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Transparency in Resource Governance: The Pitfalls and Potential of "New Oil" in Sub-Saharan Africa

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Since the early 2000s, increased demand for raw materials, partly driven by the growth of Asian economies, has fueled a global commodity boom.[1] Energy and non-energy mineral prices have rebounded quickly after the 2008–2010 recession.[2] Higher commodity prices have spurred an increase in foreign direct investment into the world's poorest economies, driving speculation that a "window of opportunity" exists for these mineral-rich but poor economies to accelerate their development.[3] Proponents of resource-led development (such as host country governments, international finance institutions, and donor governments) highlight the importance of resource extraction as a source of foreign direct investment and foreign exchange, raw materials and energy, infrastructure development, revenues, and poverty alleviation.[4]

However, the concept of resource-led development, namely, how the extractive industries can contribute to poverty alleviation in the developing world, often fails to produce its promised benefits in practice. Much of the work on resource extraction in developing countries examines the economic and political aspects of the "resource curse," the complex and somewhat paradoxical situation whereby countries with significant levels of non-renewable natural resources and therefore potential wealth often perform less well in terms of economic, environmental, and human development performance than their peers.[5] African economies dependent upon exploration of natural resources are charac-

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1. UNCTAD 2007; UNCTAD 2011.
2. UNCTAD 2011.
3. UNCTAD 2007, iii.
4. Humphreys et al. 2007; UNCTAD 2007.
5. Collier 2007; Ross 1999; Sachs and Warner 2001.

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terized by poor economic growth, low living standards, corruption, and political authoritarianism.[6] With increasing concern about the negative impacts of the extractive industries, a discursive shift is evident within the international community and some resource-rich governments, which have increasingly embraced key norms such as transparency and information disclosure in relation to the extraction of energy and non-energy minerals.

This paper explores how multi-stakeholder initiatives such as the Extractive Industry Transparency Initiative (EITI) and Publish What You Pay (PWYP) campaign have sought to institutionalize transparency in resource governance. PWYP is a coalition of 650 civil society organizations that campaigns for transparency in natural resource sectors as a way to combat corruption, reduce conflict, and achieve resource-led development. These efforts helped to establish the EITI in 2002. EITI is a voluntary global standard for disclosing company payments and government revenues.

By exploring how, why, and to what effect transparency in resource governance has taken hold so rapidly in a new petro-economy such as Ghana, I highlight two key findings: (1) the interaction between voluntary and mandatory governance mechanisms and the rescaling of authority; and (2) the multi-scalar dimensions of resource governance and subsequent lack of focus on subnational issues. Through the analysis of these themes, I critique the transformative potential of transparency in resource governance.

Ghana presents a unique case in the context of resource-rich sub-Saharan Africa, given its positive development trajectory and commitment to democracy. As demand for energy and non-energy minerals increases, reserves will be exploited in more remote and technically, politically, socially, and environmentally risky places. How resource governance evolves within a new petroeconomy in sub-Saharan Africa is highly relevant to analyze.

The analysis in this article draws on primary and secondary data collected by myself and research collaborators during a Ghanaian research trip to Accra, Tema, and the Western Region in July 2010; at the Fifth EITI Global Conference in Paris, March 2011; and through telephone interviews with civil society leaders in July and August 2011. Primary data include semi-structured interviews, focus groups, and conference notes; secondary data include EITI country reports, PWYP reports, media articles, NGO/think tank reports, corporate reports, and government documents. Key stakeholders interviewed individually or in focus groups include community leaders in the Western Region (n=12); Western Region District Assemblies (n=6); media (n=8); industry (n=11); national government officials (n=3); and civil society leaders (n=6).[7]

6. Gary and Karl 2003; Hilson and Maconachie 2009.
7. The data collected in 2010 focused on the impacts on local communities of the emerging petroleum sector in the Western Region. This led subsequently to a more general exploration of the impacts of transparency in resource governance in Ghana.

The Rise of Transparency in Resource Governance

Transparency is "the opposite of secrecy."[8] It is an international norm driven by advances in information and communication technologies as well as the trends of democratization and globalization. Transparency challenges the traditional norms of corporate privacy and state sovereignty and is invoked in many issue areas including security, financial policy, economics, corruption, human rights, and the environment, prompting some to call it the "Swiss army knife of policy tools."[9] This study considers transparency within the context of "governance by disclosure,"[10] which puts primacy on the provision of information as a "means of social steering."[11]

The "transparency turn" in environmental governance is well documented, particularly within the fields of state-led international environmental regimes,[12] non-state market-driven forms of governance,[13] and national environmental regulation.[14] Environmental governance includes "hard" rules, such as regulation, monitoring, and enforcement mechanisms, as well as "soft" rules, such as voluntary standards, norms, beliefs, and social understandings.[15] This paper builds on this literature, particularly relating to public–private modes of informational governance. For the purposes of this article, resource governance means the hard and soft rules that shape how hydrocarbons contribute to sustainable development and poverty alleviation within host countries.

