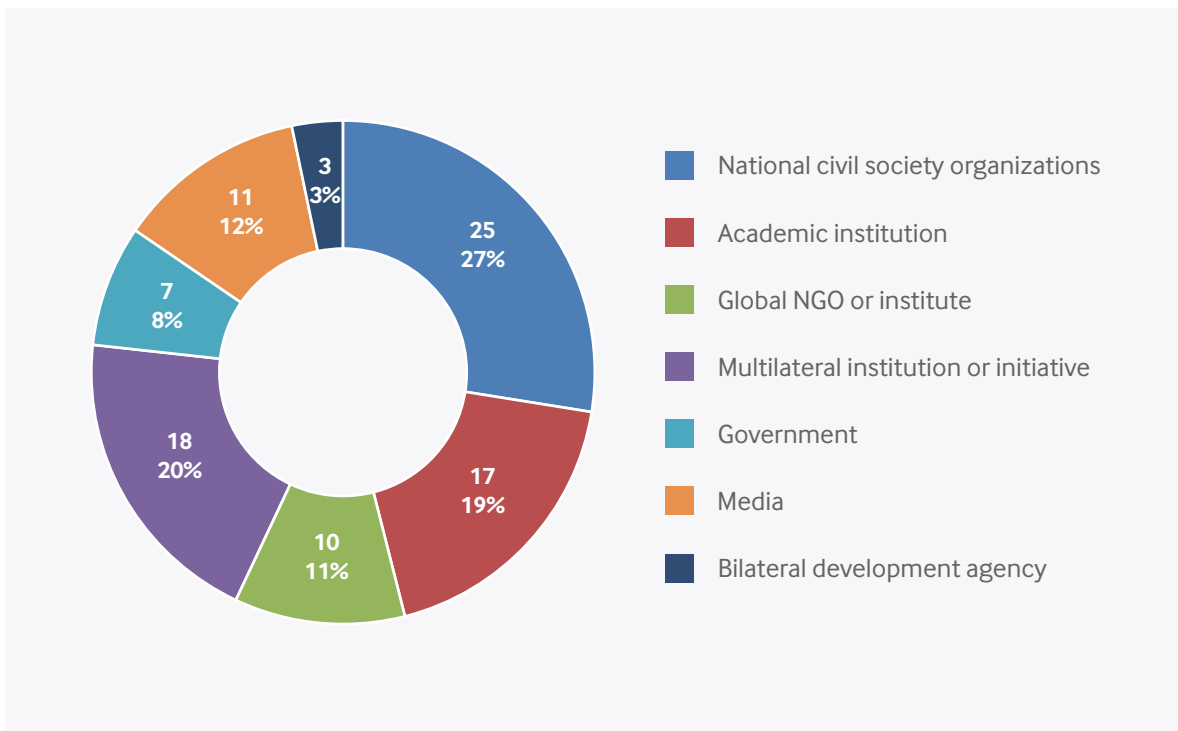
Figure A. Work in partnerships (based on completed and ongoing deliverables in 2019)



As NRGi values working in partnership, the organization's range of partners is diverse. NRGi strives to leverage the most effective partnerships to achieve the change we seek, predominantly partnering with national civil society organizations, governments, media and the private sector.

In many instances, we are most effective when we take strategic, multi-stakeholder approaches, building partnerships that involve different types of collaborators (79 percent of our deliverables have multiple beneficiaries).

Figure B. Types of partners (based on completed and ongoing deliverables in 2019)



This and other elements of NRGi's approach have been a cornerstone of recent successes, growth, and lessons learned. While 2019 marked the end of a strategy period, NRGi enters the next era with growing external recognition, as exemplified by our third place ranking among global governance and transparency think tanks in the Go To Think Tank Index. Ultimately, as NRGi looks ahead to its new 2020-2025 Strategy, this End-of-Year Review

provides an important opportunity to reflect on a final year rife with progress, challenges, and—unique to this past year—a wide-reaching organizational evaluation. As this is the second annual report of this nature, we hope the resulting findings will allow readers, regardless of their familiarity with NRGi's work, to better understand the trajectory and context of our organization's continued commitment to improving resource governance globally.

Selected outcomes and developments

In addition to the executive summary, we have chosen to include the first section of the End-of-Year Review in this document. This section provides a closer look at select NRGi results and engagements that illustrate the real-life application of our theory of change. For more examples of the outcomes of NRGi's contributions, see the [Impact Stories](#) section of our website.

