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Is Transparency Enough? An Examination of the Effect of the Extractive Industry Transparency Initiative (EITI) on Accountability, Corruption and Trust in Zambia

Sidonie East

October 2023

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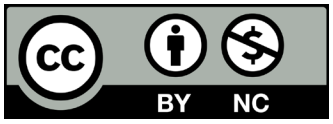

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Summary

The Extractive Industry Transparency Initiative (EITI) is the leading global transparency standard for the extractive industry. It aims to improve governance standards in the extractive industry by providing a public platform for information sharing and multi-stakeholder dialogue. However, the success of the initiative has been brought into question by numerous scholars. This paper aims to shed new light on this work by presenting a unique analytical framework. The framework hypothesises that improved transparency, through the EITI, can lead to improved extractive industry governance: increased accountability, reduced corruption and increased trust. However, this improvement of governance can only take place when combined with three scope conditions: 1) transparency condition, 2) publicity condition, and 3) accountability condition. The paper applies this framework to the single case study of Zambia, and finds that the EITI has failed to meaningfully improve these three governance outcomes in the extractive industry in Zambia. The paper argues that the reason for this is that none of the three necessary scope conditions are sufficiently present. The paper advocates for policymakers to support the growth of these three conditions in contexts of poor extractive industry governance, to ensure transparency standards have meaningful impact.

Keywords: transparency, accountability, corruption, trust, governance, extractive industry, Zambia.

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Acronyms

CSO	Civil society organisation
CSR	Corporate social responsibility
DA	Development agreement
EITI	Extractive Industry Transparency Initiative
MSG	Multi-stakeholder group
ZEITI	Zambian Extractive Industry Transparency Initiative

Introduction

Extractive industry governance is a hot topic in both academic research and the public arena (Finér and Ylönen 2017; Hutchens 2016; Washington and Wilkinson 2017). The area that has been most heavily studied in the academic field is the resource curse, which documents the negative effects of dependence on resource-rents in resource-rich developing countries. Rents are the 'super-profits' generated from resource extraction (Moore, Prichard and Fjeldstad 2018: 98). These 'super-profits' are termed 'rent' as they are unearned income, generally accrued by the government by nature of the resources being within the state's boundaries (Hogan and Goldsworthy 2010). The political strand of this literature argues that a strong dependence on resource-rents negatively impacts three governance outcomes: accountability, corruption and trust. However, scholars argue that these governance issues can be improved if transparency is increased, which inspired the creation of the Extractive Industry Transparency Initiative (EITI). The EITI is a transnational non-governmental organisation which was launched in 2002,[1] with the aim of improving the three extractive industry governance issues outlined above by increasing transparency in the sector (Sequeira *et al*. 2016). In order to be EITI compliant countries must make key documents and data from their extractive industry publicly available and form a multi-stakeholder group (MSG) with members of civil society organisations (CSOs), extractive industry and government representatives to oversee reporting (Sovacool *et al*. 2016; Sovacool and Andrews 2015).

The EITI has been marketed by the development industry as the cure for the political resource curse (Hilson and Maconachie 2008). However, this paper argues that the EITI will not improve these extractive industry governance issues unless it is combined with three scope conditions: 1) transparency condition (the type, quality and accessibility of the data made available); 2) publicity condition (the capacity of CSOs and civilians to understand and analyse the data presented); and 3) accountability condition (the availability of platforms of accountability that can be used by CSOs to advocate for change). CSOs play a key role in this process as it is they who generally use the data and act as intermediaries to shape broader trust in government (Grant and Vasi 2017; Muchadenyika 2017; Scholte 2011; Sovacool *et al*. 2016; Vijge *et al*. 2019). Hence, the analysis in this paper seeks to understand whether and to what extent the EITI has increased the ability of CSOs to hold those in power to account, reduce corruption and increase trust.

This paper applies the above framework to the case of Zambia, where mineral extraction, through the mining of copper, has dominated the country's economic and political landscape since colonisation (Aguirre Unceta 2021; Hearson 2021; Jayasinghe and Ezpeleta 2020; Manley 2012, 2013; Munene 2020; Sequeira *et al*. 2016; Webster 2013). There is a plethora of literature documenting how dependence on copper rents has led to endemic corruption, limited accountability and severe mistrust in Zambia, which came to a head with the 'development agreements' (DAs) scandal (Aguirre Unceta 2021; Carmody 2012; Manley 2012, 2013). In 1997–2003 the Zambian government privatised previously nationally owned copper mines, in a series of secret DAs. The DAs were extremely unfavourable for Zambia and meant that the government received little to no taxation revenue from the mines. The DAs 'have never been made publicly available by the Zambian government. However, the agreements with some companies were leaked' (Manley 2013: 30). The leaking of these DAs caused public uproar and served as the catalyst for Zambia to join the EITI in 2008. Yet, in the ten years since Zambia became EITI compliant, governance outcomes appear to have worsened (World Bank 2022), despite the country being rated 'high' by the EITI (EITI 2021a). Through interviewing seven key stakeholders of the Zambian EITI (ZEITI), this paper argues

[1] By then British Prime Minister, Tony Blair.

that the reason for the limited impact of the EITI in Zambia is because none of the three scope conditions listed earlier are sufficiently satisfied.

The paper is structured as follows: the following two sections outline the problem narrative of the paper. Section 1 outlines the resource curse and Section 2 outlines the political resource curse and presents the three extractive industry governance outcomes highlighted in this literature (accountability, corruption and trust). The remainder of the paper examines the solution narrative. Section 3 outlines the theoretical framework for analysis: that increased transparency improves extractive industry governance by counteracting the opaque nature of the extractive industry. It then presents three scope conditions (transparency, publicity, accountability) which this paper argues must be present for extractive industry transparency initiatives to succeed. Section 4 outlines the methodology used in the paper – semi-structured interviews and desk-based research – and its limitations. Section 5 gives a brief outline of the Zambian context, while Section 6 presents the research findings, arguing that the EITI has failed to improve accountability, corruption and trust in Zambia because none of the above conditions have been met. Section 7 is the discussion and conclusion which compares these findings with those of other authors and then outlines the impact of this research for policymakers, CSOs and academics.

1 Problem narrative: the resource curse

The resource curse term was coined by Auty (1993)[2] to describe the negative economic impact of dependence on resource-rents in resource-rich developing countries. Auty's work was taken further by Sachs and Warner (1995, 1997) through a series of working papers demonstrating a negative relationship between resource 'abundance', defined as a 'high ratio of natural resource exports to GDP' (*ibid*.: 2), and long-term economic growth. Since then, resource curse research has continued, with hundreds of studies of varying complexity. While a limited number of scholars dispute the existence of the resource curse entirely (Gilberthorpe and Papyrakis 2015; Gochberg and Menaldo 2016; Hancock and Sovacool 2018), the vast majority confirm that while there is such a phenomenon, it is contingent on certain variables (Brunnschweiler and Bulte 2008; de V. Cavalcanti, Mohaddes and Raissi 2011; Fenton Villar 2020; Papyrakis 2017; Stijns 2005, 2006). The three most prominent variables highlighted within this literature are: the type of mineral, the level of democracy and the level of resource dependence. There is debate in the literature on all three of these, however, it is beyond the scope of this paper to explore that debate.[3] While early resource curse studies focused on economic issues, the literature has since branched out into numerous other 'strands', focusing on different outcomes (Hilson and Laing 2017; Månberger and Johansson 2019; Papyrakis 2017; Ross 2013). The strand of resource curse literature which provides the theoretical grounding for this research is the political resource curse (Fenton Villar 2020), which will be explored in the following section.

[2] In an empirical study of six resource-rich developing countries (Zambia, Papua New Guinea, Bolivia, Jamaica, Peru and Chile) (Perkins 1995).

[3] For more information, see: Ades and Di Tella 1999; Anthonsen *et al*. 2012; Auty 1993; Barma *et al*. 2011; Barma 2014; Bhattacharyya and Hodler 2010; Bulte, Damania and Deacon 2005; Busse and Gröning 2013; Colgan 2014; Gurses 2011; Hancock and Sovacool 2018; Moore, Prichard and Fjeldstad 2018; Oskenbayev, Yilmaz and Abdulla 2013; Papyrakis 2017; Ross 2001, 2009, 2013; Sachs and Warner 1995, 1997; Serra 2006; Treisman 2007; Tsui 2011; Wiens, Poast and Clark 2014.

2 The political resource curse

The political resource curse literature examines the harmful impact that dependence on resource-rents has on the political landscape of a country, the quality of governance and its institutions (Anthonsen *et al*. 2012; Beck and Laeven 2006; Bulte *et al*. 2005; Oskenbayev *et al*. 2013). Studies have used a variety of indicators within the political resource curse literature, however, there are three main aspects of resource governance which dominate: accountability, corruption, and trust. These are used to inform the problem narrative of this research. Transparency, in the form of the EITI, aims to address these issues, which are now explored in more detail.

2.1 Accountability

The political resource curse literature argues that resource-rents reduce accountability (Anthonsen *et al*. 2012; Hilson and Laing 2017; Mailey 2015; Ross 2013). Accountability refers to 'the capacity or the right [of the population] to demand answers… [and] the capacity to sanction' (Fox 2007). Resource dependence has been found to reduce accountability for two reasons: 1) resource-rents reduce the government's dependence on the population for taxation revenues and 2) the opaque nature of the extractive industry.

2.1.1. Reduced dependence on public taxation

It is argued that the supernormal profits generated from resource-rents create a 'centrally controlled revenue stream' (Mailey 2015: 158) for governments, with 'no political conditions attached' (Anthonsen *et al*. 2012: 163). This allows politicians to pursue their interests without needing to collect taxes from the public. Scholars argue this reduces accountability, as the government is less dependent on citizens, so citizens feel less able to make demands on the government, and the government has less incentive to yield to citizen demands[4] (Bates and Donald Lien 1985; Brautigam, Fjeldstad and Moore 2009; Hilson and Laing 2017; Prichard 2016). Prichard (2016: 3) provides empirical research to support this claim through a 'detailed cross-country econometric' study which finds that the level of accountability in a country is directly linked to the government's dependence on taxation from the public. However, this aspect of accountability will not be included in the analysis of this paper; it will instead focus on the opacity of the extractive industry as this is the main issue that transparency initiatives such as the EITI aim to address (EITI 2022).

2.1.2. Opacity of the extractive industry

The second reason for reduced accountability as a result of resource dependence is the opaque nature of business practices in the extractive industry (Kolstad and Wiig 2009; Mailey 2015; Moore *et al*. 2018). Within the sector, particularly in developing countries, it is common practice for the details of business activities and decisions to be obscured from the public domain, 'and most oil and mining contracts contain confidentiality clauses that prevent the public from accessing crucial information about the deals' (Mailey 2015: 159). If citizens cannot hold governments accountable with their taxes, another key mechanism of accountability is voting in elections[5] (Lindstedt and Naurin 2010). However, if key information is hidden, the ability to sanction bad behaviour is greatly reduced (Kolstad and Wiig 2009). Thus, the lack of transparency in the extractive industry leads to reduced accountability in resource-dependent developing countries.

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[4] This argument follows early scholars such as Mahdavy (1970) and Beblawi (1987) who used the term 'rentier state' to describe how oil-rich Arab states used rents to reduce taxation and increase patronage, leading to a reduction in accountability and economic growth.

[5] In democracies.

2.2 Corruption

The second governance outcome highlighted in the political resource curse literature is corruption. This paper uses the terms 'corruption' and 'rent-seeking' interchangeably for when government officials or private sector actors seek to capture more than their fair share of resource-rents and use them for personal gain, for example, through political patronage or tax avoidance and evasion. The argument is that the high value of resource-rents during boom times creates greed, and the opacity of the extractive industry and lack of accountability mechanisms reduce the likelihood of getting caught. These factors create high incentives to capture rents through corrupt practices and use them for personal gain (Fenton Villar and Papyrakis 2017; Hilson and Laing 2017; Mailey 2015; Papyrakis 2017; Ross 2013). There are numerous studies which demonstrate a correlation between levels of resource dependence and corruption (Arezki and Brückner 2011; Busse and Gröning 2013; Leite and Weidmann 1999; Sala-i-Martin and Subramanian 2013). While critical scholars do exist, they tend not to dispute this link between resource-dependency and corruption entirely but rather the conditions under which it is present[6] (Ades and Di Tella 1999; Bhattacharyya and Hodler 2010), putting forward the argument that the lack of transparency and accountability surrounding the extractive industry in resource-dependent developing countries results in increased corruption.