Intersecting Ideas and Key Events

The transparency within resource governance agenda has emerged since the late 1990s because of intersecting "ideas" promoted by transnational networks concerned with corruption, conflict, and corporate social responsibility.[16] NGOs, often from the global North, wield significant discursive power in diffusing and institutionalizing transparency norms through agenda-setting and coalition-building activities.[17] Driven by NGO advocacy, the reputational concerns of Western governments, international financial institutions, and transnational extractive firms have also facilitated the emergence of this international agenda.[18]

The 1999 Global Witness report, *A Crude Awakening*, which highlighted the role of the oil and banking industries in the plundering of state assets during Angola's forty-year war, was a key event in setting the agenda for transparency in

8. Florini 1998, 50.
9. Haufler 2010, 56.
10. Gupta 2010.
11. Auld and Gulbrandsen 2010.
12. Gupta 2010; Mason 2010.
13. Auld and Gulbrandsen 2010.
14. Florini 2010.
15. E.g., Levy and Newell 2005.
16. Haufler 2010, 54; Haufler 2012.
17. Haufler 2010, 57.
18. Gillies 2010.

resource governance.[19] In response to rising criticism, and in the run-up to the World Summit on Sustainable Development in Johannesburg, nine major mining companies implemented an independent project known as the Mining Minerals and Sustainable Development Project during 2000–2002 to assess the contribution of the minerals sector to sustainable development.[20] Although this initiative was "reformist in tone and criticized by activist groups," it marked the beginning of an ongoing dialogue on the extractive industry's contribution to sustainable development.[21]

The Extractive Industries Review of the World Bank Group (WBG), undertaken between 2001 and 2004, also provided insight into the institutionalization of the transparency in resource governance agenda. The review was initiated because of protest over the World Bank's poor resource-led development track record. It sought to evaluate whether extractive industry projects could be compatible with the WBG's goals of sustainable development and poverty reduction.[22] Critics have highlighted how bank officials were unwilling to accept several of the review's recommendations. However, others have noted that it subjected the WBG "to levels of scrutiny from which it would be difficult to turn back."[23]

Transparency in the payment and receipt of natural resource revenues in fact emerged in the review "as one of the few issues that everyone could agree on."[24] The review supported the EITI over donor conditionality and mandatory private sector rules. Some felt that the WBG's focus on the EITI's voluntary approach sought to deflect criticism away from the review, and to focus the resource-led development debate towards developing country host governments.[25]

The Emergence of PWYP and the EITI

The PWYP campaign formally began in 2002 as an alliance of six London-based NGOs, including Global Witness, Open Society Institute, Catholic Agency for Overseas Development (CAFOD), Oxfam GB, Save the Children UK, and Transparency International UK.[26] The initiative has evolved into a global network of more than 650 civil society organizations in over 50 countries, and has been influential in advocating for mandatory extractive industry transparency rules. It calls for mandatory transparency of company payments and government revenues, government expenditures, and contracts and licensing procedures in the extractive industries. The first advocacy objective listed on the PWYP website is

19. Global Witness 1999.
20. MMSD 2002.
21. Bebbington et al. 2008, 904; Buxton 2012.
22. World Bank 2003.
23. Bebbington et al. 2008, 904.
24. Van Oranje and Parham 2009, 39.
25. Hilson and Maconachie 2009, 55.
26. Van Oranje and Parham 2009.

Table 1
Comparing PWYP and EITI

	Scale	*Governance*	*EI Value Chain*
PWYP	International National Limited subnational	Mandatory Voluntary	Company payments and government revenues Government expenditures Contracts and licensing procedures
EITI	National Limited subnational	Voluntary	Company payments and government revenues

supporting the EITI at the international and national levels, and it does so through having PWYP members participate in the EITI board of directors and through its national coalitions.

Following its launch in 2002, the EITI has evolved into a voluntary international standard with a secretariat based in Oslo. It seeks to strengthen transparency and accountability through the disclosure of company payments and government revenues. As of June 2013, the EITI was supported by thirty-nine countries (twenty-three compliant and sixteen candidate countries), over seventy companies, and a wide variety of other stakeholders including NGOs, international finance institutions, and academic partners.[27] In contrast to other forms of non-state market-driven governance, the EITI is implemented by participating countries. Where some certification schemes (e.g., the Forest Stewardship Council) may forbid direct government involvement,[28] government commitment and participation in implementing the EITI are critical to its success.

