When transparency and accountability (T/A) interventions are set up to improve the governance of natural resources in resource rich countries, they usually work in isolation from one another. There is often little collaboration and coordination between actors or sequencing of interventions. As interest grows in collaboration between actors and coordinating interventions this situation may be changing. However, will intervention clusters really give us more for our resources? When, where, and how is working together likely to pay-off?

This question came up in June 2012 at a workshop for practitioners, funders and academics active in the governance of natural resources convened in New York City by the Transparency and Accountability Initiative. We revisited it in another workshop in London in August 2013.

What’s wrong with isolation?

Let’s introduce a hypothetical Country X (see Figure 1). Country X is rich in natural resources like oil and gas, and revenues from these make a large contribution to its national budget.

Several T/A interventions are ongoing in the country to help improve the governance of its natural resources. Some of them concentrate on making sure that taxes and royalties are collected from oil and gas companies. Others focus on translating these revenues into a national budget that benefits the population. Still others work at the sub-national level and monitor government spending to ensure that the money is appropriately used and services are delivered.

As Figure 2 shows, these different actors do not collaborate. Their interventions are not coordinated, either. Each is targeted on one area of work, and each takes place in isolation. Information, money, and power do not flow among T/A reformers. This is how T/A interventions in the sector of natural resource governance have traditionally been carried out.

There are two main issues with this approach:

1. A problem may be eliminated in one part of the system by an intervention targeting it, but re-appear somewhere else, where no intervention has been designed and no actor is ready to deal with the ‘new problem’. Diarmid O’Sullivan has argued along these lines with regard to the Extractive Industries Transparency Initiative (EITI). EITI’s difficulty is that it cannot tackle every way in which corruption and misuse of natural resource revenues occur. It can focus on the transparency of revenue collection, but that may mean that corruption just moves to another vulnerable part of the system, such as contract awards. Many times no other player is ready to take on this complementary role, either.

2. The other, related, problem is what Jonathan Fox calls ‘squeezing the balloon’ – squeeze it in one place, and it just pops out in another. When activists shame a government agency at the regional level, for example, that agency can easily pass the buck up to the central government or down to the local government. What is needed, Fox argues, is ‘vertical integration’, or the coordination of T/A interventions across different levels of government to stop these and other problems within a system (see more below).
Figure 1: Natural Resources Governance System in Country X

Figure 2: County X's Natural Resources Governance System (baseline)

What should we do to promote T/A?
What is a cluster?

What do we mean by an ‘intervention cluster’? The T/A field does not yet offer any concrete definition, so we’re using it here as a fuzzword to formulate and communicate a shared, but roughly-defined idea. **For now we will just show what clusters might look like in practice.**

Did you know?

‘Cluster’ and ‘cluster effect’ are concepts often found in books on economic geography. They refer to the additional productivity that comes from having interconnected parts of a production value chain (such as companies, specialized suppliers, and service providers) in close proximity to one another. In simple terms, it means that the whole becomes greater than the sum of its parts. The idea behind T/A clusters is similar. Here, a cluster of T/A interventions could have the potential to add up to more than the sum of its individual parts. Is this a different way of thinking about/calling “silo-busting”? Ecosystem or joined-up interventions?

Three types of cluster came up in the New York workshop (and two more were discussed in a meeting hosted by Transparency and Accountability Initiative in August 2013) and are emerging in the field:

- **Follow the money** – coordinate interventions that focus on different parts of the revenue chain;
- **Do no harm** – coordinate interventions that amplify the voices of different constituencies;
- **Collaborate across governance levels** – ensure collaboration between international and local level actors;
- **Capitalise on the power of three** – coordinate across transparency, participation and accountability interventions;
- **More power for bigger change** – coordinate interventions that mobilize pro-reform efforts that operate in different places at the same time.

Follow the money

One way to create an intervention cluster is to explicitly connect and coordinate interventions that focus on the different links of the fiscal chain, such as revenue generation, budget allocation and public spending, at both national and sub-national levels.

Did you know?

