



Presentation of the study: Assessing the impact of EITI

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Germany in the EITI

Broad-based support from the very beginning:

- More than EUR 26 million allocated since 2006.
- More than 20 national EITI-processes supported through bilateral and regional cooperation.
- Training for more than 500 change agents from 44 countries (outreach and implementing countries).
- Funding of the International Secretariat as well as at the multilateral level through the World Bank managed EITI Multi-Donor Trust Fund (MDTF) (2004 until 2015) and since then the Component I of the Extractives Global Programmatic Support (EGPS).
- Domestic implementation since 2014 and since February 2016, Germany is an EITI candidate, aiming to become EITI compliant in 2018. This step was taken in coordination with the G7.



The Study ...

- Mandated by Federal Ministry for Economic Cooperation and Development (BMZ).
- Conducted from 01/12/2015 until 31/08/2016 by external Consultant team.
- More than 50 resource person interviewed and consulted on impact hypotheses and interim results. International Sounding Board consisting of representatives across all EITI constituencies established for building consensus on process and the use of results.

...scratching at the borders of the ‘Transparency Club’

- Despite the initiative being wide-spread across different countries and cultures, there is a broad consensus regarding the expectations and effects of the Initiative *within* the EITI’s ‘transparency club’ of the International Board, multi-stakeholder groups (MSGs) and secretariats.
- There is less consensus *whether and how* to measure the effects.
- It was difficult to establish what views are held by stakeholders *outside* the ‘transparency club’ – i.e. those already employed by EITI or heavily engaged in EITI implementation.
- National EITI processes are sought to measure and report on results in fulfillment of Requirement 7 “Outcome and Impact”, to limited avail so far.



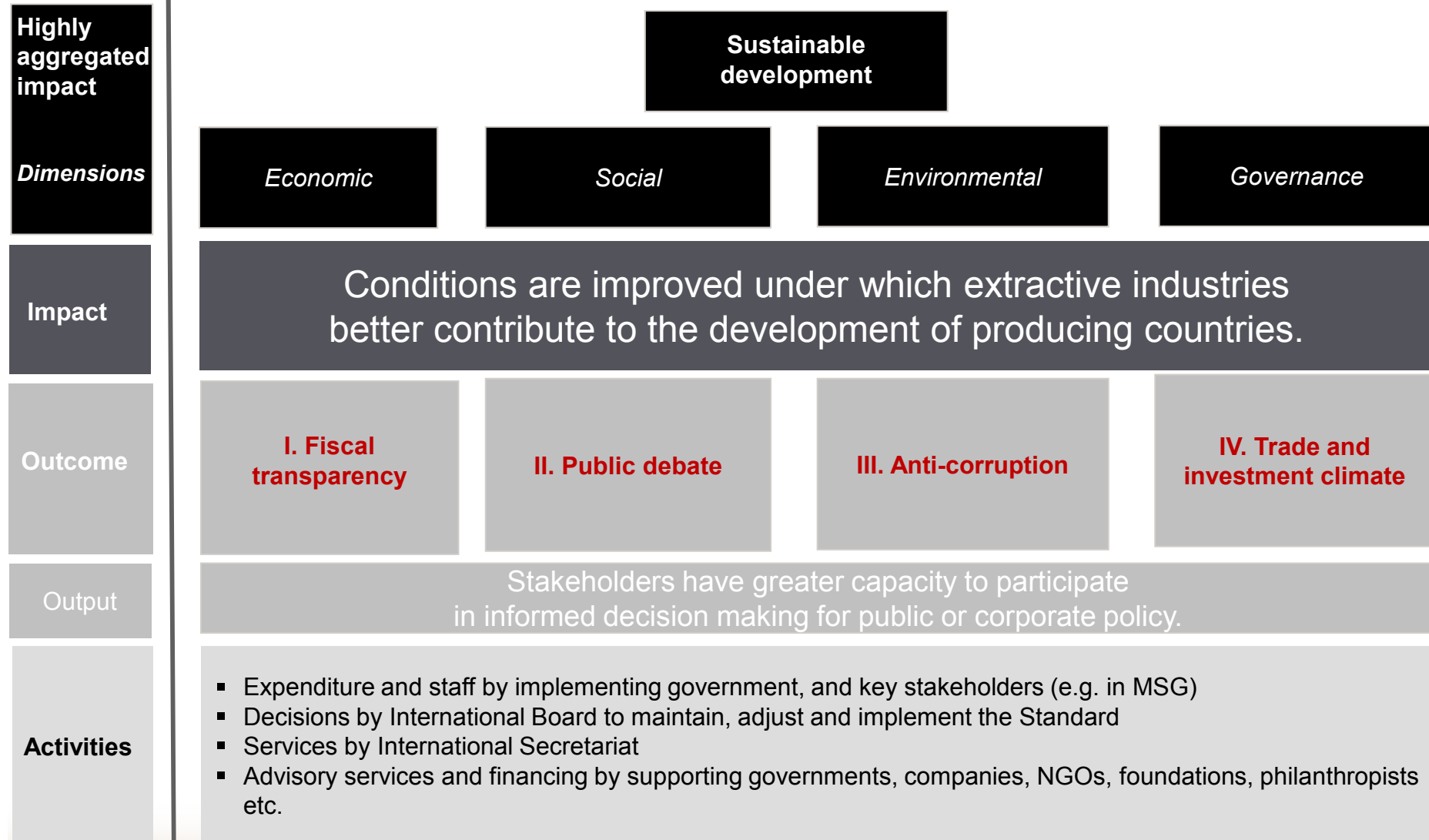
Results areas

Outcome: The following EITI results areas have been modeled in this study:

- I. Fiscal transparency,
 - II. Public debate,
 - III. Anti-corruption,
 - IV. Trade and investment climate.
- Key thematic domains of change.