The EITI and PWYP act as key catalysts in mainstreaming international consensus in favor of transparency in the extractives sector. As Table 1 highlights, the two initiatives are complementary yet distinct. As of June 2013, the EITI had focused quite narrowly on seeking voluntary publication and verification of company payments and government revenues from the extractives sector. However, it is now in the process of transitioning from the EITI Rules agreed to in 2011 to the EITI Standard adopted in May 2013. Among other things, the new standard will require new disclosure requirements, better linkages to wider reforms, and a minimum level of performance for all participating countries.[29] PWYP broadens the remit still further by engaging more directly with transparency in other areas of the extractive industries value chain[30] and calling on companies and governments to make these transparency interventions manda-

27. EITI 2013.
28. Cashore et al. 2004, 21.
29. Moberg 2013.
30. The World Bank conceptualizes the extractive industries value chain to include five core components: contracts and licensing; regulation and monitoring operations; taxation and royalties;

tory.[31] Thus, the PWYP seeks to influence mandatory regulatory reform, while the EITI promotes voluntary and incremental reform.

Each initiative engages primarily at the national scale, but PWYP also seeks to influence extraterritorial transparency-based regulation. For example, in 2011, after sustained PWYP campaigning, the G-8 endorsed mandatory disclosure of oil, gas, and mining payments to governments.[32] This endorsement followed the passage of the US Dodd-Frank Financial Reform and Consumer Protection Act in July 2010, also an advocacy objective of PWYP, which requires oil and mining companies listed with US stock exchanges to report their payments to the US and foreign governments. In addition, in June 2013, the European Parliament voted in favor of the new EU transparency and accounting directives, which will require extractive firms to publish all payments over €100,000 to governments wherever they operate.[33]

Limitations of Transparency in Resource Governance

Although the EITI and PWYP coalitions have made significant progress in a variety of countries, a number of limitations remain. First, the assumption that more information is better does not always hold. The implementation of transparency does not always achieve its desired result,[34] and studies have found that despite the EITI auditing requirement, member states and companies may not produce complete and reliable data.[35] Second, the dynamics between the powerful and powerless are highly relevant. The lack of a strong domestic civil society that can fully participate in the EITI process may hinder the effectiveness of revenue transparency, and there may be differing perspectives from government, industry, and civil society on its aims and objectives.[36] In many EITI countries, the public and legislators may not even be aware of EITI.[37] Third, there is limited evidence about how revenue transparency contributes to resource-led development. More contested options, such as mandatory restrictions or regulation, may be politically precluded.[38] Transparency in resource governance is also not likely to challenge the political and economic structural constraints characteristic of extractive contexts,[39] nor will it function successfully without certain preconditions, such as an independent media and an active and free civil soci-

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revenue management and allocation; and sustainable development policies and projects (see Alba 2009).

31. Alba 2009.
32. PWYP 2011.
33. PWYP 2013.
34. Fung et al. 2007.
35. Dykstra 2011; Gillies 2011; Ravat and Ufer 2010.
36. Smith et al. 2012.
37. Aaronson 2011.
38. Haufler 2010.
39. Benner and Soares de Oliveira 2010.

ety.[40] This analysis will consider these three critiques of transparency in the context of Ghana's emerging petroleum sector.

Institutionalizing Transparency in Ghana's Extractive Sector

Although small-scale commercial oil production began in the 1970s in Ghana, oil exploration only intensified in the 2000s, resulting in the discovery of an offshore oil field (the Jubilee field) with predicted reserves of 660 million barrels in 2007.[41] Commercial oil production began in the Jubilee field by December 2010, with production averaging 66,000 barrels per day in 2011. This, however, was nearly 50 percent below the predicted plateau of 120,000 barrels per day by August 2011.[42] Further exploration is ongoing, and it is likely that Ghana will produce 250,000 barrels per day by 2013 or 2014, placing it in the top six producers in sub-Saharan Africa.[43] Expectations of development benefits are on the rise, particularly in the Western Region, with the Jubilee field located just 60 kilometers offshore. An Anglo-Irish company, Tullow Ghana Limited, is leading a consortium of partners in coordinating the development of the Jubilee field and implementing the partners' corporate social responsibility strategy.

Some scholars remain optimistic that Ghana's hydrocarbon resources can contribute to broad-based development and poverty alleviation, particularly with proper governance frameworks in place.[44] Compared with the top oil producers in sub-Saharan Africa—Nigeria, Angola, Sudan, Equatorial Guinea, Congo-Brazzaville, and Gabon—Ghana's starting point is very different.

Ghana is the darling of donors, with an enviable record of a peaceful and stable democracy. With economic growth rates consistently exceeding 6 percent in recent years, it is making good progress towards becoming a middle-income country by 2015.[45] Ghana ranks sixty-fourth on Transparency International's 2012 Corruption Perceptions Index and fifty-eighth in the 2012 Freedom of the Press Index. However, it remains 135 out of 186 countries on the UNDP 2012 Human Development Index.[46] Its primary export commodities include cocoa, gold, timber, and now oil. Oil production has grown from zero contribution to GDP in 2009 to 6.9 percent of GDP in 2012.[47] Although this article does not directly address whether dependency on oil and mineral rents is negatively impacting upon the competitiveness of other sectors, this issue needs to be watched carefully.

