EITI

Open Ownership

Catalysing transformative change

in beneficial ownership transparency

Research to inform the design of a new global programme in the extractives industry

AUGUST 2020

Acknowledgements

This paper is the result of research and a comprehensive review and interrogation of how the EITI and Open Ownership work. It has benefited from the engagement of a wide range of stakeholders from both organisations, and key global and local partners. The process included interviews with experts and government implementers of beneficial ownership transparency, both at the international and country level. Whilst the individual contributions are too numerous to mention, the EITI and Open Ownership are grateful to all those who volunteered their time to participate in the interviews as well as to the different partners who contributed to the discussions held throughout the research process. Finally, special thanks are due to BHP Foundation's Natural Resource Governance team for their consistent wisdom and guidance.

Open Ownership

EITI

AUTHORS

Catherine Greene

Eva Okunbor

Ines Schjolberg Marques

Lyydia Kilpi

Tymon Kiepe

EDITORS

Louise Russell-Prywata

Mark Robinson

Zack Brisson

DESIGN

Convincible Media

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Glossary

AML	Anti-money laundering
BO	Beneficial ownership
BOT	Beneficial ownership transparency
COVID-19	Coronavirus disease 2019
CSO	Civil society organisation
EA&P	East Asia and the Pacific
E&CA	Europe and Central Asia
EITI	Extractive Industries Transparency Initiative
E-MSG	EITI Multi-stakeholder group
E-NC	EITI National Coordinators and secretariat staff
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
G-DEC	Government decision-maker
G-IMP	Government implementer
G-USE	Government data user
HIC	High income country
IMF	International Monetary Fund
INT	International expert
LAC	Latin America and the Carribean
LMIC	Lower middle income country
MEL	Monitoring, evaluation, and learning
MSG	Multi-stakeholder group
OO	Open Ownership
PEP	Politically exposed person
SB-C	Secondary beneficiaries: Civil society
SB-I	Secondary beneficiaries: Industry
SME	Small and medium-sized enterprises
SSA	Sub-Saharan Africa
UMIC	Upper middle income country

Executive summary

The Extractive Industries Transparency Initiative (EITI) and Open Ownership (OO) are partnering to develop and deliver ***Opening Extractives***, a new global programme to bring about transformative change in the availability and use of beneficial ownership (BO) information for effective governance of natural resources across the value chain. In order to inform the design of this programme, which the organisations have been invited to submit as a proposal to the BHP Foundation, EITI and OO conducted primary and secondary research to ensure that the assumptions upon which the programme was being designed are valid, and to collect additional evidence to complement the knowledge and experience of both organisations.

The two main research objectives were to determine the process and criteria for selecting countries for the programme, and to understand the priorities, needs and demands of stakeholders involved in BO reform to inform the design of support services offered in the programme. Following a review of internal resources, data was collected by the EITI and OO research team, conducting 14 interviews with practitioners in six implementing countries, and an additional seven interviews with international beneficial ownership transparency (BOT) experts. Both EITI and OO wish to thank all those who volunteered their time to participate in the research, which due to the coronavirus crisis was conducted remotely, using digital collaborative tools.

The research highlights that implementing BOT in the extractive industry is challenging and complex, and the demand for technical assistance to overcome and break down these complexities is currently far larger than the supply. There is a complex political economy of incentives around the implementation of BOT that needs to be understood on a country by country basis. Despite the COVID-19 pandemic, which has caused delays whilst also providing new opportunities for engagement, the research underscored the timeliness and relevance of the new ***Opening Extractives*** programme.

The main implications for the design of the programme are that the aspects that make up political will should be factored into the programme design. One approach the programme could use to mitigate the risks associated with political will is to employ a 'funnel' approach to country selection. This involves commencing with small interventions in a larger number of countries, and using these to conduct initial scoping and assess political will. The findings and impact of initial interventions then inform decisions about scaling up interventions in a more limited number of countries.

The research found that it is not practicable to identify typical paths to implementation. The main implication for the programme's technical assistance offering and beneficiaries is that support services are best designed as a menu. Whilst government is the primary beneficiary of interventions to advance BOT reforms, the programme should treat civil society and industry as primary beneficiaries due to the fact that CSOs and industry play a critical role as intermediaries and catalysts in implementation.

Overall, it appears that at the time research was conducted (May-July 2020), the coronavirus crisis caused delays to implementation in some countries whilst also creating new incentives for implementation in other countries. The programme will need

to apply a “COVID-19 lens” to its design, and assess on a case by case basis how this affects both the country selection criteria as well as individual implementers and their paths to implementation. Whilst this research has shed some light on early and short-term impacts of COVID-19, there remain uncertainties in the long-term. The programme should build in continuous monitoring and analysis of the impact of COVID-19 on implementation.

Introduction

Background

With large volumes of revenue, the extractive industry is often associated with high risks for corruption. Indeed, there is a prevalence of extractive industry corruption cases along the value chain, from the award of contracts and licences to the delivery of services. Many governments as well as public and private organisations have sought to reduce the risk of corruption and ensure revenues are adequately used by improving governance and increasing transparency within the sector. Of a number of tools, beneficial ownership transparency (BOT) – knowing who ultimately controls and benefits from a company – has been internationally identified as key to fighting corruption and preventing illicit financial flows in all sectors of an economy. However, progress in this area has been constrained.

The Extractive Industries Transparency Initiative (EITI) and Open Ownership (OO) are partnering to design and deliver a new global programme to bring about transformative change in the availability and use of beneficial ownership (BO) information for effective governance of natural resources across the value chain. The overall goal is to improve transparency and accountability in resource-rich countries and, by building a solid evidence base that showcases the positive impact of effective publishing and use of data, contribute to reduced corruption and positively impact the lives of citizens.

The provisionally named ***Opening Extractives*** programme seeks to meet the following three goals:

1. Enable governments and industry to disclose high quality open BO data for the extractives sector to improve transparency and accountability in resource-rich countries;
2. Build the capacity of government and local stakeholders to use and analyse data in the public domain to improve accountability and governance in resource-rich countries;
3. Mobilise global support for BOT in the extractive industry and beyond, and adapt to post-COVID-19 governance challenges.

As part of the programme design process, which the organisations were invited to submit as a proposal to the BHP Foundation, EITI and OO conducted design research[1] to ensure that the assumptions upon which the programme was being designed were valid. Whilst the idea of the joint programme builds upon the knowledge and experience of both organisations, EITI and OO considered that it was an important to

1 Design research – a practice originally from the private sector – aims to help develop programmatic interventions. It is applied research, different from policy oriented or academic research, more practically applicable and less rigorous. By combining practices from ethnography, journalism, and systems thinking, it helps those designing programmes understand the causes, relationships, and human dimensions of complex contexts, and then aims to incorporate this knowledge into programme design. The work and guidance developed by Reboot (www.reboot.org) helped inform the development of this research.

test the implicit assumptions that affect programme design and effectiveness by supplementing this existing knowledge with new primary and secondary evidence, outlined in this report.

The **Extractive Industries Transparency Initiative (EITI)** is the global standard to promote the open and accountable management of oil, gas, and mineral resources. The principles of the EITI, agreed in 2003, acknowledge that natural resource endowment can be an important contributor to sustainable economic growth. They underline the importance of transparency in informing public debate and realistic options for sustainable development. The EITI Standard therefore requires the disclosure of information along the extractive industry value chain. This includes a requirement for countries to ensure companies that apply for or hold a participating interest in an oil, gas, or mining licence or contract in their country disclose their beneficial owners. In each of the 53 countries that implement the Standard, the EITI is supported by a coalition of governments, companies and civil society.

Open Ownership (OO) is a global centre of expertise on beneficial ownership transparency (BOT). The organisation's mission is to ensure that all jurisdictions publish high-quality data about the beneficial ownership (BO) of legal entities in their countries, and that this data can be well used by governments, the private sector, and civil society. OO provides specialist technical assistance and support to governments and national stakeholders throughout the implementation journey to BOT. OO also works with multilateral organisations to increase the number of jurisdictions publishing quality BO data, and builds the capacity of government and civil society to analyse and use BO data to drive impact. Founded in 2016, OO has designed the Beneficial Ownership Data Standards (BODS), a solid conceptual and practical framework for collecting and publishing high quality usable BO data, of which standardised implementation would permit easy interoperability of data, and therefore use across jurisdictions.

Research objectives

The programme design phase focused on the following objectives:

1. Develop preliminary country selection process and criteria;
2. Understand the priorities, needs and demands of implementers;
3. Articulate approach to Monitoring, Evaluation and Learning (MEL);
4. Develop communication strategy;
5. Identify programme resource needs.

The design research specifically focused on objectives 1 and 2, whilst recognising its implications on 3, 4 and 5. The research gathered evidence from BO practitioners, data users and key partners to ensure a collaborative approach to inform the overall development of the programme. In doing so it pursued inquiry into the following key themes and questions.

Theme 1
Develop preliminary country selection process and criteria

1. What criteria should we use to select target countries for the project?
2. Who are the main secondary beneficiaries (CSOs, industry, and others), what role do they play in implementation, and how should we engage them in our programme design?

Theme 2
Understand the priorities, needs, and demands of implementers

3. Who are the main practitioners leading implementation of BO disclosure efforts that cover the extractives sector, and how should we adapt our support services to different implementers?
4. What are the main challenges faced by implementers, and do our support services match these?
5. What do practitioners need to overcome their challenges, and how can we design our support services to facilitate this?
6. What are the current enablers and blockers to delivering support and guidance, and how can these be incorporated into our programme design?

As the design phase took place when the COVID-19 crisis initially unfolded, EITI and OO also wanted to understand how this would potentially affect different BO implementers at the national level, and how this could be factored into programme design. Consequently, it was added as an additional line of inquiry, to see how COVID-19 was affecting both research themes in different implementing countries.

