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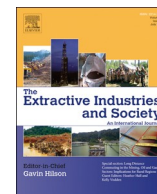


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Original article

NGOs as innovators in extractive industry governance. Insights from the EITI process in Colombia and Peru

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ABSTRACT

This paper explores NGO participation within the Extractive Industries Transparency Initiative (EITI), a multi-stakeholder governance arrangement focused on generating greater transparency in the governance of extractive industries, and in particular in fiscal arrangements around mining, oil and gas operations. Using the cases of Peru and Colombia, we examine what motivates NGO participation in EITI, how NGOs have pursued innovations within EITI, the extent to which they have succeeded in achieving their goals, and the factors limiting or shaping their achievements. We draw on interviews conducted between 2013 and 2018, participation in global EITI meetings, and secondary material. The paper examines political and conceptual discussions regarding the opportunities that EITI may or may not afford to NGO-led innovation, while linking these to more general debates on achieving progressive or even transformative change through reformist institutions, as well as the roles of NGOs in multi-stakeholder governance processes.

1. Introduction

This paper explores nongovernmental organization (NGO) participation within the Extractive Industries Transparency Initiative (EITI). EITI is a multi-stakeholder - state, market and civil society - governance arrangement whose mission is the delivery of greater transparency and accountability to the governance of extractive industries, particularly in relation to fiscal arrangements. We examine what motivates NGO participation in EITI, how NGO's have pursued innovations within EITI, the extent to which they have succeeded in achieving their goals, and the factors limiting or shaping their achievements. NGOs engage in extractive industries governance in many forms and many different venues. These engagements range from the local to the transnational, the directly confrontational to the wholly collaborative, and from the publicly visible to the off-camera. We have chosen to focus on the particular venue of the EITI not because we view it as any more or less important for NGO engagement with extractive industries governance, but simply because of the global visibility of EITI and the diverging views regarding the value of NGO involvement in the initiative. Indeed, even though governments and companies have often sought to constrain the influence of NGOs within EITI (suggesting that they fear this involvement) and in the most extreme cases have criminalized NGO

participants (Aaronson, 2011), academic and non-governmental critics of EITI have viewed it as little more than a vehicle for taming dissent and co-opting NGOs (Oppong, 2018; Hoinathy and Jászky, 2017; Interview C15). In the context of such polarized views, we explore the reasons that different NGOs have given for their decision to dedicate time and resources to being involved in EITI and to assess how far they believe that these investments of time and effort have been worth it and have delivered change.

We ask these questions for the cases of Peru and Colombia. The two countries offer a useful contrast. Peru was one of the earliest supporters of the EITI process, and this support came from both NGOs and the public sector. The country has now been involved in the EITI process for over a decade, over which time some NGOs have withdrawn, while others have decided to become involved. Accumulated experience with EITI has also given NGOs time to learn about the costs and benefits of involvement, and we are interested in asking how far such learning has occurred and how far it shapes responses to EITI. Colombia's engagement with EITI has been much more recent. The country was validated in June 2018, but has already been highlighted as "the first country in the Americas to meet all the requirements of the EITI Standard" (EITI website; for this process of validation see below). There has been considerable interaction between Colombian and Peruvian NGOs, and so

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the case allows insight into how far NGO aspirations and impacts vis-à-vis EITI are shaped by domestic calculations and how far by transnational learning and support.

While our questions are primarily empirical, this empirical focus is justified by the quite divergent political and conceptual discussions regarding the opportunities that EITI may or may not afford to NGO-led innovation. We place data on the motivations and calculations underlying NGOs' decisions to be involved in EITI in conversation with the more conceptual interpretations of the effects of EITI on extractive industry governance. At the same time, these empirical questions also generate responses to more general debates in the literature regarding the development effectiveness and relevance of NGOs (Mitlin et al., 2007; Pieck, 2015) and of the possibility of achieving progressive change through reformist institutions (c.f. Mahoney and Thelen, 2010). We find that NGOs are motivated to participate in EITI for various reasons, similar to those identified in the broader literature on NGOs and multi-stakeholder governance. NGOs seek to expand EITI from within, innovating along its edges or within the spaces of its rules, while also hoping to leverage EITI to engage broader policy conversations about extractive industries within their countries and beyond. But this is not easy work, and demands resources, capacities, and stamina, and EITI remains a largely elite platform in both country contexts. This in turn suggests that while NGOs have played important roles in fostering governance innovation within EITI as well as broader transformation in the governance of extractive industries, this mainly occurs when these NGOs enjoy relatively secure and stable financing, stable bodies of expert staff, and relationships with wider societal constituencies that demand the same sorts of transformative innovation. This in turn has implications for the strategies of those donors seeking to support significant change through EITI and similar multi-stakeholder bodies whose success depends on NGO and wider civil society involvement.

The paper builds on prior research by the authors (Bebbington et al., 2017; Bebbington et al., 2016) examining the motivations and interests that underlay national decisions to join or reject EITI in the cases of Peru, Colombia and Bolivia. That prior work asked how national political settlements interacted with international pressures and norms to shape the rollout of EITI and national debates around meanings of transparency in extractive industries governance. In contrast to this earlier emphasis on aggregate decisions about national policy, this paper focuses on organization-specific (NGO) decision processes. The paper is based on 29 interviews conducted in person, by skype and by email in Colombia and Peru between 2013 and 2018 with NGO staff and directors, as well as key informants who had participated in and had direct knowledge of EITI. We also draw on our participation in EITI global meetings in Lima (2016), secondary material, and on-going interaction with a number of the key players in the Peruvian and Colombian EITI processes. We do not claim relevance for our results beyond Peru and Colombia though we suspect that the results reported here will have resonance with other countries.

The paper proceeds as follows. We first locate our argument within conceptual discussions of: (i) the motivations underlying NGO involvement in multi-stakeholder governance of environment and development; and (ii) the potential for transformational change flowing from reformist institutions. These discussions speak directly to our research questions regarding the goals of NGOs who participate in EITI, how NGOs act as innovators in such venues, and what factors shape their ability to generate change, even transformative change. We then introduce EITI as a particular example of a multi-stakeholder, reformist governance arrangement, explaining its emergence as a transnational initiative, the forms that it takes at a national level, and the place of NGOs within these processes of emergence and institutionalization. This is then the basis for the empirical discussion of NGO approaches to EITI in Peru and Colombia. The final section concludes by summarizing our findings and relating them to theories of incremental and transformative institutional change.