40. Frynas 2009.
41. Tullow Oil 2012.
42. Tullow Oil 2011.
43. Oxfam America 2011.
44. Cavnar 2008. *The Economist.* "A Bonanza Beckons." March 31, 2010.
45. CIDA 2011.
46. UNDP 2013.
47. GSS 2012.

Institutionalizing the PWYP and EITI in Ghana

One of the unique aspects about Ghana is that it had already established an active PWYP coalition and was an EITI candidate country for its mining sector when offshore oil was discovered in 2007. In June 2003, Ghana announced it would be the first country to pilot EITI in its mining sector, and in October 2010 Ghana's mining sector was successfully validated and designated EITI compliant. Transparency within Ghana's extractives sector goes hand in hand with the privatization and liberal reform that the mining industry has undergone since the 1980s and 1990s. In fact, prior to EITI implementation, members of the Chamber of Mines (i.e., the mining companies) voluntarily disclosed information on royalty, tax, and ground rent payments to the media.[48] Ghana's embrace of the liberal norms of governance by disclosure, coupled with a relatively free media and long tradition of civil society engagement in public affairs, has provided the space for transparency in resource governance to flourish.[49]

The interplay between PWYP-Ghana and the Ghana EITI (GHEITI) demonstrates the important role that civil society has played in GHEITI's institutionalization process. In 2004, civil society groups adopted a framework for engagement with GHEITI that aligned with the PWYP global campaign for transparency in extractive sector revenues. PWYP-Ghana was formally launched in 2006 with 50 members and an agreed plan of action to engage in capacity-building activities in the mining regions.[50] PYWP-Ghana galvanized the public to engage with the GHEITI process through regional workshops, engagement around EITI reports, and sponsoring community members to participate in the National Conference on EITI.[51] Early in the implementation process, Ghana demonstrated EITI candidate country best practice by extending its report requirements to sub-national revenue flows.[52] Thus, the institutionalization of GHEITI and voluntary revenue transparency mechanisms for the mining sector were well on their way when the Jubilee field was discovered in 2007.

In 2009, GHEITI's National Steering Committee began meeting with officials from the Ministry of Energy to discuss extending the initiative to oil and gas. This expansion was completed in August 2010, when the GHEITI National Steering Committee was restructured to include oil, gas, and mining stakeholders.[53] The publication of the first GHEITI report with oil and gas sector data (the 2010/11 EITI audit reports) was launched in April 2013.[54] Thus, it is too early to assess the actual impact of the disclosure of company payments and

48. Nguyen-Thanh and Schnell 2009.
49. Star-Ghana 2011.
50. ISODEC 2009b.
51. ISODEC 2009b.
52. Nguyen-Thanh and Schnell 2009.
53. EITI 2011.
54. GHEITI 2012.

government oil revenues. Nevertheless, it is appropriate to explore to what extent transparency "informs, empowers and improves" resource governance.[55]

Sensitization as Proxy for Empowerment

One of the key words arising in this institutionalization process is "sensitization"—educating and informing multiple stakeholders about transparency in resource governance. With the newly discovered oil in 2007, PWYP-Ghana embarked on a sensitization campaign to inform the public about the pitfalls and opportunities in applying the transparency agenda throughout the extractive industries value chain. The Civil Society Platform on Oil and Gas (CSPOG) emerged as another key actor in March 2010 to unite civil society under one banner. CSPOG is a broad coalition with about 120 members, including civil society organizations, academic and research institutions, and individuals. PWYP-Ghana hosts the CSPOG secretariat.

CSPOG seeks to provide a common voice for civil society, yet does not want to compete with its individual members. Its remit therefore, is not to campaign but to focus on advocacy. As one interviewee noted, "CSPOG I'm not sure is aimed at engaging civil society. They welcome civil society to join so that the Platform will have a common front to engage government."[56] Such a government-centric engagement strategy is confirmed by a member of the CSPOG secretariat, who noted, "We incorporate citizens' demands in all petitions and positions papers we send to the government and parliament."[57]

International norms and ideas inform CSPOG's activities, through its strong engagement with PWYP, the Revenue Watch Institute, Oxfam America, and others. It seeks public inputs through workshops and public forums, e-petitions (SMS, emails, etc.), and radio and television discussions. It issues memorandums and reports to lobby government actors on the emerging oil and gas regulatory framework. As one interviewee highlighted, "GHEITI is not able to put pressure on politicians the same way as CSPOG."[58] Where CSPOG seeks to advocate to government on behalf of civil society, PWYP-Ghana complements CSPOG by operating as an advocacy and campaigning organization. As a CSPOG member noted, "PWYP plays a watchdog role on the EITI, mobilizing civil society to make demands of the EITI and this has been very successful." This complementary action is crucial for the institutionalization of the transparency and resource governance agenda in Ghana.