Our field has sought to ‘follow the money’ for more than two decades, but in practice we still lack the fundamental ability to trace funding flows along the revenue chain. See this blogpost by Martin Tisné or this blogpost by Alan Hudson and Jonathan Gray for more.

As Figure 3 illustrates, a cluster like this in Country X could lead to T/A interventions that advocate for greater transparency to ensure that oil and gas companies pay taxes linked to watchdog initiatives that scrutinize budget allocation, and participatory programmes that monitor spending on health, education or other public services. Following the money means joining the dots all down the fiscal chain and making sure that natural resource revenues translate into services.

Do no harm

A recent study that mapped the natural resource governance sector divided projects according to three different outcomes: improving financial management, advocating social issues and raising environmental concerns. It didn’t find any programmes that took a holistic approach or connected the three outcomes. Focusing on one outcome in isolation may empower one set of voices, but it neglects others. This may have unintended consequences, as Javier Arellano-Yanguas found in his study of the mining revival in Peru (also check out this review) where a failure by the government and the extractive companies to acknowledge grievances in mining communities led to conflict and a threat to political stability (also see this policy brief).
Want to learn more about this approach?

Bebbington and Bebbington argue that too much focus on natural resources as a driver of economic growth can lead to rights-based and socio-environmental conflicts. Some funders, like the World Bank, have implemented environmental and social safeguard policies to prevent and mitigate undue harm to people and their environment during the development process. This brief looks at how Latin American Governments are managing at the same time multiple imperatives, putting emphasis on indigenous cultural, land and consultation rights spelled out by international conventions.

Collaborate across governance levels

T/A initiatives in the natural resource governance sector span all levels of governance, from initiatives that are international in scope, to initiatives that only exist at the very local level in one country. Sometimes, organizations need to pick one level (they have limited resources). However, carrying out T/A interventions at one governance level in isolation or picking levels without looking at the options across the system may not be the most effective course of action. Taking context into account, across levels, may require to re-think siloed interventions and build bridges across levels of action (on context and the future of interventions, see more here).

Check out this T/A think piece in which Florencia Guerzovich and Steve Rosenzweig discuss how looking at interventions as part of broader systems can affect a civil society organization’s strategic outlook.

If local level T/A actors do not collaborate with those working internationally and do not make an effort to internalize appropriate international T/A interventions, the chance of the interventions having real impact maybe slim.

Interested in on the ground impact of international T/A interventions?
Start here and stay tuned for more!

Take the example of our Country X signing onto an international standard on natural resource transparency. The government may do so, not to improve governance, but in order to receive favourable governance ratings, in which case the government might skip the internal political process to implement the standards into domestic policies and practices. Without having local constituencies invested and engaged in making sure that concrete steps are taken over time, such international efforts may have little effect on improving natural resources governance and sustainable development on the ground (Figure 5). Conversely, a lack of collaboration between international actors and local civil society may also have unintended consequences.

Could those unintended consequences have been avoided if the international activist groups had collaborated more with local civil society groups?

Stay tuned for a series of think pieces discussing what we know and how we should improve our knowledge about the impact of T/A international initiatives on the ground.

Capitalize on the power of three

It is becoming increasingly clear that transparency, by itself, is not enough to improve governance in the natural resource sector. For example, a recent evaluation of the EITI found that while the EITI has had a positive effect on natural resource transparency, accountability does not appear to have changed much at country level. One reason for this is that most EITI outreach stops at EITI data dissemination and does not include support for social actors to use this data for accountability purposes (also see here).

While transparency initiatives can be useful as ‘diagnostic tools’ that
help define governance problems (this point has been made here), the problems themselves may need to be solved with more complex interventions. Many think that putting together more complex interventions calls for linking research and practice across transparency, accountability and participation (see here). What if the strengths of transparency, participation and accountability approaches could be harnessed in a more coherent way through collaboration across initiatives, as illustrated in figure 6? Would that provide the missing link between increased transparency and other impacts?