Methodology

Following the development of the conceptual framework and research questions, the research was conducted in three phases:

- **Phase 1**: Assumptions mapping and sampling
- **Phase 2**: Development of research instruments, training, and data collection
- **Phase 3**: Synthesis

The research phase started by developing a research framework that proposed a theoretical framework for country classification, support, and implementers and secondary beneficiaries. This informed the sampling for the programme design research. The research tested the assumptions in the theoretical framework to establish whether the proposed country selection criteria and support models were suitable for programme design. The full research framework is available in Annex 1. Due to the restrictions related to COVID-19, the research was designed to take place remotely from the outset. Whilst the research team made use of digital collaborative tools as best as they could, at times this constrained the work.

Phase 1
Assumptions mapping and sampling

Assumptions mapping

Country selection (Theme 1)

The framework proposed that country selection should be driven by wanting to see effective implementation translating to visible and measurable impact. Therefore, the programme should *initially* prioritise countries that have the **highest chance of successful BOT implementation**, resulting in the **largest measurable impact as a result of the programme**, and the research should focus on criteria that affect these two aspects and the assumptions that underpin these. For the research, successful impact of BOT is seen as the publication of high quality data that is being actively used by a range of different stakeholders (industry, government, civil society) for their respective uses.

Based on a review of internal documentation (e.g. scoping and assessment tools, country analyses, and reports), the following main criteria that impact successful implementation were identified:

1. Governance and regulatory effectiveness;
2. Political interest or will;
3. Rule of law and regulatory effectiveness.

The following criteria affecting the level of impact were identified:

1. Level of corruption involving the extractives sector;
2. Current visibility of BO among key stakeholders;
3. Demand for BOT from existing user groups.

The following criteria that impact implementation and determine the type of support that may be given were identified:

1. Technical capacity;
2. Multi-stakeholder collaboration;
3. Progress along BOT journey.

The research aimed to test the assumptions underpinning these criteria. The full overview of these assumptions is included in the research framework in Annex 1.

Support services offered by EITI and OO (Theme 2)

The combined services and types of support that EITI and OO currently offer were subsequently mapped, from which assumptions were distilled and gaps identified.

A typology of implementers and potential programme beneficiaries was developed based on both organisations' experience:

Table 1. *Typology of implementers and potential programme beneficiaries*

Primary beneficiaries	Secondary beneficiaries
● Government decision-makers (G-DEC); ● Government implementers (G-IMP); ● Government data users (G-USE); ● EITI Multi-stakeholder groups (E-MSG); ● EITI National Coordinators and secretariat staff (E-NS).	● Civil society (SB-C); ● Industry (SB-I).

Sampling

A longlist of countries for the programme was drawn up based on where both organisations have a historical engagement or relationship. These countries were subsequently mapped against the country criteria listed above – or proxies – using a variety of internal and public sources, and a selection was made to ensure a spread in income group and geography, as well as the criteria mentioned above.

Table 2. *Country sample for design research*

	Income[2]	Region[2]	EITI Country[3]
Ghana	LMIC	SSA	Yes
Mexico	UMIC	LAC	Yes
Norway	HIC	E&CA	Yes
Peru	UMIC	LAC	Yes
Philippines	LMIC	EA&P	Yes
Senegal	LMIC	SSA	Yes
Trinidad & Tobago	HIC	LAC	Yes

The research team subsequently mapped potential research respondents against the country selection and beneficiary typologies from existing contact lists. Because of the programme focus on implementer support, the primary beneficiaries were the main targets for interviewing, with the aim of also interviewing secondary beneficiaries where necessary to triangulate responses. The research also targeted international experts with experience in technical assistance in BOT in key informant interviews, as part of the data collection.

2 World Bank, "World Bank list of economies 2019". Available at: http://databank.worldbank.org/data/download/site-content/CLASS.xls [Accessed 10 June 2020].

3 EITI, "Countries". Available at: https://eiti.org/countries [Accessed 28 July 2020].

Phase 2
Development of research instruments and data collection

The research team developed the research instruments for the interview teams and held two remote data collection training workshops with the interview team, comprising EITI and OO country and programme staff. The team developed an interview guide to aid the interviewers in conducting the semi-structured interviews, as well as a notes template to support data collection and early synthesis by the notes takers.

Data collection took place during June and July 2020 in interview teams comprising an interviewer and a note taker. Interviews were held under the condition of anonymity. The following table provides an overview of the interviews held with the research respondents.

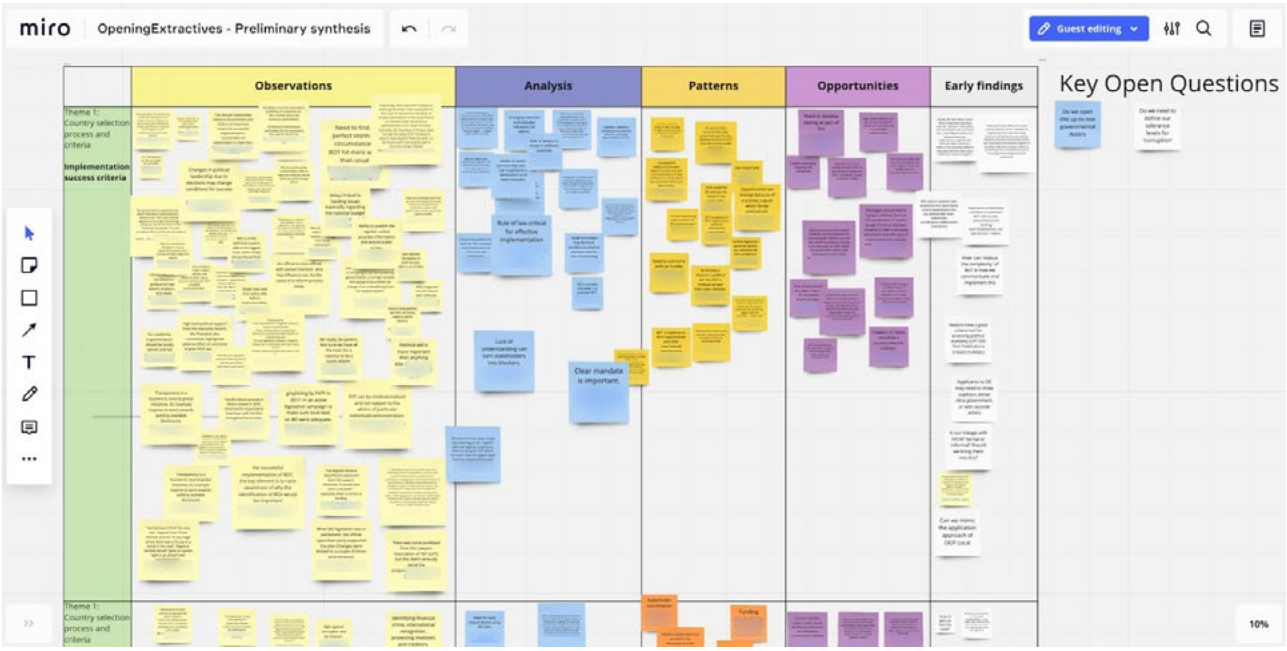
Table 3. *Overview of all respondents by beneficiary type*

	Ghana	Mexico	Peru	Philippines	Senegal	Trinidad and Tobago	Global	Total
G-DEC						1		**1**
G-IMP	1		1	1	1	1		**5**
G-USE	1				1			**2**
E-MSG				1	1			**2**
E-NC						1		**1**
SB-I						1		**1**
SB-C		2						**2**
Subtotal	**2**	**2**	**1**	**2**	**3**	**4**		**14**
							7	**7**
Total							**7**	**21**

Phase 3
Synthesis

Preliminary synthesis was conducted by the interview teams following each interview. Further synthesis was conducted during two remote synthesis workshops.

Figure 1. *Digital whiteboard and sticky-notes used in a remote collaborative synthesis workshop, July 2020.*



Because the design research phase was unfunded and took place during the COVID-19 crisis, it was constrained in time and limited in scope. Yet, it provided useful insights for programme design as well as highlighting areas that will require further research, as outlined in the following section. Further validation of findings is planned for when the programme commences.

Research findings

The following section sets out the main findings from the research. A key finding is that there is a perception that BOT is uniquely complex. Transparency reforms are complicated to begin with, but BO reforms are perceived as involving many different stakeholders – be they implementers or potential users – who have different interests and incentives. This is in part due to the many different use cases of BOT and its ability to address multiple policy goals. This perception is compounded by the complex governance challenges posed by the heightened corruption risks in the extractive industries,[4] which was also echoed by the respondents. Broadly, the complexity that respondents described can be categorised as:

- **Jurisdictional complexity:** BOT implementation is uniquely complex because of the range of stakeholders it involves. It usually involves a number of different government agencies – e.g. finance, justice, and interior ministries. "There are several buckets of public agencies that are working together and coordinating this, which can be a huge challenge," one interviewee said.[5] These agencies are not necessarily used to working together, and the agency that makes the commitment can be different from the lead agency, which can be different again from the implementing agency. Beyond government, stakeholders include companies in all sectors of the economy that will have to disclose their BOs, as well as the services they hire (e.g. lawyers and other professional bodies) and civil society. This leads to competing, overlapping, and conflicting jurisdictions and mandates. One respondent said the responsibility of implementing BOT was passed around agencies like a "hot potato".[6] Though not unique to transparency reforms, the challenge of overlapping functions and responsibilities and inter-agency coordination are common.[7]

4 OECD, "OECD Foreign Bribery Report". 2 December 2014. Available at: https://www.oecd-ilibrary.org/governance/oecd-foreign-bribery-report_9789264226616-en [Accessed 25 July 2020].