Numerous capacity-building and information-sharing workshops have been held targeting members of Parliament, traditional and municipal authorities, media, and the public. For example, CSGPOG consolidated views and positions after a citizens' summit on oil and gas in June 2010 organized by Oxfam America and the World Bank, and issued a communiqué to the government

55. Gupta 2010.
56. Interview with CSPOG member, September 27, 2011.
57. Email correspondence with member of CSPOG secretariat, July 4, 2011.
58. Interview with founder of an oil sector watchdog organization, June 11, 2011.

about the petroleum regulatory framework, the petroleum revenue management bill, and the local content/local participation policy.

These organizations have also published influential reports that have gained international media attention and raised the profile of the debate. For example, the report titled *Ghana's Big Test—Oil's Challenge to Democratic Development* was published by the Integrated Social Development Centre (ISODEC) and Oxfam America in January 2009,[59] and CSPOG published the *Readiness Report Card* in April 2011 in conjunction with Oxfam America. This measured the performance not only of Ghana's government in managing the challenges of the emerging oil sector but also of development partners such as the World Bank, the IMF, industry, and civil society itself.[60] The report was launched in Accra, London, and Washington DC.[61]

Ghana has also emerged as a central node in a regional extractive-industries capacity-building process. The Ghana Institute of Management and Public Administration hosts the African Regional Extractive Industries Knowledge Hub. This organization has organized summer schools on governing oil, gas, and mining revenues every July since 2009, co-sponsored by the Revenue Watch Institute and the German Organization for Technical Cooperation (GTZ). The sessions target "oversight actors" (civil society activists, members of Parliament, and journalists) as well as local government officials from resource rich countries across sub-Saharan Africa.[62]

This sensitization and advocacy strategy by CSPOG and PWYP-Ghana informs, but the extent to which it empowers remains to be seen. One question that deserves further scrutiny is how "civil society" or "the public" is defined in this context. It is apparent that an active and mobilized civil society and media exists on issues related to transparency in resource governance, but to what extent is this confined to NGOs based in Accra? To what extent are civil society organizations and community leaders engaged in these debates in the Western Region?

CSPOG does include a few members from the Western Region, and sensitization workshops and public forums have been organized in the oil-bearing region.[63] A regional NGO called Friends of the Nation has helped facilitate the establishment of community environmental monitoring and advocacy groups (CEMAGs) in the Western Region. CSPOG consults CEMAGs on regional issues through the Friends of the Nation. Yet the interaction between CSPOG and Western Region communities focuses on government engagement as opposed to community and local development strategies:

> We facilitate communication between government and frontline communities. We do this by empowering communities to develop petitions which we

59. Oxfam America 2009.
60. CSPOG 2011.
61. Oxfam America 2011.
62. RWI 2010.
63. Email correspondence with CSPOG member in Western Region, October 26, 2012.

> take to the government and parliament and defend these views on behalf of the communities.[64]

Although beyond the scope of this article, the extent to which these petitions introduce new community-driven ideas into this institutionalization process is worthy of further scrutiny. Multiple interviewees highlighted illiteracy and lack of education as barriers to community engagement, which limits its inclusion in the broader transparency agenda:

> Most of the local based organizations do not have the requisite skills to understand and articulate issues of revenues and expenditures, hence they are unable to participate in priority setting for spending oil revenues (illiteracy is high). Our Platform has developed some models to monitor the Petroleum Funds but local communities have little understanding of these models.[65]

In the Western Region communities, there appears to be one-way information sharing through the sensitization workshops and media outlets such as radio programs. The members of CSPOG and PWYP-Ghana may be empowered through their advocacy strategies. However, moving beyond sensitization to empowering the public, particularly in the Western Region, faces significant hurdles.