As an ongoing way to track and analyze the progress made by NRGi's interventions, the organization undertakes a process of recurring outcome harvesting. Simply put, outcome harvesting is the process through which organizations gather evidence of change and work backwards to generate analysis regarding contribution to the change and the nature of the outcome in question. At NRGi, outcomes are stored in an internal database managed by the MEL team for validation, categorization, analysis and reporting. Staff draw on this database for internal and external reporting on the status of NRGi's progress across its work areas. The outcome database was a key resource in the compilation of this report. The following section presents selected outcomes in order to present an overall narrative of NRGi's achievements in 2019.

KEY OUTCOMES FROM NRGi'S 2014-2019 STRATEGY

For this End-of-Year Review, NRGi is in a unique position because the reporting period significantly overlaps with our recent organizational evaluation. In 2019, NRGi commissioned an organizational evaluation in order to reflect on past progress and inform the development of its new 2020-2025 strategy. The results of the evaluation explored a range of critical topics, including the approaches put forward in our 2014-2019 strategy, our theory of change and areas where we may have needed more evidence to shape our forthcoming strategy.

Overall, the evaluation concluded that in pro-reform contexts, NRGi's interventions are able to operationalize the organization's theory of change.

The evaluation highlighted several successes, including NRGi's progress on increased disclosure, mobilizing revenue, and raising the capacity of accountability actors to influence the incentives motivating resource governance.

The evaluation also pinpointed key shortcoming and questions for further investigation. The "lessons learned" section of this report presents these findings in greater detail, along with the MEL team's follow-up plan.

A key component of the organizational evaluation was its inclusion of select case studies that highlight the fruits of NRGi's work over the strategy period. While many of these outcomes came to fruition in 2019 and/or included work completed in that year, the evaluation also provided the benefit of a longitudinal view of NRGi's work spanning the strategy period. To capitalize on the complexity of those insights and the view they provide into NRGi's theory of change in action, the selected outcomes presented below go beyond the events of 2019 and provide a more holistic view of how NRGi achieved change.

Put simply, NRGi's 2014-2019 theory of change puts forth the following logic: NRGi brings expertise in resource governance to drive evidence-based decision making and works in collaboration with 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. While this is largely a simplification of NRGi's theory of change, the following outcomes are useful exercises in reviewing the extent to which the organization was able to influence the necessary incentives to trigger desired changes.

Due to time and resource constraints, such complex and long-term reviews of interventions can be rare in the resource governance space. Therefore, the following selected outcomes capitalize on the unique opportunity presented by the organizational evaluation's findings to tell the longer-term story of NRGi's engagements rather than solely focusing on the events of 2019. Readers can also find a greater review of NRGi's 2014-2019 theory of change in the full text of the [organizational evaluation](#), and a look at the new [2020-2025 Strategy](#) on NRGi's website.

CASE STUDY 1. MYANMAR ENDS OPAQUE BANKING OF PROCEEDS FROM STATE ENTERPRISES

The Myanmar government's efforts to normalize relations with the international community started in 2012. Reforms of SOEs were part of this process. But not all reforms were positive—an estimated \$8.6 billion in taxes and other payments collected by SOEs were placed in an opaque fund known as “Other Accounts” at the Myanmar Economic Bank.

In recent years, a series of NRGi interventions contributed to ongoing gains in transparency in Myanmar. In 2016, NRGi published *Gilded Gatekeepers*, the first-ever report on the “Other Accounts.” The report prompted the government to grant permission to NRGi and its local partner, the Renaissance Institute, to research the problem. The resulting analysis led to another NRGi report, *State-Owned Economic Enterprise Reform in Myanmar*, which we publicly released in January 2018. In conjunction with the report's release, NRGi circulated infographics and talking points to policymakers and journalists, briefed parliamentarians, testified in parliament and presented to key civil society groups, international financial institutions and international economic advisors.

NRGi continued its advocacy through careful research and by building relationships. In doing so, we built trust with the government and helped to formulate recommendations to address this sensitive issue. Following this range of interventions from NRGi, civil society and other stakeholders, in June 2019, Myanmar's cabinet issued a directive to abolish the “Other Accounts.” The directive required all SOEs to transfer revenues to the treasury or Internal Revenue Department. Billions of dollars in natural resource revenues will now likely be channeled through the normal budgetary process. NRGi's report recommendations were wholly incorporated into Myanmar's sustainable development plan and are guiding the technical assistance plans of donors and international financial institutions.