5 Interview with international expert, Microsoft Teams, 25 June 2020.

6 Interview with international expert, Microsoft Teams, 23 June 2020.

7 U4, "Open government and transparency reform in Chile". October 2015. Available at: https://www.u4.no/publications/open-government-and-transparency-reform-in-chile-balancing-leadership-ambition-and-implementation-capacity.pdf [Accessed 21 July 2020].

- **Political complexity:** Who owns companies and benefits from them fundamentally revolves around power. There are many reasons why people have an interest in opacity, especially when politically exposed persons (PEPs) are involved in industry – in particular one as lucrative as the extractives sector.[8] Different actors in government, industry, and CSOs can all have conflicting interests for or against BOT that can complicate implementation. This is further complicated as resource-rich countries are particularly vulnerable to state capture, conflict, and political transitions.[9]
- **Technical complexity:** Whether implemented as a digital solution or not, BOT implementation requires specific knowledge and skills: from drafting the required policies that need to be translated into the necessary laws, to setting up the systems and verifying, publishing, and visually presenting the data. Without adequate technical expertise and capacity, BOT implementations are likely to fail, no matter how well the other areas of complexity are addressed.

The above findings were recurrent in all the research themes, which are discussed in detail below.

Theme 1
Preliminary country selection process and criteria

Implementation of beneficial ownership transparency

One of the key aims of the research was to explore what implementers perceived as the most critical factors for the successful implementation and impact of BOT.

The criteria required for successful implementation of BOT are often complex and differ from country to country. This political complexity is reflected in the conditions often being described enigmatically by international experts, using terms such as a "perfect storm",[10] requiring "windows of opportunity", a "lucky break"[10] or "25% luck".[10]

As expected, almost all respondents mention **political will**, or aspects constituting political will, positioning it as the initial defining factor for successful implementation of BOT. In the research, we have attempted to unpack this. The following are aspects that can contribute to or form critical parts of political will in different contexts. These are seen as prerequisites but insufficient to ensuring implementation.

- **Government commitments**, either voluntary or as part of international obligations (e.g. FATF, EITI, OGP, EU, Global Forum) are important but do not guarantee success. Political commitment at the highest level is often seen as a prerequisite;

8 FATF recommendations on PEPs lists extractives as a high-risk sector. See FATF, "Politically Exposed Persons (Recommendations 12 and 22)". June 2013. Available at: https://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf [Accessed 28 July 2020].

9 LTRC, Brookings Institution, "The TAP-Plus Approach to Anti-Corruption in the Natural Resource Value Chain". June 2020. Available at: https://www.brookings.edu/wp-content/uploads/2020/06/LTRC_Corruption_vfinal_x2screenreader4.pdf [Accessed 20 July 2020]

10 Interview with international expert, Microsoft Teams, 23 June 2020.

- **Sensitisation and understanding** from all stakeholders. Broadly there is a big issue with grasping the technical complexity at each and every level. "Countries have a hard time grasping what BO really means",[10] one respondent said. A lack of understanding can turn each stakeholder into a sceptic and a blocker as people do not understand the implications and extent of the reforms;
- Support and understanding in both **parliament and senate** is critical to pass the necessary legislation, and reforms can often stall in either of these bodies. Having the right legislative framework and good laws are seen to make or break BOT reforms;
- Both **champions** and **coalitions**, inside and outside of government, so that vested interests are circumvented;
- A **clear mandate** for the lead agency that bears clear responsibilities for implementing BOT minimises jurisdictional complexity.

According to many respondents, most other factors are secondary to political will and may overlap with or be affected by political will. Resources, as well as human and technical capacity are all important, but are not as critical. "If you want to do it you can get it done," one respondent said.[10] As these factors are all important, they can also become means behind which to hide a lack of political will. For instance, people can stall legislation, saying it takes time, whilst pointing to big political commitments. **Implementers can hide a lack of political will behind implementation challenges, making it challenging to assess true political will.** Privacy, for instance, is a common and legitimate concern, but it is often difficult to assess the extent to which it is a genuine concern, due to a lack of understanding as opposed to a means to stall implementation. Political will is fragile and can be heavily affected by elections and changes in executive and legislative bodies, meaning **political stability** is also key.

> "Countries have a hard time grasping what BO really means"

Two main drivers for commitments to reforms can be identified from the respondents. One relates to **anti-money laundering** (AML), often associated with FATF compliance, whilst the other concerns **anti-corruption** efforts. The former is more often government led, and can be a very powerful motivation for reform as the consequences of non-compliance can be severe (i.e. exclusion from access to global financial markets). Whilst this is considered more "compulsory" than anti-corruption efforts, there is a risk that in this context BOT is seen as simply an obligation, leading to a cosmetic exercise to be removed from a blacklist, and not actually genuine reform "from within".[10] Additionally, whilst external pressure from FATF compliance can be important for prompting BO reform, it can also lead to local pushback. On the anti-corruption side, this pressure to reform can come from CSOs (for instance, following a scandal) and includes more creative and successful approaches from government champions. Complying with the EITI standard falls broadly within the anti-corruption motivation for BOT reforms. Whilst this can be seen as more voluntary than the AML side, respondents acknowledge the soft power of the EITI that can be important for undergirding political will. Another factor that can be identified is international prestige and being seen as a front runner, or being associated with countries like the UK, which have functioning public registers.

Broadly, there is a view that both the AML and anti-corruption drivers for BO reform are necessary. If reforms are started by the government (for instance, in reaction to an impending FATF mutual evaluation), in order for reforms to be sustained, support pressure from civil society is needed at some point. CSOs are critical in sensitisation of the public but need stories and tools, clear use cases. **Early impact** is important for this as it builds legitimacy for the reforms.

In addition to **political will**, a government's ability to draft effective legislation that can make or break BOT reforms was often mentioned by respondents. Therefore, **regulatory effectiveness** is considered another critical factor in BOT implementation. Additionally, a culture of compliance and the **rule of law** is also seen as necessary, in order for those that are required to disclose to actually do so.

Impact of beneficial ownership transparency

Most of the respondents define the impact of BOT as **data being used by a variety of users achieving the goals of their respective use cases**. Several respondents highlighted the importance of including potential users (both within and outside government) in initial **consultations**, and focusing on data use from the outset. If this has not been done, implementation of BOT can often fall flat at the publication stage. "You can write the perfect law, but if there is no interest, [there is no impact]…",[10] as one respondent said. In order for data to be useful, **data quality and usability** are flagged as essential prerequisites.

"Build it and they will come does not work for BOT,"[11] as mentioned by one respondent. **Sensitisation** of both the data users as well as the general public is important for impact. Sensitisation needs to be adapted to specific user groups. In the case of industry, for example, it should revolve around the role of BOT in assisting due diligence to increase investment. For all user groups, the technical complexity needs to be broken down and made accessible.

> "'Build it and they will come' does not work for BOT"

For data use to lead to impact, countries need an **active civil society** as well as a **responsive judicial system**. It is also important for there to be an adequate level of **freedom of speech**. "If you're in a society where there are restrictions on the media and freedom of expression, what purpose does it serve if you know who the real owner is,"[10] as one respondent said.

There is no anti-corruption impact of BOT without **corruption** having occurred, and early impact stories may be critical to maintain momentum. However, if those responsible for reforms are directly benefiting from opacity, this is a big barrier to reform being sustained. This is perceived as a challenge, as **PEP involvement** in extractives is key for impact stories.

Areas for further research

There is an extensive body of literature on political will, but further research should be done to unpack this black box for BOT and how it can be assessed. What do the "windows of opportunity" look like? Additionally, further research could explore the specific role of corruption on BOT implementation. Whilst it is a criteria for impact, it can also be a major blocker. Is it possible to disaggregate types of corruption and how they impact BOT implementation? And looking beyond direct use of BO data, how could the impact of BOT on changing stakeholder behaviour and incentives be understood and measured?

Theme 2
Understanding the priorities, needs, and demands of implementers

Main implementer roles and additional stakeholders

The research set out to identify the main types of BOT implementer roles that could help to inform the design of specific service offerings to different roles. It also sought to add further nuance to the role of additional stakeholders, such as industry and civil society.

As outlined above, BOT implementation is uniquely complex due to the range of stakeholders it involves, both in government as well as outside it. Countries have taken **different approaches** to implementation. Whilst **some have a clear lead agency**, at times identifying the main implementer roles was challenging, as **some countries have different agencies working on BOT concurrently**. This can be due to legacy commitments, for instance, AML commitments preceding anti-corruption commitments. Different respondents stressed the importance of having a lead agency, although there were different views about how this impacted implementation. In the absence of a clear lead agency, it is particularly important that there is good intragovernmental coordination.

> "We now have a better understanding of why [BOT] is important and why it needs to be done. There is nothing on how [implementation] can be done"

The **lead agencies** most often included the **government agency responsible for maintaining the company registers** or the **Ministry of Justice**.

The research highlighted the **role of intermediaries**. Both **Financial Intelligence Units (FIUs)**, due to AML commitments under FATF, as well as **EITI MSGs** are often not directly involved in implementation, but function as important catalysts for BOT implementation.

Besides implementation, the government also forms one of the most important use cases of BO data. Government data users mentioned include tax authorities, FIUs, police and law enforcement, the Attorney General or special prosecutor, and agencies preventing and investigating organised crime, as well as statistics offices and local authorities. Contrary to expectations, only one respondent mentioned the extractive industry regulators as data users.