EITI Generic Results Model





Key Conclusions I

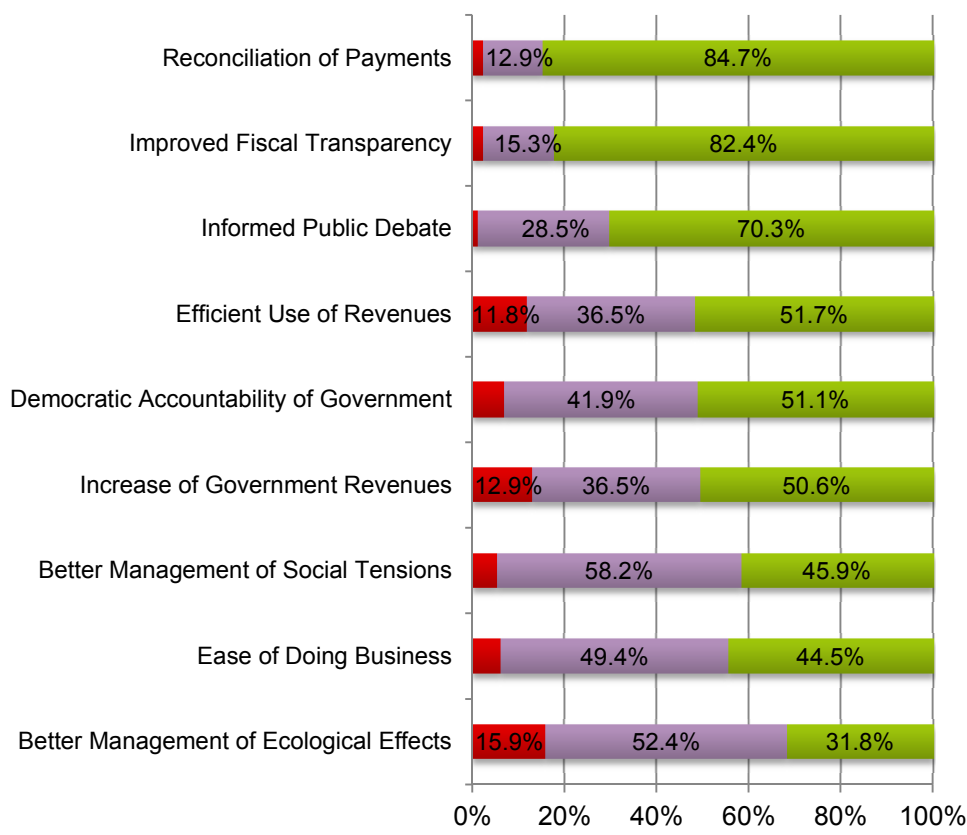
- **No log frame for M&E:** There is a notable absence of an overall strategic approach based on a theory of change with a log frame that can be monitored and which could have been the backbone for evaluating effectiveness and impact of the EITI.
- **‘Initiative’ in the global arena:** EITI is of relevance to the global transparency and accountability agenda. EITI plausibly contributes to global policy frameworks such as the 2030 Agenda of Sustainable Development and especially Goal 17 (“Partnerships for the Goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development”), among others.
- **‘Net Foreign Direct Investment (FDI) inflow’ and the ‘time to prepare and pay taxes’:** Macro-data analysis of EITI countries in a panel of 98 countries suggests that EITI could have a positive effect on those two variables.



Key Conclusions II

- **Identification of risks and counter-measures at national and local levels:** EITI has contributed to identifying risks and weaknesses of extractives regulatory and fiscal regimes. It serves as a diagnostic tool for all stakeholders.
- **Perceived as highly relevant for public management** by more than 70% of the stakeholders (governments, companies, and civil society organizations) according to an online survey.
- **High(er) expectations of future impacts:** Over 80 % of stakeholders see a positive contribution to all results areas under review of this study (fiscal transparency, public debate, anti-corruption, trade and investment climate), *details next chart:*

High(er) Expectations of Future Impacts



‘High contribution’ of EITI to:

- ‘efficient use of revenues’ with a 32% increase from 20% (today) to 52% (future),
- ‘better management of ecological effects’, ‘better management of social tensions’, ‘fiscal transparency’ and ‘Ease of Doing Business’ are all above a 20% increase.

■ No contribution
■ Small/medium contribution
■ High contribution



Key Recommendations

- **More focus on measurability of outcomes and impacts of the EITI (Requirement 7 of the Standard) needed.:** Without a timely introduction of monitoring and evaluation (M&E) systems - primarily - on national level, categories of effectiveness and impact cannot be adequately assessed in future.
- **Change from a numeric to a more qualitative approach of growth:** Important players like the BRICS countries and major oil producers have not (yet) joined the EITI. The case for accession could be better supported based on evidence with robust data.
- **Transcend the ‘transparency club’ of the International Board, MSGs and Secretariats:** Reaching out to stakeholders and target groups should also build on the resources of entities that are not directly involved in administering or governing the EITI.



Next Steps

- Publication of overall report in September 2016.
- Abridged version in seven EITI languages (Arabic, English, French, German, Portuguese, Russian, Spanish).
- GER: Notes for implementation of Requirement 7 and how best to support EITI at multilateral, bilateral and sectoral levels.
- GER: Co-host a side event on 'EITI impact' at next EITI Board Meeting in Astana in October 2016.



**Assessing
Effectiveness and Impact of the
Extractive Industries
Transparency Initiative (EITI)**

Final Report

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