There is also a lack of incentive for Western Region communities to engage in these national-level policy debates. Although GHEITI intends to empower local people to own the process, this applies only to the mining sector where subnational royalties are distributed to local authorities and traditional authorities. Although GHEITI wants to extend this process to the oil and gas sector, the petroleum management bill does not allow sub-national earmarking of revenues.[66] Oil-bearing communities have less incentive to engage with transparency in resource governance than do mining communities.[67]

Finally, transparency's empowerment potential depends upon striking a balance between conflict and consensus in its institutionalization process. CSPOG encourages consensus among stakeholders as much as possible. The Ghana Readiness Report Card assessed the performance of all stakeholders through a multi-stakeholder validation process that sought consensus. The EITI conference in 2011 also stressed that EITI seeks consensus in establishing its rules and promoting in-country implementation. However, conflicting views exist among GHEITI secretariat staff,[68] as do diverging interests at the community level.[69] Transparency may help to empower traditionally marginalized groups

64. Email correspondence with member of CSPOG secretariat, July 4, 2011.
65. Email correspondence with member of CSPOG secretariat, July 4, 2011.
66. Interview with member of Ghana EITI National Steering Committee, July 6, 2011.
67. Email correspondence with member of CSPOG secretariat, July 4, 2011.
68. ISODEC 2009a.
69. Email correspondence with member of CSPOG secretariat, July 4, 2011.

within frontline communities by highlighting the existence of conflicting views on key issues.

The Interplay between Voluntary and Mandatory Transparency Initiatives

The process of institutionalizing transparency within the oil and gas sector has informed and to a limited extent empowered certain stakeholders. The question remains to what extent it has improved resource governance. As Dr. David Nguyen-Thanh of the GTZ cautioned ". . . the measure of success is not the number of workshops and seminars organized but the creation of benchmarks to measure costs and benefits of training over time, and the influence of various actors in improving the lives of individuals and communities."[70]

One potential measure of success at the national level is the extent to which PWYP-Ghana and CSPOG have moved beyond the voluntary remit of GHEITI to engage with mandatory policy and legislative initiatives throughout the oil industry value chain. There is an opportunity for new oil sector laws to substantively improve the lives of individuals and communities. As of June 2013, however, the oil sector legal framework is incomplete. It may be too early to measure its actual impact, but substantial progress has been made in addressing revenue transparency, contract and licensing transparency, and to a lesser extent the implementation of a local content strategy.

On revenue transparency, the petroleum and revenue management bill was passed in 2011, and CSPOG successfully lobbied for broader participation in the Public Interest and Accountability Committee (PIAC) tasked with monitoring compliance with it. Civil society leaders hailed Ghana's petroleum revenue management act as one of the best in the world because of its transparency provisions and citizen oversight.[71] As Mohammed Amin Adam, oil coordinator for PWYP-Ghana, highlighted:

> . . . I'm happy to mention that about 15 recommendations that we made to government to improve and develop a transparent process of managing oil revenues were all taken on board by the government, and they all are in the revenue management law as we speak today.[72]

Ghana's revenue management law goes beyond the EITI voluntary agenda by including transparency and accountability about expenditures in addition to revenue transparency. If well implemented, these early regulatory successes bode well for more substantive effects of transparency in resource governance.

A proposed EITI bill, which has strong support from CSPOG and the Ministry for Finance and Economic Planning, also demonstrates this shift from voluntary to mandatory forms of revenue transparency. Proponents argue that it will complement rather than duplicate Ghana's revenue management law, by

70. RWI 2010, n.p.
71. Telephone interview with Ghanaian civil society leader, September 27, 2011.
72. Oxfam America 2011, n.p.

extending the scope of the current EITI initiative to include forestry and fisheries in addition to minerals and petroleum. It will also include payments made to and received by district assemblies and traditional authorities.[73]

Civil society leaders achieved another regulatory success in 2011, when the petroleum commission act was established. This law moves the power to regulate the industry and issue new contracts and licenses from the Ghana National Petroleum Corporation (GNPC) to the Petroleum Commission, a newly established independent regulator. However, the relationship between the GNPC and Petroleum Commission still needs clarification, as the regulations of the law are yet to be developed.[74] Contract and license transparency has become a top advocacy objective for PWYP and other civil society groups.

After the success of the petroleum revenue management act, civil society has increased the pressure on members of Parliament to close transparency gaps in how revenue is generated. This resulted in the petroleum exploration and production bill first being submitted to Parliament and then withdrawn for repackaging. Civil society leaders felt that it lacked transparency. They hoped the delay would bring positive changes and lobbied for a contract disclosure requirement as well as a competitive bidding process for allocating oil concessions to be included in the bill.[75] As of March 2013, the bill is still in limbo.[76]

Interestingly, the debate on contract transparency in Ghana's oil sector highlights the influence of extraterritorial legislation. The Jubilee Field contracts were disclosed in 2011 not because of civil society or donor advocacy but because Kosmos disclosed its contract and joint production agreements due to its initial public offering at the US Securities and Exchange Commission.[77] This action forced the Ghanaian government and Tullow Oil, with further civil society pressure, to also disclose these contracts.[78]

Finally, a local content bill has been drafted with input from civil society groups. Local content aims to increase participation of Ghanaians through direct employment and contracts in the petroleum sector's supply chain. The bill seeks to establish a local content fund to build capacity of domestic suppliers and service companies and a local content committee with civil society representation, which will report to the Petroleum Commission.[79] However, the substantive impact of this proposed legislation may be limited by corruption and patronage relating to locally awarded contracts, agreeing on realistic targets for local content participation, and defining what is "local."[80]