All interviewees confirmed the **importance of the role of CSOs** but were divided about the specific role they play. Broadly, CSOs are both **advocates for reform** and **users of BO data**. Where BOT is focused specifically on the extractive industries, the role of CSOs in investigating the data and links to PEPs can be particularly important. Comments from one interview implied that we should think of CSOs less in terms of primary users of data and more as **oversight actors** that can use BOT to ensure that the government is effectively undertaking its due diligence and that conflict of interest is being mitigated.

Industry is an important stakeholder in BOT, but besides their role as providers of data their use of

BO data is not well understood. They are often seen as being monolithic but it is clear there are different interests between SMEs and larger multinationals. They are mentioned less frequently as being involved in BOT than CSOs, and they are perceived to be less involved in the debate. One respondent mentioned that they are often at the receiving end of awareness efforts. As the main providers of data, this suggests that more thought needs to be given to how they should be engaged. Respondents mentioned that a lack of sensitisation among business could be an issue for BOT, and that lawyers, legal associations, and company secretaries could be blockers in reforms.

Areas for further research

Areas for further research include gaining a better understanding of industry and industry regulators as data users. How are companies using BO data? How can the industry use cases support national BOT reform? Additional research could also further explore the role of intermediaries.

Implementer challenges and technical assistance demand, and enablers and blockers

A key aim of the research is to understand the priorities, needs and demands of implementers, and to identify gaps in the current combined range of services and support offered by OO and EITI.

It is not practical to identify typical paths to implementation. Whilst implementers face different challenges according to the country context, there are certain common challenges faced by implementers across the board, some being more common than others. Many implementers mentioned **verification of data** as a key challenge as well as other specific technical challenges such as **collection and use of data** and interoperability of data. **Legal reform** and the drafting of good laws were challenges in many countries. Understanding the concept and importance of BOT – not necessarily among implementers, but of other stakeholders – is a big challenge, as well as maintaining support and managing coordination around implementation. It is clear that CSOs and industry need to be involved in **consultations**, but it is not always clear how this should be done. **Privacy** and whether BO data should be public were also flagged as challenges in several countries, as well as the fact that in certain jurisdictions politicians and their lawyers benefit from opacity.

To an extent, challenges that respondents identified tend to depend on what stage of implementation a country is in, but due to the fact that a disclosure system needs to be well thought through from the beginning, issues like verification were flagged at both early and late stages of implementation. Besides **funding and capacity**, which was more prevalent among lower income countries, challenges did not seem to differ much by income group. Some challenges (e.g. concerns with privacy and security) were more prevalent in certain country contexts.

It is clear that **technical assistance is in high demand but in short supply**. "We now have a better understanding of why [BOT] is important and why it needs to be done. There is nothing on how [implementation] can be done,"[12] one respondent said. Governments are keen for peer to peer learning, particularly to understand best practice, but there are still few models to learn from, and **support is likely to need to be tailored to the specific audience and context**. The different kinds of assistance needed can be understood from the aforementioned challenges. Among the respondents, there was perceived to be more **demand for guidance on how to implement BOT** in simple and accessible language, rather than helping make the case for BOT at the national level. This does not preclude sensitisation of different stakeholder groups. Respondents indicated that some technical support and guidance exists for legal reforms, but that little expertise is available on other topics. There appears to be a general lack of technical knowledge but also a lack of basic knowledge around BOT. In several contexts, there is a desire for sensitisation to be delivered directly to companies, CSOs and the wider public, enabling different champions and making it

12 Interview with international expert, Microsoft Teams, 25 June 2020.

country-owned. There is high demand from within countries but particularly from other implementers for simple, clear tools and guidance, as well as "back to basics" training. Broadly, **lower income countries had greater demand for resource and capacity support**.

The importance of framing support around financial regulations and due diligence was raised as a key enabler to delivering effective technical assistance.

It was noted that it is important to factor in the incentive structures of different actors. Broadly, all criteria that are important for implementation – political will, rule of law, regulatory effectiveness – are also enablers and blockers for technical assistance. Technical assistance falls short when it focuses explicitly on implementation and not on impact (data use).

Impact of COVID-19 on BOT implementation

The COVID-19 crisis struck at the time we were developing the research framework and methodology. As the short, medium, and long-term effects of the pandemic on BOT implementation were not yet known, we decided to include this as a research theme to help inform the design of the programme as well as the wider BOT community.

The COVID-19 pandemic appears to be affecting the implementation of BOT in four distinct ways, in no particular order:

- In some cases, implementation is **delayed due to data collection**. In some of the countries the research looked at, companies have been given more time to submit the data, in recognition of the challenges caused by the crisis. Challenges specific to the extractive sector (i.e. the fall in oil prices) may also lead to redundancies and reduced staff capacity working on compliance issues.
- In some cases, **delays on the side of the government** are affecting BOT. Working remotely has slowed down communication within government agencies and with external parties, such as software developers and partners. In the short term, resources are in some cases being directed to other priorities. However, generally, implementation does not appear to have stalled significantly in the research countries.
- The pandemic has **highlighted the importance of digitisation and remote access** to data. This was especially noticeable in countries where some government services were digitised and others were not, where the work of Ministries with physical files slowed down considerably more than those with digital files. This has in some cases underlined the importance of creating online data collection tools and BO registers that are accessible online.
- Perhaps the most interesting finding is that the **significant public investment in response to the crisis has highlighted the importance of understanding who the individuals behind companies are**, who benefit from government contracts and support. One respondent mentioned that COVID-19 has led to a number of political commitments over the course of a few months that are exponentially higher than those from the previous three years where they were actively pushing BOT reforms.

Many of these effects overlap and can be present simultaneously in a country. Overall, whilst COVID-19 is causing temporary delays, implementation of BOT has not significantly stalled in any of the research countries where there appeared to be political will. Globally, in the short term, it has been an impetus to BOT commitments and short term effects in the national context have reinforced reasons to implement BOT. However, BOT implementation is a long-term process and **the longer term impact of**

COVID-19 and the related economic crisis is not yet clear. For example, reorientation of government resources may lead to changes in technical assistance needs, and a backlog in the legislature's work may lead to delays in introducing legislation related to BOT. The research demonstrated the importance of a legal framework that enables BO disclosures. The medium-to-long term effects of COVID-19 are therefore likely to vary depending on the stage of implementation the country is in, as well as other factors such as political will and public demand.

Areas for further research

The effect of COVID-19, including the related economic crisis, is likely to be dynamic. It is not possible to fully predict how each country will recover, and how that may affect the priorities of the government and other stakeholders over time. The implementation of BO registers seems to be in many cases motivated by FATF requirements and the risk of grey or black-listing (see section: "Theme 1: Develop preliminary country selection process and criteria" on page 9). Flexibility introduced by FATF to the timeframes for implementing these may affect government commitment and prioritisation.[13] Nevertheless, as governments around the world face an extended period of constrained resources and increased demand for public spending, the need for good governance of natural resources will increase significantly. How to leverage this to advance BO reform and effectively make this case nationally and internationally is a useful topic for further research.

13 Please see FATF, "FATF extends its assessment and follow-up deadlines in response to COVID-19". 28 April 2020. Available at: https://www.fatf-gafi.org/publications/fatfgeneral/documents/mer-postponement-COVID-19.html [Accessed 13 July 2020].

Programme design implications

Criteria for country selection

From the research, OO and EITI maintain that the programme should initially prioritise countries where initial interventions are likely to lead to concrete advancements in reform and increase in data use, i.e. countries that have the highest chance of successful BOT implementation and impactful use of BO data. How this can be understood necessitates considering a number of factors that will need to be assessed through both qualitative and quantitative measures.

The research confirmed that **rule of law**, **regulatory effectiveness**, and **political will** are key factors in successful implementation. They are also key enablers for impact, and therefore should be considered in country selection.

Political will has been identified through the research as the most important factor, but also one of the most difficult to assess, largely because it comprises many things. Accurately assessing political will requires understanding and assessing its separate components; the means to understanding these vary, including:

- What political commitments have been made and what are they aiming for? (E.g. committed to a register but not public; committed to a register for the extractives sector only.)
- Are there BOT champions and coalitions that can be identified?
- What are the incentives for reform at the political level? At the implementation level?
- How is inter-stakeholder coordination and collaboration?
- To what extent are politicians perceived to be involved in extractives-related corruption?
- Can we identify a clear lead agency? Can we identify government implementers who are likely to be there in the longer term, as well as implementers with good access and opportunities for inter-governmental coordination?

FATF Mutual Evaluations are a powerful driver, and the evaluation schedule can be factored into country selection as well as new BOT commitments under the IMF COVID-19 relief fund, as these may provide new entry points or strengthen existing commitments. As the FATF requirements are less ambitious than what we are trying to achieve with this programme, the programme should prioritise countries where there are also strong anti-corruption incentives for reforms, including at minimum an EITI commitment to BOT.

Political stability should also be factored into political will to assess whether political will is sustainable over time.