2.3 Trust

The third key governance outcome presented in this literature is reduced trust. Trust is an important governance outcome and indicative of the quality of representation and democracy in a society (Listhaug 2005). Governance scholars argue that a lack of trust could lead to increased conflict, increased opacity in government and industry decisions, and increased non-compliance with official processes from both citizens and private-sector actors (*ibid*.). In resource-dependent countries a lack of transparency and accountability surrounding the extractive industry can result in 'continual uncertainty and distrust' between key stakeholders: the government, mining companies, CSOs and the public (Moore *et al*. 2018: 105). Citizens and CSOs become suspicious that politicians and mining companies are scheming to capture resource-rents and share them amongst themselves, while sometimes 'companies feel that governments and citizens are ganging up on them to reset the rules and renegotiate contracts' (Eigen 2009: 1). Kolstad and Wiig (2012) devised a theory to describe this phenomenon, the 'Pearl Hypothesis', which states that the political economy surrounding resource dependence negatively impacts trust in societies. The theory has sparked empirical research (Ishiyama, Martinez and Ozsut 2018; Kolstad and Wiig 2012) which supports it, finding that 'public distrust is more likely to form in countries engaged in extracting natural resources' (Fenton Villar 2020: 5).

These three governance outcomes are intrinsically linked. The lack of transparency means that citizens and CSOs are unaware of the full picture, so they are unable to hold politicians and mining companies accountable. This fuels distrust and suspicion of corruption, whether it is present or not. Corruption is more likely to build as the reward of resource-rents outweighs the risk of getting caught if accountability is reduced. Moreover, if powerful individuals are benefitting from corruption, they are likely to prevent transparency from being meaningfully improved, so they can continue benefitting from corrupt practices without getting caught. This fuels further distrust, which fuels further opacity, and the cycle continues. While each of these three governance factors has been studied in detail individually, there are no studies which focus on all three and their interconnected relationships.[7] Their mutual study is a critical gap, which this paper aims to fill. Scholars have argued that successful transparency initiatives improve these three governance outcomes by blocking the negative effects of 'lack

[6] Mainly related to the three variables highlighted earlier: type of mineral, level of democracy and level of dependence.

[7] To the author's knowledge.

of transparency'. The EITI was set up to fulfil this role, however, it has not always succeeded (Sovacool and Andrews 2015). This paper argues that the EITI's limited success is because of the absence of three scope conditions needed: transparency condition, publicity condition and accountability condition. The following section outlines this solution narrative, and the theoretical framework for analysis of this paper.

3 Theoretical framework

3.1 Solution narrative: transparency

The solution narrative in the political resource curse literature examines how good institutions can mitigate against negative governance outcomes and even 'turn the curse into a blessing' (Papyrakis 2017: 179). One key recommendation in this literature is increased transparency (Fenton Villar 2020; Kolstad and Wiig 2009; Mailey 2015; Sovacool 2020; Sovacool *et al*. 2016). For many years scholars have argued that 'transparency is an essential part of good governance' (Kolstad and Wiig 2009: 522). Within political resource curse literature a variety of scholars have advocated for transparency to counteract and prevent the negative symptoms of the political resource curse (Sovacool *et al*. 2016). This theory is supported by numerous empirical studies finding that transparency can result in increased accountability (Gupta 2010); reduced corruption (Kolstad and Wiig 2009); and increased trust (Armand *et al. 2019)*. This informs the hypothesis of this paper, that successful transparency initiatives, such as the EITI, can improve governance outcomes in resource-rich developing countries.

However, many scholars argue that transparency alone is not sufficient and does not automatically lead to increased accountability, reduced corruption or increased trust, but is instead a necessary condition which must be present, along with other favourable factors, in order for these governance issues to be improved (Bauhr and Grimes 2014; Dashwood *et al*. 2021; Gaventa and McGee 2013; Kolstad and Wiig 2009; Lindstedt and Naurin 2010; Sovacool *et al*. 2016; Sovacool and Andrews 2015). The literature highlights three scope conditions which this paper argues are necessary for transparency initiatives, such as the EITI, to improve extractive industry governance outcomes: 1) the quality of transparency (transparency condition), 2) the capacity of the population (publicity condition) and 3) the availability of accountability mechanisms (accountability condition). These are outlined below.

3.1.1 Transparency condition

The transparency condition is related to the quality of transparency, which may vary depending on what form the transparency initiative takes, and who it is implemented by (Kolstad and Wiig 2009; Lindstedt and Naurin 2010). If the initiative is executed by the government, the extent of transparency is likely to be 'uneven and subject to government interests' (Kolstad and Wiig 2009: 526), as well as the interests of other powerful stakeholders. Transparency initiatives can be manipulated in many ways, for example through the selection of what data is made available, how it is presented and who can access it. Therefore, if transparency in the form of the EITI is to address political resource curse governance issues, the information which is made available needs to be accessible, understandable and reflective of 'the areas most important to… alleviating the resource curse' in that specific context (*ibid*.: 529).

3.1.2 Publicity condition

Secondly, and closely related to the first condition, is the 'publicity condition' which refers to 'the capacity of the population to understand and use information' (Sovacool *et al*. 2016: 180). This condition is determined by the ability of stakeholders, especially CSOs, to comprehend and make sense of the information presented to them, which is impacted by the level and type of their education (Kolstad and Wiig 2009; Lindstedt and Naurin 2010; Svensson 2005). To verify this, in an empirical study examining the impact of increased transparency on levels of corruption, Lindstedt and Naurin (2010) found that the outcome was contingent on the levels of education in the country, and the 'capacity of people to… process information' (*ibid*.: 317). This indicates that if CSOs are not educated to the level required to fully digest the information presented to them in the form that it is presented in the EITI, they will be unable to derive meaning and use it to advocate for change.

3.1.3 Accountability condition

The third condition necessary for transparency initiatives, such as the EITI, to succeed is related to the availability of accountability mechanisms (Sovacool *et al*. 2016: 180). If CSOs are able to access full and relevant information and understand that information, they then need to be able to use that information to 'compel change' (Dashwood *et al*. 2021: 5). In order to do this there must be mechanisms or forums available for them to bring about this change (Kolstad and Wiig 2009). An empirical study by Olken (2007) on the impact of audits on levels of corruption in Indonesia found that corruption only reduced if audits were carried out by those with the power to sanction. The study indicates that if there is no way for people to punish offences then the information is of little use. Thus, this paper argues that without the existence of all three of these necessary scope conditions, increased transparency, through the EITI, will not lead to improved governance outcomes (accountability, corruption and trust).

3.2 The Extractive Industry Transparency Initiative

The EITI was selected because it is the leading global transparency standard for the extractive industry (Moore *et al*. 2018). There is a growing body of literature examining the effectiveness of the EITI to safeguard against the political resource curse (Fenton Villar 2020; Hilson and Maconachie 2008; López and Fontaine 2019; Malden 2017; Sovacool *et al*. 2016). However, the findings of this literature have been mixed, and there is significant disagreement between scholars. For example, Hilson and Maconachie (2009: 52) found that the EITI could only improve extractive industry governance in Sub-Saharan Africa if it were to be accompanied by 'significant institutional change'. In addition, a study examining the impact of the EITI on six World Bank governance indicators in Liberia and Azerbaijan found that both countries performed worse after becoming EITI compliant. However, the authors were unable to definitively determine a causal link with EITI membership (Sovacool and Andrews 2015). In contrast, in their single case study of Mexico, López and Fontaine (2019: 1165) found that the 'country's candidacy and its compliance with the EITI create the necessary conditions for good governance'. It is within this unresolved debate that the main question for this research is placed: *How does EITI compliance affect governance in the extractive industries, and why?* The sub-question is: *How (if at all) has the EITI affected the ability of CSOs to improve copper governance issues in Zambia, and why?*

4 Methodology

4.1 Data collection

Table 4.1 Interview information

Interviewee	Current or previous EITI MSG member?	Interview date	Software	Recorded?	Full verbal consent received?	Information sheet shared prior to interview?
Industry Rep 1	No	21/07/22	Zoom	No, because of technical issues	Yes	Yes
Industry Rep 2	Yes	28/07/22	Zoom	Yes	Yes	Yes
CSO Rep 1	Yes	26/07/22	Zoom	Yes	Yes	Yes
CSO Rep 2	Yes	27/07/22	Telephone, because of technical issues	Yes	Yes	Yes
ZEITI Rep 1	No	27/07/22	Zoom	Yes	Yes	Yes
ZEITI Rep 2	No	17/08/22	Zoom	Yes	Yes	Yes
Local Government Rep	Yes	18/06/23	Telephone, because of technical issues	No, because of technical issues	Yes	Yes

Source: Author's own

*EITI staff are not MSG members, but are involved in the process

The primary data used in this research came from seven semi-structured interviews, each lasting for approximately 40 minutes, summarised above in Table 1. The final sample included two CSO representatives, two extractive industry representatives, two ZEITI representatives and one local government representative. Each CSO, extractive industry and local government representative is either a current or previous[8] ZEITI MSG Board member, except industry representative 1, who has not been directly involved in the ZEITI MSG but has worked with other ZEITI processes. Where possible, the interviews took place using an online video conferencing software (Zoom), but in two cases a telephone interview was used.[9] The interviews are complemented with a quantitative presentation of the governance indicators over time, using World Bank data and a desk-based review of the 13 annual ZEITI reports and relevant academic and grey literature.

4.2 Analysis

For data analysis interview transcripts were coded, through a combination of concept-driven and data-driven coding (Gibbs 2007).The first set of codes was taken from the conditions and governance outcomes outlined in the theoretical framework. A second layer of data-driven coding was then added, driven by the interview responses, to establish important themes within those categories. The final codes are presented in Table 2. Where the researcher deemed necessary, the interview data was triangulated and supported with desk-based research.

8 The research does not specify which so their identities remain anonymous.

9 Due to the internet connectivity of the participant.

Table 4.2 Final codes

Parent Codes (concept-driven)	**Sub-codes** (data-driven)
Accountability	N/A
Corruption	N/A
Trust	N/A
Transparency Condition	• Increased information • Data quantity • Data quality
Publicity Condition	• Mining communities unable to understand • Quantitative capacity of NGOs
Accountability Condition	• ZEITI MSG • Other multi-stakeholder forums • CSO campaigns • General elections

Source: Author's own

4.3 Limitations

As explained above, one extractive industry representative had not been involved in the EITI MSG. This interviewee appeared to be much more direct and critical with his answers than some of the other interviewees, which could be because he was more confident that his identity would not be easily discovered. This shows inconsistencies between stakeholder groups, as both CSO representatives and the local government representative were either current or previous ZEITI MSG Board members.

A limitation of this work is that it does not analyse all necessary causes of poor or improved governance, such as dependence on the taxation of the general population. The reason for this restriction of scope is partly to achieve depth of analysis on the determining factors of effective transparency, but also because taxation is not a stated benefit of the EITI,[10] whose stated purpose is to improve transparency. Through this analytical scope the paper is able to focus on how the EITI improves transparency, but, as previously stated, that in itself is not a sufficient condition to strengthen governance, unless it is combined with the three scope conditions (Mackie 1965). Furthermore, as this paper is using a single case study design, it is not possible to say from this one case whether all three scope conditions are necessary or just one of them, nor is it possible to say which condition carries more causal weight, or to rule out the impact of the non-EI related factors (George and Bennett 2005). Moreover, as this is a single case study, it is not representative of a wider group, thus the researcher does not claim that these findings are 'applicable to such populations except in contingent ways' (*ibid*.: 31).