Government economic advisors now have a more accurate understanding of how the system functions, civil society actors are beginning to challenge the government on economic issues and the media have begun reporting more accurately on SOE activities. Looking ahead, NRGi's focus in Myanmar has the potential to lead to a significant increase in the natural resource revenues available to be used in a transparent manner for priorities that matter most to citizens. This outcome story is a poignant example of how success can be built on the back of sustained long-term engagement that uses a range of NRGi's interventions. While the individual pieces of research and civil society engagement can seem small, over time they can shift countries from transparency, to awareness, all the way to policy change and implementation.

CASE STUDY 2. LONG-TERM ENGAGEMENT IN GUINEA RESULTS IN MINING POLICY CHANGE

In Guinea, a seven-year relationship has enabled NRGi to make an important contribution to the adoption and implementation of a number of policies. These not only represent sustainable changes in the government's norms and practices but, according to the Minister of Mines cited in the recent NRGi Organizational Evaluation, they have also encouraged investor confidence.

During high-level political meetings, NRGi's (then Revenue Watch Institute) technical support was offered to support proposed reforms in the sector. In a unique approach for our organization, an NRGi advisor was seconded within the government for a limited advisory role. This helped NRGi establish itself as a trusted source of independent expertise on both the economics and governance of the mining sector. Over these seven years, though the exact arrangement of NRGi's relationship with Guinea and the SOE SOGUIPAMI changed, NRGi maintained strong relationships and provided advice to the mining ministry staff and

the SOE SOGUIPAMI. Further engagement with government stakeholders included advocacy for enforcement of the mining code, implementation of the 2017 RGI recommendations, continuous capacity building on contract disclosure and on fiscal modelling of projects, sector data disclosure, EITI implementation, community relations and local content policy as well as consultations on the uptake of the Guinea 2019 RGI interim recommendations.

In addition to direct support to the government during the strategy period, NRGi also made technical and financial contributions that led to improvements in Guinean civil society’s understanding of the extractives sector. NRGi’s support to a group of young Guinean journalists contributed to the founding of a new organization known as Action Mines. According to an Action Mines representative quoted in NRGi’s organizational evaluation, support from NRGi has increased members’ confidence to engage government and also enabled them to share their knowledge with their communities.

In 2019, a slew of policy changes aligned with NRGi recommendations came to fruition. Early in the year, Guinea adopted strong transfer pricing rules based on international best practice in its 2019 finance law—this ties to [NRGi’s previous research work](#) in Guinea on transfer pricing in the mining sector. Later, in light of social unrest, the Ministry of Mines and Geology incorporated NRGi recommendations in its strategy for the main mining region of Boke.

Also, in 2019, NRGi and partners’ work on mobilizing revenues for local development helped generate results. President Alpha Conde presided over the Boke launch ceremony for the \$4.4 million payment to municipalities from the *fonds de developpement economique* local (FODEL), a remaining unpaid local development fund. Payments from the first local fund of \$50 million, *fonds national de developpement local* (FNDL), started in the second half of 2019. Amounts paid have been disclosed with the breakdown per municipality.

NRGi, alongside our civil society partners in Guinea, contributed to these achievements through our research and advocacy efforts. In May 2019, we published a [report](#) on local development, which drew on EITI data and NRGi’s repository of publicly available oil, gas and mining contracts, [www.ResourceContracts.org](#). In June 2019, we released the Guinea RGI update, which indicated that Guinea failed to achieve a “satisfactory” designation due to issues with funds. We followed the release of these reports with various dissemination activities and by providing recommendations to the private sector, civil society, donors and the government on better policy implementation.

Beyond those reports, in 2019 NRGi advocated for community empowerment through local development funds on radio programs in Guinea, through op-eds in *Le Monde* and *Jeune Afrique*, in various posts in social media, in an academic workshop at University of Kindia, in NRGi’s Guinea monthly extractives newsletter, in bilateral meetings with officials and in various events abroad. These interventions likely contributed to both the overall policy gains and disclosure gains relevant to these funds.

NRGi and our partners are still mobilized to ensure a transparent and accountable implementation of those local development funds.

CASE STUDY 3. MINING REVENUES FLOW TO PROVINCES AND COMMUNITIES IN THE DRC

In 2002, the Democratic Republic of Congo (DRC) adopted a mining code offering generous terms to investors to attract them in spite of the country’s post-conflict environment. Investment indeed soared, but government revenues and local benefits did not—there was an urgent need to reform the code to decrease this disparity.

In 2011, NRGi provided training and a grant to the civil society organization ‘*Plateforme des Organisations de la société civile intervenant dans le secteur Minier*’ (POM) to reform the code. POM then led advocacy to add a mechanism mandating that a fixed percentage of mining companies’ revenues go directly to subnational governments and local communities. POM also successfully pushed for a community development fund.