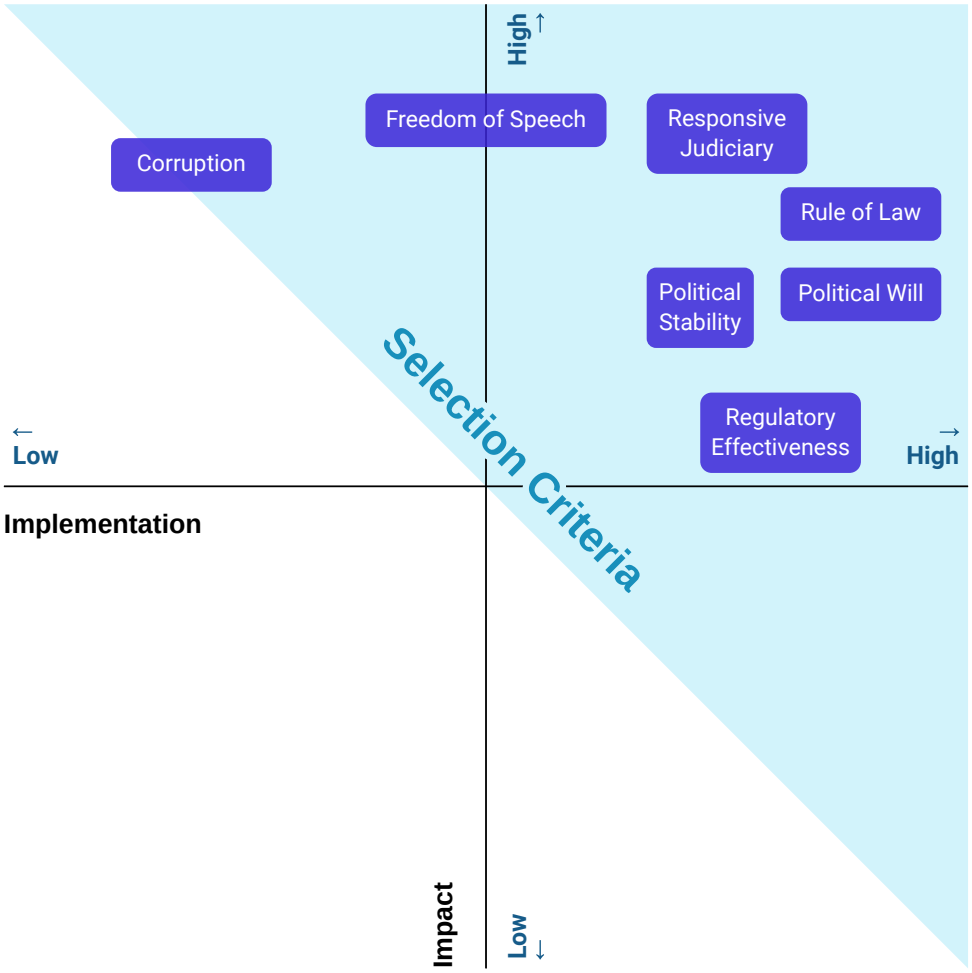
It will be important to identify incentives to implement BOT reforms and commitment at the implementer level, not just the decision-maker level. If the country has already passed BOT legislation, it will be

important to conduct an extensive **legal review**, as loopholed and flawed laws can severely undermine implementation.

Whilst the programme can have an influence on certain criteria related to impact (e.g. sensitisation, capacity to use data), the programme should prioritise countries where there is an **active civil society** as well as a **responsive judicial system**, and for there to be civic freedoms including a relative **freedom of speech and media**. Criteria where the programme can have *little* influence should not be prioritised in the initial selection.

A key insight is that data use is key to impact, and data use depends on sensitisation and understanding. Therefore, the programme will need to factor this into its service offering (see following section). To this end, the programme will need to focus on countries with **corruption** in the extractive industry in order to have some early impact and build legitimacy. As this can also undermine political will and implementation, it would seem risky to focus explicitly on countries with high levels of corruption.

Figure 2. *Mapping of criteria against their perceived effect on implementation and impact*



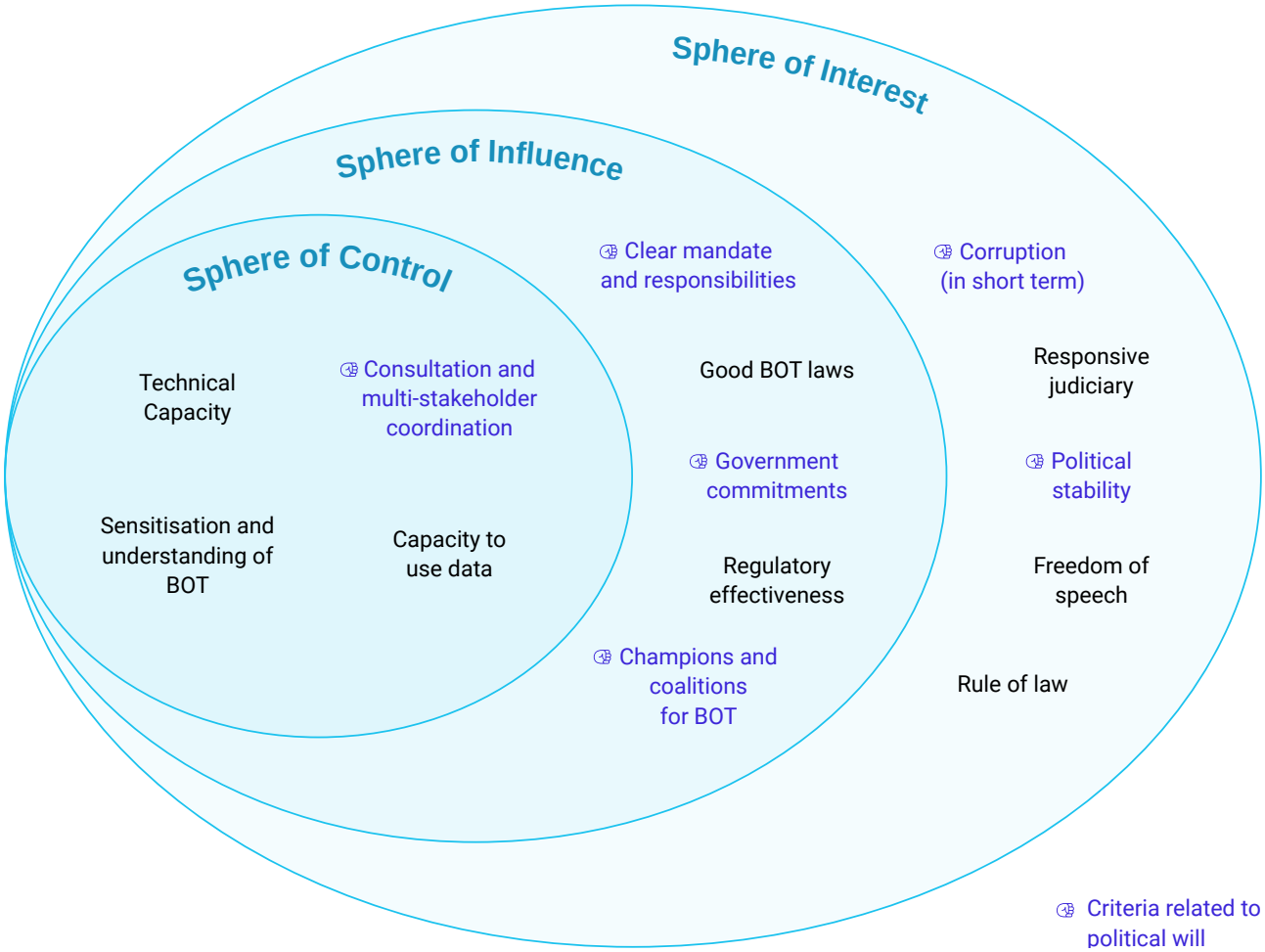
The research has informed changes to how we categorise our criteria. Whilst it remains important for the program to consider which criteria affect implementation success and impact, we found that categorisation of the criteria did not cohesively fit how the categories would be used. We found that the factors or criteria affecting implementation and impact overlapped. For instance, the rule of law relates to the responsiveness of the judicial system, and there is a role of impact in sustaining political will. Therefore, **implementation and impact cannot be fully separated**.

Furthermore, the degree to which the factors were necessary prerequisites for engagement, versus

the degree to which we could be able to influence the factors – therefore determining level of support – varied. The existence of a government commitment, for example, is an important prerequisite, but existence of BOT champions would require more direct access to, and communication with, the implementing government. We are also able to influence different aspects of political will. Such criteria should not only inform the country selection but also the subsequent offering of services.

Instead, the criteria should be seen in terms of the influence the programme can have over them. This ranges from criteria that the programme will be able to directly affect through the support offered in a country (sphere of control); the criteria the programme may affect (sphere of influence); and the criteria that the programme cannot affect but which will affect implementation (sphere of interest).

Figure 3. *The spheres of control, influence, and interest of the proposed programme*



Defining a portfolio

In order to mitigate some of the risks associated with these criteria, the programme can consider a funnel approach to country selection. This entails initially starting with smaller activities in a larger number of countries, from which the most promising countries can be selected to work with in greater depth as the programme progresses. Targeted interventions to support specific implementation needs can then be designed based on initial scoping research, mapped against the criteria and programme outcomes.

For example, a number of research respondents pointed towards the necessity of impact stories from different stages of the implementation journey. With limited capacity, this would require balancing the country portfolio, and prioritising country selection

based on the potential for the largest measurable impact as a result of the programme on the one hand, and desire for impact stories in various regions and at different stages of implementation on the other hand.