5 Zambia case

5.1 Context

The Zambian extractive industry is centred around the mining of copper[11] (Jayasinghe and Ezpeleta 2020; Manley 2013; Sequeira *et al*. 2016). The extractive industry makes up 9.9 per cent of GDP and 77 per cent of exports, as visualised in Figure 1 (EITI 2019a), which shows that Zambia exhibits average dependence when measured based on exports, but fairly moderate dependence when measured based on GDP. Zambia has been a multi-party democracy since 1991, yet the level of democracy in the country has regularly been brought into question (Human Rights Watch 1996; Kabemba 2004; Phiri 2021), and Freedom House

[10] But may be a secondary outcome.

[11] It does also produce and export gold, cobalt, manganese, cement and gemstones, but in much smaller quantities. Zambia has also been exploring the existence of oil and gas in the country and the feasibility of producing and exporting it. While the Zambian government announced its first discovery in 2006, the petroleum industry in Zambia remains in the exploration phase (Aljazeera 2006; ZEITI 2020).

(2022) ranks Zambia as 52/100 on its global freedom ranking, labelling the country as only 'partly free'. Thus, Zambia is moderately dependent, somewhat democratic, and relies on mining rather than the highest-risk category of hydrocarbons. While there is ongoing debate in the literature regarding the impact of these three factors, Zambia is relatively moderate in all three and is therefore a likely candidate to suffer from the political resource curse, while being able to escape it. However, in the ten years since Zambia became EITI compliant, governance outcomes have worsened (The World Bank 2022), despite it being rated 'high' by the EITI. Thus, Zambia is ideal as a case to explore the reasons why the causal mechanism proposed by the literature (increased transparency through the EITI) appears not to work.

5.2 The Zambian EITI

Zambia became EITI compliant in 2012, three years after it first joined the initiative (Sequeira *et al*. 2016).[12] Its motivation for joining was to increase trust among major mining stakeholders[13] which was initially broken during mine privatisation in the 1990s when the government secretly signed a series of famously unfavourable DAs transferring ownership from the state to foreign mining investors. These were later leaked and caused public outrage (Aguirre Unceta 2021; Carmody 2012; Lundstøl, Raballand and Nyirongo 2015; Manley 2013). Since then Zambia has undertaken numerous mineral taxation reforms (Carmody 2012; Fjeldstad, Rakner and Fundanga 2017; Kragelund 2017; Manley 2013, 2012; Mutale 2022; Siwale and Chibuye 2019; Webster 2013). However, despite a decade of EITI compliance, tension between these stakeholders persists (Fjeldstad *et al*. 2017) and Zambia still exhibits many resource curse attributes. These attributes include high levels of poverty, high government salaries compared with a low budget for social services, limited checks and balances, no savings safeguarding instruments for commodity price bust cycles, and a dependency on copper extraction with a lack of economic diversification (Aguirre Unceta 2021). This brings into question the impact that the EITI has had in Zambia.

The impact of the EITI in Zambia has previously been examined by two studies. One investigated the impact on corruption, finding that 'the implementation of EITI provoked a significant decrease in corruption in Zambia'[14] (Fenton Villar and Papyrakis 2017: 795). The other analysed the impact of the EITI on 'voluntary environmental disclosures' and found that the EITI did not improve transparency and accountability (Sequeira *et al*. 2016: 435). There remains a lack of clarity about the impact of the EITI in Zambia, and there is no current research focusing holistically on the three governance issues of accountability, corruption and trust. This paper thus fills a critical gap in understanding the effectiveness of the EITI in addressing the multiple deficiencies of Zambia's copper governance. This research is especially important now, in the context of the increasing demand for and price of copper[15] (Ali *et al*. 2017; Bainton *et al*. 2021; Bazilian 2018; Hund *et al*. 2020; IEA 2022b; Marín and Goya 2021). Zambia needs effective copper governance in order to ensure sustained benefits from this new commodity boom and to safeguard against possible future busts.

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12 In order to join the EITI countries submit an application form and must fulfil certain criteria, e.g. create an MSG. Their application is then publicly available on the EITI website. Within eight weeks the EITI board will accept or reject the application. If accepted, this is the country joining the EITI. To then become 'compliant' the country must implement recommendations provided by the EITI board and undergo a validation process within 18 months of joining (EITI 2019b).

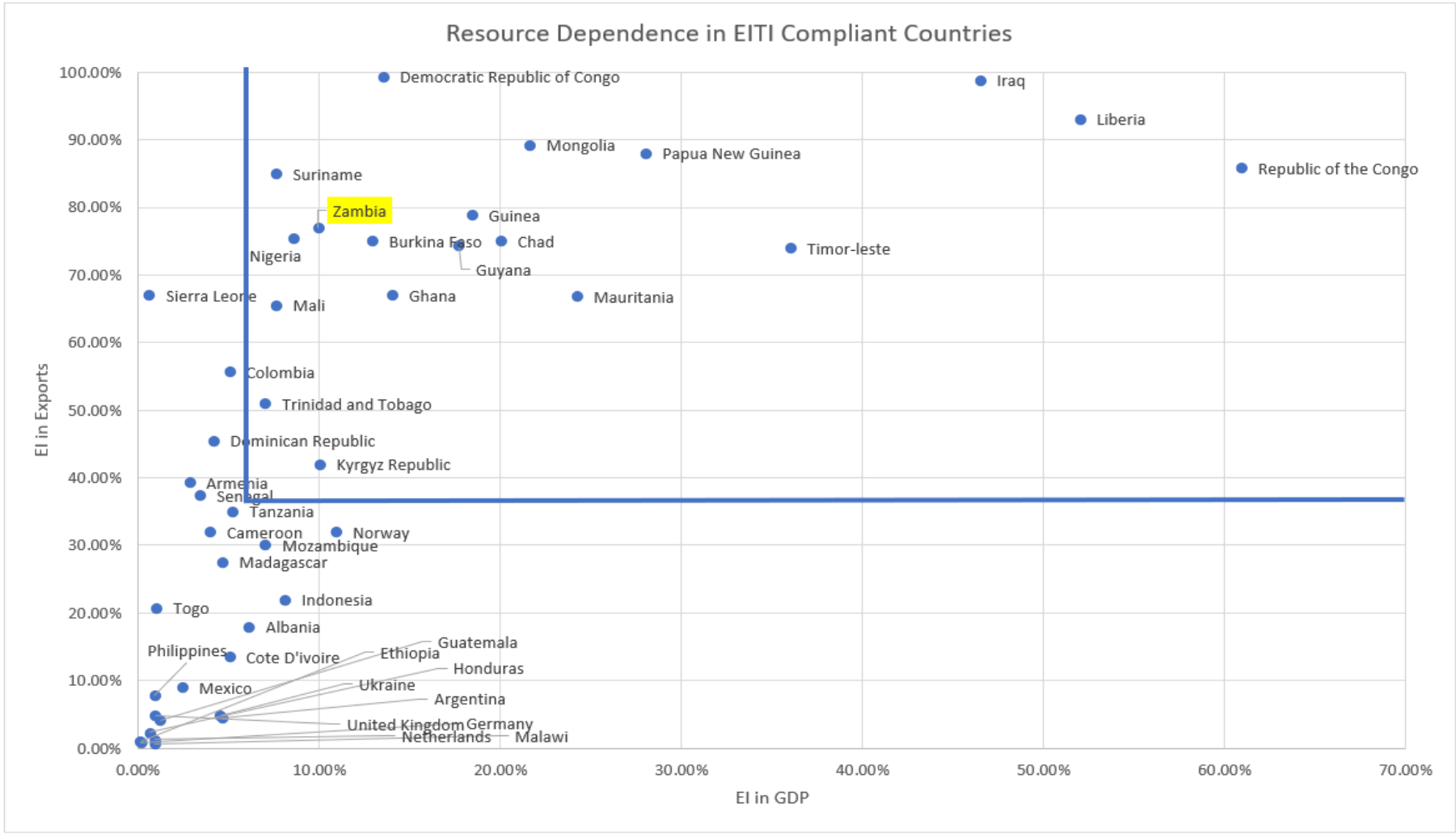
13 Stakeholders being the Zambian government, mining companies and CSOs.

14 This paper may have been funded by the EITI itself (it is unclear); it is listed on the EITI website as being published by the EITI (EITI 2017).

15 Copper is categorised as a 'critical mineral' for a transition to renewable energy, due to its use in multiple renewable energy technologies (Hund *et al*. 2020). It is categorised as having: 'high' importance in solar, wind, bioenergy, electricity networks and electric vehicles and battery storage; and 'moderate' importance in hydro power, nuclear energy and concentrated solar power (IEA 2022a). Because of this the price and demand for copper is increasing (Bertram 2021; IEA 2022a; Knoema 2022). However, like other mineral price swings this is not guaranteed to be stable (Sahla 2022).

Figure 5.1 Comparison of the Contribution of the Extractive Industry as a % of Exports and GDP in EITI Countries

Key: Blue lines represent Auty's (1993) threshold of resource dependence



Source: Author's own, data from EITI 2019. Resource dependence threshold from Auty 1993

6 Findings

The presentation of findings first analyses the overall effect of the EITI on governance *outcomes* before moving to an analysis of the scope *conditions* which are seen to determine the governance outcomes.

6.1 Governance outcomes

This section outlines what the data indicates is the overall effect of compliance with the EITI on the three governance outcomes (accountability, corruption and trust) in Zambia. Figure 2 (below) is a quantitative visualisation of the level of accountability and corruption[16] in Zambia over time, using World Bank (2022) data. There is a clear correlation between the two indicators. They follow a similar trajectory over time, with accountability consistently tracking ahead of corruption. Prior to Zambia joining the EITI, both indicator scores dropped. The accountability score began to increase immediately after joining the EITI (2009) and the corruption score increased a year later (2010). The accountability score continued to increase until 2015. However, the corruption score began to decline immediately after Zambia became EITI compliant in 2012. Since 2015 both scores have dramatically decreased[17] and, despite the slight increase in the accountability score in 2021, the most recent scores for both indicators are significantly lower than when Zambia first joined the EITI.[18]

The immediate increase in governance outcomes between joining the EITI and becoming compliant, followed by a resulting downturn in both indicators once compliance was reached, reflects the findings from other academic studies on different EITI countries (Fenton Villar 2020; Fenton Villar and Papyrakis 2017; Papyrakis, Rieger and Gilberthorpe 2017). These studies suggest that governance indicators improve during this time because countries must implement various reforms in order to reach compliance, but after compliance there is less pressure and scrutiny, so the momentum is lost (*ibid*.). Overall, the World Bank data suggests that governance outcomes have actually worsened in Zambia in the ten years since it became compliant, despite being rated 'high' by the EITI. While the accountability score did increase in 2021, it is too soon to tell whether this will be sustained and whether or not the corruption score will follow. Moreover, the World Bank governance indicators measure a variety of factors, some of which are not related to the extractive industry.[19] This paper interrogates these findings through a series of interviews with key stakeholders in the extractive industry in Zambia to try to understand if these findings hold true for the specifics of this case: whether compliance with the EITI has affected the ability of CSOs to improve copper governance in Zambia. The following section outlines the findings of those interviews.