More power for bigger change

It is becoming increasingly clear that changing governance is complex. It often requires more political capital than one pro-reform leader or organization can draw on by itself. Interventions to change existing governance structures often run into blocking coalitions that benefit from keeping things the way they are. Groups like this can often block reform with little or no effort when they are in competition with ‘lonely crusaders’ or pro-reform actors who otherwise lack strength. Pro-reform actors can be inside and outside the state apparatus. 

Improving accountability therefore means constructing strong constituencies and coalitions for change – many times this means working across the state-society divide. These could involve a range of organizations and institutions working together around particular issues, including civil society organizations, national and sub-national politicians, policymakers, parliaments, supreme audit institutions, political parties, the media and international partners. (One of the current authors has made this point elsewhere; research on this theme has also been published by GOVNET and Matt Andrews, Jesse McConnell, and Alison Wescott for the Global Leadership Initiative and World Bank Institute.) A recent World Bank publication speaks highly of such pro-accountability coalitions, and claims that the creation of strategic alliances between like-minded actors from civil society and politics can be critical for change. This is a subject that we have also discussed here at the Transparency and Accountability Initiative. One organization that has begun to think about intervention clusters is the International Budget Partnership. Its in-house research shows that many of its campaigns have been successful thanks to different accountability actors coming together at crucial moments. In different cases these have helped mobilise grassroots support, enhance the profile of a controversy in the media, or maintain legislative and popular pressure for change from a number of directions at once. 

Ensuring that the money collected from the exploitation of natural resources is spent in developmentally beneficial ways requires a range of actors to fight the same battle together. As Figure 7 illustrates, this means interlinking and harnessing the political capital of different T/A actors so that together they have the power to bring about change at scale.

Are clusters the way forward?

There can be problems in pursuing governance interventions in isolation from each other. But when, where, and how are intervention clusters the way forward. And when, where, and how might they lead to other unintended consequences – such as the crowding out of local initiatives and synergies? And what about the transaction costs of coordinating T/A interventions and the risks involved in finding new ways to operate? Would these costs outweigh the benefits? If governance in the natural resources field is context specific, under which conditions would answers to each one

Collective action is an effective way for nonprofits to increase their impact, but they often lack the key capacities that enable these types of partnerships to thrive. Here Geo offers insights on the core capacities nonprofits need to collaborate and how funders can help.

However, we know little about past and new joined-up efforts. In particular, we need to know more about how practitioners think their interventions will achieve the desired results, what the organizational challenges are, and whether there are political and financial obstacles associated with intervention clusters in different types of contexts. And how, if at all, are concrete operational and strategic questions related to research agendas.
about collective action in the fight against corruption and improvements in the quality of governance? The New York and London workshops were the first step in a process of encouraging stakeholders in the field of natural resource governance to learn collaboratively, and is similar to T/A interventions we have made in the health sector. Check out this request for proposals for large scale evaluations into the effects of T/A intervention clusters on governance of natural resources. Practitioners, funders, and researchers can all help us strengthen this project by linking it to others so that we can all move our thinking and doing on this subject forward.

**DICTIONARY:*

1. Fuzzword: As Oxfam’s Duncan Green says, fuzzwords may be frustrating in their hard-to-define slipperiness, but are still helpful for establishing a fuzzy-boundaried arena of conversation in which interesting exchanges can take place.

2. Crowding out: International NGOs (INGOs) are sometimes criticized for ‘crowding out’ local civil society groups. This refers to INGOs receiving disproportionate amounts of funding, media space, face time with donors and government, and other scarce resources.

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If we follow the money, can we deliver on one of the promises of T/A?

If we coordinate, can we deliver and avoid unintended consequences?

Figure 3: Following the money in Country X

Figure 4: Promoting T/A while managing risks in Country X
If we join-up across multiple levels, can we have greater impact?

What if we harness the power of 3, will it work better?

FIGURE 5: Linking products and interventions across multiple levels

FIGURE 6: The power of 3 in Country X

Note: The diagrams show various stakeholders and processes at different levels (international, national, sub-national). They illustrate how transparency and accountability can be improved through collaboration among different sectors and levels of governance. References and further details are provided in the text.
Figure 7: Joining forces to bring about change at scale in Country X