Based on EITI and OO's knowledge from national level interventions to date and findings from the design research, the following selection criteria are proposed to assess the likelihood of succesful BO implementation and the level of subsequent impact in the new framework:

Table 4. *Overview of revised criteria and assumptions*

Criteria within sphere of control	**Criteria within sphere of influence**	**Criteria within sphere of interest**
1.1 Technical capacity	**2.1** Government commitment and incentives	**3.1** Level of corruption involving the extractives sector
Assumptions: Higher levels of technical capacity lead to more successful implementation.	*Assumptions*: Commitment from the top level of government is important for political will to sustain implementation.	*Assumptions*: Higher levels of corruption in the extractives sector translate into larger impact when BOT is implemented.
1.2 Sensitisation and understanding of BOT	**2.2** Governance and regulatory effectiveness (quality of BOT laws, if present)	**3.2** Rule of law and responsive judiciary
Assumptions: An understanding of BOT from all involved stakeholders supports effective implementation and impact.	*Assumptions*: Higher governance/ regulatory effectiveness leads to more effective implementation of policy/legislation. If further along in implementation, the quality of laws is important for implementation.	*Assumptions*: Adherence to legislation is important for successful implementation and achieving impact.
1.3 Progress along BOT journey	**2.3** Clear mandates and responsibilities	**3.3.** Political stability
Assumptions: Meaningful progress towards BOT at the point of engagement increases the chance of successful/effective implementation.	*Assumptions*: A clear mandate for the lead agency, and clear responsibilities of all implementing actors, facilitates implementation.	*Assumptions*: Political stability is key to sustaining political will over time.
1.4 Multi-stakeholder coordination and consultation	**2.4** Demand for BOT from existing user groups	**3.4** Civil liberties
Assumptions: Effectively coordinating and consulting between different stakeholders (government actors, civil society, and industry) is important for successful BOT implementation and enabling data usability for impact.	*Assumptions*: The existence of users who want and are able to use BO data to drive impact is a key enabler for impact.	*Assumptions*: Freedom of speech and the media and existing civic space are required for meaningful stakeholder participation in implementation and for civil society to be a meaningful data user/oversight actor for impact.

Implications for programme activities

A clear finding from the research is that the **implementation of BOT in different contexts will require bespoke combinations of support**. From EITI and OO's experience, as well as the research, it does not seem practical to identify a typology of implementing countries, and subsequently design specific implementation models to match these. Defining specific service portfolios for countries based on general factors such as income group and geography does not seem useful. The programme may be best delivered by ensuring that OO and EITI have their combined service offering as a **menu of support services**, addressing challenges based on specific needs at different stages of implementation. For example, this could include helping think through what a verification system could look like and the resources required at early stages of implementation, or a legal review to ensure there is a legal basis for data exchange between different government actors when implementing a verification system. That being said, it is clear that addressing issues around data publishing – data quality and usability, as well as accessibility and interoperability – need to be woven in throughout whatever support is given and should be a focus from the outset. Designing the programme as a menu of support services means that the programme's monitoring, evaluation, and learning framework becomes incredibly important to constantly assess whether targeted interventions are supporting specific implementation needs.

Implications for specific support services

Besides the intrinsic importance of impact, it also appears to be critical to sustain implementation by creating legitimacy. Data users are key to driving impact, and there are no data users without sensitisation and understanding. As **sensitisation** seems to be one of the most important demands, it will need to be included in the support services for all potential data users. The research shows that there is a large demand to help people understand BOT in simple and accessible terms. Sensitisation will mean different things for different actors. The programme will need to develop a number of use cases and tailor these to different stakeholder groups. This should also address context specific concerns (e.g. capital flight) that emerge during initial assessments. Sensitisation could include building capacity to use the data. For instance, helping extractive industry regulators and licensing agencies in accessing and using BO data.

There is a strong demand for assistance in **developing legislation and the drafting of laws**. However, it also seems that there is a lot more support available for this. The programme should therefore be able to advise on main policy principles to adhere to when developing legislation, and how certain decisions at the legislation stage impact implementation further on.

Almost all respondents mentioned **verification and improving data quality** as a key challenge. The programme should consider developing easily deployable verification systems suited to different contexts (e.g. high- and low-tech). Standards of data collection need to be established and maintained to allow for future interoperability of data as countries expand their BO regimes beyond the extractives sector (as we have seen in Armenia and will see in Nigeria).

The research suggests that COVID-19 has highlighted the importance of digital access to data and has led to government agencies introducing virtual collaborative approaches to working. This presents opportunities for the programme, including **peer learning** across countries.

Implications for programme beneficiaries

BOT reforms have primary benefits within and across government. However, due to the demand for sensitisation of all data users and their role in achieving impact and sustaining political will, the programme should **consider treating civil society and industry as primary beneficiaries** from the outset of the design, who have proven to be potential drivers and catalysts for reform. The programme could differentiate between primary beneficiaries

who are drivers, catalysers, or intermediaries versus lead implementers, as this would affect who would be benefitting from the main support services provided. EITI MSGs should be seen as intermediaries, coordinators, and facilitators, rather than implementers, although EITI National Secretariats may be implementers in some contexts.

Industry is not monolithic, and therefore understanding how BOT information is used differently by different companies (for example, of different sizes) within and across sectors is an important consideration for this project. Understanding how companies in the extractives sector will use the data, as well as what other businesses they interact with, will inform how to make the case for BOT. The research has indicated that there is at the very least a perception from implementers and international experts that many in the extractive industry – including **regulators** – may not currently be actively using BO data where it is available, which will require specific focus in the programme.

The programme should **differentiate between different CSO actors**, and consider their role not only as data users but also as advocacy and oversight actors that can ensure that BOT reform is undertaken in the right way, and should also consider engaging civil society stakeholders outside the anti-corruption movement.

The programme should consider whether to reflect other government agencies such as statistics offices and local authorities in potential government data users, and consider planning outreach and stakeholder engagement targeting government agencies as users.

COVID-19 programme implications

The effect of COVID-19 at the national level should be considered in the selection of countries. Specific criteria related to COVID-19 are not advisable, as the effect varies per country. For example, COVID-19 may have increased or decreased public demand for BO data. Scandals related to public procurement may increase demand, especially when coinciding with the economic crisis related to COVID-19. A country with strong political will to implement BOT may be unwavering in their commitment, but may need more support than before due to COVID-19 constraining government resources. For countries with limited political will, the crisis may serve as a pretext to delay BOT implementation. The direct and indirect effects of COVID-19 may not fully show in the indicators used for country selection, if those rely on data from previous years. Therefore, the implications of COVID-19 in each case should be considered additionally before concluding on focus countries and a "COVID-19 lens" should be applied to country selection criteria. For instance, the programme should assess to what extent a delay in implementation could be due to COVID-19 or other blockers, and should assess how COVID-19 has affected capacity.

Conclusion

The research, conducted to inform the design of a global programme to bring about transformative change in BOT in the extractive industry, looked at two main research themes: preliminary country selection process and criteria, and understanding the priorities, needs, and demands of implementers. It has shown that the assumptions that were previously held are largely valid, but it has also added considerable nuance to how these are framed. As an overarching conclusion, the research has shown that implementing BOT in the extractive industry is challenging and complex, and the demand for technical assistance to overcome and break down these complexities is currently far larger than the supply. There is a complex political economy of incentives around the implementation of BOT that needs to be understood on a country by country basis. Despite the COVID-19 pandemic, which has caused delays as well as providing new opportunities for engagement, the timing and relevance of the programme appear opportune.

For the country selection criteria, one of the main findings has been that criteria related to successful implementation and positive impact are interlinked, and therefore it is more practical for the programme design to look at which criteria it can affect directly and over which it can exercise some influence. Political will has emerged as the most important factor in successful implementation. Because of its complexity, it is more useful for the programme to attempt to break this down as much as possible into its constituent parts. One method that the programme could use to mitigate the risks associated with political will is to use a funnel approach. This includes having small interventions in a larger number of countries, and using these as a way to conduct initial scoping and assess political will, to scale up the interventions in a limited number of countries.

In terms of the support services the programme will offer as well as the programme's beneficiaries, the main conclusion is that it is not practicable to identify typologies of implementing countries, each with a specific set of challenges. There are certain challenges that are common in all countries, and others that do not appear across the board. It is only possible to correlate a limited number of implementer challenges with specific country characteristics. Therefore, support services are best designed as a menu. The research has also highlighted a number of specific implementation needs for which the programme should design targeted interventions. Whilst government is the primary beneficiary of support with BOT reform itself, the programme should treat civil society and industry as primary beneficiaries due to the fact that CSOs and industry play a critical role as intermediaries and catalysts in implementation.

Overall, it appears that at this point in time, the coronavirus crisis is causing delays to implementation in some countries, but also creating new incentives for implementation in other countries. The programme will need to apply a "COVID-19 lens" to its programme design, and assess on a case by case basis how this is affecting both the country selection criteria as well as individual implementers and their paths to implementation.

Finally, a number of areas for further research have been identified. During implementation, the

programme should continue to conduct research to further unpack political will, which should feed into its MEL framework. The programme should also further explore the role of corruption as a blocker for implementation and a precondition for impact. Further research should be conducted on the role of industry and extractive industry regulators in particular. Lastly, whilst this research has shed some light on early and short-term impacts of COVID-19, it is difficult to say what will happen in the long-term. This report was written as many countries have managed to gain control over the first waves of infections, but many countries are experiencing a rise in infections as restrictions are lifted. It is unclear what subsequent waves of infections, the loss of jobs, and the longer-term effects on the economy will have on BOT reforms and implementation. The programme should build in continuous monitoring and analysis of the impact of COVID-19.