The above discussion reveals an interesting trend regarding the interaction

73. Boyefio 2012.
74. Gary 2012.
75. Oxfam America 2011.
76. *Ghana Business News.* "Ghana Petroleum Exploration and Production Bill Soon for Parliament," March 18, 2013.
77. Revenue Watch Institute 2011.
78. Public Agenda 2011.
79. *Star-Ghana* 2012.
80. *Star-Ghana* 2012.

between soft and hard law. At least at the national level, the transparency agenda has moved well beyond voluntary disclosure of payments and revenue by firms and government. Instead, it has entered the legislative framework that will govern petroleum revenue management and possibly exploration, production, and local content. This is significant, given that some scholars have cautioned that the normative transparency agenda may seek to scale back mandatory regulation nationally and internationally.[81] Here, soft law appears instead to have influenced hard law, which confirms alternative academic perspectives that argue that voluntary and mandatory disclosure initiatives often interact in practice and are more complementary than competitive.[82]

Although civil society engagement with the emerging regulatory framework has secured some initial successes, limitations to the transparency and governance agenda at the national level remain. These include lack of a long-term national development plan; a weak oil spill response plan; no strategic environmental assessment for the oil and gas sector; lack of technical capacity in Parliament to scrutinize contracts and monitor the oil and gas industry; no guidelines of how oil and gas revenues fit into the overall budget and how that budget will be managed; and the potential to have national security exemptions in the freedom of information bill that is now pending in Parliament.[83] It is likely that as the petroleum laws are passed, civil society's focus will turn from lobbying and advocacy to compliance as well as social and environmental monitoring and evaluation.[84] Here lies the true test of how transparency in resource governance will improve the lives of individuals and communities.

Transparency Initiatives at and between Multiple Scales

As is evident from the discussion above, the transparency and disclosure agenda has had limited influence beyond national-level regulation and civil society "sensitization" and capacity-building activities. Figure 1 outlines various dimensions of transparency in resource governance within the context of Ghana's emerging oil and gas sector, which helps to illustrate the multi-scale dimension of resource governance and the interaction between voluntary and mandatory governance mechanisms.

The "transparency in resource governance agenda" driven by civil society, donors, media, and industry (e.g., contract disclosure by Kosmos) has targeted the government of Ghana, particularly GNPC and Parliament. Substantive change to policy and regulation has even been made at the national level. However, GHEITI has not been extended to the sub-national level for the oil and gas sector (because there is to be "no statutory earmarking" of oil revenues, as there

81. Mason 2008.
82. Kirton and Trebilock 2004.
83. Oxfam America 2011.
84. *Star-Ghana* 2012.

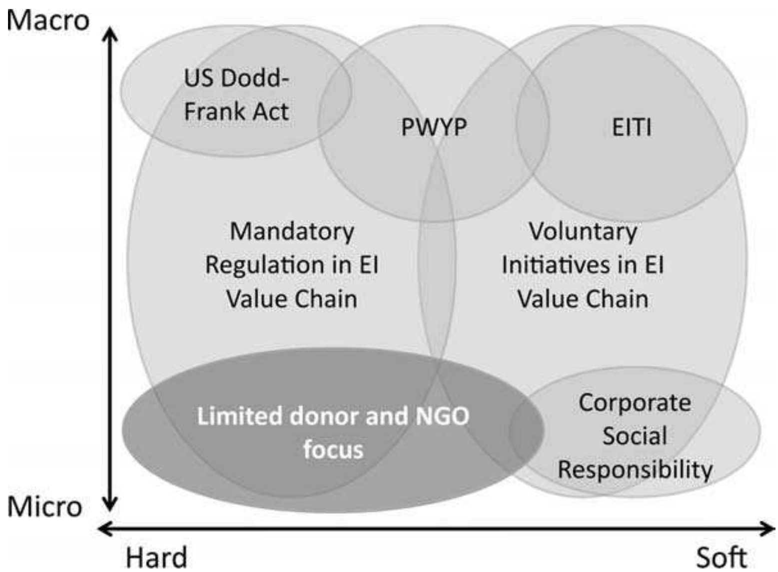

Figure 1
Dimensions of Resource Governance

is with mining rents). Furthermore, the PWYP-Ghana campaign appears to have done little at the local level beyond information sharing and capacity building.

The quantity and quality of advocacy and training at the national level is significant. However, there is limited activity at the sub-national level. Tullow and government agencies have held public consultations in the Western Region, and Tullow and the Jubilee partners have made corporate social responsibility investments.[85] Even though CEMAGs have been established in each district, it remains to be seen to what extent transparency and accountability mechanisms will be institutionalized at the local level. There is a significant opportunity for civil society organizations and development partners to fill this gap.