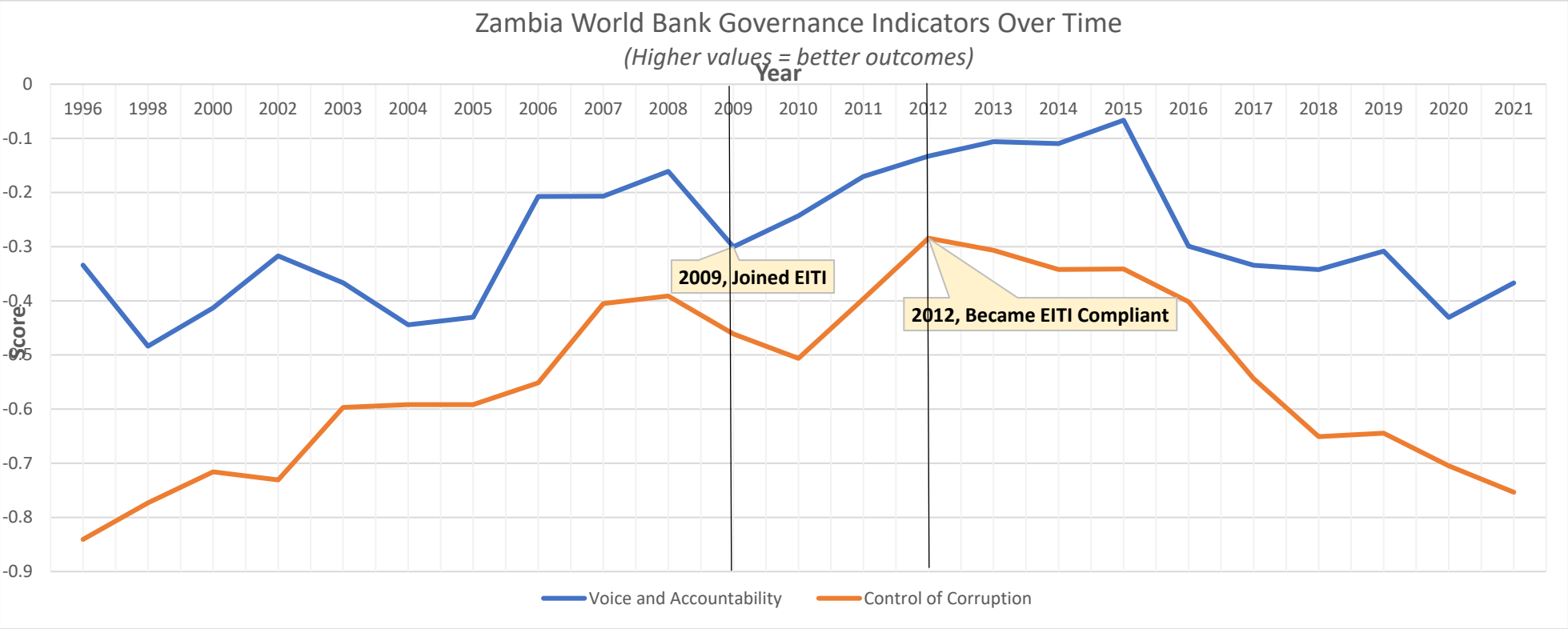
16 There was no indicator which reflected 'trust'.

17 With a short plateau between 2018–2019.

18 Equal to 2005 levels for accountability and 2002 levels for corruption.

19 For a full list of the background data see Appendix 1.

Figure 6.1: Zambian Governance Indicators Over Time



Source: Author's own, data from World Bank (2022)
**Higher values = better outcomes*
There was no indicator which reflected 'trust'

Table 6.1 Summary of Findings on the Impact of the EITI on Governance Issues

Governance Indicator	Findings
Accountability	• Successful campaigns using EITI data have led to policy reform • Policy reform is only small-scale and project specific • Information asymmetry and imbalance of power in favour of mining companies persists and restricts ability to improve accountability
Corruption	• General consensus that the EITI has not improved issues of corruption in Zambia, and one interviewee believes it has increased it
Trust	• Distrust and suspicion persist, especially between mining companies and civil society, and especially related to CSR • Mistrust of CSR has increased since EITI

Source: Author's own

6.1.1 Accountability

This section looks at accountability as an outcome. The question is: has compliance with the EITI improved the ability of CSOs to hold those in power to account? The result is questionable. The four interviewees from the ZEITI and CSOs believe that to some extent it has, by providing data on the extractive industry in Zambia, where previously there was none.

> *The EITI has played a very critical role in highlighting what is actually being paid or spent. So, the conversation has moved from an abstract construction to something real and tangible that people can point towards.*
> (ZEITI representative 1)

EITI data has been used by CSOs in campaigns which have led to policy change (ZEITI representative 1, CSO representatives 1 and 2). For example, in one district CSOs used EITI data to successfully campaign for the earmarking of extractive industry revenue for community development projects (PWYP 2018). Another CSO campaign used EITI data to pressure the government into amending the law in relation to the payment of mining land-use fees (PWYP 2016). These campaign wins are significant and would not have been possible without EITI data. However, the reality is that these wins are relatively small-scale and project-specific, while maintaining 'business as usual' and not tackling wider systematic extractive industry governance change.

The view that the ZEITI has only brought about limited accountability was supported by all interviewees, and each had their own explanation as to why. Most participants argued that this was partly due to the limited engagement with ZEITI data, which is due to both the density of the reports (transparency condition) (industry representative 2; CSO representative 2) and the limited capacity of CSOs to meaningfully engage with the data (publicity condition) (industry representative 1; ZEITI representatives 1 and 2). CSO representative 1 argued that the capacity of CSOs to bring about substantial change (accountability outcome) is severely limited by the voluntary nature of the ZEITI and by the inadequate and unreliable funding for CSO advocacy and campaigns (accountability condition). This criticism of the voluntary nature of the ZEITI was echoed by the local government representative, who went on to argue that due to the sheer scale of the initiative (covering 116 districts) the EITI will not have a significant impact unless it receives more support from central government and extractive industry companies to properly implement it (accountability condition). Furthermore, industry representative 1 argued that the most important issues, such as transfer pricing and mineral baseline data, were not covered by the EITI (transparency condition). Thus, even with the ZEITI, an information asymmetry and imbalance of power in favour of mining companies persists and restricts the impact of the

initiative to improve accountability, and ultimately reduce corruption and increase trust (ZEITI representative 2; CSO representative 1; industry representative 1).

6.1.2 Corruption

This section looks at the impact of the EITI on the second governance outcome: corruption. The consensus between the CSO representatives, local government representative and industry representative 1 was that the EITI has not reduced corruption in Zambia. CSO representative 1 was convinced that the only way that certain mining companies could continue operating in Zambia while reporting negative profits is through tax avoidance and evasion (industry corruption), which is facilitated by corrupt government officials (government corruption).

> *The only way that the mining companies would continue in that trajectory is when the political leadership is involved, and they are benefitting directly, instead of the country.*
> (CSO Representative 1)

CSO representative 1 believes that the EITI has not addressed either industry or government corruption, because of the voluntary nature of the initiative: 'without legal backing you can't say that it [the EITI] has reduced corruption in Zambia' (CSO representative 1). The local government representative agreed with this assessment, stating that 'there is not enough being done to hold the government accountable' (local government representative). This points to the lack of accountability (outcome) from the EITI because of the weakness of the accountability mechanisms (condition) present. The EITI is voluntary, therefore there are no direct legal consequences for non-compliance and no immediate legal route available through the EITI to punish offences. What the EITI does to prevent corruption is to add an administrative hurdle that, in its current form, can easily be overcome: 'if a government official still wants to give people backhanders, they just write an invoice' (industry representative 1). This reflects the limited quality of transparency in EITI data, as the data is published but not interrogated (transparency condition) (industry representative 2; CSO representative 2). The local government representative stated that there has been 'talk to revise this and give more power to the EITI' but that so far this 'talk' has not materialised into legislative change because of the heavily bureaucratic nature of the Zambian system: 'Legislation is important but it takes a very long time to implement because of all the red tape… which acts as a real discouragement.' However, the local government representative did seem hopeful that the new government administration that came to power in 2021 could change this, but at this moment in time it is too early to tell.

Moreover, CSO representative 2 argued that the EITI has 'created a new means of corruption' (CSO representative 2). Companies who are not complying with the EITI by not disclosing their payments have been paying government officials to submit an excuse for them: 'You find that, where the mining companies are failing, those government officials would protect them' (CSO representative 2). Not all interviewees agreed with this. Industry representative 2 claimed that he was unaware of any corruption in Zambia at any point in time. However, this appeared to be defensive, as he also explained how he had personally never committed corruption, as if admitting to being aware of any kind of corruption would incriminate him: 'No, I don't think there has been corruption in Zambia… Unless maybe at some other level, but not at my level' (industry representative 2). Thus, the interview data supports the World Bank data in finding that corruption has worsened in Zambia since joining the EITI.

6.1.3 Trust

Both ZEITI representatives claimed that the ZEITI has improved trust between stakeholders, through the MSG, yet ZEITI representative 1 admitted that trust building was 'a work in progress' that needed more time. However, it is arguably in the interests of ZEITI representatives to claim this, and it was clear from all the interviews that mistrust and suspicion between key stakeholders in the extractive industry in Zambia persist, especially between mining companies and CSOs, despite ten years of EITI compliance and collaboration on the MSG. As it stands CSOs are 'still suspicious of the mines, they think the government is favouring the mines and they think they should be getting more [taxes from the mines]' (industry representative 2). This is especially the case among CSOs that represent mining communities:

> *Communities really feel like they don't benefit… [they] feel like there is a lot of money coming from the [mining] investment but very little trickle-down, in fact there is no effect in terms of development at the local level… despite the money being collected coming from the mining host communities.*
> (CSO representative 2)

This distrust was particularly apparent when interviewees spoke about issues of corporate social responsibility (CSR), and to some extent the ZEITI has amplified this mistrust (CSO representatives 1 and 2; industry representative 2; ZEITI representative 1). This is because CSOs are now able to see the figures that mining companies claim to be spending on CSR, which are extremely high and do not reflect the experience in communities. 'I know that we have reported quite huge numbers in millions of dollars, but when you go on the ground there is absolutely nothing to show for it' (ZEITI representative 1). Therefore, the findings of this paper support the World Bank data, indicating that compliance with the EITI has not led to significant improvements in any of the three governance indicators under consideration, and that some of them (corruption and trust) have actually worsened. This paper argues that the reason for this is that none of the necessary scope conditions are sufficiently fulfilled in the case of Zambia, which is explained in the following sections.

6.2 Scope conditions

Table 6.2 Summary of Findings on the Presence of Scope Conditions in Zambia

Scope Condition	Findings
Transparency Condition	• Greatly improved access to information • Too much data – can cause information overload • Not all important issues are covered (mineral baseline, transfer pricing, licences, treaties) and lack of data scrutiny
Publicity Condition	• Low literacy rate & ability to speak English (reports are not in local language) • NGOs lack quantitative capacity
Accountability Condition	• EITI provides MSG as accountability mechanism • CSOs have launched other multi-stakeholder accountability forums • CSOs can use EITI data as accountability mechanism in campaigns • Power imbalance on MSG in favour of government & industry • Lack of reliable funding for CSOs reduces power of accountability mechanism • Mismatch between electoral cycle and mining cycle • Politicians use elections to make promises on mining taxation which are later broken, causing regular fluctuations in mineral taxation regime

Source: Author's own

6.2.1 Transparency condition

The EITI has improved the transparency of the extractive industry in Zambia to some extent. There was agreement among all interviewees on the significance of this (industry representatives 1 and 2; CSO representatives 1 and 2; ZEITI representative 1 and 2; and local government representative).

Increased information

> *Prior to the EITI there was a lot of chaos; we did not have any of the information that is now available in the public domain'* (CSO representative 1).

Before joining the EITI, the extractive industry in Zambia was extremely opaque. This opacity came to a head through the leaking of the DAs, which, as explained earlier, caused public outrage and served as the catalyst for Zambia joining the EITI. Since it joined the EITI, data on the extractive industry in Zambia has been made publicly available via ZEITI 'reconciliation reports'[20] for each financial year. The reports publish data on payments between mining companies and government agencies. They categorise figures by payment types, company and government department. Data on production and export figures as well as non-tax revenue, such as environmental and social payments, and explanations of legal frameworks and fiscal regimes affecting the industry, are also usually included in the reports. Despite the EITI being a voluntary process in Zambia, '[the] compliance level is nearly 100 per cent, in terms of reporting from both the government and the mining sector' (ZEITI representative). Therefore, the information on the extractive industry in Zambia has significantly increased since joining the EITI. CSO representative 2 praised the initiative for giving them a clearer picture of the true makeup of the extractive industry in the country, by identifying the 'companies operating in different areas which we didn't know about before' and by providing information on 'the difference between taxes that are received by the central government as well as those that are received by the local authority'. This information

[20] The reports are termed 'reconciliation reports' because they state the figures provided by mining companies, compared to the figures provided by government agencies in two rounds; the second round allows both sides to resubmit further information to reconcile the differences and provide explanations for unreconciled differences which remain after the two rounds.

has provided CSOs with evidence to support local and national level advocacy (CSO representative 2) and helped CSOs with limited resources to prioritise where to 'channel our energies' (CSO representative 1). However, the findings of this paper indicate that the quality of transparency of the ZEITI is reduced by the quantity and quality of the ZEITI data, summarised below. Thus, in the words of the local government representative, 'there has been improvement, but a lot more needs to be done'.