2. NGOs in multi-stakeholder governance and the potential for transformational change in reformist institutions

2.1. NGOs in multi-stakeholder governance: roles, motivations, goals and constraints

Civil society participation in multi-stakeholder governance has a substantial history (Charnovitz, 1997). Research and practice expanded from the 1990s onward, responding to failures of governmental and corporate self-regulation, grassroots mobilization for citizen involvement, and the perceived need to give greater legitimacy to governance processes. Such multi-stakeholder arenas that allow for structured NGO¹ and civil society participation have multiplied at levels ranging from the municipality or drainage basin, through to the international.² EITI is therefore one of a large, diverse family of multi-stakeholder governance platforms, and more specifically is one of those smaller subsets of platforms that perform a certification function and that involve significant monitoring of corporate activity. It is particularly significant because its focus on tax payments related to extractive industries means that in many countries it is pursuing transparency around the single most important source of government revenue, foreign direct investment, and government corruption. In this sense, the potential political economy significance of EITI is far greater, and more sensitive, than is the case for most other multi-stakeholder platforms.

Here we explore some of the rationales of NGO participation in multi-stakeholder platforms as broadly identified in the literature, in order to review themes related to our research questions, namely: NGO roles, motivations and goals in participating; strategies employed to achieve these goals; and factors that may limit their success or ability to generate change. In many of these initiatives, the general rationale given to justify NGOs' participation has been that they can introduce innovations or make demands that would be absent from bilateral discussions between governments and corporations. NGOs can help “set social and environmental standards, monitor compliance, promote social and environmental reporting and auditing, certify good practice, and encourage stakeholder dialogue and ‘social learning’” (Utting, 2002), or can help provide channels for more inclusive dialogue and alternative solutions or information, especially in contexts where democratic institutions may be weak or inadequate (Gemmill and Bamidele-Izu, 2002). Multi-stakeholder platforms are thus an important arena for “integrative negotiation and social learning” as well as “distributive negotiation and politics” (Warner, 2006). The claim is that NGOs can leverage different types of power in these spaces, whether by negotiating concessions, or by withholding participation when decisions require their vote, or their absence or withdrawal draws public attention (Boström and Tamm Hallström, 2010).

Gemmill and Bamidele-Izu (2002: 77) identify five major roles played by civil society in global environmental governance, including: “(1) collecting, disseminating, and analyzing information; (2) providing input to agenda-setting and policy development processes; (3) performing operational functions; (4) assessing environmental conditions and monitoring compliance with environmental agreements; and (5)

¹ NGOs are “groups of individuals organized for the myriad of reasons that engage human imagination and aspiration. They can be set up to advocate a particular cause, such as human rights, or to carry out programs on the ground, such as disaster relief. They can have memberships ranging from local to global” (Charnovitz, 1997: 186).

² Thinking solely of global level initiatives related to natural resources, multi-stakeholder platforms allowing for structured NGO and civil society participation address issues such as conservation (e.g. REDD+) (Orsini, 2013), “earth system governance” (Biermann, 2007), corporate social responsibility (e.g. Global Compact, Global Reporting Initiative), voluntary certification standards (e.g. Forest Stewardship Council, Fairtrade, Marine Stewardship Council, Fair Labor) and global commodity chains (e.g. Roundtables on Sustainable Palm Oil, Responsible Soy, Sustainable Biofuels).

advocating environmental justice.” These roles notwithstanding, some NGOs may decide not to participate in multi-stakeholder processes precisely because they do not want to confer legitimacy on decisions made, nor run the risk of being coopted (Charnovitz, 1997). Issues of representation (*which* NGOs sit at the table, and *how* do they represent, or not, broader interests of a heterogeneous civil society sector) and legitimacy (*how* do NGO concerns get heard and incorporated, and what are the bureaucratic procedures to ensure participation) are important themes in this literature (Biermann, 2007: 334).

Research on NGO power in multi-stakeholder settings also highlights factors that shape the *agency* of NGOs, including their capabilities, resources, forms of power and strategies, as well as *structural* conditions that can enable, shape or inhibit NGOs in their efforts to impact these arenas (including organizational/institutional, structural and discursive factors: Boström and Tamm Hallström, 2010). Such factors shape the ability of NGOs to be sources of institutional innovation within these multi-stakeholder platforms. Another constraint is that these platforms are often designed to generate solely incremental innovation. Indeed, two senior figures within EITI, Rich and Moberg (2015), are explicit in recognizing that the initiative’s consensus-based decision-making model allows only for slow and incremental change. Yet the motivation of many NGOs is to drive more transformational change.

2.2. Transformational change and reformist institutions

If the pursuit of significant institutional innovation is a motivation for NGOs to become involved in a reformist institution such as EITI, the literature on institutional change offers insight into how far they might succeed in this goal. In one read, this literature is not encouraging. As Mahoney and Thelen (2010) note, there is at least as much emphasis on institutional continuity and resistance to change as there is on institutional innovation, and where there is a focus on change, most scholars explain this in terms of “exogenous shocks that bring about radical institutional reconfigurations” rather than on “endogenous developments that often unfold incrementally” (Mahoney and Thelen, 2010: 2). That is, much literature suggests that institutions designed to allow for only incremental change will deliver little more than institutional continuity.

Mahoney and Thelen (2010) are, however, more optimistic. They point to different ways in which incremental and endogenous innovation³ can be significant. In particular, they note the potential for innovation that can derive from two sources: 1) ambiguity around how rules are interpreted or implemented; and 2) the degree to which political contexts limit veto possibilities by defenders of the status quo, allowing for actors to leverage change. “Problems of rule interpretation and enforcement open up space for actors to implement existing rules in new ways” (2010: 4), and therefore “[t]here is nothing automatic, self-perpetuating, or self-reinforcing about institutional arrangements. Rather, a dynamic component is built in; where institutions represent compromises or relatively durable though still contested settlements based on specific coalitional dynamics, they are always vulnerable to shifts” (Mahoney and Thelen, 2010: 8). As relevant actors’ preferences and goals shift, they may provoke institutional change by innovatively leveraging the “wiggle spaces” around rules – slightly amending, revising or adding rules in a process that Mahoney and Thelen (2010) call “layering”. While such change may initially be incremental, it can ultimately produce sufficient tension and ambiguity among different sets of layered rules, such that “insurgent” actors (such as NGOs in the case

of EITI) can use these conditions to provoke more radical or transformative change over time. In this scenario, just as is often the case in the development of technological innovations, what matters most are the cumulative consequences of layered (in this case, institutional) changes.

Related to the notion of governance innovation and institutional change is that of “transformation”, often referenced in discussions of socio-environmental crises and political pathways towards “green” economies and societies (Scoones et al., 2015; Schot and Steinmuller, 2016). “Transformative” visions may be a key part of NGO or other civil society actors’ motivations to participate in multi-stakeholder platforms, even when these may be conditioned or constrained by institutional rules. As opposed to seeking incremental change through shifts in regulations, or radical change through political revolution or technological innovation, some of this literature argues that “transformation” – radical social, technological and environmental change – can occur through innovative governance mechanisms, which give a significant role to civil society. That said, some authors are skeptical of “how far transformations can in fact be managed and directed, [...] as opposed to emerging from below in unanticipated ways that are difficult to anticipate and direct” (Scoones et al., 2015: 6). In other words, transformations involve “plural, emergent and unruly political re-alignments, involving social and technological innovations driven by diversely incommensurable knowledges, challenging incumbent structures and pursuing contending (even unknown) ends” (Stirling, 2014: 1).