Annex 1
Programme design research framework

Research themes and questions

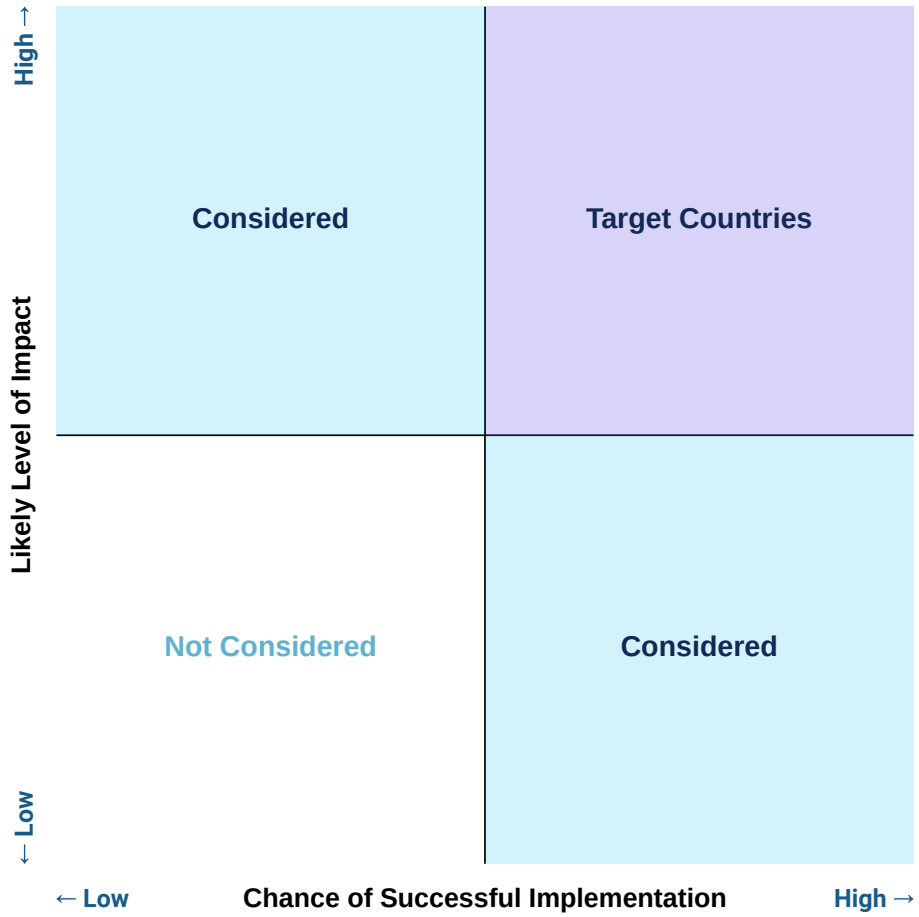
Theme 1
Develop preliminary country selection process and criteria

1. What criteria should we use to select target countries for the project?
2. Who are the main secondary beneficiaries (CSOs, industry, and others), what role do they play in implementation, and how should we engage them in our programme design?

Theme 2
Understand the priorities, needs and demands of implementers

3. Who are the main practitioners leading implementation of BO disclosure efforts that cover the extractives sector, and how should we adapt our support services to different implementers?
4. What are the main challenges faced by implementers and do our support services match these?
5. What do practitioners need to overcome their challenges, and how can we design our support services to facilitate this?
6. What are the current enablers and blockers to delivering support and guidance and how can these be incorporated into our programme design?

Conceptual framework



The research framework proposes a theoretical framework for country classification, support, and implementers and secondary beneficiaries, which will inform the sampling for the programme design research. The research will test the assumptions in the theoretical framework, to see if the selection criteria and support models are suitable for programme design.

Country selection should be driven by wanting to see effective implementation translating to visible and measurable impact. Therefore, the programme should *initially* prioritise quick wins and low hanging fruit, i.e. countries that have the **highest chance of successful BOT implementation**, resulting in the **largest measurable impact as a result of the programme**. Successful impact of BOT is seen as the publication of high quality data that is actively used by a range of different stakeholders (industry, government, civil society) for their respective purposes.

As a secondary goal, initial country selection should be generating sufficient lessons to work across a range of contexts going forward. Therefore, secondary selection criteria will be **geography** and **income group**, to generate the range of lessons needed for the programme's MEL framework. Additional criteria may become relevant later on in the programme, e.g. whether a country is a regional influencer or not. It is envisioned that the criteria, as well as risks and spoilers to, initially, successful implementation and, subsequently, impact, will be continuously reviewed and informed by the programmes MEL framework throughout the project.

A longlist of countries for the programme has been drawn up where both organisations have a historical engagement or relationship. These countries are shown in Table 5 on page 33.

Table 5. *Countries where both organisations have an historical engagement or relationship*

Name	Income group[14]	Region
Argentina	UMIC	LAC
Armenia	UMIC	E&CA
Canada	HIC	North America
Ghana	LMIC	SSA
Indonesia	LMIC	EA&P
Kyrgyz Republic	LMIC	E&CA
Mexico	UMIC	LAC
Mongolia	LMIC	E&CA
Nigeria	LMIC	SSA
Norway	HIC	E&CA
Philippines	LMIC	EA&P
Senegal	LMIC	SSA
Trinidad & Tobago	HIC	LAC
Ukraine	LMIC	E&CA
Zambia	LMIC	SSA

The conceptual framework proposes a number of criteria that are influential/critical to the success of BOT implementation, as well as a number of criteria that will determine the level of benefit or impact a country will have from successful implementation. A number of these criteria can be controlled through country selection, i.e. success is dependent on certain characteristics of the countries chosen, such as political willingness and a certain level of technical capability. Other criteria that determine successful implementation are directly influenced by the amount or type of assistance given based on both organisations' comparative advantages. The latter will therefore not be decisive in country selection but will be used in designing support modalities. The list of criteria below is based on a review of organisations' documents, templates, and institutional knowledge. There are a number of assumptions being made about how these criteria influence implementation. We will carry out an initial assessment of the longlist countries to test and demonstrate the validity of our assumptions, and we will continue to monitor and improve these assumptions over the programme lifetime as part of our MEL framework.

14 World Bank, "World Bank list of economies 2019". Available at: http://databank.worldbank.org/data/download/site-content/CLASS.xls [Accessed 10 June 2020].

Theme 1

The proposed primary selection criteria are:

1. **Criteria influencing success of implementation**

   1.1. Governance/regulatory effectiveness

   Assumption: Governance and regulatory effectiveness is required to effectively implement the policy and associated legislation for BOT. Higher governance/ regulatory effectiveness leads to more effective implementation of policy/ legislation.

   1.2. Political interest/will

   Assumption: Sustained commitment over time (committed resources and political will/stability) and local support/buy-in (or absence of spoilers/opposition) in are necessary for effective implementation.

   1.3. Rule of law (regulatory enforcement)

   Assumption: Adherence to legislation is key to successful implementation for both disclosures as well as use.

2. **Criteria influencing levels of impact**

   2.1. Level of corruption involving the extractives sector

   Assumption: Higher levels of corruption in the extractives sector translate into larger impact when BOT is implemented.

   2.2. Current visibility of BO

   Assumption: Ascertaining the correct BO is important for the private sector to calculate risk as part of regular business processes. Countries in which there is currently a low visibility of BO (poor availability of data) BOT will have the largest impact.

   2.3. Demand for BOT from existing user groups

   Assumption: The existence of users who want and are able to use BO data to drive impact is a key enabler for impact.

3. **Criteria influencing success of implementation that determine the type of support**

   The following criteria are also influential/ critical to successful implementation, but are the areas in which EITI and OO can provide support, and can tailor the level of support based on each country context.

   3.1. Technical capacity

   Technical capacity includes both human resources (skills and knowledge) as well as the infrastructure in place already. EITI and OO can provide expertise and technical assistance, including lessons from BOT implementation elsewhere in the world.

   Assumption: Delivering BOT is a technical project and requires sufficient levels of technical capacity. Higher levels of technical capacity lead to more successful implementation.

   3.2. Effectiveness of existing multi-stakeholder groups

   EITI and OO can work effectively with EITI multi-stakeholder groups and their constituencies to mobilise support from and consult industry civil society stakeholders on BOT reforms.

   Assumption: EITI multi-stakeholder groups that can effectively coordinate and consult with members from government, civil society, and industry are critical to successful BOT implementation.

   3.3. Progress along BOT journey

   EITI and OO can guide countries along the BOT journey irrespective of where countries are along this path.

   Assumption: Meaningful progress towards BOT at the point of engagement will mean more successful/effective implementation.

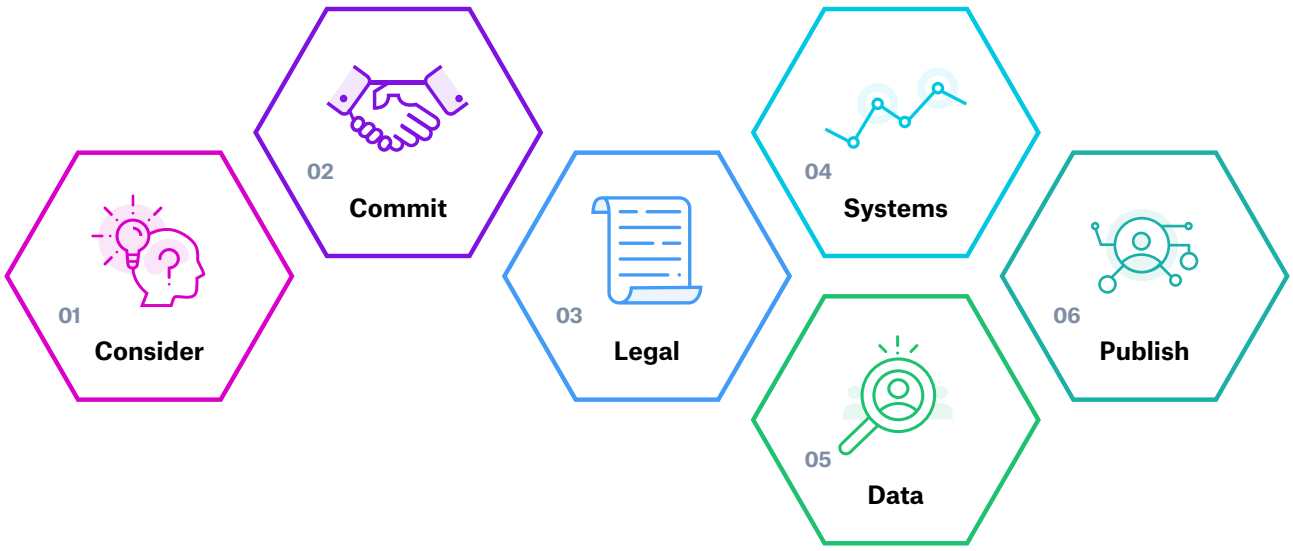
Theme 2

We expect countries will need different levels of support based on criteria 3.1 (Technical capacity) and 3.2 (Multi-stakeholder organisation). For the purposes of the research design, we expect an implementation model can be broadly divided into:

- **High level of support:** Design and support implementers through each stage of delivery;
- **Medium level of support:** Research, scope and review;
- **Standard level of support:** Share and guide implementers through existing resources and lessons generated from the project.