Data quantity

'How can I put it… there is too much data to read.'
(Industry representative 2)

Both industry representative 2 and CSO representative 2 said that they do not read everything in the ZEITI reports because they are overwhelmed by the amount of information. They both currently or previously sat on the ZEITI MSG, so if they are not reading all the information being produced by the ZEITI, it is unrealistic to expect stakeholders who are not involved in the EITI process to digest all the information. 'Can you imagine sending a 500-page document to a local community to consume that information? It is just not possible' (CSO representative 2). While 500 pages is an exaggeration, the documents are large and filled with dense numerical data. The largest ZEITI reconciliation report was 279 pages, including appendices.[21] This vast amount of data can result in what the business and development literature term 'information overload' (Laud and Schepers 2009), which disincentivises engagement. There have been instances of ZEITI reports being simplified so they are more accessible to community members, but these were specific donor funded projects, which have now ended (ZEITI representative 2; CSO representative 2). Moreover, selecting which data to include or exclude is contentious and open to manipulation (Kolstad and Wiig 2009). This links into the next criticism, around the quality of ZEITI data.

Data quality

The quality of the data in the ZEITI was criticised by numerous interviewees (industry representative 1; industry representative 2; CSO representative 1; ZEITI representative 2). Participants argued that the ZEITI does not cover the most important issues related to the Zambian extractive industry: baseline information on mineral data, transfer pricing, mining licences and treaties. The lack of mineral baseline data was highlighted as a major concern by three interviewees (industry representative 1; CSO representative 1; ZEITI representative 2). This is where the type of mineral affecting the way the resource curse manifests becomes particularly apparent (Barma *et al*. 2011; Bulte *et al*. 2005; Moore *et al*. 2018). With copper mining in Zambia the government relies on companies to report on production figures, which are included in the ZEITI reports without being interrogated or checked: 'It is not like the ZEITI comes and does some quality checks to check whether the figures we are doing are correct' (industry representative 2). As a result of this, there was concern among interviewees on the validity of the data and on the information asymmetry between government and mining companies on mineral data. 'The government does not know the concentrations, the copper per tonne, the purity… there is no geological survey, they do not know what they have… [and] they have no clue what is going on' (industry representative 1). This was echoed by CSO representative 1: 'The biggest problem is the government is not able to interrogate further, whether what they are declaring is true or not… whatever they are given they just take it.' ZEITI representative 2 mirrored this concern: 'As things stand now, the companies… know much more and much better than the authorities themselves.' This information asymmetry and lack of scrutiny in a context where trust between stakeholders has already been broken fuels further distrust.

[21] Appendices are important as they often provide case specific evidence that can be used in CSO advocacy.

Mineral baseline data is not the only information missing from the ZEITI reports. While Zambia brought in extensive regulations on transfer pricing in 2018 (Deloitte 2018), this information is not included in the ZEITI reports; this was highlighted as a major concern by industry representative 1. The extractive industry in Zambia has been marred by scandals of abusive transfer pricing for many years (McClure 2020; Readhead 2016; RSM Zambia 2020). Despite new regulations and a recent win in court, compliance with the new regulations remains low (Litho, Sinkala and Njapau 2022) and interviewees (CSO representative 1; ZEITI representative 2; industry representative 1) and academics (Benuoga 2021) are concerned that the practices still continue to erode Zambia's tax base. Moreover, in its most recent EITI validation, Zambia lost points on the transparency component[22] (EITI 2021b). One of the corrective actions[23] which Zambia received was related to contract transparency. In Zambia the 2015 Mines and Minerals Development Act makes it illegal to make the full text of mining licences publicly available (ZEITI 2020). This is a major hinderance to the transparency of the extractive industry, especially considering that the reason for Zambia joining the EITI was due to the secrecy of the DAs. However, as it stands, in order to access any information on specific licences,[24] stakeholders have to go through a lengthy bureaucratic process and pay a fee (ZEITI representative 2). The inability of CSOs to easily access information on specific mining licences has led to an accountability vacuum, negatively impacting the conditions of mining communities: 'because institutional capacity is weak, most of them [mining companies]… do not pay attention to a whole host of things that were provided to them as conditions for operating, including the social licence to operate' (ZEITI representative 2). As well as a lack of transparency on mining licences, there is limited information on treaties affecting the extractive industry in Zambia,[25] which 'have a huge impact on what is happening in the mining sector in terms of who is losing and who is winning' (ZEITI representative 2) but are not included in the ZEITI reports or published in another publicly available forum.

It is through the above mechanisms (mining licences, treaties, transfer pricing) that most tax avoidance and evasion (industry corruption) take place (Daniel, Keen and McPherson 2010, Daniel, Keen and Thuronyi 2017). If these details are not publicly available through the EITI or otherwise, it is impossible for CSOs to scrutinise whether these practices are continuing and whether government officials are facilitating them (government corruption). 'At an operational level and in relation to specific companies, information is not very easily available for civil society or media to start asking questions' (ZEITI representative 2). The local government representative blames the lack of access to this important information on legislation which outrightly prevents it from being shared, and on 'inadequate collaboration' between different wings of government (local government representative). The exclusion of this information from the ZEITI severely reduces the quality of transparency, which reduces the ability of CSOs to be aware of and oppose corruption and bring about accountability, which further reduces trust in society. The next section explores the existence of the second scope condition outlined in theoretical framing for this research: the publicity condition.

6.2.2 Publicity condition

This section explores the ability of Zambian citizens and CSOs to fully understand the information made available to them through the ZEITI. The interview findings demonstrate that: 1) mining communities are unable to understand the EITI reports, and 2) CSOs lack the quantitative capacity necessary to analyse ZEITI data.

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22 But scored a 'high' overall score (90/100).

23 Corrective actions were regarding: 'contracts (Requirement 2.4), beneficial ownership (Requirement 2.5), production data (Requirement 3.2), export data (Requirement 3.3) and on disaggregation (Requirement 4.7) of revenue data' (EITI 2021a).

24 Which were signed after 2015.

25 Investment protection and promotion agreements, bilateral investment treaties, double taxation agreements.

Mining communities unable to understand the EITI

This document is not written in the local language; it is in English and very few people are able to read it and analyse that information.
(CSO representative 2)

In 2010 only 1.7 per cent of Zambians had a competent level of English[26] (Mwanza 2020). Translation into local languages has been a recommendation in multiple ZEITI reports but has still not become mainstreamed into the ZEITI process (EITI 2021b). Moreover, while primary school enrolment is Zambia is high, the country has low secondary school attainment (Mwanza 2020), which is arguably the minimum level necessary to understand and make sense of ZEITI reports. As previously explained, there have been projects by the ZEITI and CSOs to simplify, translate and present ZEITI reports so that they are digestible for local communities (ZEITI representative; CSO representative 2). However, these were individual donor funded projects for individual communities and when the funding runs out, the project finishes and communities are no longer able to access and understand the work of the ZEITI (CSO representative 2). More recently, some local governments have attempted to fill this gap by providing localised online platforms with relevant extractive industry information for that community (local government representative). However, even the local government representative themself questioned the effectiveness of these platforms:

It is good that there [have] been initiatives but I worry that these online systems and tech-based platforms do not provide inclusive participation because of the limited connectivity and technical know-how of the population. We need more physical interactions and a lot more outreach into the districts… The ZEITI has been doing great, but it has a limited reach by not working with government to create that bridge.
(Local government representative).

Even industry representative 2 advocated for more of these initiatives, as he believed that the mining communities' distrust in mining companies is misguided, and that proper understanding of the ZEITI data would improve this: '[We need] more education to the public, and more dissemination of the ZEITI reports, so that more people have access to it' (industry representative 2). The capacity of the population to understand and make use of ZEITI data is further reduced by the limited quantitative capacity of Zambian CSOs.

Quantitative capacity of CSOs

The second component related to the publicity condition highlighted in the interviews is that CSOs lack the quantitative capacity to properly analyse ZEITI data (ZEITI representative 1; ZEITI representative 2; industry representative 1). 'Capacity in terms of quantitative engagement is probably more needed: the financial modelling, to be able to justify a case using the numbers' (ZEITI representative). It seems to be the consensus that CSOs' capacity to use ZEITI data to improve governance outcomes is undermined by their inability to match the quantitative capacity of mining companies. 'It is too much for civil society to monitor' (industry representative 1). This capacity vacuum mainly comes down to the issue of funding, which CSOs themselves have admitted is a problem (CSO representative 2), and other interviewees are also aware of: 'Companies are able to easily buy those skills but not so much civil society' (ZEITI representative). Therefore, these two factors indicate that the publicity condition has not been met in Zambia, limiting the ability of CSOs to increase accountability, reduce corruption or increase trust. The next section explores the third scope condition outlined in the theoretical framework: the accountability condition.

[26] While this figure is over ten years old, it is astoundingly low, and is unlikely to have increased to an extent that English speakers now make up the majority.

6.2.3 Accountability condition

In Zambia, there is no obvious legal framework for citizens to hold mining companies and government officials to account and 'the supreme law of Zambia does not recognize the right of public participation'[27] (Kasapatu 2013: 60). Therefore, the only way for citizens and CSOs to seek legal accountability is to push the government to change the law itself.[28] This section analyses the four main forums available for citizens and CSOs to do this, related to the extractive industry in Zambia: 1) the ZEITI MSG, 2) other multi-stakeholder forums, 3) CSO campaigns, and 4) general elections.

The ZEITI MSG

The main accountability mechanism provided by the EITI is the MSG. The success of the MSG as an accountability mechanism was praised by both ZEITI representatives and CSO representative 2.

> *The MSG is… the most important platform at the moment.*
> (ZEITI representative 2)

> *I think the platform has created a positive way of engagement.*
> (CSO representative 2)

However, CSO representative 1 claimed that the uneven power dynamics on the MSG limit its power as an accountability mechanism: 'I have noticed during the time that I have been sitting on the Board that the government and the mining industry players, they really untwist the civil society.' This is supported by ZEITI representative 2: 'Information and capacity asymmetry sometimes compromises the quality of engagement and the accountability.' It has been argued that these uneven power dynamics have meant that mining company and government representatives have prevented some of CSOs' strongest advocates from joining the MSG: 'If they don't want a certain individual to sit on the Board that is coming from civil society… they will bring out a number of guidelines, a number of rules to ensure that that person is not going to be on the Board' (CSO representative 1). The ability of government and mining companies to dictate who sits on the MSG came to a head in 2016, when CSOs boycotted the ZEITI MSG meeting, because of the illegitimate appointment of a CSO representative (PWYP 2017).[29] Furthermore, CSO representative 2 criticised the MSG for excluding mining community members: 'That has been the cry of local communities, they say: "Look, we are the ones hosting these mining companies but we don't sit on the MSG".' Therefore, the quality of the ZEITI MSG as an accountability mechanism is greatly reduced because of the power asymmetries in favour of mining companies and government officials. However, the MSG is not the only multi-stakeholder accountability forum available in Zambia as in recent years similar forums have been formed outside of the ZEITI remit.

Other multi-stakeholder forums

CSOs, in collaboration with mining companies, have created various other forums where participants can put questions to government and mining company representatives, many of which take place in mining districts (CSO representative 2; ZEITI representative 2). For

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[27] As a result of this, some Zambian CSOs have sought legal proceedings in the country of origin of the parent company of Zambian mining subsidiaries, e.g. the UK (Volterra Fietta 2019).

[28] In some cases this has led to a backlash, where mining companies have pursued legal proceedings against Zambian CSOs (again, in other countries as this option is not available in Zambia). E.g. the case filed by First Quantum Minerals in Johannesburg against The Southern Africa Resource Watch (SARW) for its report monitoring the CSR of the company in Northern Zambia (BHRRC 2021).