Some of this literature suggests that change occurs through a combination of openings created by shifts in the “landscape” or broader political economic, environmental or market context (exogenous shocks), aligning with grassroots experiments provoking institutional change “from below” (Kemp et al., 1998; Geels, 2004; Smith et al., 2005). Therefore, institutions designed to promote transformation must engage with civil society, and rules must be flexible enough for experimentation (Hoogma et al., 2002; Schot and Steinmuller, 2016). In other words, while the role of NGOs in the context of a mechanism like the EITI is crucial, if NGOs are to have a chance of fostering more transformative changes within EITI, then they need to have space within the institution to experiment or innovate. However, efforts to design transformations are also subject to the multiple levels of politics and power that shape the way these governance efforts unfold (Scoones et al., 2015), and civil society actors often struggle “to stay independent, true to their principles and in control when directly engaging with powerful actors” (Avelino et al., 2017: 9). Thus, the transformative potential of such efforts often depends on a confluence of factors, including narratives of change that challenge dominant discourses and institutions (Avelino et al., 2017).

Insights such as those of Mahoney and Thelen (2010), Scoones et al. (2015), Avelino et al. (2017), and others, suggest that under certain circumstances NGOs may be able to introduce innovations into the EITI that could have transformative effects as a result of the accumulation and layering of these changes and the ways in which they interact with each other and with unanticipated changes in national and global “landscapes”. Also, certain space for experimentation built into an otherwise reformist institution may foster this sort of change. Oppong (2018: 66) highlights the case of NGO participation in Ghana’s EITI process: “Although they accepted its limited scope, they maintained that the EITI provided an opportunity for enhanced advocacy in the extractive sector. They argued that, despite its limitations, the Global Sourcebook, which espoused the main EITI principles, encouraged countries to be ambitious and apply in-country variations”. If this is so, NGOs that see potential in EITI should not necessarily be viewed as trading their transformative aspirations for little more than slow, incremental reform.

3. NGOs and the emergence of EITI as a multi-stakeholder, reformist governance arrangement

The initial proposal for EITI at the 2002 World Summit on

³ Mahoney and Thelen (2010) use the language of institutional “change” rather than innovation. We talk of innovation because we are hypothesizing that NGOs are seeking changes in how EITI and extractive industry governance operate that are indeed novel, and in being novel might allow for cumulative changes that can be substantial and even transformational.

Sustainable Development came in the wake of various NGO and multi-stakeholder initiatives around extractive industries and transparency (Short, 2014; Rich and Moberg, 2015; Bebbington et al., 2016).⁴ It began from the premise that a system that rendered tax payments made by companies transparent, and compared these figures with government declarations of the moneys received by them from extractive industry companies, would identify discrepancies, enable public debate, reduce corruption and so make more money available for investment in development. A further premise was that any such system should also involve civil society organizations as a source of internal pressure for transparency to guard against any attempt to hide information, and that this would also add legitimacy to the exercise. It was also presumed that NGOs would use this data to help leverage pressure on both government and industry, and garner improvements in extractives governance.

Beyond the “soft” compliance mechanism of civil society involvement, the EITI also included more formal mechanisms. National EITI reports would be audited by independent accounting bodies, and countries would be declared as being in compliance, or not. Systematic non-compliance would lead to (and in some cases has led to) suspension of countries from EITI membership. Since it was first established as a set of principles in 2003, EITI has continued to evolve and the initial restricted set of principles has expanded into the current EITI Standard which seeks to include additional data on contracts, licenses, environmental and social payments, as well as disaggregation to subnational levels (for further details on the history and evolution of the EITI process see: EITI website <http://eiti.org/history> as well as summaries in Bebbington et al. (2017, 2016).

An essential feature of EITI remains its multi-stakeholder governance, itself a response to NGO pressure and proposals. This requires that representatives of industry, government and civil society be involved at both international and national levels. In each participating country, a tripartite multi-stakeholder group (MSG) must be established to lead and monitor the national EITI process, though ultimately EITI is still government-driven. In general, the MSG is responsible for meeting regularly, discussing what data to gather and include in public reports (initially based on the international standard), vote on whether to approve national reports, and how to communicate these. To further institutionalize civil society participation and “ensure that the EITI leads to greater accountability”, the EITI adopted a “Civil Society Protocol” in 2015, incorporated into the 2016 EITI Standard (EITI, 2015).⁵ NGOs have also been influential in pushing countries to join and implement EITI. Lujala (2018) notes that “The results suggest that more “open” and progressive countries are among the faster implementers” which “may relate to government behavior, and the capacity of the civil society,” perhaps because “there may be more pressure by civil society to join and implement the Standard; or there may be fewer obstacles to implementing the Standard as the capacity of civil society is relatively high” (Lujala, 2018: 368). Conversely, restrictions on civic space in some countries have limited the success and reach of EITI (Klein, 2017; Sturesson and Zobel, 2015; Öge, 2017).

Many view the creation of the MSG as the most important effect of EITI: “Through the MSG, governments can potentially gain credibility, companies foster their social license to operate, and civil society is recognized as a stakeholder” (Sturesson and Zobel, 2015: 35). Others,

however, suggest that the value of the MSG can be largely symbolic, given the dominance and power of government and industry (Haufler, 2010; Aaronson, 2011; Sturesson and Zobel, 2015). This can depend on the capacity of the participating NGOs and broader civil society. Some see the MSG as an important space where NGOs evolve and learn, but NGOs can also be the weakest part of the MSG (Rustad et al., 2017; Öge, 2017). They may lack the resources to sustain their participation in EITI processes which can be slow, costly and based in capital cities far from the provincial bases of many smaller NGOs (Lujala, 2018: 370). Aaronson (2011) suggests that many national NGOs lack the capacity to participate in EITI, due to their own internal resource constraints or because of government repression, noting cases in Gabon, Congo and Azerbaijan.

The literature gives few details of the national NGOs involved in EITI and little exploration of what they seek to achieve through EITI. Lujala urges that this area requires further research, calling the role of civil society “one of the EITI’s Achilles heels” and noting that most evaluations have used only crude indicators of civil society strength and civic openness (2018: 370). Nonetheless, possible motivations can be culled from existing studies. In contexts where the government drags its heels in the implementation of EITI, civil society has played an important role in pushing EITI forward (as in the case of Uganda: Sturesson and Zobel, 2015). Other incentives may be external to EITI’s goals. Vijje (2018) suggests that while civil society organizations in Myanmar do not necessarily value the outputs of EITI reports, whose format and level of detail are not particularly useful for local purposes, they do value the collateral effects of EITI – the role it offers them in creating and designing EITI and debating transparency, and the ways in which it broadens their access to different types of information. Vijje (2018) calls these the “empowering effects” of “constituting” and “debating” transparency. By participating in EITI, NGOs may also gain access to “insider knowledge and influence” (Oppong, 2018:66), access to information and funding from development organizations in order to conduct additional activities related to transparency (Van Alstine et al., 2014), and access to other EITI and related networks which may provide strategic advice, information, and funding (Bebbington et al., 2017). In other words, while participating in EITI makes demands on NGOs, it may offer other incentives – a payback in material, cognitive or social power of the sorts referenced by Boström and Tamm Hallström (2010).

