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Soft Standards and Long Causal chains: Challenges and Opportunities in Evaluating TAI in Extractives sector

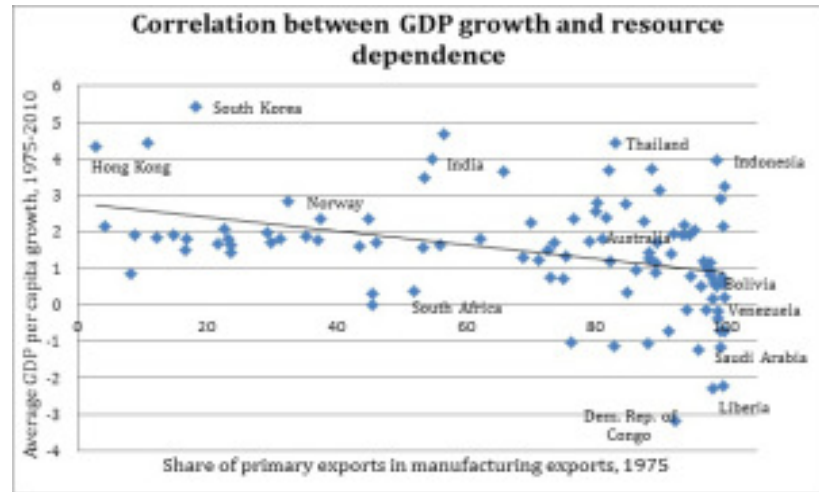**Dr. Francis Rathinam**
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29-30 March, 2017, Munyonyo Commonwealth Resort, Kampala, Uganda

Outline of the paper

- Why TAI?

- A generic theory of change for TAI

- Challenges in evaluating TAI

- What can we learn from TAI in other sectors

- How 3ie TATW studies handle the challenges

- Key takeaways

Natural Resources: a Boon or Bane?

Resource curve

Correlation between GDP growth and resource dependence
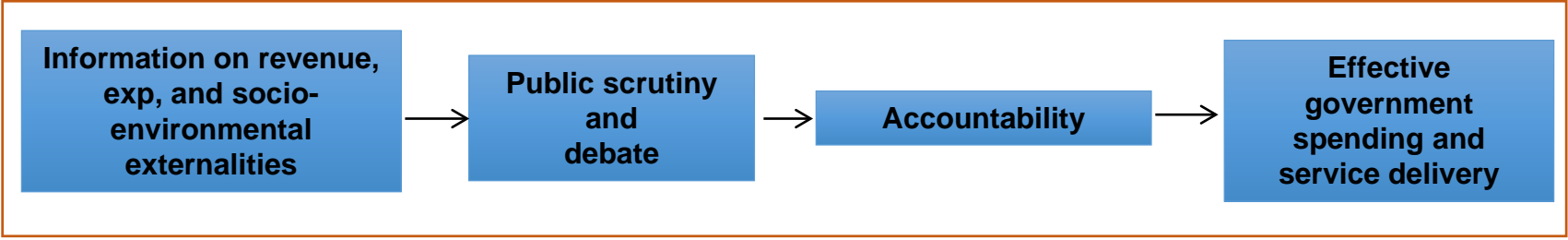
Sachs & Warner, 1995

John Cummings

Some counter examples

Transparency Narrative

Better information disclosure (transparency) restricts government discretionary spending and checks leakages (accountability), which in turn will lead to better government spending / service delivery and development outcomes

TAI: A generic theory of change

| Information on revenue, exp, and socio-environmental externalities | → | Public scrutiny and debate | → | Accountability | → | Effective government spending and service delivery |

Assumptions

Information is targeted, timely, accessible and clear

General level of education

Electoral politics and vertical accountability

Government capacity

Forum for deliberation

Judiciary, law enforcement and auditing agencies, and horizontal accountability

Demand for information

Ability of intermediaries in accessing, interpreting and disseminating information

Intermediaries and diagonal accountability

Media   CSOs

Participation benefit vs. cost

Collective action problem

Source: Adopted from Epremian et.al (2016)

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Challenges in Evaluating TAI in Extractives

- Difficulties in attribution: long causal chain
- Lack of a valid control group and counterfactual
  - Universal (nation/sector-wide) policies
  - Soft policies (voluntary initiatives)
- Complexity of interventions and the context
  - Typically influenced by many contextual factors (outside conditions)
  - Typically small 'n' interventions
- Measurement and data collection issues
- Mismatch of expertise

What can we learn from TAI in other sectors

Lessons from evaluation of TAI in service delivery (health, education, WASH and public service) (Gaventa and McGee, 2013; Leavy, 2014 and Fox, 2015)

- Not many rigorous impact evaluations

- Only a few studies are based on clear theory of change and assumptions

- Information alone is not adequate; citizens must be able to process, analyse and use the information.