[29] While CSO representative 2 and recent ZEITI reports claim that this issue has since improved, CSO representative 1 disagrees.

example, CSO representative 2 created a monthly forum for a specific mining community and company to discuss issues of CSR, which he claimed is a site for accountability (CSO representative 2). However, the fact that these initiatives are created in collaboration with mining companies could limit how much change they can truly bring about, as the agenda is being set in collaboration with the companies themselves.[30] Other CSOs have created similar initiatives, which ZEITI representative 2 claimed are 'critical… mechanisms for accountability' because they take place in mining communities, with community members. However, he also admits that they have limitations:

> *Whenever questions are being asked about 'Why is this company polluting that river? Why is this council not accounting for this amount of revenue that was collected?' … then such individuals would be labelled as 'political' and no accountability happens because it ends up being a finger pointing exercise.*
> (ZEITI representative 2)

Moreover, none of the multi-stakeholder forums, including the ZEITI MSG, have any formal power to hold any stakeholder to account through legal processes. 'Legal backing would go a long way to compel change' (local government representative). This indicates that while these forums are useful for information sharing, they are limited as accountability mechanisms as they have no legal backing and tend to serve the interests of mining companies, not communities.

CSO campaigns

The third accountability mechanism which the EITI has opened up is the use of its data in CSO campaigns (CSO representatives 1 and 2). This section looks at these campaigns as accountability mechanisms, not outcomes, i.e. not what change they have made but the strength of them as mechanisms to bring about change. As previously explained, there have been numerous campaigns run by CSOs utilising ZEITI data, which have led to some significant policy changes (ZEITI representative; CSO representatives 1 and 2). However, both ZEITI representatives and industry representative 2 seemed convinced that CSOs are not making the most of the EITI data available to them. CSO representative 2 agreed but argued that this is due to the lack of reliable funding they receive, which reduces the strength of their campaigns as accountability mechanisms. When Zambia first joined the EITI, it received financial support from the World Bank to engage stakeholders and disseminate findings (ZEITI representative 2). That financial support has now ended and CSOs have to apply for and rely on specific project-based donor support (CSO representative 2), which greatly reduces their ability to advocate for sustained system-level change in governance (accountability outcome). Furthermore, industry representative 1 argued that 'the impact of civil society on mining in Africa (accountability outcome) is not that big… because big international shareholders do not listen to local African CSOs' (accountability condition). CSO representative 1 also claimed that their ability to use EITI data to hold powerful actors to account (accountability outcome) is significantly reduced because of the voluntary nature of the EITI (accountability condition). Thus, while CSO campaigns are effective advocacy mechanisms for small project-specific issues, they are not sufficient to address the wider governance issues presented in the problem narrative of this paper.

General elections

The fourth accountability mechanism available in Zambia is general elections. Zambia holds democratic elections every five years. In recent years elections have been used as a

[30] It was noticeable that CSO representative 2 was hesitant to criticise any of the big multinational mining companies, but was openly critical of smaller mining companies, and especially Chinese owned ones. This could be because he works in collaboration with large MNCs in these forums.

platform to lobby on extractive industry issues, so it could be argued that voters use this accountability mechanism to improve EI governance outcomes in the country (Manley 2012). However, elections were only specifically mentioned by one interviewee, ZEITI representative 1, who highlighted the mismatch of timeframes between mining and electoral cycles, arguing that it is an incompatible accountability mechanism for extractive industry governance in Zambia:

> *The electoral cycle is not exactly aligned to the mining cycle. A mining operation is ten years at minimum, and the electoral cycle is five years. So, you find that the pledges that [politicians] make to the community, they have to happen within the five years… [which results in constant] changes to the fiscal regime so that politicians are able to achieve what they promised to the people.*
> (ZEITI representative 1)

In Zambia, on numerous occasions politicians have used elections to make promises of extractive industry governance, namely to increase taxation, and once they are elected, they implement those changes only to reverse them again when faced with opposition from mining companies (Manley 2012). This has resulted in Zambia changing its mineral taxation policy ‘every 18 months since 2001’ (Siwale and Chibuye 2019: 1). The constant flux in mineral taxation regimes brought frustration to many interviewees (CSO representative 1; industry representative 2; ZEITI representative 1). Thus, while few interviewees commented directly on elections as accountability mechanisms, the evidence suggests that they have not been effective to improve governance outcomes in the long run. The findings of this paper thus support the World Bank data in finding that the EITI has not led to improved extractive industry governance outcomes in Zambia, and in some cases (corruption and trust) they have actually worsened. Interviews with key ZEITI stakeholders reveal that the reason for this is that not one of the necessary scope conditions for effective transparency is sufficiently fulfilled in Zambia, thus supporting this paper’s theoretical framework, as laid out in Section 3 However, it is not possible to say from this one case whether all three scope conditions are necessary or just one of them, nor to rule out the impact of the broader governance context beyond extractives.

Table 6.3 Combined Summary of Findings

Necessary Scope Conditions		
Transparency Condition	**Publicity Condition**	**Accountability Condition**
Not sufficiently met • CSOs are overwhelmed with too much of the wrong kind of data • They are only able to bring about small-scale project-specific changes • Major governance issues (transfer pricing, mining licences and treaties) are not covered by the ZEITI, preventing meaningful EI governance change	**Not sufficiently met** • Mining communities are unable to understand ZEITI data as it is too complicated and not written in the local language • CSOs lack the quantitative capacity necessary to meaningfully analyse and interrogate ZEITI data	**Not sufficiently met** • Multi-stakeholder forums, including the ZEITI MSG, are dominated by powerful actors (mining companies and government) and hold no formal legal power • CSO campaigns lack the reliable funding and international reputation necessary to be used as meaningful accountability mechanisms • General elections in Zambia have been shown to be an incompatible accountability mechanism for EI governance in Zambia
Governance Outcomes		
Accountability	**Corruption**	**Trust**
ZEITI has **not facilitated** meaningful improvement in the ability of CSOs to hold those in power to account, except on small-scale project-specific issues	ZEITI has **not reduced** corruption in Zambia, and in some cases it has **increased** it, by providing a new means of corruption (related to EITI compliance)	ZEITI has **not improved** trust among major EI stakeholders in Zambia and it has **increased** mistrust related to CSR payments

Source: Author's own

7 Discussion and conclusion

The findings of this paper, summarised in Table 5, dispute those of Fenton Villar and Papyrakis (2017), who found that the EITI reduced corruption in Zambia. However, the data used by Fenton Villar and Papyrakis finished in 2014, and as Figure 2 in Section 6 shows, the biggest increase in corruption in Zambia happened in 2015. Furthermore, Fenton Villar and Papyrakis used data from two corruption indexes[31] both based on a variety of indicators which are not all related to the extractive industry and so could be measuring different governance outcomes entirely.[32] Moreover, Fenton Villar and Papyrakis did not undertake any interviews with ZEITI stakeholders, and only complemented their corruption data with a small amount of information from the ZEITI reports, thus the interview-based research of this paper offers a level of detail that they did not have access to. The findings of this paper do support those of Sequeira *et al*. (2016), who, despite not using the terminology of the three scope conditions, found that the ZEITI was 'insufficiently transparent' (transparency condition) and lacked 'dedicated specialist capacity' (publicity condition) and 'enabling funding' (accountability condition) which prevented CSOs from increasing accountability in voluntary environmental disclosures in Zambia.

Scholars studying the EITI in other contexts have also found that the ability of the initiative to improve extractive industry governance was hampered by the limited quality of information (transparency condition) (Brynildsen and Nombora 2013; Hilson and Maconachie 2008; Ölcer 2009), poor capacity of CSOs (publicity condition) (Dashwood *et al*. 2021; Kolstad and Wiig 2009) and inadequate accountability mechanisms (accountability condition) (Sovacool and Andrews 2015). Conversely, in the case of Mexico, the country has a strong presence of all three conditions, with 'transparency in all policy areas';[33] empowered and capable CSOs; and CSO participation in 'legislative process… [and] budgetary cycles of… extractive industry public policy'[34] (López and Fontaine 2019: 1161). This has resulted in significant improvements in extractive industry governance outcomes in Mexico (*ibid*.: 1165). Thus, while 'the EITI is a good concept… if you apply it properly' (CSO representative 1), this paper argues that its proper application requires the existence of three necessary scope conditions, which are not present in many resource-rich developing countries.

Thus, this research highlights a fundamental flaw in the ability of the EITI to address the political resource curse. The research shows that countries must already have a certain level of good domestic governance, in the form of the three scope conditions, in order for the EITI to further improve governance standards. Therefore, if countries suffer badly from the political resource curse, the EITI is unlikely to be able to help them overcome it. The findings of this paper are not just applicable to the extractive industry. International transparency standards have been promoted as silver bullets in a multitude of industries (GSI 2022; IATI 2022; OECD 2022), to improve domestic governance standards which have been eroded by highly mobile global markets. However, this paper argues that these initiatives themselves are useless if not supported by a wider enabling environment, including the three scope conditions presented here.

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31 CPI and World Bank control of corruption indicator, which have both been used in this paper.

32 Which is why this researcher complemented them with interviews with key stakeholders.

33 'Eventually organization instruments were altered to increase the autonomy of the Federal Institute of Open Data (IFAI), the highest State agency responsible for the transparency policy. Afterward, the IFAI became independent from any political or public entity, and its attributions were extended in 2014 to information access and personal data protection, as reflected in the new name of the National Institute of Transparency, Information Access and Personal Data Protection (INAI)' (López and Fontaine 2019: 1161).

34 'Regarding the extractive sector, this led to the creation of the network Collective for Transparency, which brought together 11 CSOs to collaborate with the government in the elaboration of a legal framework for the energy reform, the transparency policy and the anti-corruption policy' (López and Fontaine 2019: 1161).

Policymakers should use this paper's framework to bolster the strength of transparency initiatives and improve governance in their country as well as globally, by supporting the growth of the scope conditions to be instituted alongside transparency initiatives. Specifically, Zambian policymakers can use the findings of this paper to reflect critically on the wider impact of the ZEITI, beyond validation scores, by working to fill the cracks in the conditions which have been highlighted here. Zambian CSOs can use the research to inform campaigns, request more reliable funding from donors and advocate for improved quality of extractive industry transparency from the Zambian government.

More research is needed to assess whether any one scope condition has more weighting than others under certain circumstances and whether and how CSOs can be supported to build these conditions themselves from the grass roots level. Finally, complementary research would be beneficial to determine if and how the EITI can address the accountability issues that stem from reduced dependence on general taxation in resource-rich developing countries, which was beyond the scope of this study, and could bring about a more nuanced understanding of the issues presented here.