One of the themes at stake in such discussions is the disjuncture between the extent of NGO influence on EITI at global and national scales. International NGOs such as PWYP and Global Witness are acknowledged to have been vital in exercising ongoing pressure to expand the EITI process (Rich and Moberg, 2015; Klein, 2017). NGOs have pushed difficult debates around the principles for initial reports and the criteria for the 2013 and 2016 versions of the EITI Standard, including how broadly or how narrowly EITI should interpret “transparency” in extractive industries.⁶ However, while NGO pressure has meant the standard has expanded to include transparency around beneficial ownership, contracts and other themes, the purpose of EITI is still often described by its leadership as increasing access to information regarding tax payments (Short, 2014: 3).

The possibility that NGOs might secure their objectives in participating in EITI are further constrained by NGOs’ relationships with broader civil society. While an NGO alliance may have driven the innovations in EITI, civil society, as the broader realm of citizens, makes less use of these (Oppong, 2018; Klein, 2017; Aaronson, 2017). Writing from PWYP, Klein notes:

⁶ “PWYP campaigning in pushing the EITI to go from a loose set of reporting principles to becoming a comprehensive transparency standard has certainly played a part in this positive trend but it is also important to note that the transparency dynamic launched by the EITI seems to have taken on a life of its own” (Klein, 2017: 772).

⁴ Related initiatives that preceded the EITI include the creation of Transparency International (1993), Revenue Watch (2000) and the UN Global Compact (2000) and the launch of two Global Witness reports, “A Rough Trade – The Role of Companies and Governments in the Angolan Conflict” in 1998 and “A Crude Awakening” in 1999 (Short, 2014:2). In 2002, the international campaign for fiscal transparency in extractive industries, Publish What You Pay (PWYP), was launched, involving NGOs including Global Witness, CAFOD, Open Society Institute, Oxfam, Save the Children UK, and Transparency International UK.

⁵ See EITI (2015) <https://eiti.org/document/eiti-protocol-participation-of-civil-society>.

“if one were to ask those citizens living in resource rich countries what the EITI has done for them, few would have an answer. The EITI is yet to deliver on its promise, enshrined in the founding EITI Principles, that the disclosure of information will foster public debate and inform sound policy choices, which would in turn lead to greater wellbeing in resource dependent economies.” (Klein, 2017: 773)

This failure may be related to a lack of NGO attention to, or capacities for, communicating EITI reports⁷ though it may also reflect how NGOs are selected for participation on MSGs, how decisions are made within the MSG, and how far non-MSG NGOs are involved in EITI processes (Mainhardt Gibbs, 2010; Klein, 2017; Hoinathy and Jánoszy, 2017).⁸ Similarly, NGO relationships with government and companies may hinder their impacts on EITI. Some authors express concern that NGOs participating in the MSG get too close to government (Mainhardt-Gibbs, 2010; Oppong, 2018) or that as they become more involved in EITI activities, they pay less or no attention to how government revenue is being spent. Hoinathy and Jánoszy (2017) suggest that some NGOs are attracted to EITI in order to be part of an international community with access to companies, but then let oil companies off the hook and end up legitimizing them. These constraints on impact may influence NGO calculations about engaging with EITI. We now turn to discuss those motivations for the cases of Colombia and Peru.

4. The country cases – Peru and Colombia

4.1. Peru

Since EITI implementation began in Peru in 2005, NGOs have had a leading role in promoting the initiative and expanding its scope. NGOs have pushed for reports to include as much complete and disaggregated information as possible and have participated in international campaigns to include new elements in the EITI standard, such as the incorporation of social and environmental issues. In general terms, this push for innovation that would expand the EITI in progressive ways has been successful in terms of achieving NGOs objectives, but this has been the product of a contested process in which several demands have been negotiated and moderated. Besides expanding transparency, NGOs' participation in EITI also had other motivations and objectives: accessing information, developing working relations with the state and the private sector, being part of a formal international platform that could bring additional points of leverage for domestic work, and accessing new funding opportunities. That said, only a few of the NGOs involved in extractive industries' governance in Peru have participated in the EITI.

4.1.1. EITI in Peru and NGO participation

Extractive industries – especially mining – are the most important economic activity in Peru. In the period following the authoritarian Fujimori regime (1990–2000), Peru went through a renewed commitment to democracy, transparency and accountability, and the EITI appeared as a strategic avenue to prove these new commitments (Bebbington et al., 2017: 837) and to diminish social conflict around extraction. In May 2005, Peru officially declared its intention to adhere to the EITI and a year later the National Commission (the MSG) and its

Secretariat were created (with a renewable mandate). In 2007 the country was officially accepted as a candidate. In 2011, the National Commission acquired a permanent status and the second validation study was presented. In early 2012, Peru was the first Latin American country to become a fully compliant member of EITI. To date, Peru has presented six validation studies and, for the first time, the sixth validation study was funded by the Peruvian state (Interview P2).

The NGOs that have participated in the National Commission of EITI have been: *Grupo Propuesta Ciudadana* (GPC), *Centro Bartolomé de las Casas* (CBC), *Cooperación*, and *Derecho, Ambiente y Recursos Naturales* (DAR). When the National Commission was launched, it was decided that there were going to be two NGO representatives, one based in Lima and another based in a province. GPC and Cusco-based CBC were elected to the commission at an assembly of civil society organizations working on transparency issues. Private sector members of the commission lamented that the more centrist, business-friendly *Ciudadanos al Día* was left out of the process, arguing that they were the ones with the appropriate technical capacities and that in the election “extremists got together and good institutions were left out” (Interview P7). Besides this early case, there have been no disputes between NGOs for a seat on the National Commission. After it became apparent that it was difficult for a provincial organization to participate in the National Commission, CBC was replaced by Lima-based *Cooperación*, which later was replaced by the environmental NGO DAR. In the view of one NGO representative who participated for one period in the National Commission, the fact that there is not intense competition among NGOs to be part of the EITI “is an indicator that EITI is not a very attractive theme” (Interview P5), though another interviewee suggested that “when socioenvironmental aspects are included, then there is growing NGO interest” (Interview P2).