- Strong role played by active media and CSOs (intermediaries) who can 'translate' and communicate information.
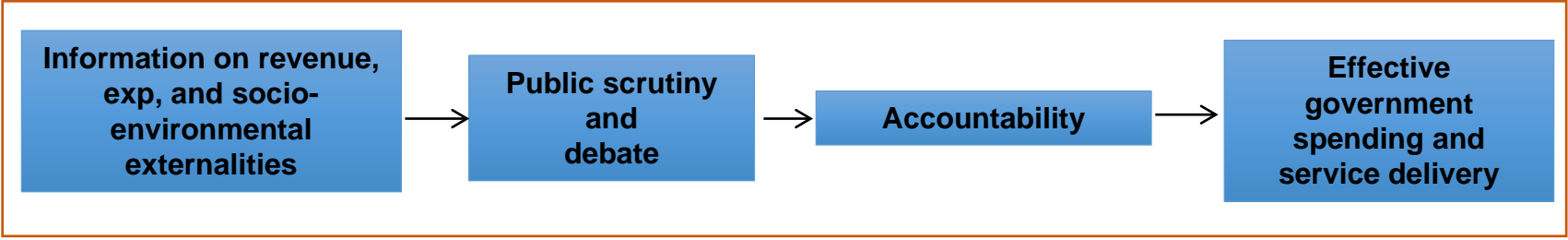
Possibilities for TAI in Extractives

Break the larger question into minor evaluable questions along the value chain

Explore community engagement interventions that lead to bottom up demand for transparency and accountability rather than top-down approach to improving transparency

Use technology to overcome data collection and measurement issues
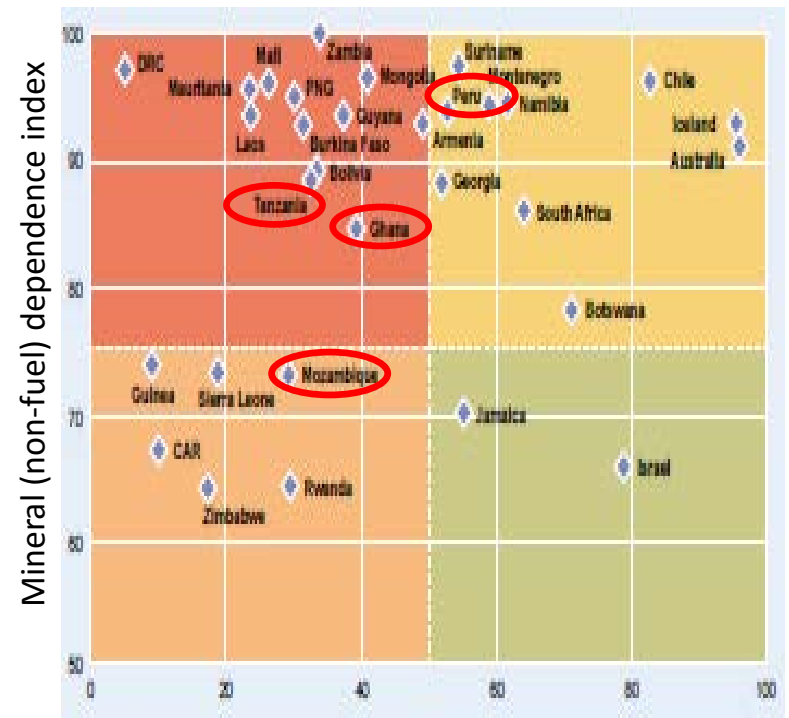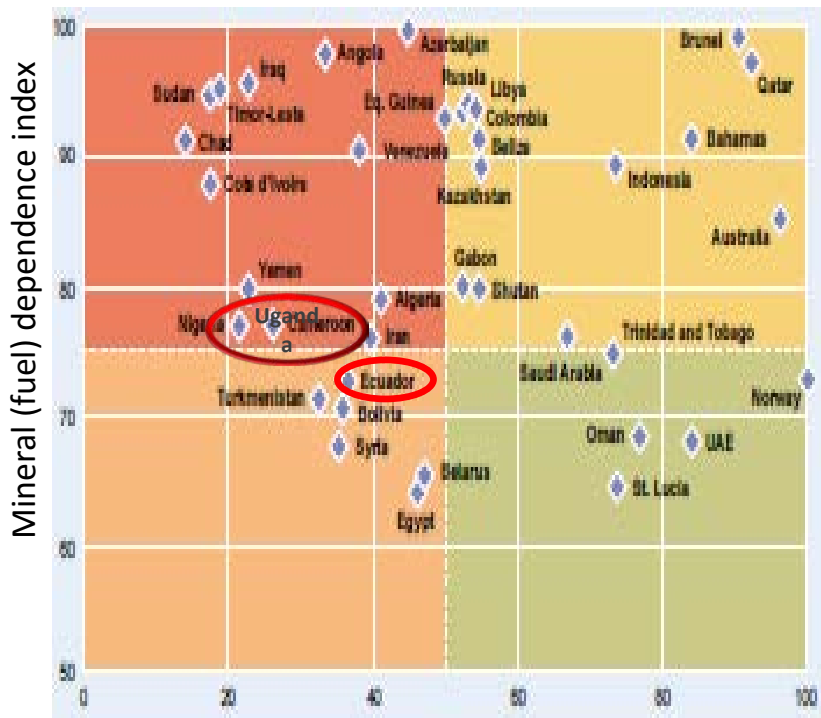
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Economic and institutional development of resource-dependent countries

Economic and institutional development index

Source: Haglund, 2011

Key takeaways

Long causal chain makes analysing TAI impact on governance or SDGs very ambitious

- **Clearly articulate the theory of change** with all the potential assumptions and contextual factors

- Ask questions like **how best to disseminate information:**

  - What is the effective dissemination format to reach the intended audience (use of technology; platform for debate, etc.)?

  - Is the information understood and useable?

  - Does it changes people's attitude toward TAI (i.e. demanding accountability)

- **Evaluate intermediate outcomes:**

  - Improvement in raising public awareness and
  - Impact on empowerment and citizen engagement with government

- Acknowledge the fact that "transparency alone" is not enough and **contextual factors** (education levels, effective judiciary and audit system, pre-existing accountability and anti-corruption systems) are critical for realising good governance and achieving SDG.

Thank you

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