In response to growing concern, the government announced it would set up the Western Corridor Development Authority to address development issues in the region, but local civil society leaders remain skeptical that this intervention would confront the specific issues of concern.[86] The extent to which transparency in resource governance has influenced substantive outcomes locally is a highly relevant point for traditional authorities and local leaders in the Western Region, as Nana Ama Yirrah stressed:

> So we on the Civil Society Platform are saying that, yes, the laws are important. The legislation to guide oil exploration and production, oil revenue,

85. Oxfam America 2011.
86. Oxfam America 2011.

> and revenue management are important. But what is even of more importance to us is to see how this generation of revenue . . . this protection of the revenue sources translates into development—real development for the people.[87]

A second significant finding is the interaction between voluntary and mandatory transparency initiatives and the concept of scale. Through active civil society engagement and advocacy, a dynamic institutionalization process has rescaled authority away from voluntary practices towards binding policy and regulation. Processes of scaling and rescaling are indicative of the structural context within which the move from "government to governance" and the diffusion of transparency and disclosure norms has taken place. As Haufler highlights, the transparency agenda sits quite comfortably alongside the "neoliberal norms of market efficiency and bureaucratic rationality."[88] The revenue transparency agenda is arguably a reformist initiative seeking only incremental change,[89] yet it can also be viewed as an important first step in the governance of resource extraction.

This move from voluntary to mandatory regulation brings with it risks and opportunities concerning who exercises authority, and the extent to which authority holders are transparent and accountable to Ghanaian citizens. At the national level, there are concerns, among other things, about the extent to which the freedom of information bill will be subject to national security exemptions for the petroleum industry, as well as whether the petroleum exploration and production bill will embrace contract transparency and a competitive bidding process. At the international level, the US's Dodd-Frank Act may require US-listed oil companies to disclose its payments to the Ghanaian government. While Ghana is already participating in the EITI, this is an example of how extraterritorial legislation may rescale authority. While this hard law may benefit both Ghanaian and US citizens, Ghanaians are not the intended beneficiaries.

Conclusions and the Road Ahead

With its track record of multi-party politics, a relatively free media, and an active and engaged civil society, Ghana is uniquely positioned among African oil producers to mitigate "resource curse" impacts. Its experience with implementing GHEITI in its mining sector has enabled an accelerated learning process within its nascent oil sector. Since 2007, transparency activism has influenced the uptake of a range of voluntary and mandatory institutional initiatives throughout the oil sector's value chain. These include extending GHEITI to the oil and gas sector; including transparency and accountability objectives within the petroleum revenue management act and petroleum commission act; campaigning

87. Oxfam America 2011, n.d.
88. Haufler 2010, 56.
89. Benner and Soares de Oliveira 2010.

for contract transparency and other provisions to be included in the petroleum exploration and production bill; and increasing information sharing, training, and capacity building on resource governance.

This article highlights two key themes, which should inform future analyses of transparency and accountability in the extractive industries: (1) the interaction between voluntary and mandatory governance mechanisms and subsequent rescaling of authority; and (2) the multi-scale dimension of resource governance, and subsequent lack of focus on sub-national issues.

Revenue disclosure has not been the "default option" in Ghana,[90] but has been one of a variety of pathways to institutionalize transparency throughout the extractive industries value chain. Although some substantive changes have been made, significant challenges remain. These include the underrepresentation of the norms of transparency, accountability and the institutionalization of community benefits in the Western Region and weak environmental monitoring and enforcement. Furthermore, the petroleum exploration and production bill and the freedom of information bill are both stalled in Parliament, with civil society concerned that transparency mechanisms within these pieces of legislation may be compromised.

Concern has also been raised in the literature that lack of strong domestic civil society may hinder the effectiveness of revenue transparency, and that the difficulties in agreeing upon a shared vision of EITI within participating countries may impact negatively upon its effectiveness. The evidence from Ghana suggests that civil society has spoken with a common voice, particularly at the national-level on the emerging petroleum sector and has actively and strategically engaged with transparency within the framework of GHEITI and throughout the extractive industries value chain. Transparency in resource governance is having some success, but it is too early to judge whether it has been transformational. Future research should assess the extent to which the implementation of GHEITI in multiple sectors is having substantive pro-poor development impacts.

Ghana's role as the key node for extensive knowledge sharing within a growing transnational network of civil society activists, development partners, and other stakeholders is promising. New petro-states such as Uganda and Kenya in East Africa have modeled civil society collective action on Ghana's CSPOG and aspire to become EITI candidate countries. Future research should also address the extent to which Ghana's lessons are transferable to other resource-rich countries within and beyond sub-Saharan Africa.

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