4.1.2. NGOs' motivations vis-à-vis EITI: rolling out EITI and “layering” new elements into the Standard

Within civil society, the most consistent supporter of EITI has been *Grupo Propuesta Ciudadana* (GPC). This NGO has close links to the international Natural Resource Governance Institute (NRGI, formerly Revenue Watch Institute - RWI), itself formally committed to rolling out EITI internationally. GPC was working on revenue transparency since before the launching of EITI in Peru, so involvement in the initiative was a natural step. Involvement in EITI allowed GPC to access official information and build working relations with corporate and state actors. EITI was seen by GPC as a means to introduce innovations that would open up extractive industry revenue management to public debate and scrutiny in Peru. Throughout the duration of the initiative in Peru, GPC has pushed for the expansion of what is covered under EITI, seeking to transform EITI from a mechanism purely for national revenue transparency into one promoting transparency at a subnational level and also around environmental and other metrics.

One of the goals of GPC was for the standard to include payments information on a company-by-company basis. In the NGO's view, this allowed them to “close the circle” and bring disaggregated figures back to producing regions, and thus be able to show which companies are paying revenues and which are not – since companies do not report profits every year and thus do not necessarily pay income taxes annually. Information presented like this was useful to promote regional level debates and political advocacy, and also to project future revenue payments and use the information for local planning (Interview P2). Reflecting their own work programs, GPC has pressed for a decentralized implementation of EITI. To date there are ongoing EITI programs in the regions of Piura, Moquegua, Apurímac and Arequipa, though with different degrees of progress.

Other NGOs such as *Cooperación* have been more reluctant to participate in EITI, arguing that other conflicts around extractive industries were much more important than addressing tax payments and receipts. *Cooperación* was part of the National Commission for one year. They decided to participate as an exploratory exercise, to see what

⁷ Some NGOs have taken steps to respond to this concern: “Several organizations, such as PWYP and NRGI, are aiming to provide training and capacity building so that local civil society actors and journalists can act as brokers and use EITI data to the benefit of citizens and local communities” (Klein, 2017: 773).

⁸ “A study undertaken by MSI Integrity in 2015 revealed how many civil society representatives lacked strategic and coordinated engagement with their wider constituency, cutting themselves off from local community concerns (MSI Integrity, 2015)” (Klein, 2017: 773).

was going to come out of the process and, especially, to see how the state and the extractive companies behaved in the MSG. In their view, however, a voluntary approach, though useful, “could not replace the role of public policies and social mobilization”. While tax justice is an important theme for this NGO, they sense that EITI brings little new information to the table. Independent studies presented through clear simple messages constitute, they argue, a more effective way to influence discussions on extractives’ contributions, but this implies broader discussions about the nature of fiscal policies and benefit allocation (Interview P5). They remained skeptical of the possibility of promoting institutional innovation in and through EITI.

The NGO DAR has pressed for inclusion of environmental indicators in EITI, both in Peru and internationally as part of a broader civil society campaign to expand the EITI to themes that are deemed particularly relevant for extractive industries governance (Interviews P2 and P10). DAR replaced *Cooperación* on the National Commission in 2013, motivated by the prospect that EITI could be a useful vehicle for increasing environmental transparency in the extractive sector. Indeed, Peru’s sixth validation report (now titled the National Transparency Report, 2018) includes general information on environmental legislation and aggregate information on environmental sanctions: a clear innovation in comparison with prior reports. While this was presented as contextual information and was not included in the results section⁹, NGOs see it as a step toward the goal of including disaggregated environmental information in future reports. Addition of environmental indicators has been a contested issue within the National Commission, as the industry argues that this is not part of the standard and was therefore unnecessary (Interviews P7 and P8).

4.1.3. Achievements, limitations, and pending agendas: expansion of the standard and opening new areas for debate

There is consensus among Peruvian NGOs that their main achievement within the EITI has been to expand the scope of transparency within the mechanism, not only domestically but also by influencing the global standard (Interviews P1, P2 and P5). The MSG feature of EITI has allowed open dialogue and respectful discrepancies between often polarized actors (Interview P2). One lesson learned is that, when claims are properly substantiated, companies and the state have no option but to accept to include new indicators or open up new areas for debate (Interview P2) – or, in Mahoney and Thelen’s (2010) terms, when defense of the status quo becomes untenable.

Efforts to secure innovations that expand the scope of EITI tend to proceed at a slow pace, though. Environmental and social information continues to be aggregated and NGOs get frustrated about the lack of commitment by other members to fully disclose their information. When agreements are reached, operationalizing them is yet another struggle. For every validation study carried out so far, there have been uncertainties on whether the required materiality (agreed representativeness of the disclosed information) would be reached or not. According to an NGO representative: “in every study at the end we are always suffering, calling the companies, lobbying them to disclose the information. That is very tiring” (Interview P2). Furthermore, once the studies are published, they present information that is one or two years old, which complicates their use in advocacy work.

The rationale for corporate involvement in the EITI is that if people are better informed about the EITI’s results, their valuation of extractive industries will be increased and thus conflicts will be reduced (Interviews P6, P7 and P8). That rationale sets the basis for the confluence with NGOs’ agendas in the EITI. However, there is a growing anxiety among all the National Commission members about the fact that the initiative is not well known in Peru, not even within the state. Even the EITI Secretariat has been critical of the lack of any formal

impact assessment of EITI in Peru, and steps are being taken to assess what the overall developmental impact has been (Interview P2). NGOs have an interest in keeping the initiative robust in terms of impact, not only to achieve their developmental goals, but also because their EITI work has become an important area of expertise and thus a line of potential funding. However, there is also a growing sense that the initiative is beginning to show signs of exhaustion. According to one NGO representative:

“In a sense, EITI is tired out. There is something like participation fatigue. Since the Sydney standard of 2013, information is presented in a totally disaggregated form. That was a huge step but [...] putting disaggregated information into practice has been hard and that effort has displaced the environmental and social agendas within EITI. These are, also, elitist processes. Very few people know about them and a lot of money is spent in implementation: reports, meetings, validation, international events” (Interview P1).

In sum, NGOs in Peru had different motivations for becoming involved in EITI, though the common underlying objective has been to introduce innovations that would foster progressive institutional change towards an expanded scope of transparency within the initiative, achieving this through a process of “layering” as discussed by Mahoney and Thelen (2010). EITI has not been seen as an end in itself but as a means to achieve broader progressive goals that go beyond EITI. Members of the National Commission agree that one of the obstacles to achieving this more transformative change has been the relative lack of systematic dissemination of the information officially validated through the EITI. There is also consensus on the importance of continuing to promote the decentralization of EITI so that subnational actors have more scope to participate and are more aware of extractive industry revenue management. Overall, NGOs consider there is yet more to be achieved but at the same time there is a growing sense that the initiative may have run its course, increased by the fact that the significant effort involved in implementing EITI has not met with wide public recognition and its developmental impacts are yet to be assessed.