After six years of advocacy, in March 2018, parliament passed revisions to the mining code that incorporated many of POM’s changes. POM’s significant efforts were bolstered by NRGi’s combination of technical assistance and funding to the advocacy group, which helped enable the group to push for improved sector transparency and sharing mining profits with local communities.

The mining code regulation was published in June 2019, and companies already have begun payments to communities. The provincial governments of Haut-Katanga and Lualaba are projected to receive between \$75 million and \$225 million in annual revenue, while local communities will receive between \$45 million and \$157 million. Every province has received some money already. When we interviewed the sector head in Luilu for an [NRGI impact story](#), they said, “With the first collections of our part of the mining royalty, we have already built some community facilities: a pediatric and a maternity ward at the Luilu Health Center, but also a well-equipped mortuary.”

Many communities still lack capacity to receive transfers, while others don’t have the infrastructure to ensure the money benefits their citizens. While NRGi is measuring the impact of transfers on communities and continuing to engage on the issue, 2019 marks a milestone in our organization’s successful contribution to long-term engagement and significant policy-level change.

CASE STUDY 4. IMF STRENGTHENS GLOBAL RESOURCE GOVERNANCE NORMS WITH ITS FISCAL TRANSPARENCY CODE

The IMF has overhauled one of its main tools for promoting voluntary transparency among its members to include a new pillar covering natural resource revenue transparency. NRGi worked with the IMF to make the overall Fiscal Transparency Code (FTC) and its new pillar more robust. While NRGi reported this in part within the 2018 End-of-Year Review, the organization’s engagement with the IMF spanned the five years of the 2014-2019 strategy period. In 2019, the final text of the FTC was published.

NRGi provided three substantial written submissions, participated in a civil society forum to discuss recommendations and engaged IMF officials directly. While there remains some room for improvement in the code, its final text, published in 2019, reflects many of NRGi’s recommendations.

In line with NRGi’s key recommendations, the final text:

- stresses the importance of open contracting procedures for license allocation
- calls for the identification of beneficial owners of companies holding licenses
- describes reporting on payments to governments at the project level “an established international norm”
- recognizes the importance of transparency in commodity trading and that disclosing payments by traders is well within reach of countries and companies
- calls for publication of environmental and social impact assessments (ESIAs) and accompanying management plans and reports
- reinforces existing standards and requirements around state-owned natural resource companies from other key actors like the EITI and the Organization for Economic Co-operation and Development (OECD)

The new code is a win for transparency and establishes contract publication as an international norm. This will be an important tool for the IMF to help countries spot weaknesses in their resource revenue management. While the longer-term uses of the FTC will take more time to be captured, this outcome story demonstrates NRGi's capacity and vision in terms of its engagement with international actors when their role relates to NRGi's theory of change.

CASE STUDY 5. NRGi AND PARTNERS

SECURE IMPROVEMENTS IN THE EITI

STANDARD

At the 2019 EITI international board meeting in Kyiv, board members representing governments, companies and civil society actors broadly agreed upon historic revisions to the [EITI Standard](#), which sets out norms for the disclosure of oil, gas and mining data and is implemented by over 50 countries. The revised EITI Standard was then ratified at the [EITI Global Conference](#) in June.

These revisions represent a significant success for NRGi and its partners who worked to influence several key issues. These partners included organizations like Publish What You Pay (PWYP), the EITI International Secretariat, Oxfam, Global Witness, and numerous civil society organizations and government reformers in the resource-rich countries where NRGi works.

These improvements move EITI forward in its ability help countries improve natural resource governance, improve company practices and enable citizens to demand accountability for the management of public resources. While the true impact of these revisions will be evident in years to come and will depend on their successful implementation, this remains a major milestone and important point of reflection for NRGi and its partners.

NRGi has been doing analytical work, advocating and negotiating for improvements on several important issues, as detailed below. NRGi and our partners' efforts on many of these topics have been underway for several years. An overview of some key wins—though not exhaustive—is presented below.

Contract transparency

- The EITI Standard will now require the [publication of contracts](#) and licenses that are granted, entered into or amended from 1 January 2021.
- The initiative continues to encourage disclosure of *all* contracts and licenses, regardless of when signed.

Project-level payment transparency

- After several years of stagnation, the EITI's project-level reporting requirement will now be proactively implemented by companies and governments.
- The EITI Standard will now provide clarity around the precise definition of "project" that all EITI countries will use for reporting on fiscal years ending on or after 31 December 2018. This [form of reporting](#) provides critical and relevant information to local communities, governments and investors, and enables companies to demonstrate their economic contributions in relation to specific projects and affected communities.