These levels of support will imply different **implementation services** (defined as **tools**, **services**, and their expected **outcomes**). For criteria 3.3 (***Progress along BOT journey***), the research will use the Open Ownership Implementation Guide, which divides implementation into the following phases:

Figure 4. *Phases of the OpenOwnership Implementation Guide*



OO and EITI will complete the support model below based on their internal knowledge and documents:

	02 Commit	03 Legal	04 Systems	05 Data	06 Publish
Standard *Level of Support*					
Medium *Level of Support*					
High *Level of Support*					

1. **Map tools, services and outcomes**
2. **Identify gaps in existing support services**

   Implementer challenges and demands from the research not covered by the current support services offered, at different stages of implementation.

Research methodology

Guiding questions

The following questions for each theme will guide the secondary and primary research outlined below. Specific (sub-)questions will be developed per interview.

Theme 1

1. **Criteria assessment**
   - 1.1. Do the criteria make sense? Do they contribute to the success of implementation? Are there other criteria that are critical that have not been included?
   - 1.2. Are there additional critical risks/spoilers?
   - 1.3. How has the COVID-19 pandemic affected BOT implementation?
   - 1.4. Do the assumptions hold? Are there any other assumptions that are implied but not considered?
2. **Assessment of countries against the criteria**
   - 2.1. How do the countries score against the different criteria?
3. **Mapping of secondary beneficiaries**
   - 3.1. Can we create a secondary beneficiary typology?
   - 3.2. Can we identify any professional bodies (e.g. industry associations, civil society, coalitions, or umbrella bodies)?

3.3. What civil society bodies (including journalists) are focused specifically on extractives, corruption, or transparency?

3.4. What are the largest private sector actors in extractives, and who are their compliance staff?

3.5. Are there additional "sponsors" that can be engaged?

3.6. What are our existing contacts in the private sector and civil society in the country?

Theme 2

4. **Practitioners leading implementation of BO disclosure efforts**

4.1. Do we have established contact in the countries in question? Who are known implementers?

4.2. Can we create a typology of implementers according to their roles?

4.3. Can we identify the mandated agency/ministry and the lead person?

4.4. Can we identify lead people in other relevant ministries and agencies, the judiciary and legislative (e.g. parliamentary committee)?

4.5. Can we identify the lead person in the technical implementer or service provider?

4.6. What are ongoing reform efforts and projects related to BO disclosure (assessed under criteria 3.3)?

5. **Practitioners challenges**

5.1. What are known challenges that implementers face?

5.2. How do they respond to these problems?

5.3. What are the most pressing challenges?

5.4. What are additional challenges?

5.5. Can we create a typology of challenges (technology, inter-agency coordination, regulatory, etc.)?

5.6. How has the COVID-19 pandemic affected practitioner challenges?

6. **Technical assistance**

6.1. Can we map these problems against our existing tools and services?

6.2. For which service is the demand largest, within a country and across countries?

6.3. Which additional tools and services will they need?

7. **Support and guidance enablers and blockers**

7.1. What are the known enablers and blockers?

7.2. How have we overcome these?

7.3. How do we engage efficiently with the enablers?

7.4. Which of these are within our control and which are not?

7.5. Do any of the enablers and blockers relate to country selection?

Phase 1
Desk research and consulting the "internal knowledge bases" (Week 18-19)

Stage 1

a. Review existing documentation of both organisations;

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- pilot programme methodology;
- implementation guide;
- implementation mode and levels of support;
- implementation model: levels of support;
- implementation services;
- BOLG survey;
- country scoping templates/SWOT analysis;
- country assessments.

EITI

- Implementation Progress Report;

- framework for assessing progress on Requirement 2.5;
- validation assessments;
- 2020 Country reports.

b. Refine/complete criteria and the support model.

Stage 2

a. Develop a scoring/mapping tool for each of the criteria using the sources below;

b. Develop typologies for secondary beneficiaries and implementers.

Criteria	Internal sources	External sources
1.1. Governance/regulatory effectiveness	• OO: Regulatory and governance effectiveness is assessed in Country engagement assessments; • EITI: Req. 2.5 reports and assessments.	• World Bank's Worldwide Governance Indicators (WGI).
1.2. Political interest/will	• EITI: Political will and commitments are measured in the Implementation Progress Report; Req. 1.1 reports and assessments (non-BO specific); • OO: Commitments are tracked in the internal country tracker; political will is assessed in Country engagement assessments.	• BO requirements (NRGI); • Additional institutional memberships: FATF; EU.
1.3. Rule of law (regulatory enforcement)	• EITI: Enforcement mechanisms in countries according to reports, 2020 validations, disclosure framework assessments.	• World Bank's Worldwide Governance Indicators (WGI); • WJP Rule of Law Index; • OECD Anti-Bribery Convention (enforcement); • FATF MERs R24 and R25 enforcement mechanisms.

Criteria	Internal sources	External sources
2.1. Level of corruption involving the extractives sector		• FATF increased monitoring; • FATF High Risk jurisdictions; • TI Corruption Perception Index; • World Bank's Control of Corruption Index; • Financial Secrecy Index; • TI M4SD.
2.2. Current visibility of BO	• EITI: Req. 2.5 reports and assessments.	• Open Data Barometer/Index; • Current BO disclosures and requirements (incl. NRGI); • FSI.
2.3. Demand for BOT from existing user groups	• OO: Country assessments.	
3.1. Technical capacity	• OO: Assessed in Country engagement assessments (including similar/other projects); review Systems Tracker for indicators and explore potential for future use.	• Open Data Barometer/Index.
3.2. Effectiveness of existing multi-stakeholder groups	• EITI: Req. 1.4 reports and assessments.	• CIVICUS reports.
3.3. Progress along BOT journey	• EITI: Measured in Implementation Progress Review; Included in 2.5 Assessment template; • OO: Country engagement assessments; country tracker (Notion); Scoping studies/country reports.	• FSI.

Stage 3

a. Conduct initial (desk) mapping of the countries long list in question against the criteria/assumptions for country selection;

b. Map contacts against implementer/secondary beneficiary typologies and support model.

Stage 4

a. Add to desk mapping with more in-depth information through focus group discussions with EITI and OO country managers.

Stage 5

a. Identify country selection for research;
b. Identify participants for key-informant interviews and implementer interviews against the typologies for Phase 2;
c. Develop interview guides and notes templates.

Phase 2
Primary research

Key-informant interviews

The research team seeks to conduct a number of interviews with people with expertise in providing technical assistance to the implementation of BOT. As BOT is relatively new, we will also consult those with experience in providing technical assistance on other open (digital) data projects. Research participants' experience should collectively cover each of the four regions and each of the three income groups of the country longlist.

1. Experienced practitioners who have worked in technical assistance of government BOT projects (e.g. World Bank, IMF, FATF, IDB);
2. Experienced practitioners who have worked in technical assistance of other government open data projects (e.g. OCP; OGP) or in the extractives sector (e.g. NRGI; TI M4SD).

Implementer interviews

The research team will conduct between 12 and 18 interviews with the contacts mapped against the typologies for implementers and secondary beneficiaries developed in Phase I. In principle, government implementers will be interviewed, and secondary beneficiary interviews will be used to triangulate information.

To address both Theme 1 and 2, the country sample should include all income groups (high income, upper middle income, lower middle income) and each of the four regions from the longlist, and include countries that have successfully implemented BOT/ made a significant amount of progress along the BOT journey, as they will have the benefit of being able to reflect back on their BOT journey and assess what the most important criteria for success were. The sample will also need to include countries at varying stages of BOT implementation (at commitment stage, implementation stage, and publication stage), with varying levels of technical capacity (high and low) and multi-stakeholder organisation (high and low).

Example country participant selection:

- High income countries (2)
  - Publication stage; high tech; low multi-stakeholder organisation;
  - Implementation stage; high tech; high multi-stakeholder organisation.
- Upper middle income countries (2)
  - Publication stage; low tech; high multi-stakeholder organisation;
  - Commitment stage; high tech; low multi-stakeholder organisation.
- Lower middle income countries (2)
  - Commitment stage; low tech; high multi-stakeholder organisation;
  - Implementation stage; low tech; low multi-stakeholder organisation.

Phase 3
Synthesis and write up

In the final phase, the research team will write up the findings and produce the following outputs:

- outline of process for country selection with set criteria;
- overview of priority countries;
- country needs assessment and scenarios/ case studies demonstrating potential technical assistance delivery models responding to the user needs;
- approach to identifying in-country stakeholders to engage with beyond government practitioners.

PUBLISHED BY

EITI

OpenOwnership

AUTHORS

Catherine Greene

Eva Okunbor

Ines Schjolberg Marques

Lyydia Kilpi

Tymon Kiepe

EDITORS

Louise Russell-Prywata

Mark Robinson

Zack Brisson

DESIGN

Convincible Media

Open Ownership

openownership.org

@openownership

1 St. Katherine's Way
London E1W 1UN
UK

EITI

eiti.org

@eitiorg

Rådhusgata 26
0151 Oslo
Norway