4.2. Colombia

As in Peru, NGOs have had a key role in EITI in Colombia, initially pushing the Colombian government to participate in the initiative, and subsequently working to maintain an expansive view of what it should cover. While influenced substantially by other Latin American EITI processes, particularly in Peru, the Colombian EITI has taken its own course. This has included the innovative step of creating a civil society platform to systematically enable broader civil society participation and representation compared to many other EITI candidate or compliant countries, including, in the opinion of one key informant, in Peru.

“... what is visible are the innovations on the part of civil society – like the Wider Civil Society group [which] has helped articulate with work in the regions [...]. Knowing the experience of other countries – for example, Peru – there is a civil society group, but the process is very closed. In Colombia the experience is different [...]; it’s a transparent and open process.” (Interview C11).

From the outset, NGOs sought to leverage the EITI as a channel for addressing broader concerns related to extractive industries beyond aggregate national payments, including attention to subnational and disaggregated payments, CSR and environmental licenses and payments, and small-scale and artisanal mining. As in Peru, NGOs participating in EITI have also had other objectives, which similarly include accessing (and providing) information, developing relationships with, and gaining legitimacy in the eyes of, the state, the private sector, and other NGOs. Colombian NGOs have had some important successes in bringing innovations to the Colombian EITI process but continue to experience significant resistance by government and private sector

⁹ The study is available here: http://eitiperu.minem.gob.pe/documentos/VI_INT_2015_2016%20EITI_%20PERU.pdf

participants around including these comprehensively in national EITI reports.

4.2.1. EITI in Colombia and NGO participation

President Juan Manuel Santos first made a public commitment to joining EITI in 2012 at the Rio + 20 Summit, following pressure from bilateral organizations and NGOs, and motivated to signal a break from the prior, authoritarian Uribe government (2002–2008) and show the international community that Colombia was interested in making transparency reforms (Bebbington et al., 2017).¹⁰ An early step toward EITI was to set up the required MSG, called the *Comité Tripartito Nacional* (CTN, equivalent to the National Commission in Peru), including three civil society representatives. In this context, Colombia has been an enthusiastic, though recent, participant in EITI, and transnational and domestic NGOs have played a key role. In particular, Transparency International and RWI/NRGI, both transnational NGOs, have been influential actors in the Colombian EITI process.¹¹

In 2013, the Ministry of Mines and Energy met with representatives from several NGOs and a university who had already been working on extractives governance and advocating to bring EITI to Colombia. These organizations were *Foro Nacional por Colombia* (with close links to RWI/NRGI and *Grupo Propuesta Ciudadana* in Peru), *Transparencia por Colombia* (part of Transparency International), *Fundación Avina* (part of the Latin America-wide Avina network), and the *Universidad Externado* (also with ties to NRGI). Together they convened workshops in Bogotá and regionally, with the aim of generating awareness of EITI and creating a vehicle through which civil society representatives on the CTN could be elected and supported. This led in 2013 to the creation of the more formalized Civil Society Platform for Transparency in Extractive Industries (*Mesa de Sociedad Civil para la Transparencia en las Industrias Extractivas*), composed of two-dozen civil society and academic groups from various regions.¹² The Civil Society Platform in turn elected three organizations to represent civil society in the CTN: *CSIR-Sucre* (*Comité para el Seguimiento de la Inversión de Regalías –Sucre*), a regional organization created to monitor one region's royalties investments, *Transparencia por Colombia* and the *Universidad Externado*, and also enabled broader, including regional, input into the national Plan of Action (Civil Society Platform website; Interview C1). However, *CSIR-Sucre* soon had to resign because of financial constraints, and *Foro Nacional por Colombia* was elected in its place (Interview C7). Colombia published its first national EITI report in 2015, covering fiscal year 2013, followed by reports in 2016 (for combined years 2014–2015), and 2017 (for fiscal year 2016). Between 2016 and 2017, three new NGOs were elected to the CTN by the Civil Society Platform: *Alianza por la Minería Responsable* (ARM), *Conciudadanía* (the latter two based in Medellín), and *Crudo Transparente*. In March 2017, Colombia formally requested the EITI International Secretariat for an early validation, which was approved in June 2018.¹³

¹⁰ The EITI was just one of a number of transparency processes and reforms undertaken by Colombia in this period, which were also strategic for a bid to join the OECD (see also Bebbington et al., 2016).

¹¹ RWI/NRGI has provided sustained support to two organizations that became representatives on the CTN, funding monitoring, analysis and advocacy activities (background research and publications on the governance of extractives and EITI), as well as training (a short online diploma course on extractive industries), including prior to Colombia's adhesion to EITI. It has also provided project support to at least one more.

¹² 22 groups are listed on the website, including 2 CSIR, though one interviewee reported 34 member organizations as of early 2018. See the Civil Society Platform website: <http://www.mesatransparenciaextractivas.org/>.

¹³ This was the first time the International Secretariat had received a request for early validation (EITI Report Colombia, 2017: 8). For details of the Colombian 2018 validation, see: <https://eiti.org/news/colombia-is-first-country-in-americas-to-reach-highest-level-of-progress-in-implementing-eiti>.

4.2.2. NGOs motivations vis-à-vis EITI: rolling out EITI, “layering” new elements into the Standard, and leveraging EITI to expand EI debates

Colombian NGO representatives have consistently pushed for EITI to have a broad interpretation of transparency, seeking to leverage this platform to open up institutional dialogue and also public awareness:

“From the NGOs’ perspective – we think that EITI in Colombia should go beyond transparency in payments. We have differences with the government. The government wants an EITI of minimums. Civil society wants a greater EITI – not a maximum, but [one] that involves other things” (Interview C1).

Civil society raised issues ranging from transparency of “contracts and licenses; [...] a subnational focus: not just about aggregate national values, but rather that also [looks at] impact in the territory; the distribution and use of royalties as part of EITI” (Interview C1) to “information on environmental payments and licenses; strengthening of the capacities for accountability of municipal and subnational authorities; voluntary social expenditures (e.g. CSR); indirect employment; and contract transparency” (Interview C7). The issue of artisanal and small-scale mining (ASM) was also put on the table early on by ARM, a participant in the civil society group since 2013, and since embraced by the Civil Society Platform as an issue for the CTN.¹⁴ Transparency was a useful uniting hook, and the Civil Society Platform allowed a somewhat wider umbrella for organizations with different positions, open for anyone to attend. Nonetheless, some NGOs were not interested because “for some organizations the issue of transparency is kind of lukewarm, [they feel] that it legitimates industry and doesn't bring forward any serious debate about extraction”; but even so, the Platform has welcomed critical views that can “help move the agenda forward a little” (Interview C15).