Environmental reporting

- The EITI Standard will now require companies to disclose material payments to governments that are related to the environment and are mandated by law, regulation or contract.
- The standard will also encourage implementing countries to disclose information on the management and monitoring of environmental impacts of extraction.

Gender

- The EITI Standard will now require employment data disclosures to be disaggregated by gender and, when available, by company and occupational level. For extractives to benefit everyone, it is essential that everyone involved more proactively consider how extraction and good resource governance can ameliorate gender inequity.

Commodity trading transparency

- Crucially, breakthroughs on project-level reporting will also be applied to the sale of commodities, meaning that disclosures must take place at the level of the sales contract entered into between a trading company and the government (or the SOE) selling the commodity.
- The new revisions on trading also include important new encouragements in the EITI standard related to the role of state-appointed marketing companies, resource-backed loans, product swap arrangements, the process for selecting buyers and disclosure of the sales agreements themselves. While the revisions fall short of requiring trading companies themselves to disclose (the board agreed only to *encourage* traders to disclose, though it is a requirement for governments and SOEs to do so), a number of companies including Trafigura and Glencore have begun to unilaterally disclose their payments to purchase commodities. Moreover, the governments of major trading hubs including the U.K. and Switzerland have resolved to improve company transparency in this area through work at the OECD.

Other improvements

- The revisions to the EITI Standard will also include improvements on a number of other critical issues, such as governance of SOEs.
- The current requirement that EITI reports include an explanation of the role of and rules governing SOEs in the sector will now call for disclosures of transfers, retained earnings, reinvestment and third-party financing related to SOE joint ventures and subsidiaries. SOEs will now be expected to publicly disclose their audited financial statements. EITI countries will be encouraged to describe the rules and practices related to SOEs' operating and capital expenditures, procurement, subcontracting and corporate governance.
- On open data, the standard will now require implementing countries to complete summary data files for each fiscal year, an essential step towards facilitating accurate use of EITI data.

While EITI itself still has room to grow, these developments of the EITI standard have demonstrated the importance of key issues in the context of extractives. These include questions regarding broader transparency surrounding climate risks and energy transition issues, as well as increased focus on anticorruption and state capture in EITI's principles and norms.

While in the relatively near-term, changes to the standard have resulted in quick improvements in disclosure practices, it remains to be seen how these gains will generate significant benefits for citizens in resource-rich countries. Per NRG's theory of change, the organization will continue to monitor the long-term impacts of the EITI standard and in particular how it shifts resource governance incentives in national contexts.

CASE STUDY 6. OECD GUIDING PRINCIPLES ADOPTS NRGi RECOMMENDATIONS

Since 2017, NRGi has been involved in multi-stakeholder consultations around the development of Guiding Principles for Durable Extractive Contracts conducted as part of the OECD Policy Dialogue on Natural Resources process. The development of the Guiding Principles has been a long and at times strained process. The process involved multiple meetings and calls involving representatives from country governments (e.g., Nigeria, Liberia), industry (e.g., Exxon and Shell have been significantly and consistently present), and NGOs (e.g., The International Institute for Sustainable Development (IISD), Colombia Center of Sustainable Investment (CCSI), NRGi, etc.) and other institutions such as the Commonwealth Secretariat. Achieving some level of consensus on issues related to durability of contracts has proved difficult.

NRGi's strategy was to work in partnership with other organizations such as IISD, CCSI and the Commonwealth Secretariat, with our objectives being to advance key advocacy issues such as contract transparency. As part of this strategy, we successfully advocated for the OECD Development Centre to take ownership of the document, rather than it being presented as a consensus product of the participating entities. This proved effective in that it made some different constituencies more flexible in their inputs. It also ultimately resulted in a document which contains important advocacy advances, particularly for a document from the OECD and from a process involving significant company involvement.

The final version of the Guiding Principles was released at the OECD Policy Dialogue in June 2019. The content of the document is mixed in regard to its overall alignment with NRGi positions, and it remains to be seen how it is ultimately disseminated and used. Nevertheless, we have had a positive impact in several areas, bringing the document in closer alignment with NRGi positions, in particular on contract transparency, but also on other issues related to legal/fiscal regime design.

NRGI works to ensure that countries rich in oil, gas and minerals achieve sustainable, inclusive development and that people receive lasting benefits from extractives and experience reduced harms.

For more information visit:
www.resourcegovernance.org