Appendices

Appendix 1 World Bank governance indicators background data

1.1. Voice and accountability

Voice and Accountability

Voice and accountability captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. This table lists the individual variables from each data source used to construct this measure in the Worldwide Governance Indicators

Representative Sources

EIU	Democracy index
	Vested interests
	Accountablity of public officials
	Human rights
	Freedom of association
FRH	Political rights (FRW)
	Civil liberties (FRW)
	Freedom of the net (FOTN)
GWP	Confidence in honesty of elections
IPD	Freedom of elections at national level
	Are electoral processes flawed?
	Do the representative institutions (e.g. parliament) operate in accordance with the formal rules in force (e.g.Constitution)?
	Freedom of the press (freedom of access to information, protection of journalists, etc.)
	Freedom of association
	Freedom of assembly, demonstration
	Respect for the rights and freedoms of minorities (ethnic, religious, linguistic, immigrants...)
	Is the report produced by the IMF under Article IV published?
	Reliability of State budget (completeness, credibility, performance...)
	Reliability of State accounts (completeness, audit, review law...)
	Reliability of State-owned firms' accounts
	Reliability of basic economic and financial statistics (e.g. national accounts, price indices, foreign trade, currency and credit, etc.).
	Reliability of State-owned banks' accounts
	Is the State economic policy (e.g. budgetary, fiscal, etc.)... communicated?
	Is the State economic policy (e.g. budgetary, fiscal, etc.)... publicly debated?
	Degree of transparency in public procurement
	Freedom to leave the country (i.e. passports, exit visas, etc.)
	Freedom of entry for foreigners (excluding citizens of countries under agreements on free movement, e.g. Schengen Area, etc.)
	Freedom of movement for nationals around the world
	Genuine media pluralism
	Freedom of access, navigation and publishing on Internet
PRS	Military in politics
	Democratic accountability
RSF	Press freedom index
VDM	Expanded freedom of expression
	Freedom of association
	Clean elections

Non-representative Sources

AFR	Trust parliament / national assembly
	Satisfaction with democracy
	Freeness and fairness of the last national election
BTI	Political participation (SI)
	Stability of democratic institutions (SI)
	Political and social integration (SI)
EQI	Confidence in Parliament
	Elections are Not Free and Fair
FRH	Independent media (NIT)
	Civil society (NIT)
	Electoral Process (NIT)
GII	Elections
	Public management
	Access to information and openness
	Rights
HRM	Right to Opinion and Expression
	Right to Participate in Government
	Right to Assembly and Association
IFD	Policies and framework for rural development and rural poverty alleviation
	Legal frameworks for and autonomy of rural people's organizations
IRP	Electoral index
LBO	Satisfaction with democracy
	Trust in parliament
MSI	People have rights to create, share, and consume information
	People have adequate access to channels of information
	There are appropriate channels for government information
	There are diverse channels for information flow
	Information channels are independent

OBI	Open budget index
VAB	Trust in parliament
	Satisfaction with democracy
WCY	Transparency of government policy is satisfactory
WJP	Factor 1: Limited government powers
	Factor 4: Fundamental rights
	Factor 5: Open government

Code	**Data Source Name**
ADB	African Development Bank Country Policy and Institutional Assessments
AFR	Afrobarometer
ASD	Asian Development Bank Country Policy and Institutional Assessments
BPS	Business Enterprise Environment Survey
BTI	Bertelsmann Transformation Index
CCR	Freedom House Countries at the Crossroads
EBR	European Bank for Reconstruction and Development Transition Report
EIU	Economist Intelligence Unit Riskwire & Democracy Index
EQI	European Quality of Government Index (Underlying Survey Data)
FRH	Freedom House
GCB	Transparency International Global Corruption Barometer Survey
GCS	World Economic Forum Global Competitiveness Report
GII	Global Integrity Index
GWP	Gallup World Poll
HER	Heritage Foundation Index of Economic Freedom
HRM	Human Rights Measurement Initiative
HUM	Cingranelli Richards Human Rights Database and Political Terror Scale
IFD	IFAD Rural Sector Performance Assessments
IJT	iJET Country Security Risk Ratings
IPD	Institutional Profiles Database
IRP	African Electoral Index
LBO	Latinobarometro
MSI	International Research and Exchanges Board Vibrant Information Barometer
OBI	International Budget Project Open Budget Index
PIA	World Bank Country Policy and Institutional Assessments
PRC	Political Economic Risk Consultancy Corruption in Asia Survey
PRS	Political Risk Services International Country Risk Guide
RSF	Reporters Without Borders Press Freedom Index
TPR	US State Department Trafficking in People report
VAB	Vanderbilt University Americas Barometer
VDM	Varieties of Democracy Project
WCY	Institute for Management and Development World Competitiveness Yearbook
WJP	World Justice Project Rule of Law Index
WMO	Global Insight Business Conditions and Risk Indicators

1.2. *Control of corruption*

Control of Corruption

Control of corruption captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. This table lists the individual variables from each data source used to construct this measure in the Worldwide Governance Indicators

Representative Sources

EIU	Corruption among public officials
GCS	Public trust of politicians
	Diversion of public funds
	Irregular payments in exports and imports
	Irregular payments in public utilities
	Irregular payments in tax collection
	Irregular payments in public contracts
	Irregular payments in judicial decisions
GWP	Is corruption in governmnent widespread?
IPD	Level of "petty" corruption between administration and citizens
	Level of corruption between administrations and local businesses
	Level of corruption between administrations and foreign companies
PRS	Corruption
VDM	Corruption index
WMO	*Corruption.* The risk that individuals/companies will face bribery or other corrupt practices to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork. This threatens a company's ability to operate in a country, or opens it up to legal or regulatory penalties and reputational damage.

Non-representative Sources

ADB	Transparency, accountability, and corruption in public sector
AFR	Corruption: office of the presidency
	Corruption: judges and magistrates
	Corruption: government officials
ASD	Transparency, accountability, and corruption in public sector
BPS	How common is it for firms to have to pay irregular additional payments to get things done?
	Percentage of total annual sales do firms pay in unofficial payments to public officials?
	How often do firms make extra payments in connection with taxes, customs, and judiciary?
	How problematic is corruption for the growth of your business?
BTI	Anti-corruption poicy
EQI	Corruption Is Prevalent in Education System
	Corruption is Prevalent in Health Care System
	Corruption is Prevalent in Police Force
	Been Asked For a Bribe in Past 12 Months (% Yes)
	Paid a Bribe in Past 12 Months (% Yes)
FRH	Corruption (NIT)
GCB	Frequency of household bribery: education
	Frequency of household bribery: judiciary
	Frequency of household bribery: medical
	Frequency of household bribery: police
	Frequency of household bribery: permit
	Frequency of household bribery: utilities
	Frequency of corruption among public institutions: Parliament / legislature
	Frequency of corruption among public institutions: Legal system / judiciary
	Frequency of corruption among public institutions: Public officials
GII	Accountability
IFD	Accountability, transparency and corruption in rural areas
LBO	Corruption in judiciary
	Corruption in office of the presidency
	Corruption in parliament
	Corruption in public employees
	Corruption in local government (councilors)
	Corruption in police
	Corruption in national tax office
PIA	Transparency, accountability and corruption in public sector
PRC	To what extent does corruption exist in a way that detracts from the business environment for foreign companies?
VAB	Perception of politicians to be corrupt -- % of respondents agreeing with statements: more than half & all politicians are corrupt
	Thinking of the politicians, how many of them do you believe are involved in corruption?
WCY	Bribery and corruption do not exist
WJP	Factor 2: Absence of corruption

Appendix 2 ZEITI annual reconciliation report contents (2009–2020)

Source: Author's own

* While the 2008 report is listed on the website, when attempting to download on various different devices it comes up with an error page

	2009	2010	2011	2012	2013	2014
1	**Executive Summary:** - Findings - Reconciliation results	**Introduction** - Objective - Scope of work - Structure of the report - Acknowledgement	**Introduction** - Background - Objective - Nature and extent of our work	**Introduction** - Background - Objective - Nature and extent of our work	**Introduction** - Background - Objective - Nature and extent of our work	**Introduction** - Background - Objectives - Nature of our work
2	**General Context**	**Executive Summary** - Summary of the flows reported - Government receipts - Unreconciled differences - Completeness and accuracy of data	**Executive Summary** - Completeness and accuracy of data - Payment Reconciliation - Government revenues	**Executive Summary** - Revenue Generated from the Extractive Industries - Production and Exports - EITI Scope - Completeness and Accuracy of Data - Reconciliation of Cash Flows	**Executive Summary** - Revenue Generated from the Extractive Industry - Production and Exports - EITI Scope - Completeness and Accuracy of Data - Reconciliation of Cash Flows	**Executive Summary** - Revenue Generated from the Extractive Sector - Analysis of Production and Exports - Scope of the reconciliation - Completeness and Accuracy of Information - Reconciliation of Financial Flows - Analysis of Government Revenues - Corporate Social Responsibility Payments - VAT Refunds
3	**Approach and Methodology** - Scoping study - Capacity building workshops - Reconciliation work and reporting	**Overview of the extractive sector in Zambia** - Oil and gas sector - Mineral sector	**Approach and Methodology** - Scoping study - Capacity building workshop - Reconciliation process - Reliability and credibility of EITI data - Basis of reporting	**Approach and Methodology** - Scoping Study - Data Collection - Reconciliation and Investigation of Discrepancies - Reliability and Credibility of Data Reported - Basis of Reporting	**Approach and Methodology** - Scoping Study - Data Collection - Reconciliation and Investigation of Discrepancies - Reliability and Credibility of Data Reported - Basis of Reporting	**Approach and Methodology** - Scoping Study - Information Collection - Reconciliation and Investigation of Discrepancies - Reliability and Credibility of Information Reported - Basis of Reporting

	2009	2010	2011	2012	2013	2014
4	**Reconciliation Scope** - Sectors and Activities - Taxes, Charges and Fees - Extractive companies - Governmental Bodies - ZCCM-IH	**Approach, methodology and work done** - Scoping of reconciliation - Elements of the reconciliation work	**Overview of the Extractive Sector in Zambia** - Oil and Gas sector - Mining Sector	**Contextual Information on the Extractive Industry** - Oil and Gas Sector - Mining Sector - Collection and Distribution of the Extractive Revenues - Beneficial ownership - State Participation in the Extractive Sector - Audit and Assurance Practices in Zambia	**Contextual Information on the Extractive Industry** - Oil and Gas Sector - Mining Sector - Collection and Distribution of the Extractive Revenues - Beneficial ownership - State Participation in the Extractive Sector - Audit and Assurance Practices in Zambia	**Determination of the Reconciliation Scope** - Selection of financial flows - Selection of Extractive Companies - Reconciliation scope
5	**Results of the Reconciliation Exercise** - Reporting by extractive companies and Governmental Bodies - Reporting by tax category - Adjustments - Unreconciled discrepancies - Analysis of payments - Production declared by extractive companies - Social payments and transfers	**Scope of the reconciliation** - Flows and entities included in the reconciliation - Determination of scope of the reconciliation - ZCCM Investment Holdings PLC - Environmental protection fund	**Determination of the Reconciliation Scope** - Sectors and Activities - Payment flows - Extractive companies - Flow chart of payments	**Determination of the Reconciliation Scope** - Selection of payment flows - Selection of Extractive Companies - Reconciliation scope	**Determination of the Reconciliation Scope** - Selection of payment flows - Selection of Extractive Companies - Reconciliation scope	**Reconciliation Results** - Payment Reconciliation between Mining Companies and Government Entities - Payment reconciliation per company - Payment reconciliation between mining companies and ZCCM-IH

	2009	2010	2011	2012	2013	2014
6	**Recommendations and Conclusions** - Recommendations - Conclusions	**Results of the Reconciliation** - Flows to government analysed by company - Flows to governmemnt by payment type - Reconciliation adjustments and unreconciled differences - ZCCM-IH: Dividends and price participation fees - Production declared by extractive companies for 2010	**Reconciliation Scope** - Taxes and revenues covered - Extractive companies - Government Agencies	**Reconciliation Results** - Payment Reconciliation Between Mining Companies and Government Entitites - Payment reconciliation between mining companies and ZCCM-IH	**Reconciliation Results** - Payment Reconciliation between Mining Companies and Government Entities - Payment reconciliation between mining companies and ZCCM-IH	**Contextual Information on the Extractive Industry** - Oil and Gas Sector - Mining Sector - Collection and Distribution of the Extractive Revenues - Beneficial Ownership - Government Participation in the Extractive Sector - Audit and Assurance Practices in Zambia
7	**Annexes** - Terms of Reference - Reconciliation by extractive company - Reporting template - List of companies paying taxes to the ZRA - Persons contacted or involved in the Audit	**Recommendations**	**Results of the Reconciliation** - Reporting by extractive companies and Governmental Bodies - Reporting by tax category - Reconciliation adjustments - Unreconciled discrepancies	**Reported Data** - Analysis of Government Revenues - Social payments - Analysis of production data - Analysis of export data	**Reported Data** - Analysis of Government Revenues - Social payments - Analysis of production data - Analysis of export data	**Recommendations**