The interest in subnational reporting began from early discussions among civil society groups and was reinforced by the participation of regional organizations in the Civil Society Platform (Interview C12). Subnational reporting was further inspired by a visit of Colombian NGOs to Piura, in Peru, to see how subnational EITI was being done there (Interview C12). While successful in getting company-based reporting, NGOs are now pushing for details around subnational payments and production at the level of project or contract, because “in the end people in the regions don't care what the company pays at the national level, but rather what is happening in their territory, how much is coming to them; how much they are paying the municipality or the department” (Interview C14). NGOs are also pushing for reporting on the beneficial ownership of extractive operations. Their interest is primarily to expose any conflicts of interest – for example “to know if the owner of a company is also supporting presidential campaigns or campaigns for congress” (Interview C14).

Like subnational reporting, the environmental dimension was particularly important to local communities consulted early on by the NGO group. The Colombian efforts in turn have influenced other Latin American and international EITI discussions on including environmental payments and licenses. Yet, at the domestic level, while it is in the Plan of Action for the next stage of EITI in Colombia, and has been in the discussions, the environmental component has been hard to carry forward operationally (Interview C12).

Finally, while participating in EITI is demanding in terms of time and resources, several NGOs described other types of benefits to participating, particularly around access to information, relationship-building and influence with and across sectors, and visibility or even authority gained. As one interviewee said, it “allows us to access decision-makers more easily, to learn from up close how the industry

¹⁴ According to the last Mining Census in 2010, only 1% of mines in Colombia are considered large-scale, leaving out huge numbers of operations, relevant to employment, local economy, local taxes, and other impacts, that aren't being considered in EITI (Interview C13).

works”, and it “lets us talk with more authority” (Interview C14). In this context, NGOs see the EITI as a useful vehicle for change or, in the words of one interviewee, “one more tool we can use”. They hope any change provoked within EITI may have wider repercussions: “We see [these issues] as fitting into EITI, but eventually they will go beyond EITI. In other words, we take advantage of EITI to talk about this, but the information that is generated there is important for the whole mining sector in general” (Interview C13).

4.2.3. Achievements, limitations, and pending agenda: expansion of the Standard and opening new areas for debate

Colombian civil society is responsible for pushing EITI in Colombia to go beyond the minimum standard. They have done this by promoting innovations in reporting requirements that together have led to broader change in the institution of EITI in the country. While securing these changes is an ongoing struggle, NGOs have made important achievements.

“At the level of Colombia, all the work of introducing new elements and innovations in EITI has been the work of civil society. The government and companies have never showed any interest in doing anything but report payments and that’s it, stopping right there.” (Interview C12)

Government and companies resist anything beyond the minimum standard on the grounds that data is too disorganized and too costly to make available (e.g. environmental), that its inclusion would not offer a significant value added (e.g. the case of subnational reporting), or that such change is too risky for legal reasons (e.g. including data on beneficial ownership). In some cases, they have pushed the burden on to civil society:

“... what the government has said to us is ‘go find out, make a list of what [information] you want, how easy it is to get, and we’ll see if it is possible or not’, so what the government does is lay the job of information gathering on civil society – of finding out where to look, who, how it can be done, and well, we don’t have the resources. Almost all the organizations are small.” (Interview C13)

But NGOs have also leveraged this challenge creatively. In the face of government resistance on subnational reporting, the civil society group initiated a bottom-up exercise to provide lessons, ideas, and evidence for how it might be done (Interview C12). This NGO incubation of an innovation outside of, but linked to, the EITI process, with the hopes of “scaling up”, has been possible because of transnational support.

The most explicit resistance is targeted at NGO efforts to introduce innovations that would bring environmental questions into EITI reporting. This almost led to a collapse of the EITI process in Colombia in 2014 during the construction of the Action Plan (Interview C12). Firms and government argue that environmental reporting is not in the Standard, that other initiatives (e.g. Global Reporting Initiative) already address this, and that the lack of uniform environmental legislation makes it logistically impossible. However, one NGO interviewee argued that the real issue behind including environmental payments and licenses is that “it has the most implications in terms of undermining extractive firms’ legitimacy” (Interview C12). Meanwhile, NGOs are working with the Ministry of the Environment to come up with an action plan to get the data in a useable state (Interview C12).

Another challenge is that of pacing; in other words, how fast or slow the process proceeds. Here, the structure of EITI, particularly the MSG, is one of its principal strengths and challenges. The government has pushed to fast-track the EITI, and some feel there is often little room for discussion and debate in the CTN meetings with packed agendas and the pressure to “approve and move on” (Interview C13). For regionally based NGOs, it is often logistically difficult to participate in associated technical group meetings, where there is more room for debate. But NGOs still value the EITI as a fairly unique platform for dialogue: “Because even if the time is short and there isn’t much discussion, it is one of the few spaces where civil society and the government and the companies see each other, converse, and listen to what the others have

to say” (Interview C13).

In sum, NGOs have been motivated to be involved in EITI in Colombia for different reasons, but as in Peru, they share a common aim of expanding the coverage of the Standard, and they seek this broader goal through the layered introduction of innovations in reporting. The Civil Society Platform provides broader legitimacy to NGO representation on the CTN. This platform, born out of the EITI, is now a key space for discussions that go beyond EITI (Interview C15). But even with this important platform, there is still a lack of general public awareness of EITI. NGOs are concerned that government and the private sector will continue to find ways to avoid including more details around environmental questions, ASM, project-based payments, and beneficial ownership absent this broader societal awareness and constituency for more transformational institutional change (c.f. [Stirling, 2014](#)).

5. Discussion and conclusions

This paper has asked the following questions: what has motivated NGO participation in EITI in Colombia and Peru; how have these NGOs pursued innovations within EITI; how far have they succeeded in achieving their goals; and what factors have limited or shaped their achievements. In this final section, we first summarize answers to these questions, and then relate these answers back to elements of our theoretical framework and to the potential for incremental change to become transformative.

In both Peru and Colombia, diverse motivations have drawn NGOs to EITI. These motivations have been particularly related to the thematic and geographical backgrounds of NGOs: some seeking broader transparency around revenue management, some seeking transparency around additional issues such as environmental performance and beneficial ownership, and some seeking to decentralize EITI implementation to the subnational level. Those NGOs who were always less convinced that EITI was a potential platform for institutional change, or who were not persuaded of the importance of tax transparency relative to other governance problems in the extractive sector, have been less inclined to remain involved. They have mostly seen EITI as a short-term means of gaining access to information and new contacts. While those NGOs that have remained involved in EITI also value such access, they also see EITI as an opportunity for longer-term relationship building. These latter NGOs have each shared the motivation of using EITI not only for its own purpose but to foster deeper, more transformative changes in how extractive industries are governed at both national and global levels. In short, their motivation was always about something more than EITI, and this is related to the broader social change objectives of these NGOs.

The NGOs that have remained involved in EITI have pursued their goals in different ways. Most foundationally, in each country NGOs played important roles in bringing the EITI process into being in the first place. Albeit with some churning of members, they have subsequently been loyal and sustained participants in all EITI events, engaging in new discussions with companies and governments, and also consciously building relationships with the global civil society community involved in EITI. Their strategies have been incremental rather than directly confrontational, using the MSGs to propose innovations from within the general rules and standards of EITI in the hope that these innovations would layer on top of each other and lead to more significant institutional change in what EITI does and how it operates in the two countries. They have had considerable success in this regard and have catalyzed further change within EITI’s processes, particularly in relation to disaggregating reporting to a company level, sub-national reporting, and environmental reporting (albeit still at an aggregate, contextual scale). In this process, they have been learning organizations, with much of this learning occurring across national and scalar boundaries. In particular, Colombian NGOs have learnt from Peruvian organizations regarding strategy, and have in some sense taken innovations further than in Peru’s EITI process. The more recently elected

set of NGOs in Colombia's MSG have learnt from the first set, who also remain involved in the Civil Society Platform. At the same time, some of the innovations in Peru (as an early EITI country) have had resonance in EITI globally.

The NGOs that have been most attracted to, and most successful in innovating within EITI, have been largely elite NGOs: either because they are based in capital cities, better funded, more analytically oriented, or have stronger international networks. This is neither a rule nor a criticism: rather, this elite status is the basis of these NGOs' capacities to imagine innovations and catalyze institutional changes. In turn, the possibility for innovation at the national level is deeply dependent "on the strength of negotiating capacities of civil society, how they enter into the initiative, and with what force they are able to start the negotiation process, as well as the interests of other actors" (Interview C15). However, these same elite features can distance these NGOs from broader civil society and citizenry, constraining their ability to communicate EITI results, and their significance, to society at large. As a consequence, EITI remains a discussion among elites in state, market and civil society rather than a vehicle for broad public debate on extractive industries and development. Colombia's wider Civil Society Platform has sought to engage local, regional organizations through regional workshops each time a national report is produced, and regional organizations currently sit on the MSG. These spaces also serve to "gather visions of local level organizations on the issue of transparency, [...] which helps prioritize the access to information around what the organizations really want to know" (Interview C15). Nonetheless, any contribution of EITI to more transformational change has indeed been contained – by design, or by default.

While some of the obstacles to institutional change thus derive from NGOs' own limitations, it is also the case that as NGOs have pursued these changes they have encountered much resistance from companies and from national government. Resistance has been particularly strong to increasing the scope of environmental transparency because this is an especially sensitive area for the sector which would reveal ways in which companies externalize costs, and governments support (implicitly at least) such externalization, in order to increase both private and public revenues. Yet, in the face of such resistance NGOs have found "wiggle room" to foster institutional change. This has been possible because of financial support from NGOs operating within EITI globally. National NGOs have had greater impact when they and international NGOs have aligned the areas in which they seek innovation, and when changes in the global standard have given national NGOs new instruments with which to press for innovation at a country level. These relationships of support across scale have also been facilitated by the fact that some of these organizations or their individual representatives (DAR and GPC in Peru; *Universidad Externado* in Colombia) have also become global players within EITI, as has NRGi which itself has had an important physical presence in these two countries. These sources of financial and institutional power have been complemented by the development of tactics: in particular, the careful elaboration of evidence-intensive, carefully reasoned argument within the MSGs has proven to have leverage even within institutional contexts characterized by resistance.

These conclusions take the argument back to theoretical ideas laid out in Section 2. While there are clear structural factors that limit NGOs' abilities to deliver change through multi-stakeholder groups (Boström and Tamm Hallström, 2010), it is also the case that NGOs with certain capacities (sustained funding, stable expert personnel, capital city location, international linkages) have been able to negotiate space for change within these structures.¹⁵ Their capacity to do so has

also been enabled by the fact that EITI as a multi-stakeholder platform has offered the possibility of "integrative negotiation and social learning" as well as a "distributive [form of] negotiation and politics" (Warner, 2006) which NGOs have had the skill to take advantage of (Boström and Tamm Hallström, 2010). The changes that NGOs in Peru and Colombia have secured are entirely due to their capacity to operate within the bounds set by EITI's rules and national asymmetries of power, and yet to find a political language that has allowed them to push these bounds outwards.

Their success has also been because they have introduced innovations regarding reporting standards and practices that have "layered" on top of each other, having a cumulative effect that companies and government have not been able to contain – in ways that resonate closely with Mahoney and Thelen's (2010) arguments about how endogenous institutional change comes about. Also, as Mahoney and Thelen (2010) suggest, NGOs' ability to push innovation and change has been helped by taking advantage of certain ambiguities in EITI standards, while at the same time calling on the protections that those standards offer against the efforts of companies and governments to veto well-substantiated innovations that are consistent with EITI principles (such as the possibility of countries losing the status of EITI compliance).

Avelino et al. (2017: 2) "conceptualise transformative social innovation (TSI) as social innovation that challenges, alters or replaces dominant institutions in the social context." How far the innovations fostered by these NGOs might be deemed transformative is a question of perspective. In both countries, a decade ago, it would have been hard to believe that individual extractive companies would be making public their tax contributions at a project-by-project level, or that there would be national reports that are close to making public information on a range of environmental indicators. In an institution designed to deliver incremental change at best, these are significant steps forward. The implication is that even if EITI was designed as an institution that could offer only incremental change, NGOs have been able to secure a degree of more transformational change through the sustained layering of marginal innovations that have become cumulatively significant, as well as by having the political sensibility needed to be "insurgents," pressing harder for change when particular openings arose (Scoones et al., 2015; Mahoney and Thelen, 2010).

One of our interviewees described what they saw as three major phases of EITI: a first phase focused purely on fiscal issues; a second phase from approximately 2012 to 2016 that was one of expansion, with new issues being introduced through NGO-led innovations in national contexts, complemented by international-level NGO pressures and country-to-country learning, that helped foster both national and global changes; and a third phase, unfolding currently, characterized by a backlash and resistance to the new issues that were introduced in the second phase. This pattern describes well the patterns in Peru and Colombia and points to two phenomena on which we close. First, sustained NGO involvement in EITI has delivered significant (perhaps even transformative) innovation, for without such innovation there would not be the level of resistance currently seen. Second, pressure on NGOs will increase in this period of backlash and sustained argument by government and industry that regulations need to be rolled back in order to foster investment in a context characterized (so this argument goes) by companies' tendency to hold back on new projects. There will be much pressure on them to demand less, to be "pro-development" and to prioritize the needs of investment. The challenge for NGOs in EITI now is to sustain prior innovations as much as it is to deliver more innovation.

Declaration of interest

None.

¹⁵ It is still early to say the impact of the new set of Colombian NGOs (two of which are based in a regional city, and one of which is based in Bogotá and is small) on the evolution of EITI in Colombia, as well as the effect of a new government, which began in August 2018, after the latest validation.

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