	2009	2010	2011	2012	2013	2014
8		**Appendices** - Persons met during the reconciliation - Terms of reference - Reporting template - Reconciliation by extractive company - List of licensed companies involved in the extractive sector, exploration and production - Audit certifications obtained - Payments to local councils by company	**Reported Data** - Analysis of Government revenues - Social payments - ZCCM-IH revenues - Production declared by extractive companies	**Recommendations** - Lessons learned from the 2012 Reconciliation - Follow up of the recommendations of the 2011 EITI Report	**Recommendations** - Lessons learned from the 2012-2013 Reconciliation - Follow up of the recommendations of the 2011 EITI Report	**Annexes** - Reporting template and Supporting Schedule - Tracking table of certified declaration forms - Extractive companies profile and immediate beneficial ownership - List of Oil and Gas companies - List of Mining Rights (MMMD)
9			**Recommendations** - Lessons learned from 2011 reconciliation - Follow up of the recommendations of the 2010 Report	**Annexes** - Reporting template and Supporting Schedule - Tracking table of certified declaration forms - Extractive companies profile and beneficial ownership - List of Oil and Gas companies - Evaluation Criteria for Bids for Petroleum Exploration Licence - Oil and Gas Exploration Blocks of Zambia - List of Mining Rights (MMEWD) - Reconciliation sheets by company - Persons contacted or involved in the 2012 ZEITI reconciliation	**Annexes** - Reporting template and Supporting Schedule - Tracking table of certified declaration forms - Extractive companies profile and beneficial ownership - List of Oil and Gas companies - Evaluation Criteria for Bids for Petroleum Exploration Licence - Oil and Gas Exploration Blocks of Zambia - List of Mining Rights (MMEWD) - Reconciliation sheets by company - Persons contacted or involved in the 2013 ZEITI reconciliation	

	2015	2016	2017	2018	2019	2020
1	**Introduction** - Background - Objectives - Nature of our work	**Introduction** - Background - Objective - Nature and Extent of our Work	**Executive Summary** - Introduction - Key figures of the ZEITI Report 2017 - Reporting and reconciliation results - Recommendations	**Executive Summary** - Introduction - Key figures of the ZEITI Report 2018 - Reporting and reconciliation results - Recommendations	**Introduction** - Background - Objective - Scope of the report - Nature and extent of our work	**Introduction** - Background - Objective - Scope of the report - Nature and extent of our work
2	**Executive Summary** - Revenue Generated from the Extractive Sector - Analysis of Production and Exports - Scope of the reconciliation - Completeness and Accuracy of Information - Reconciliation of Financial Flows - Analysis of Government Revenues	**Executive Summary** - Revenue Generated from the Extractive Industry - Production and Exports - EITI Scope - Completeness and Reliability of Data - Summary of the Reconciliation Results - Limitations - Mainstreaming Data - Follow-up on the Latest Validation Results - Findings	**Approach and Methodology** - Preliminary analysis of the scope - Data collection - Reconciliation and investigation of discrepancies - Reliability and credibility of data reported - Basis and period of reporting - Procedures for the management and protection of the collected data	**Approach and Methodology** - Preliminary analysis of the scope - Data collection - Reconciliation and investigation of discrepancies - Reliability and credibility of data reported - Basis and period of reporting - Procedures for the management and protection of the collected data	**Executive Summary** - Revenues generated from the extractive industry - Contribution to the economy - Production and exports - Reporting and reconciliation results - Recommendations	**Executive Summary** - Revenues generated from the extractive industry - Contribution to the economy - Production and exports - Reporting and reconciliation results - Recommendations
3	**Contextual Information on the Extractive Industry** - Oil and Gas Sector - Mining Sector - Collection and Distribution of the Extractive Revenues - Beneficial Ownership - Government Participation in the Extractive Sector - Audit and Assurance Practices in Zambia - Corporate Social Responsibility - VAT Refunds	**Approach and Methodology** - Scoping Study - Data Collection - Reconciliation and Investigation of Discrepancies - Reliability and Credibility of Data Reported - Accounting Records	**Contextual Information on the Extractive Industry** - Key Features of the Extractive Industry - Legal and institutional Framework - Fiscal Regime - Environmental regulation - Licenses - Contribution of the Extractive Industry to the Economy - Production and Exports - State participation - Collection and Distribution of the Extractive Revenues - Audit and Assurance Practices and Controls in Zambia - Beneficial Ownership	**Contextual Information on the Extractive Industry** - Key Feautures of the Extractive Industry - Legal and Institutional Framework - Fiscal Regime - Environmental Legislation - Licenses - Production and Export - Contribution of the Extractive Industry to the Economy - State participation - Collection and Distribution of the Extractive Revenues - Audit and Assurance Practices and Controls in Zambia - Beneficial Ownership	**Reconciliation Scope and Results of Reconciliation Works** - Scope of ZEITI Report 2019 - Approach and Methodology - Results and reconciliation works - Adjustments - Unreconciled differences - Unilateral disclosure of revenues by government - Unilateral disclosure of VAT refunds by in-scope companies	**Reconciliation Scope and Results of Reconciliation Works** - Scope of ZEITI Report 2020 - Approach and Methodology - Results and reconciliation works - Unilateral disclosure of VAT refunds by in-scope companies

	2015	2016	2017	2018	2019	2020
4	**Approach and Methodology** - Scoping Study - Information Collection - Reconciliation and Investigation of Discrepancies - Reliability and Credibility of Information Reported - Basis of Reporting	**Contextual Information on the Extractive Industry** - Key Features of the Extractive Industry - Legal Framework - Fiscal Regime - Contribution of the Extractive Industry to the Economy - Production and Exports - State-Owned Enterprise - Collection and Distribution of the Extractive Revenues - Licenses - Audit and Assurance Practices	**Determination of the Reconciliation Scope** - Revenue Streams - Extractive Companies - Reconciliation Scope - Reporting by Project Level - Level of Disaggregation - Materiality of Deviation and acceptable reconciliation difference	**Determination of the Reconciliation Scope** - Revenue Streams - Extractive Companies - Reconciliation Scope - Reporting by Project Level - Level of Disaggregation - Materiality of Deviation and acceptable reconciliation difference	**Extractive Sector in Zambia** - Legal framework and fiscal regime - Contracts and license allocation - Register of licenses - Disclosure of contracts and licenses - Beneficial ownership - State participation - Exploration and production - Revenue collection - Revenue allocation - Social and economic spending	**Extractive Sector in Zambia** - Legal framework and fiscal regime - Contracts and license allocation - Register of licenses - Disclosure of contracts and licenses - Beneficial ownership - State participation - Revenue collection - Revenue allocation - Social and economic spending
5	**Determination of the Reconciliation Scope** - Selection of financial flows - Selection of Extrative Companies - Reconciliation scope	**Determination of the Reconciliation Scope** - Revenue Streams - Extractive Companies - Reconciliation Scope - Reporting by Project Level - Level of Disaggregation - Materiality Deviation - Beneficial Ownership	**Reconciliation Results** - Payment Reconciliation between Extractive Companies and Government Agencies - Adjustments - Unreconciled Differences - Unilateral Disclosure of Revenues by Government Agencies	**Reconciliation Results** - Payment Reconciliation between Extractive Companies and Government Agencies - Adjustments - Unreconciled Differences - Unilateral Disclosure of Revenues by Government Agencies	**Analysis of the Reported Data** - Analysis of government revenues - Analysis of employment data	**Analysis of the Reported Data** - Analysis of government revenues - Analysis of employment data
6	**Reconciliation Results** - Payment Reconciliation between Mining Companies and Government Entities - Payment reconciliation per company	**Reconciliation Results** - Payment Reconciliation between Extractive Companies and Government Agencies - Adjustments - Unreconciled Differences - Unilateral Disclosure of Revenues by Government Agencies	**Analysis of Reported Data** - Analysis of Government Revenues - Analysis of Social Payments - Analysis of Payments by Project - Analysis of Employment Data - Analysis of Production Data - Analysis of VAT Credit	**Analysis of Reported Data** - Analysis of Government Revenues - Analysis of Social Payments - Analysis of Payments by Project - Analysis of Employment Data	**Recommendations** - 2019 IA Recommendations - Follow up of recommendations of previous EITI Processes	**Recommendations**

	2015	2016	2017	2018	2019	2020
7	**Recommendations**	**Analysis of Reported Data** - Analysis of Government Revenues - Analysis of Social Payments - Analysis of Payments by Project - Analysis of Employment Data - Analysis of Production Data - Analysis of Export Data	**Recommendations** - 2017 IA Recommendations - Follow up of recommendations of previous EITI Processes	**Recommendations** - 2018 IA Recommendations - Follow up of recommendations of previous EITI Processes	**Impact of the COVID-19 Pandemic on the Extractive Industry in Zambia** - Objectives of the survey - Results of the survey to companies - Results of the survey to Government Agencies	**Annexes** - List of Annexes available at: http//zambiaeiti.org - Letter from the Mining Cadastre Department on the award and transfer of Mining Licences - Evaluation Criteria for applications for Mining Licence - Evaluation Criteria for bids for Petroleum Exploration Licence - Award and transfer of Petroleum Licences - Letter from the Geological Survey Department - BO declaration form - Estimated budget of the works provided by KMP to Solwezi Council - Tracking table of certified reporting templates - Company by company reconciliation sheets
8	**Annexes** - Reporting template and Supporting Schedule - Tracking table of certified declaration forms - Extractive companies profile and immediate beneficial ownership - List of Oil and Gas companies - List of Mining Rights (MMMD)	**Recommendations** - EITI Implementation - Governance of the Mining Sector - Follow up Recommendations of previous EITI Processes	**Annexes** - Payment from the Oil abd Gas companies (Unilateral Disclosure by the Petroleum Unit) - Company by company reconciliation sheets - Tracking table of certified reporting templates - Extractive companies' profile and beneficial ownership - Register of Licenses - List of Licenses Transferred - Evaluation Criteria for Bids for Petrolleum Exploration Licence - Detail of social payments - Detail of unilateral disclosure by company - Letter from the Mining Cadastre Department	**Annexes** - Payment from the Oil and Gas companies (Unilateral Disclosure by the Petroleum Unit) - Company by company reconciliation sheets - Tracking table of certified reporting templates - Extractive companies' profile and beneficial ownership - Register of Licenses - List of Licenses Transferred 2018 - Evaluation Criteria for Bids for Petroleum Exploration Licence - Evaluation Criteria for application for Mining Licence - Detail of social payments - Detail of unilateral disclosure by company - Award and transfer of Mining Licenses - Letter from the Mining Cadastre Departmenr - Minerals Export Data 2018 reported by ZRA - Award and transfer of Petroleum Licenses - Letter from the Geological Survey Department - Summary table of the technical and financial criteria used for awarding and transferring mining licenses in 2018 is presented in Annex 13 to the Report - OAG confirmation letter on the Reporting Templates submitted by the Government Agencies	**Annexes** - List of mining licences granted in 2019 - Letter from the Mining Cadastre Department on the award and transfer of Mining Licenses - Evaluation Criteria for applications for Mining Licence - Evaluation Criteria for Bids for Petroleum Exploration Licence - Award and transfer of Petroleum Licences - Letter from the Geological Survey Department - Register of mining licenses - BO declaration form - Payment streams included in the scope of the report - Estimated budget of the works provided by KMP to Solwezi Council - Details of the companies social payments in 2019 - Production data as reported by the in-scope companies in 2019 - Minerals Export Data 2018 reported by ZRA - Tracking table of certified reporting templates - Payments from the Oil and Gas companies (Unlilateral Disclosure by the Petroleum Unit) - Company by company reconciliation sheets - List of Licences Transferred in 2019 - Detail on the unilateral disclosure by company - List of mining contracts and licenses publically available - Legal and beneficial ownership of in-scope companies	

	2015	2016	2017	2018	2019	2020
9		**Annexes** - List of Petroleum Companies - List of Mining Companies Below the Materiality Threshold - Tracking table of certified reporting templates - Extractive companies profile and beneficial ownership - Register of Licenses - Reporting Templates and Supporting Schedule - List of Licenses Transferred - Evaluation Criteria for Bids for Petroleum Exploration Licence - Systematic disclosure assessment table - List of Outstanding Documents - Persons Contacted or Involved in the 2016 ZEITI Process				

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